

2 0 2 0
annual report



transforming
tomorrow





TRANSFORMING TOMORROW

Transformation is a sign of a sustainable future. We have already concentrated on digital transformation and been able to transform our bank into a digital technology driven one. We have not withdrawn ourselves from this change, rather moving forward with the pace of information technology.

Although butterflies get all the attention, we cannot deny the role of the caterpillar in the cycle. We believe you are playing the lead role behind the story that we built together and acknowledge the inspiration you gave us in this journey.

Let's transform our tomorrow.



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

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

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

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

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

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

কুরআন মজীদে আল্লাহ তা’আলা বলেন:

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

সূরা আল বাকারা ২৭৫

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

সূরা আল বাকারা-২৭৮



VERSES FROM THE HOLY QURAN AND HADITH

IN THE NAME OF ALLAH, MOST GRACIOUS, MOST MERCIFUL

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

-Surah Al-Baqarah,verse : 275

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

-Surah Al-Baqarah,verse : 276

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

-Surah Al-Baqarah,verse : 278

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

-Surah Al-Baqarah,verse : 278

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

-Surah Ar-ra'ad, verse : 11

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

- Al Hadith Muslim

STANDARD DISCLOSURE CHECKLIST TO THE KEY SECTIONS OF THE ANNUAL REPORT 2020

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LETTER OF TRANSMITTAL

All Shareholders of Social Islami Bank Limited
Bangladesh Bank (BB)
Registrar of Joint Stock Companies & Firms (RJSC)
Bangladesh Securities & Exchange Commission (BSEC)
Dhaka Stock Exchange Ltd. (DSE)
Chittagong Stock Exchange Ltd. (CSE)

Subject: Annual Report 2020 of Social Islami Bank Limited.

Muhtaram.

As-salamu Alikum Wa Rahmatullah,

Reference to the above, we enclose herewith the copy of Annual Report 2020 including Directors' Report, Going Concern Report, Corporate Governance Report and Internal Control System of Social Islami Bank Limited along with audited consolidated and solo Financial Statements as at 31st December 2020. 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

NOTICE OF THE 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting (AGM) of the Shareholders of Social Islami Bank Limited will be held virtually by using digital platform through link <https://sibl.bdvirtualagm.com> (in pursuant with BSEC order SEC/SRMIC/94-231/91 dated March 31, 2021) on Tuesday, the 6th July, 2021 at 11:00 a.m. 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, 2020 together with the reports of the Auditors thereon;
2. To declare dividend for the year 2020 as recommended by the Board of Directors;
3. To elect Directors in accordance with the provisions of law and Articles of Association of the Company;
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 2021 and fix their remuneration.

By Order of the Board



(Abdul Hannan Khan)
Company Secretary

Date: 14th June, 2021

Notes:

- a. The 'Record Date' was on Tuesday, the 1st June, 2021;
- 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 26th AGM and receive entitled dividend;
- c. The 26th AGM of the Company would be conducted through Digital Platform in line with the order SEC/SRMIC/94-231/91 dated March 31, 2021 of Bangladesh Securities and Exchange Commission (BSEC);
- d. Details login process for attending the meeting will be available in the Company's Website at www.siblbld.com;
- e. 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 through Digital Platform. Forms of Proxy, duly stamped of Tk. 20/- (Taka twenty) only must be submitted at the Registered Office of the Company at least 72 hours before the time fixed for the meeting;
- f. The soft copy of the Annual Report-2020 of the Bank has already sent through e-mail address of the Members available in their Owner (BO) accounts maintained with the Depository as per BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018;
- g. Depository Participant (DP)/ Stock brokers are requested to send the list of Margin loan holders having details information of the Shareholders as per record date within 24th June, 2021; and
- h. Annual Report along with Directors Report, Balance Sheet, Audited Financial Statements and Proxy Forms shall be available at the Bank's website (www.siblbld.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).



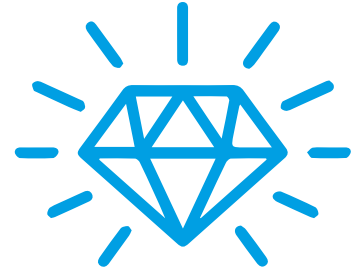
OUR VISION

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



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

HONESTY



Gaining efficiency through best use of man and machine.

EFFICIENCY



Accountable to the stakeholders and to the society at large.

ACCOUNTABILITY



Transparent in each and every banking transaction.

TRANSPARENCY



Continuous innovative idea generations and designing of banking products and services.

INNOVATION



Gaining efficiency through best use of man and machine.

SECURITY



Service flexibility is one of the most important features.

FLEXIBILITY



SIBL enhances economic well being with the bliss of religious ethics.

RELIGIOUSNESS



Providing of upgraded technological banking services.

TECHNOLOGY

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 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.
- 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,

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 : +88-09612001122 (PABX)
FAX : 88-02-9568098
Email : info@sibl-bd.com
Website : www.sibld.com
SWIFT : SOIVBDDH

Chairman

Prof. Md. Anwarul Azim Arif

Managing Director & CEO

Mr. Quazi Osman Ali

Company Secretary

Mr. Abdul Hannan Khan

Chief Risk Officer

Mr. Muhammed Mizanul Kabir

Chief Financial Officer

Mr. Walid Mahmud Sobhani, FCMA

Chief Compliance Officer

Mr. Giash Uddin Bhuiyan

Auditors

Hoda Vasi Chowdhury & Co
Chartered Accountants
Bangladesh Textile Mills Corporation Bhaban
7-9 Kawran Bazar Rd, Dhaka 1217

Shafiq Basak & Co.
Chartered Accountants
Shatabdi Centre (6th Floor) 292
Inner Circular Road, Fakirapool
Motijheel, Dhaka

Credit Rating Agency

Emerging Credit Rating Ltd.
Legal Form
Public Limited Company

Company Registration No.

C-28763(44)/95

Bank's License No.

DBOD(D):200/60-943/95

Tax Payer Identification No.

144050147394

Business Identification No.

000302065

Authorized Capital

Taka 30,000,000,000

Paid up Capital

Taka 9,380,084,230

Number of Shares:

938,008,423

Investors' Inquiry:

Share Department
City Center, Mezzanine-2
90/1 Motijheel C/A, Dhaka-1000
PABX: 88 02 09612001122 (50431)
Phone: 9571852

Number of Employees:

3100 (three thousand one hundred)

Number of Branches:

168 (One Hundred Sixty Eight)

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):

City Center, 90/1 Motijheel C/A, Dhaka-1000

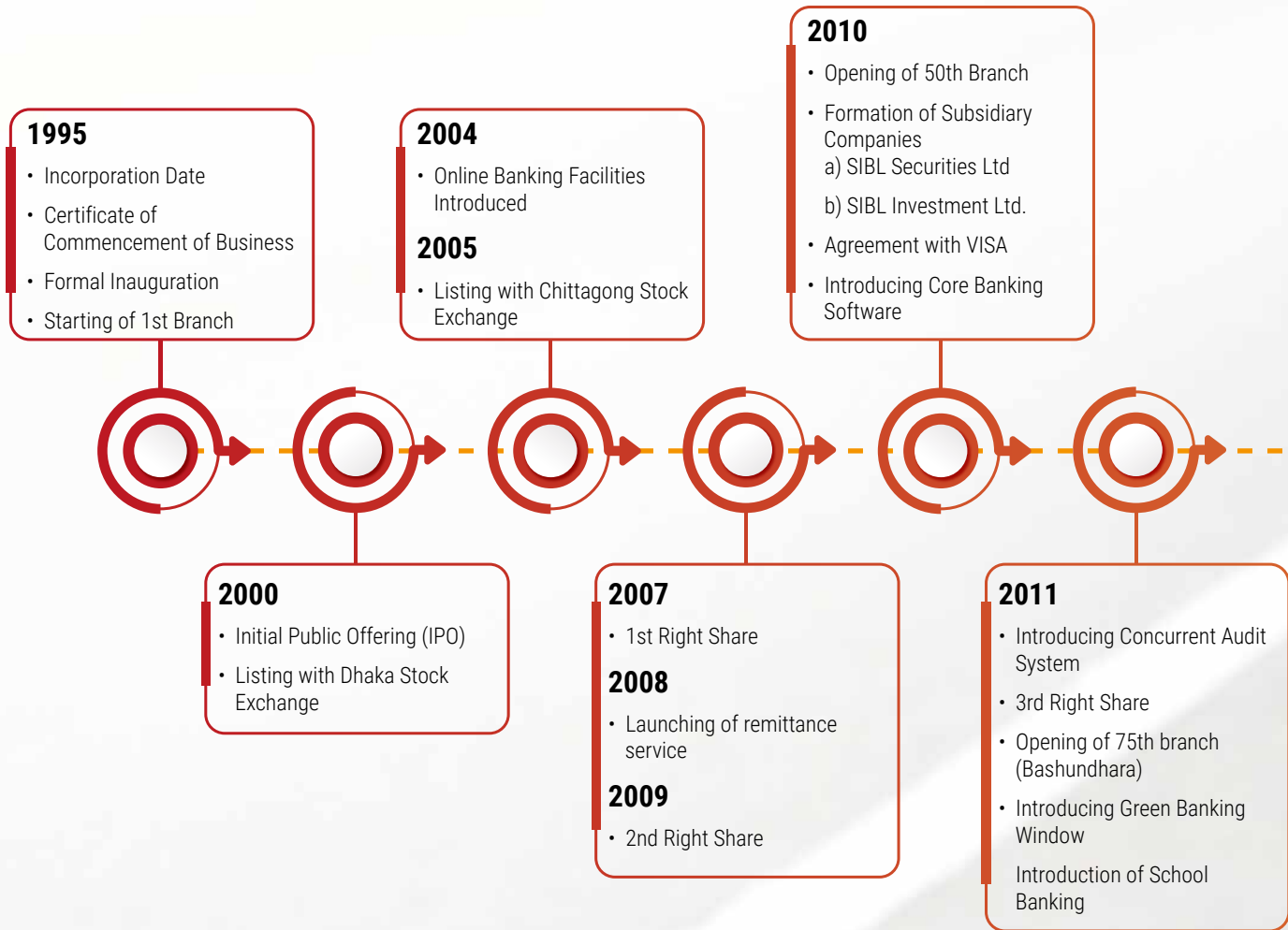
Listing Status:

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 31.12.2020

DSE: Taka 13.00, Category A
CSE: Taka 12.90, Category A



2012

- Own Corporate Head Office at City Centre
- Launching of Offshore Banking Unit
- Launching of Internet Banking

2015

- Issuance of Mudaraba Subordinated Bond
- Introduction of Agent Banking

2016

- Opening of 125th Branch (Corporate Branch)

2017

- Opening of 138th Branch

2019

- Introduction of Sub Branches
- Opening of 161st Branch

2014

- 6,25,000 nos. of Deposit Accounts
- 49,000 nos. of Investment Accounts
- Opening of 100th Branch (Kankirhat)

2018

- Launching Internet Banking (SIBL Now)
- International Rating from Moodys
- Opening of 155th Branch

2020

- Launching Call Center
- Introducing e-account service
- Opening of 168th branch

SPONSORS OF SIBL

| | |
|-----|--|
| 1. | Late 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. | Late Abdul Awal Patwary |
| 14. | Mr. Md. Anisul Hoque, Representing Hamdard Laboratories (Waqf) Bangladesh |
| 15. | Mrs. Nargis Mannan, B.A.(Hons), M.A.(DU) |
| 16. | Mrs. Fatema Begum |
| 17. | Mrs. Shamsunnahar Begum |
| 18. | Mrs. Zohra Alam |
| 19. | Islam Import & Export Associate Ltd. |
| 20. | Al-Haj Nasiruddin |
| 21. | Mr. Kamal Uddin Ahmed |
| 22. | Mr. Ahmed Akbar Sobhan |
| 23. | Mrs. Hasina Iqbal |
| 24. | Al-Haj Sk. Mohammad Rabban Ali |
| 25. | Alhaj Mohammad Aynul Haque |
| 26. | Mr. Mohammad Azam |
| 27. | Mr. Md. Aminuddin |
| 28. | Dr. Reshmi Mannan Siddique, B.sc. (Econ.), (Lse), U.KM.Sc. (Oxon.), M.S. (NY), Ph.D. (Ohio) (U.S.A.) |
| 29. | Dr. Ghalib Mannan, M.B.B.Ch. (Wales) (U.K.), M.D (U.S.A.) |
| 30. | Mr. Sadat Sobhan |
| 31. | Alhaj S.N. Haque |

FUNCTIONS OF SOCIAL ISLAMI BANK LIMITED

01

**Deposit Procurement
& management
under shariah**



02

**Financial Services
i.e. Letter of Guarantee,
Money Transfer**



03

**Investment using Islamic
Financial Contract**



04

**Corporate Social
Responsibilities (CSR)**





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
 - » 2 Month
 - » 3 Month
 - » 100 Days
 - » 4 Month
 - » 6 Month
 - » 200 Days
 - » 12 Month
 - » 2 Years
 - » 3 Years
- **Mudaraba Monthly Profit Deposit Scheme**
 - » Mudaraba Monthly Profit Deposit Scheme(3 year)
 - » Shachanda Protidin
 - » Shuborno Lata
 - » Shobuj Chaya
 - » Mudaraba Monthly Profit Deposit Scheme (1 year)
 - » SIBL Astha(one year)
 - » SIBL Astha(two year)

- **Mudaraba Deposit Pension Scheme**
 - » Mudaraba Special Deposit Pension Scheme
 - » Sonali Din
 - » Shukher Thikana
 - » Suborno Rekha
 - » Shobuj Shayanho
 - » SIBL Super DPS
- **Mudaraba Hajj Scheme**
 - » Kafela
- **Mudaraba Lakhpoti, Millionaire & Kotipoti Scheme**
 - » Shopner Shiri (Lakhpoti)
 - » Suborno Digonto (Millionaire)
 - » Shorno Shikhor (Kotipoti)
- **Other Schemes**
 - » Mudaraba Zakat Savings Scheme
 - » SIBL Youngster Account
 - » Shanchita Special Deposit Scheme
 - » Mudaraba Marriage Savings Scheme
 - » Mudaraba Mohorana Savings Scheme
 - » Mudaraba Education Deposit Scheme
 - » Mudaraba Bashsthan Savings Scheme
- **Cash Waqf**
 - » Cash Waqf Deposit Scheme
 - » Cash Waqf Savings Scheme
 - » Cash Waqf Mudaraba Monthly Profit Deposit 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 & 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



OTHER SERVICES

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



MEDIA ACCOLADE



এসআইবিএল
প্রধানমন্ত্রীর প্রণয়ভায়ে গতকাল দুপুরে ৭৫ হাজার পিল তথ্য প্রকাশ করেন সোশ্যাল ইসলামী ব্যাংকের চেয়ারম্যান প্রফেসর মো. আনোয়ারুল আজিম আরিফ। প্রধানমন্ত্রীর পক্ষে তথ্য রাখা করেন প্রধানমন্ত্রীর দুসানলিভ ড. আবদুল কালামলি। বিজয়ি।

জাহেদুল জগজ



Prof. Md. Anwarul Azim Arif, Chairman of Social Islami Bank Ltd, inaugurated SIBL Call Center as the chief guest on Tuesday at the bank's head office and Dr. Md. Jahangir Hossain, Director of the bank's head office and Dr. Osman Ali, Managing Director & CEO, presided over the inaugural ceremony.

FE The Financial Express

The Daily Star



Daxul Osman Ali, managing director of Social Islami Bank, opens two branches, one in Pragati Sarani of Dhaka and another in Mirsarai of Chittagang, through a digital platform from the bank's head office in Dhaka recently.



সোশ্যাল ইসলামী ব্যাংক লিমিটেডের ২৫তম প্রতিষ্ঠাবার্ষিকী গতকাল রবিবার নানা আয়োজনে মাঠে উদযাপিত হয়েছে। এ উপলক্ষে আয়োজিত এক অনুষ্ঠানে প্রধান অতিথি হিসেবে উপস্থিত ছিলেন ব্যাংকের পরিচালনা পর্ষদের চেয়ারম্যান অধ্যাপক মো. আনোয়ারুল আজিম আরিফ। অনুষ্ঠানে সম্বোধিত করেন ব্যাংকের ব্যবস্থাপনা পরিচালক ড. ওসমান আলী ও প্রধান নির্বাহী কর্মী ওসমান আলী। ব্যাংকের উপব্যবস্থাপনা পরিচালক আবু নাসের চৌধুরী, মো. সিরাজুল হক ও মো. সামছুল হকসহ উচ্চতর কর্মকর্তারা এ সময় উপস্থিত ছিলেন।

ইতিফাক



সোশ্যাল ইসলামী ব্যাংক মুজিব কর্নার উদ্বোধন
সোশ্যাল ইসলামী ব্যাংক লিমিটেডের চেয়ারম্যান প্রফেসর আনোয়ারুল আজিম আরিফ প্রধান কর্নারদ্বারা স্থাপিত মুজিব কর্নার সঙ্গতি উদ্বোধন করেন। উপস্থিত ছিলেন ব্যাংকের জাইস চেয়ারম্যান বেলাল আহমেদ, ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মী ওসমান আলী প্রমুখ। সন্ধ্যা বিজয়ি।

যুগান্তর



এসআইবিএলের ২৫তম প্রতিষ্ঠাবার্ষিকী উদযাপন
সোশ্যাল ইসলামী ব্যাংক লিমিটেডের (এসআইবিএল) ২৫তম প্রতিষ্ঠাবার্ষিকী গতকাল নানা আয়োজনের মাধ্যমে উদযাপিত হয়েছে। এ উপলক্ষে আয়োজিত এক অনুষ্ঠানে প্রধান অতিথি হিসেবে উপস্থিত থেকে ডেক কটেন ব্যাংকের পরিচালনা পর্ষদের চেয়ারম্যান অধ্যাপক মো. আনোয়ারুল আজিম আরিফ। ব্যাংকের প্রবর্তি ও সিইও কাজী ওসমান আলীও উপস্থিত ছিলেন। অনুষ্ঠানে প্রধান অতিথি হিসেবে উপস্থিত ছিলেন ব্যাংকের ডিএমডি আবু নাসের চৌধুরী, মো. সিরাজুল হক ও মো. সামছুল হক, কোম্পানি সচিব অখল হামিদ খান প্রমুখ। এছাড়া জরুরি প্রয়োজনে এ সময় ব্যাংকের বিভিন্ন বিভাগের প্রধান ও শাখা ব্যবস্থাপকরা অংশ নেন। —বিজয়ি।

বানিক বাত্রা



এসআইবিএলে ব্যাংক অ্যাকাউন্ট খোলা যাবে মোবাইলে

সোশ্যাল ইসলামী ব্যাংক লিমিটেডের (এসআইবিএল) শাখায় না এসে গ্রাহক খুব সহজে যে কোনো জায়গায় থেকে যে কোনো সময় অনলাইনে ব্যাংক অ্যাকাউন্ট খুলতে পারবেন। এ জন্য ই-অ্যাকাউন্ট সেবা চালু করা হয়েছে। দুইবার ব্যাংকের প্রধান কর্নারদ্বারা জরুরি প্রয়োজনে এক অনুষ্ঠানে প্রধান অতিথি হিসেবে ব্যাংকের ব্যবস্থাপনা পরিচালক কাজী ওসমান আলী এ সেবার উদ্বোধন করেন। এ সময় উপব্যবস্থাপনা পরিচালক আবু নাসের চৌধুরী, মো. সিরাজুল হক ও মো. সামছুল হক, কোম্পানি সচিব অখল হামিদ খান, আইটিডি ডিভিশনের প্রধান মো. সুলতান বাবশ, মার্কেটিং অ্যান্ড প্রায়জ কমিউনিকেশন ডিভিশনের প্রধান মো. মনিরুল্লাহমান এবং কার্ড ডিভিশনের প্রধান শরিফ আল কাশেম উপস্থিত ছিলেন। অনুষ্ঠানে বিভিন্ন শাখা ব্যবস্থাপক যুক্ত ছিলেন।

সমকাল

সাক্ষাৎকার : ৯৬ বছরে সোশ্যাল ইসলামী ব্যাংক

সোশ্যাল ইসলামী ব্যাংক লিমিটেডের ৯৬তম বার্ষিকী উপলক্ষে ৯৬ বছরে পূর্ণ হওয়ায় সোশ্যাল ইসলামী ব্যাংক লিমিটেডের ৯৬তম বার্ষিকী উপলক্ষে একটি প্রোগ্রামে সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।

খেলাপি ঋণ ব্যবস্থাপনাই সবচেয়ে বড় চ্যালেঞ্জ

কাজী ওসমান আলী : সোশ্যাল ইসলামী ব্যাংক লিমিটেডের ৯৬তম বার্ষিকী উপলক্ষে একটি প্রোগ্রামে সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।



খেলোয়াড়দের খেলা নিয়েই সবচেয়ে বড় চ্যালেঞ্জ। খেলোয়াড়দের খেলা নিয়েই সবচেয়ে বড় চ্যালেঞ্জ। খেলোয়াড়দের খেলা নিয়েই সবচেয়ে বড় চ্যালেঞ্জ।



এসআইবিএলের আর্টিস্ট এজেন্ট ব্যাংকিং আউটলেট উদ্বোধন

সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।

সময়ের আলো

সাক্ষাৎকারে প্রধান নির্বাহী কাজী ওসমান আলী দেশের অর্থনৈতিক সাফল্যে সোশ্যাল ইসলামী ব্যাংক ভূমিকা রেখে চলেছে

আলী রিয়াজ
দ্বিতীয় প্রজন্মের ব্যাংক হিসেবে ২৫ বছর পার করেছে সোশ্যাল ইসলামী ব্যাংক লিমিটেড (এসআইবিএল)। এ দীর্ঘ সময়ে দেশের অর্থনীতিতে অনেক সাফল্য অর্জিত হয়েছে।



ইসলামী ব্যাংকেরও অগ্রযাত্রা অব্যাহত রয়েছে। দেশের অর্থনৈতিক সাফল্যেও ব্যাংকটি উল্লেখযোগ্য ভূমিকা রেখেছে। অর্থনৈতিক যে কোনো অর্জনের সঙ্গেই এ ব্যাংক অংশীদার। বাংলাদেশ প্রতিদিনের সঙ্গে এক সাক্ষাৎকারে ব্যাংকের ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী এ কথা এরপর পৃষ্ঠা ২ কলাম ৩



এসআইবিএল-এর উদ্বোধনী সেমিনারের সুবর্ণাচার উপলক্ষে সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।

এসআইবিএল'র ৪% মুনাফায় বিনিয়োগ বিতরণ

এসআইবিএল-এর উদ্বোধনী সেমিনারের সুবর্ণাচার উপলক্ষে সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।

দৈনিক পূর্বকোণ



সোশ্যাল ইসলামী ব্যাংকের বুধহাটা উপ-শাখার উদ্বোধন

সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।

মানবকণ্ঠ

প্রথম আলো



সোশ্যাল ইসলামী ব্যাংকের বুধহাটা উপশাখার উদ্বোধন

সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।

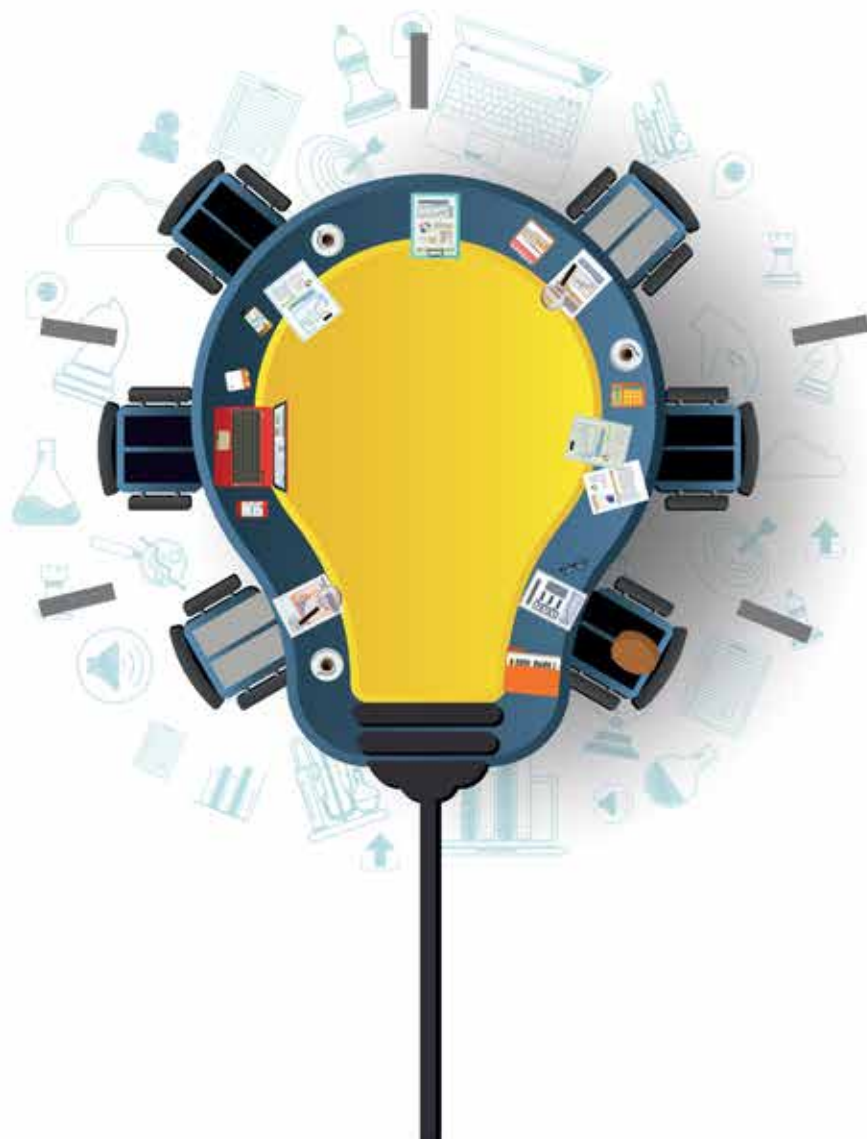
যায়যায়দিন



সোশ্যাল ইসলামী ব্যাংক লিমিটেডের প্রধান নির্বাহী কর্মকর্তা কাজী ওসমান আলী, সভাপতিসহ উদ্বোধন করেছেন।

আমাদের মঙ্গল

BOARD & COMMITTEES



BOARD OF DIRECTORS



The existing Board Members are 12 (twelve) including 2 (two) Independent Directors. As per Corporate Governance Code of BSEC and Bank Companies Act, 1991(amended up to 2018), 2(two) Independent Directors were appointed in the Board under different law and their tenure is fixed thereon. The devoted Board Members are highly committed towards achievement of the bank. they ensures superior achievement through the sound 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, aware to maintain Shariah Principals. appointment and evaluation of Managing Director & CEO and Senior Management team are the key decisions maker where the board of directors plays a good part to carry on a sound banking system. In addition, the board of directors is 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 Rules, Regulations, Notifications 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 2020 through facing the adverse circumstances of the world-wide Pandemic situation, total 14 numbers of Board meetings were held compared to 17 meetings in the year 2019.

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



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 as 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 is also the Chairman of the Executive Committee of Central Shariah Board for Islamic Banks of Bangladesh and Chairman of Islamic Banks Consultative Forum. 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 University of Toronto, Canada. He is the Managing Director of Unitex Spinning Limited, Unitex Composite Mills Limited, Unitex Cylinder Ltd, UNI Paint Industries Ltd, Shahella Spinning Mills Ltd, Unitex Power Plant Ltd, Omnibus Logistics Ltd of Unitex Group. He is also Shareholder of Unitex LP Gas Limited, Unitex Steel Mills Limited. Mr. Belal Ahmed was one of the Directors of Chittagong Chamber of Commerce and Industries during the period from 2013 to 2015. He has been representing Social Islami Bank Limited to Bangladesh Association of Banks (BAB) since long. He is also the Director of SIBL Securities Ltd. and SIBL Investment Ltd.



MR. MD. SAYEDUR RAHMAN

Vice Chairman

Mr. Md. Sayedur Rahman is a Director of Social Islami Bank Limited and one of the renowned and successful industrialists and businessmen of high stature of the country. He is a prominent figure in Garments industry. He is the Managing Director of eminent M/S. Lodestar Garments Ltd., M/S. Mid-Asia Fashions Ltd.. 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

Director

Mr. Md. Kamal Uddin is one of the renowned and successful Industrialists and well experienced international Businessman of the country. As a multitalented businessman he engaged himself with various types of National and international business alongwith well reputed organizations which makes him a forward looking and progressive businessman which already reached him an enviable height. 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 the 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

Director

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 spouse of Late Prof. Dr. M. A. Mannan, Founder Chairman of Social Islami Bank Limited.



DR. MD. JAHANGIR HOSSAIN

Director

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 43 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.



MRS. JEBUNNESSA AKBAR

Director

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 26 (twenty six) 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 Diplomate & 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.



MR. ALI HASAN MD. MAHMUD RIBON

Director

Mr. Ali Hasan Md. Mahmud Ribon appointed as a Director of Social Islami Bank Limited on 13th November, 2017. He bears almost 40 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.



MR. ARSHADUL ALAM

Director

Mr. Arshadul Alam is an 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 14 (forteen) 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. MAHMUDUL ALAM

Director

Mr. Mahmudul Alam, a young emerging entrepreneur of Bangladesh is a member of the Board of Directors of Social Islami Bank Limited. He is from a renowned business family of Chittagong. Mr. Mahmudul Alam strives for personal and business excellence. Therefore, he attained MA with Honors in Economics and Accounting from The University of Edinburgh and achieved success in the business sector by establishing Paragon Transport and Amir Traders. He has experience in managing large companies with dynamic leadership, transparency, honesty, and outmost dedication. He is one of the promising young emerging businessmen of our country. He is well travelled around the world.



PROFESSOR A J M SHAFIUL ALAM BHUIYAN, PH.D Independent Director

Professor A J M Shafiul Alam Bhuiyan, PH.D has been associated as an Independent Director of Social Islami Bank Limited since long. 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

Independent Director

Professor Mohammed Mizanur Rahman, PH.D has been associated as an Independent Director of Social Islami Bank Limited since long. 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 36 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, 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, Switzerland, France, the United Arab Emirates (UAE), Malaysia, Myanmar, Indonesia, Singapore and India to enrich his professional knowledge.

EXECUTIVE COMMITTEE

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

Social Islami Bank Ltd. 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 2020, total 7 Executive Committee Meetings were held against 7 nos of meeting in the year 2019.

- 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;

BOARD 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 Board 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 2020, total 5 nos. of Board Audit Committee Meetings were held against 10 nos. of meetings of 2019. 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.

BOARD'S 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 Board's Risk Management Committee (BRMC) 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 Board's Risk Management Committee shall comprise an effort to ensure proper risk management in bank. The BRMC reviewed stress testing, comprehensive risk management reports, Internal Capital Adequacy Assessment Reports and other reports 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 2020, total 4 (four) Risk Management Committee Meetings were held against 4 meetings in 2019. 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 reviewing 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 |
|------------------------------------|------------------|
| Mufti Sayeed Ahmed | Chairman |
| Dr. Md. Manzur-E-Elahi | Member Secretary |
| Professor Dr. Mohammad Abdus Samad | Member |
| Shah Mohammad Wali Ullah | Member |
| Dr. Hasan Mohd Moinuddin | Member |
| Dr. Md Nasir Uddin Mizi | Member |
| Professor Ahmad Ali | Member |
| Molana Obaid Ullah Hamzah | Member |
| Janab Afeef Furqan | Member |

SIBL has formed a Shari'ah Supervisory Committee (SSC) consisting of 9 (nine) 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 2020, total 4 (four) Shariah Supervisory Committee (SSC) Meetings (03 full & 1 sub committee) 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. S T M Abu Naser Chowdhury | Deputy Managing Director | Member |
| 3 | Mr. Md. Sirajul Hoque | Deputy Managing Director | Member |
| 4 | Mr. Md. Shamsul Hoque | Deputy Managing Director | Member |
| 5 | Mr. Walid Mahmud Sobhani | SEVP & CFO, FAD, HO, Dhaka | Member |
| 6 | Mr. Kazi Obaidul Al-Faruk | SEVP, HRD. HO, Dhaka | Member Secretary |
| 7 | Mr. Abdul Hannan Khan | SEVP & Company Secretary, HO, Dhaka | Member |
| 8 | Mr. Md. Giash Uddin Bhuiyan | EVP, ICCD, HO, Dhaka | Member |

MANAGEMENT TEAM

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 four 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.

MANAGING DIRECTOR & CEO

Mr. Quazi Osman Ali

DEPUTY MANAGING DIRECTOR

Mr. S T M Abu Naser Chowdhury

Mr. Md. Sirajul Hoque

Mr. Md. Shamsul Hoque

Mr. Mohammad Forkanullah

| SENIOR EXECUTIVE VICE PRESIDENT | EXECUTIVE VICE PRESIDENT | SENIOR VICE PRESIDENT |
|---------------------------------|----------------------------------|-----------------------------------|
| 1. Mr. Walid Mahmud Sobhani | 1. Mr. Md. Nazmus Saadat | 1. Mr. Md. Khorsed Alam |
| 2. Kazi Obaidul Al-Faruk | 2. Mr. Mohammad Shoeb | 2. Mr. Mahbub Hossain |
| 3. Mr. Abdul Hannan Khan | 3. Mr. Md. Sultan Badsha | 3. Mr. Muhammed Zubair |
| 4. Mr. Joyanal Abedin | 4. Mr. Abu Rushd Iftekarul Haque | 4. Mr. Mohammad Mosle Uddin |
| | 5. Mr. Md. Abdul Hamid | 5. Mr. Md. Wali Ullah |
| | 6. Mr. Md. Giash Uddin Bhuiyan | 6. Ms. Shamima Nargis |
| | 7. Mr. Md. Akmal Hossain | 7. Mr. Shawket-UL-Amin |
| | 8. Mr. Md. Shahriar Khan | 8. Mr. Md. Mozharul Haque |
| | 9. Mr. Md. Abdul Mottaleb | 9. Mr. Muhammed Mizanul Kabir |
| | 10. Mr. Md. Towhid Hossain | 10. Mr. Sayed Mohammed Sohel |
| | | 11. Mr. Mohammad Eleash Khan |
| | | 12. Mr. Md. Shafiqul Islam |
| | | 13. Mr. Md. Mohibul Kadir |
| | | 14. Mr. Md. Aminur Rahman |
| | | 15. Mr. A.M. Saleh Uddin Kutubi |
| | | 16. Mr. Shyam Sundar Roy |
| | | 17. Mr. Md. Nasir Uddin Chowdhury |
| | | 18. Mr. Md. Nurul Alam |
| | | 19. Mr. Sadat Ahmad Khan |
| | | 20. Mr. Md. Sharif Al Kashem |
| | | 21. Mr. Md. Moniruzzaman |
| | | 22. Mr. Saif-UL-Alam Md. Al-Amin |

ASSET LIABILITY COMMITTEE (ALCO)

| | | |
|-------------------------------|--------------------------------|------------------|
| Mr. Quazi Osman Ali | Managing Director & CEO | Chairman |
| Mr. S T M Abu Naser Chowdhury | Deputy Managing Director | Member |
| Mr. Md. Sirajul Hoque | Deputy Managing Director | Member |
| Mr. Md. Shamsul Hoque | Deputy Managing Director | Member |
| Mr. Mohammad Forkanullah | DMD & Head of Principal Branch | Member |
| Mr. Walid Mahmud Sobhani | SEVP & CFO | Member Secretary |
| 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 | EVP & Head of ID | Member |
| Mr. Md. Towhid Hossain | EVP & Head of IRMD | Member |
| Mr. Md. Mozharul Haque | SVP & Head of TF & RMGD | Member |
| Mr. Muhammed Mizanul Kabir | SVP & Head of RMD (CRO) | Member |
| Mr. Sadat Ahmad Khan | SVP & Head of SME | Member |
| Mr. Md. Moniruzzaman | SVP & Head of Marketing Unit | Member |
| Mr. Saif Al-Amin | SVP & Head of BCGBD | Member |
| Mr. Mohammad Ahsan Habib | VP & Head of TFO | Member |

INVESTMENT COMMITTEE

| Sl. No | Name | Designation | Position |
|--------|-------------------------------|---------------------------------|------------------|
| 1 | Mr. S T M Abu Naser Chowdhury | Deputy Managing Director | Chairman |
| 2 | Mr. Md. Sirajul Hoque | Deputy Managing Director | Member |
| 3 | Mr. Md. Shamsul Hoque | Deputy Managing Director | Member |
| 4 | Mr. Joynal Abedin | Senior Executive Vice President | Member |
| 5 | Mr. Md. Akmal Hossain | Executive Vice President | Member |
| 6 | Mr. Md. Towhid Hossain | Executive Vice President | Member Secretary |
| 7 | Mr. Sadat Ahmad Khan | Senior Vice President | Member |
| 8 | Mr. Md. Shafiqul Islam | Senior Vice President | Member |

SIBL INTEGRITY COMMITTEE:

| Sl. No | Name | Designation | Position |
|--------|--------------------------------------|---------------------------------------|--------------------------------|
| 1 | Mr. S T M Abu Naser Chowdhury | Deputy 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 |
| 4 | Mr. Abdul Hannan Khan | SEVP & Company Secretary, HO, Dhaka | Member |
| 5 | Mr. Abdul Mottaleb | Executive Vice President | Member |
| 6 | Mr. Muhammed Mizanul Kabir | Senior Vice President | Member Secretary & Focal Point |
| 7 | Mr. Muhammad Mahfuzur Rahman Bhuiyan | Vice President | Member |

SENIOR MANAGEMENT TEAM



Mr. Quazi Osman Ali
Managing Director & CEO



Mr. S T M Abu Naser Chowdhury
Deputy Managing Director



Mr. Md. Sirajul Hoque
Deputy Managing Director



Mr. Md. Shamsul Hoque
Deputy Managing Director



Mr. Mohammad Forkanullah
Deputy Managing Director



Mr. Walid Mahmud Sobhani
SEVP & CFO, FAD



Mr. Kazi Obaidul Al-Faruk
SEVP, HRD



Mr. Abdul Hannan Khan
SEVP & Company Secretary



Mr. Joynal Abedin
SEVP & Manager, Foreign Exchange Branch

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.

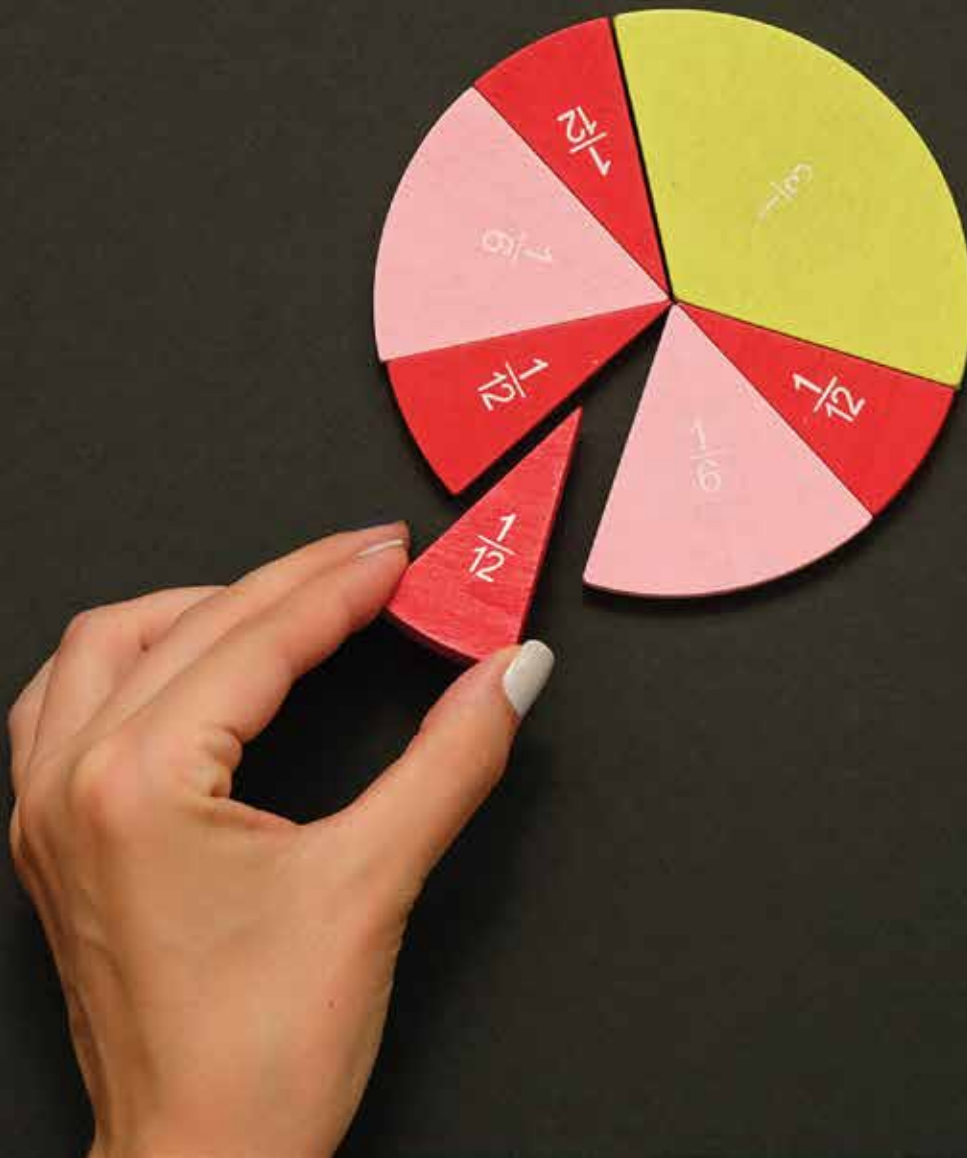
A) CHIEF FINANCIAL OFFICER (CFO)

Mr. Walid Mahmud Sobhani, FCMA, Senior Executive Vice President, joined Financial Administration Division on April 2002, is performing the duties as Chief Financial Officer (CFO) of the bank since 10 May 2007. He has experience working with the accounts & Tax department of the bank for 18 years. He has been serving with the banking sector since April 1988 till to date i.e for 32 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 has been appointed as Chief Information Technology Officer (CITO) for SIBL since 2017. He has been serving as Head of ICT Division in SIBL Head Office since year 2008. He has been working with the Engineering and Information Technology sector almost for 34 years since year 1986. He has a total of 19 years working experience in Banks. He has graduated in Engineering (EEE) from Rajshahi Engineering University. Later, he completed Post Graduation in Computer Science from Bangladesh Institute of Management (former BMDC). He also obtained professional certification for Oracle Certified "Database Administrator" course and Sun Certified Sun Solaris 9 "System Administration" course. He is a Fellow Member of the Institution of Engineers Bangladesh and Associate Member of Bangladesh Computer Society.

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% Bonus Issue and 5% Cash for the year 2012 | 63,748,994 | 10 | | 637,489,940 | 7,031,415,640 |
| 2014 | 12% Cash Dividend for the year 2013 | - | 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 | 73,829,864 | 10 | 812,128,506 | 738,298,640 | 8,121,285,060 |
| 2019 | 10% Stock Dividend for the year-2018 | 81,212,850 | 10 | 893,341,356 | 812,128,500 | 8,933,413,560 |
| 2020 | 5% Stock Dividend & 5% Cash Dividend for the year-2019 | 44,667,067 | 10 | 938,008,423 | 446,670,670 | 9,380,084,230 |

PATTERN OF SHAREHOLDINGS

(INVESTORS GROUP WISE)

| SI no | Investor Group | No. of Shareholders as on | No. of Shares as on | Percentage as on | No. of Shareholders as on | No. of Shares as on | Percentage as on |
|-------|-----------------------------------|---------------------------|---------------------|------------------|---------------------------|---------------------|------------------|
| | | 31.12.2020 | 31.12.2020 | 31.12.2020 | 31.12.2019 | 31.12.2019 | 31.12.2019 |
| 1. | Sponsors & Directors (Individual) | 21 | 89292991 | 9.52 | 21 | 84949096 | 9.5093 |
| 2. | Sponsor & Directors (Company) | 11 | 192613955 | 20.53 | 11 | 183441866 | 20.5307 |
| 3. | Foreign Investors | 12 | 12809800 | 1.37 | 13 | 12306920 | 1.3800 |
| 4. | General Public | 27686 | 179937174 | 19.18 | 29008 | 173459424 | 19.4100 |
| 5. | Institutions (Bank & Insurance) | 44 | 25890523 | 2.76 | 36 | 24535859 | 2.7500 |
| 6. | Institutions (Others) | 535 | 417197182 | 44.47 | 512 | 397223790 | 44.4600 |
| 7. | ICB Accounts Holders | 25 | 63754 | 0.01 | 27 | 60895 | 0.0100 |
| 8. | ICB | 1 | 10754004 | 1.15 | 1 | 10148204 | 1.1400 |
| 9. | ICB Unit Fund | 1 | 7408826 | 0.79 | 1 | 5321737 | 0.6000 |
| 10. | Employee | 2 | 1797866 | 0.19 | 2 | 1598195 | 0.1800 |
| 11. | Non-Resident Bangladeshi | 9 | 242348 | 0.03 | 9 | 283228 | 0.0300 |
| | Total | 28347 | 938008423 | 100.00 | 29647 | 893341356 | 100.00 |

HOLDINGS IN 2020

| Share holding range | No. of Shareholders as on | No. of Shares as on | Percentage as on | No. of Shareholders as on | No. of Shares as on | Percentage as on |
|----------------------|---------------------------|---------------------|------------------|---------------------------|---------------------|------------------|
| | 31.12.2020 | 31.12.2020 | 31.12.2020 | 31.12.2019 | 31.12.2019 | 31.12.2019 |
| Less than 500 shares | 12383 | 1993664 | 0.21 | 13072 | 2095017 | 0.23 |
| 501-5000 | 12683 | 22780015 | 2.43 | 13336 | 23417108 | 2.62 |
| 5001-10000 | 1706 | 11909672 | 1.27 | 1697 | 11698548 | 1.31 |
| 10001-20000 | 794 | 11184125 | 1.19 | 787 | 10933635 | 1.22 |
| 20001-50000 | 417 | 12756769 | 1.36 | 409 | 12580029 | 1.41 |
| 50001-9999999999 | 364 | 877384178 | 93.54 | 346 | 832617019 | 93.20 |
| Total | 28347 | 938008423 | 100.00 | 29,647 | 893341356 | 100.00 |

SHARES HELD BY THE DIRECTORS AS ON 31.12. 2020

| SI No. | Name of the Directors | Position held in the Bank as on 31.12.2020 | Number of Shares held on 31.12.2020 | Percentage of total holding | Total number of Shares as on 31.12.2020 |
|--------|--|--|-------------------------------------|-----------------------------|---|
| 01 | Prof. Md. Anwarul Azim Arif [Representative of Hasan Abasan (Pvt.) Ltd] | Chairman | 1,93,30,657 | 2.0608 | 19,26,06,962 |
| 02 | Mr. Belal Ahmed (Representative of Unitex Steel Mills Ltd.) | Vice- Chairman | 1,93,24,305 | 2.0601 | |
| 03 | Mr. Md. Sayedur Rahman (Representative of Prasad Paradise Resorts Ltd.) | Vice- Chairman | 1,93,30,657 | 2.0608 | |
| 04 | Mr. Md. Kamal Uddin (Representative of Lion Securities & Investment Ltd.) | Director | 1,93,22,983 | 2.0600 | |
| 05 | Mrs. Nargis Mannan | Director | 1,87,60,679 | 2.0001 | |
| 06 | Dr. Md. Jahangir Hossain (Representative of Reliable Entrepreneurs Ltd.) | Director | 1,93,23,394 | 2.0600 | |
| 07 | Mrs. Jebunnesa Akber (Representative of Unitex Cement Ltd.) | Director | 1,93,24,305 | 2.0601 | |
| 08 | Mr. Ali Hasan Md. Mahmud Ribon (Representative of Dynamic Ventures Ltd.) | Director | 1,93,29,387 | 2.0607 | |
| 09 | Mr. Arshadul Alam (Representative of Leader Business Enterprise Ltd.) | Director | 1,93,30,657 | 2.0608 | |
| 10 | Mr. Mahmudul Alam (Representative of Global Trading Corporation Ltd.) | Director | 1,92,29,938 | 2.0501 | |
| 11 | Professor A J M Shafiu Alam Bhuiyan, Ph.D | Independent Director | 0 | 0 | |
| 12 | Professor Mohammed Mizanur Rahman, Ph.D | Independent Director | 0 | 0 | |

Financial Calendar

For the Year 2020

| | |
|---|--------------|
| Un-audited Consolidated results for the 1st Quarter announced on | : 25.06.2020 |
| Un-audited Consolidated results for the 2nd Quarter announced on | : 26.07.2020 |
| Un-audited Consolidated results for the 3rd Quarter announced on | : 29.10.2020 |
| Audited Consolidated Financial Statements for the year ended 31st December 2020 approved on | : 29.04.2021 |
| Dividend for the year 2020 declared on | : 29.04.2021 |
| Declaration of 'Record Date' for holding of 26th Annual General Meeting | : 01.06.2021 |
| Notice of 26th Annual General Meeting served on | : 14.06.2021 |
| 26th Annual General Meeting scheduled to be held on | : 06.07.2021 |
| Dividend for the year 2020 expected to be paid on | : 18.07.2021 |

For the Year 2021

| | |
|--|--------------|
| Un-audited Consolidated results for the 1st Quarter announced on | : 24.05.2021 |
| Un-audited Consolidated results for the 2nd Quarter expected to be announced on | : 26.07.2021 |
| Un-audited Consolidated results for the 3rd Quarter expected to be announced on | : 27.10.2020 |
| Audited Consolidated Financial Statements for the year ended 31st December 2021 expected to be approved on | : 28.04.2022 |
| Dividend for the year 2021 expected to be declared on | : 28.04.2022 |
| Expected Date of declaration of 'Record Date' for holding of 27th Annual General Meeting | : 25.05.2022 |
| Notice of 27th Annual General Meeting expected to be served on | : 01.06.2022 |
| 27th Annual General Meeting Expected to be held on | : 30.06.2022 |

ANALYSIS & VALUE ADDED STATEMENTS



PERFORMANCE OF THE BANK

Performance of the year 2020 has been conspicuous with a growth over the previous year recording achievements in different segments of –

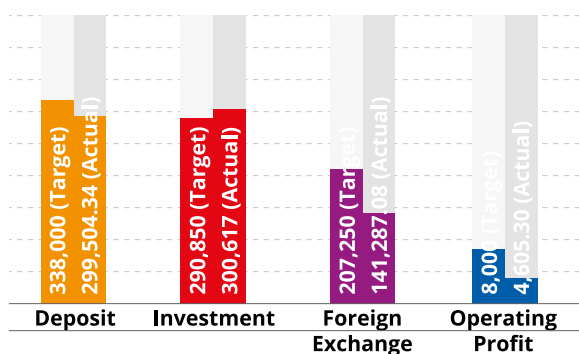
- Client deposit 11.83%
- Investment 13.75%
- Foreign Exchange Business -11.46%
- Operating Profit -31.30%

SIBL believes that the efforts of the year 2020 will inspire & stimulate the employees of the bank to accept the challenge of the year 2021 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 2020, 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 2020 are given as under:

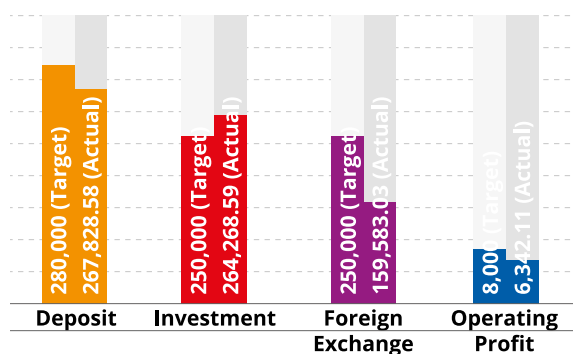
Fig in million Taka

| Indicators | Target 2020 | Actual- 2020 | Actual- 2019 | Achievement % | Growth % |
|---------------------------|-------------|--------------|--------------|---------------|----------|
| Deposit (Client) | 338,000.00 | 299,504.34 | 267,828.58 | 48.04% | 11.83% |
| Investment | 290,850.00 | 300,617.94 | 264,268.59 | 118.96% | 13.75% |
| Foreign Exchange Business | 207,250.00 | 141,287.08 | 159,583.00 | 68.17% | -11.46% |
| Operating Profit | 8,000.00 | 4,605.30 | 6,703.50 | 57.57% | -31.30% |

Performance of the Bank 2020 (Taka in Million)



Performance of the Bank 2019 (Taka in Million)

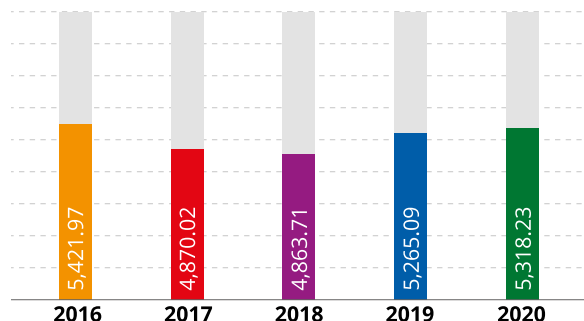


SIBL AT A GLANCE

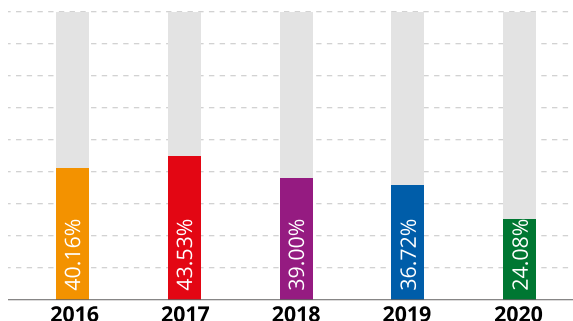
| SL | Particulars | 2016 | 2017 | 2018 | 2019 | 2020 |
|----|--|-----------|------------|------------|------------|------------|
| 1 | Authorized Capital (in million) | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 30,000.00 |
| 2 | Paid-up Capital (in million) | 7382.99 | 7382.99 | 8121.29 | 8933.41 | 9380.08 |
| 3 | Total Shareholders Equity (in million) | 14,187.8 | 14,166.45 | 15,749.88 | 17,271.33 | 18,038.39 |
| 4 | Capital Base (Tier I & II) (in million) | 19,195.04 | 21,725.08 | 26,111.51 | 27,901.80 | 30,368.90 |
| 5 | Total Deposits (in million) | 190,564.5 | 228,798.90 | 248,324.49 | 287,936.65 | 322,383.51 |
| 6 | Client Deposits (in million) | 178,846.1 | 203,126.69 | 224,339.78 | 267,828.58 | 299,504.34 |
| 7 | Investments (General) (in million) | 174,196.1 | 210,045.51 | 238,654.17 | 264,268.59 | 300,617.94 |
| 8 | Investments (Shares & Securities) (in million) | 12,310.58 | 13,082.52 | 13,086.55 | 19,118.98 | 18,487.37 |
| 9 | Foreign Exchange Business (in million) | 167,382.3 | 202,037.00 | 178,590.50 | 159,583.03 | 141,287.08 |
| 10 | Operating Profit (in million) | 5,698.08 | 6,166.21 | 6,143.12 | 6,342.11 | 4,343.21 |
| 11 | Profit before Tax (in million) | 4,192.19 | 3,535.13 | 3,848.29 | 3,134.03 | 3,040.65 |
| 12 | Fixed Assets (in million) | 3,257.52 | 3,480.82 | 3,563.53 | 3,606.05 | 4,431.01 |
| 13 | Total Assets (in million) | 227,704.2 | 276,348.95 | 307,305.32 | 345,056.23 | 384,999.71 |
| 14 | Stock Dividend | - | 10% | 10% | 5% | 5% |
| | Cash Dividend | 20.00% | - | - | 5% | 5% |
| 15 | Investments as a % of total deposits | 91.41% | 91.80% | 96.11% | 91.78% | 93.25% |
| 16 | Investments as a % of Client deposits | 89.86% | 89.30% | 91.54% | 89.47% | 90.65% |
| 17 | Capital to Risk Weighted Asset Ratio | 11.55% | 11.57% | 14.27% | 13.78% | 13.50% |
| 18 | Ratio of Classified Investments to Total Investments | 4.44% | 8.20% | 7.69% | 6.63% | 6.05% |
| 19 | No. of Foreign Correspondents | 591 | 406 | 411 | 420 | 399 |
| 20 | Number of Employees | 2363 | 2601 | 2847 | 2957 | 3100 |
| 21 | Number of Branches | 125 | 138 | 155 | 161 | 168 |
| 22 | Book Value per Share (Taka) | 10 | 10 | 10 | 10 | 10 |
| 23 | Earning per Share (Restated) (Taka) | 3.1 | 1.97 | 1.77 | 1.62 | 1.65 |
| 24 | Credit Rating by | ECRL | ECRL | ECRL | ECRL | ECRL |
| | Long Term | AA- | AA- | AA- | AA | AA |
| | Short Term | ST-2 | ST-2 | ST-2 | ST-2 | ST-2 |
| 25 | Moody's | | | | b1 | b2 |

GRAPHICAL PRESENTATION OF SIBL

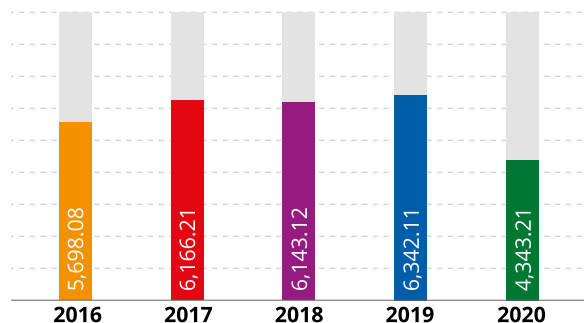
Net Current Assets (Taka in million)



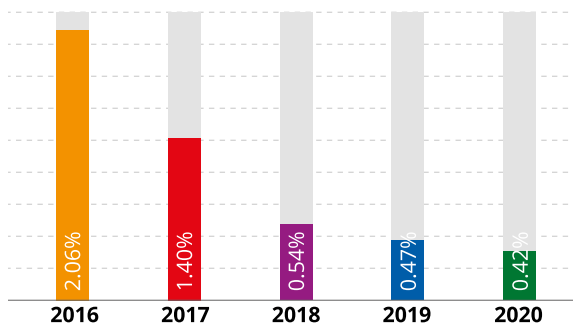
Operating Profit as a percentage of Working Funds (%)



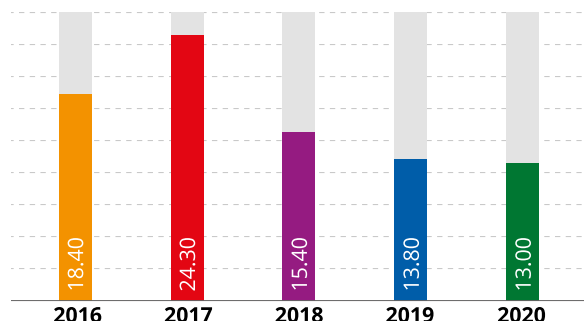
Operating Profit (BDT in Million)



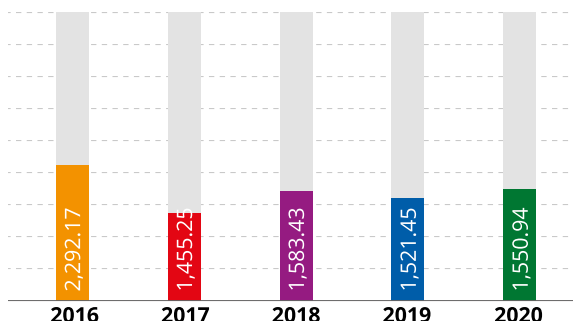
Return on Assets (%)



Stock Price (Taka)

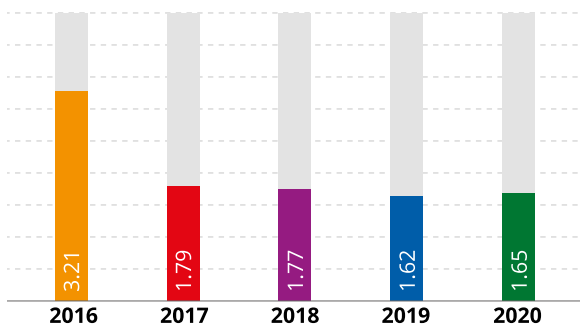


Profit after Tax (Taka in Million)



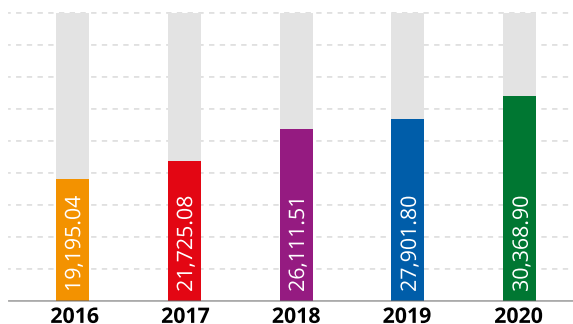
Earning per Share

(Taka)



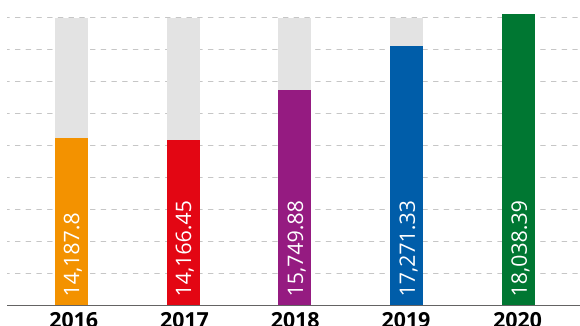
Total Eligible Capital

(Taka in Million)



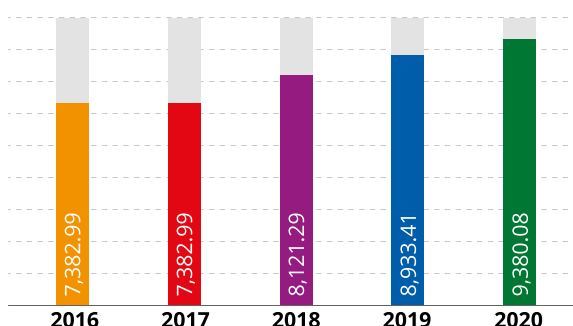
Net Asset (Worth)

(Taka)



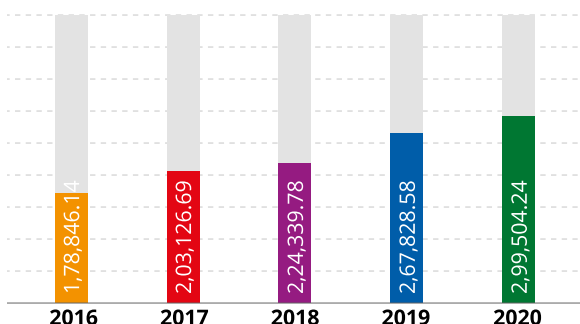
Total Paid-up Capital

(Taka in Million)



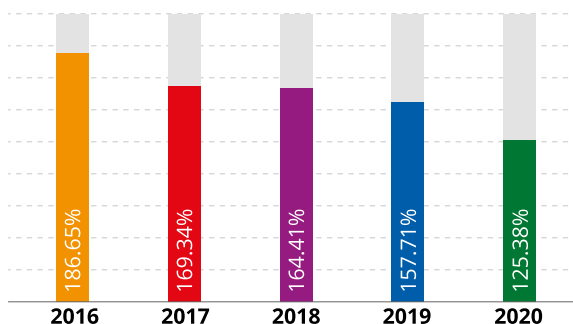
Client Deposit

(Taka in Million)



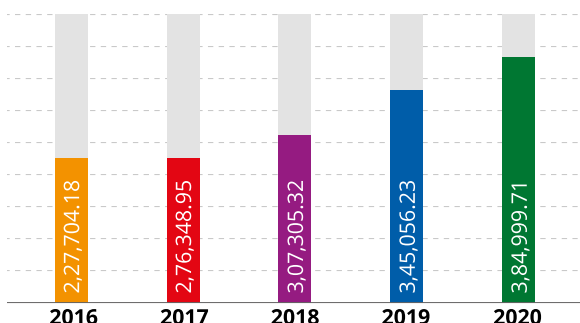
Net Invest Income as a percentage of Operating Cost

(%)



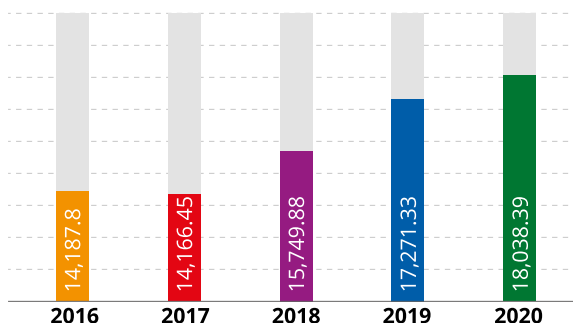
Total Assets

(Taka in Million)

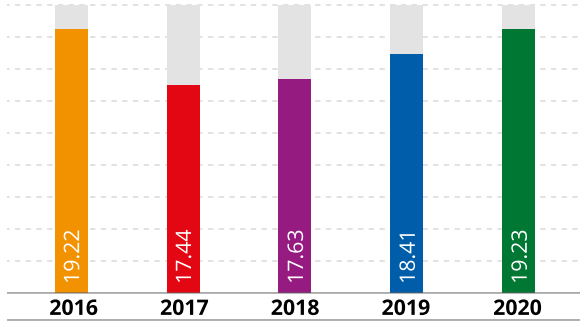


Total Share Holders' Equity

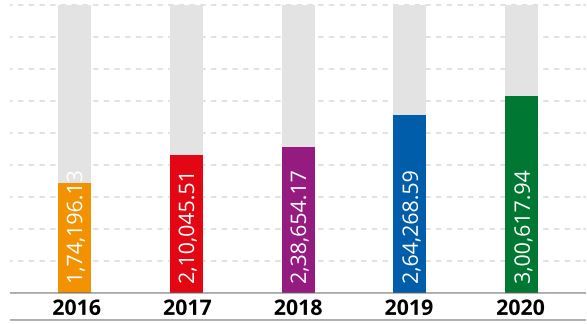
(Taka in Million)



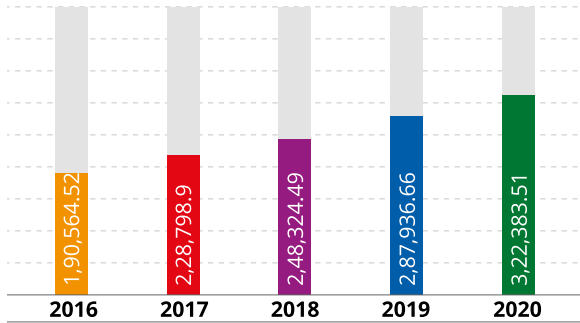
Net Asset Value per Share (%)



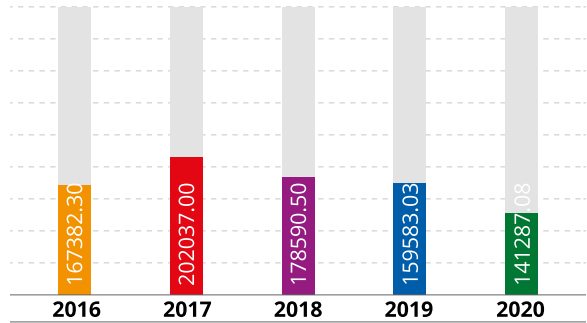
General Investment (Taka in Million)



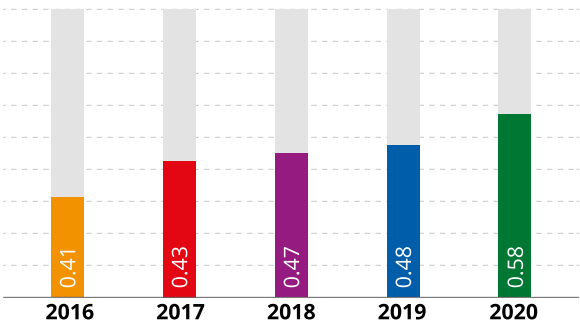
Total Deposit (Taka in Million)



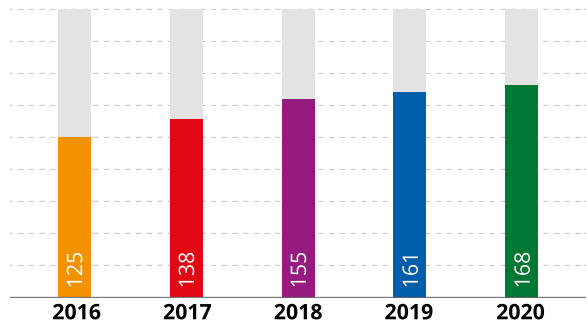
Foreign Exchange Business (Taka in Million)



Cost-Income Ratio (%)



Branch Network (Taka in Million)



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 2020

Figure in Million Tk.

| Particulars | Year 2020 | Year 2019 |
|--|------------------|------------------|
| Investment Income | 27,036.27 | 27,797.43 |
| Income from Investment in Shares and Securities | 762.38 | 760.57 |
| Commission, Exchange and Brokerage | 1,421.21 | 1,465.83 |
| Other Operating Income | 631.01 | 687.30 |
| Sub-Total (A) | 29,850.87 | 30,711.13 |
| Less Cost of Services & Supplies | | |
| Profit paid on Deposits | 19,484.79 | 18,428.55 |
| Rent, Taxes, Insurances, Electricity etc. | 390.00 | 573.01 |
| Legal Expenses | 9.37 | 11.27 |
| Postage, Stamps, Telecommunication etc. | 6.36 | 6.75 |
| Stationery, Printings, Advertisements etc. | 122.61 | 161.00 |
| Directors' Fees & Expenses | 4.79 | 9.50 |
| Shariah Supervisory Committee's Fees & Expenses | 0.07 | 0.45 |
| Auditors' Fees | 0.92 | 0.92 |
| Repair of Bank's Assets | 84.17 | 66.48 |
| Other Expenses | 1,043.85 | 1,129.72 |
| Sub-Total (B) | 21,146.93 | 20,387.65 |
| Value added by Banking Services (A-B) = C | 8,703.94 | 10,323.48 |
| Less Provisions related to Investment | | |
| Specific provisions for Investment | 230.21 | 1,073.66 |
| General Provisions for Investment | 1,061.68 | 2,085.45 |
| General Provisions for off-Balance Sheet exposure | -19.84 | 25.33 |
| Provision for other assets | 30.51 | 23.64 |
| Provision for diminution in value of shares | - | - |
| Sub-Total (D) | 1,302.56 | 3,208.08 |
| Total Value Addition (C-D) | 7,401.38 | 7,115.40 |

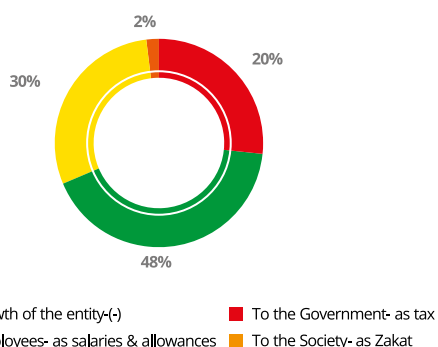
DISTRIBUTIONS OF VALUE ADDITION

FOR THE YEAR ENDED 31ST DECEMBER 2020

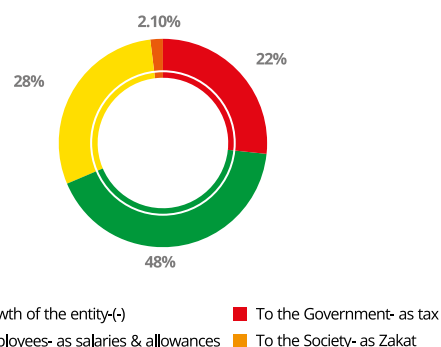
Fig in million Taka

| Distribution of Value Addition | Year 2020 | Percentage | Year 2019 | Percentage |
|--|----------------|----------------|----------------|----------------|
| To the Employees- as salaries & allowances | 3567.61 | 48.20% | 3395.57 | 47.72% |
| To the Government- as tax | 1482.53 | 20.03% | 1593.09 | 22.39% |
| To the Society- as Zakat | 165.69 | 2.24% | 149.52 | 2.10% |
| To the growth of the entity-(-) | 2185.55 | 29.53% | 1977.22 | 27.79% |
| as Statutory Reserve (-) | 608.13 | 8.22% | 626.81 | 8.81% |
| as Retained Earnings (-) | 942.81 | 12.74% | 894.64 | 12.57% |
| as Deferred Tax (-) | 7.18 | 0.10% | 19.49 | 0.27% |
| as Depreciation (-) | 500.50 | 6.76% | 311.22 | 4.37% |
| as Gratuity Fund | 126.93 | 1.71% | 125.06 | 1.76% |
| | 7401.38 | 100.00% | 7115.40 | 100.00% |

Distribution of Value Added (%) -2020



Distribution of Value Added (%) -2019



DISTRIBUTION OF DIVIDEND AND RETAINED BY THE ENTITY

Fig in million Taka

| Particulars | Year 2020 | Year 2019 |
|--|---------------|--------------|
| Retained earnings (Balance Sheet) for payment as dividend and retain by the entity | 1056.77 | 984.28 |
| Paid as dividend to the share holders | - | 893.34 |
| Dividend to be paid to the share holders | 938.01 | |
| Retained by the entity | 118.76 | 90.94 |

ECONOMIC VALUE ADDED (EVA) STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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-2020 | Year-2019 |
|---|-----------------|-----------------|
| Total Revenue from Banking Services | 29850.87 | 30711.13 |
| Less Total expenses related to revenue | 25507.66 | 24369.01 |
| Operating profit | 4343.21 | 6342.12 |
| Less Corporate Tax | (1489.71) | (1612.58) |
| Net operating profit after tax | 2853.50 | 4729.54 |
| Shareholders' Equity | 18038.39 | 17271.33 |
| Add Accumulated provision for investment (Inclg. Off B/S items) | 13253.74 | 11997.40 |
| Sub Total | 31292.13 | 29268.73 |
| Average Shareholders' Equity | 17654.86 | 16510.61 |
| Return of Equity | 8.78% | 9.21% |
| Capital Charges | 1550.10 | 1520.63 |
| Economic Value Added | 1303.40 | 3208.91 |

MARKET VALUE ADDED (MVA) STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

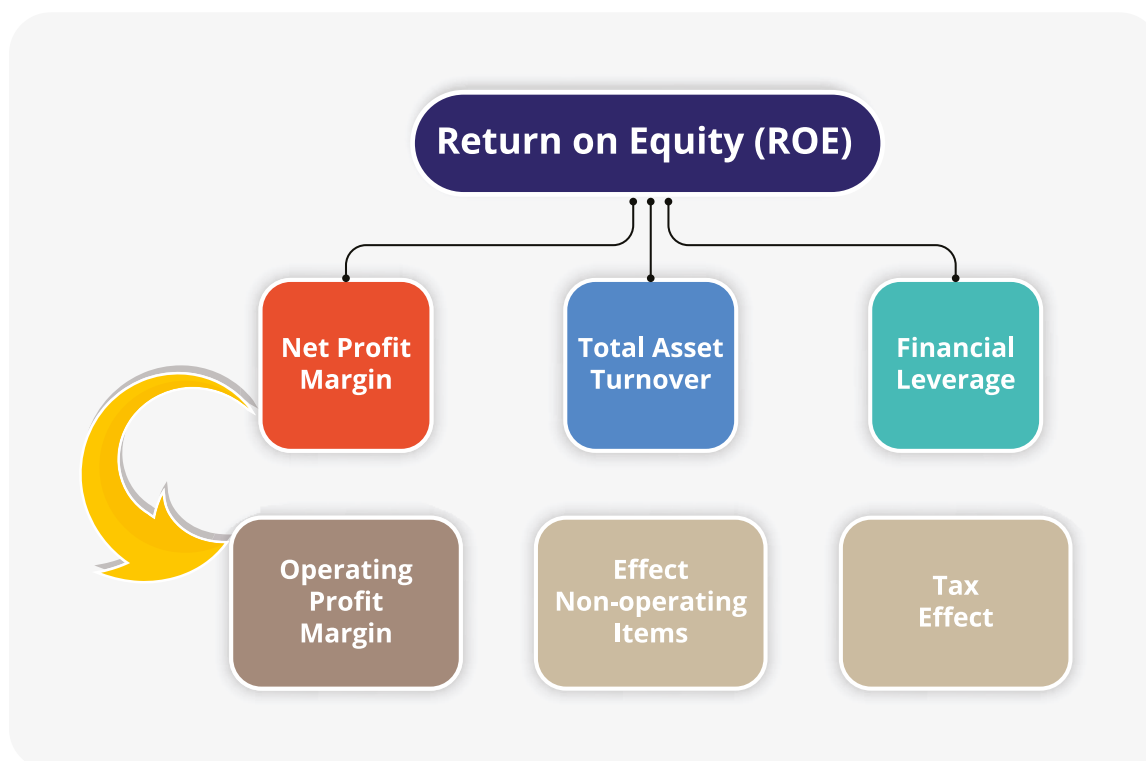
Market Value Added (MVA) is the difference between the equity market value of a company and the book value of equity invested in the company. A high MVA indicates that the company has created substantial wealth for the shareholders. MVA is equivalent to the present value of all future expected economic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

Fig in million Taka

| Particulars | Year-2020 | Year-2019 |
|-----------------------------------|-------------|-------------|
| Market Value of Total Equity | 12,194.11 | 12,328.11 |
| Less: Book Value of Total equity | (9,380.08) | (8,933.41) |
| Market Value Addition | 2,814.03 | 3,394.70 |
| Total number of Share outstanding | 938,008,423 | 893,341,356 |
| Book Value per share | 10.00 | 10.00 |
| Market value per share | 13.00 | 13.80 |

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 will 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 | 2020 | 2019 |
|---|---------------|---------------|
| ROE | 08.78% | 09.22% |
| Net Profit Margin | 5% | 5% |
| Contribution on Net Profit Margin: | | |
| a) Operating Profit Margin | 15% | 21% |
| b) Effect of Non-operating Items | 04% | 10% |
| c) Tax effect | 5% | 5% |
| Total Asset Turnover (times) | 0.1 | 0.1 |
| Financial Leverage (times) | 20.68 | 18.89 |

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 has been decreased in 2020 due to increased in profit paid to depositors. Negative shift in operating profit margin is mainly responsible for lower ROE in 2020 compared to the previous year. However, Effect of Non-operating Items has been decreased due to lower Provision required during the year. The combined effect of these three factors shifted down the Net profit margin of the bank in 2020. However, as like previous year Total Asset Turnover and Financial Leverage got an insignificant change in 2020. Having all the factors Return on Equity of the bank stood at 08.78% in 2020.



CHAIRMAN'S FOREWORD

Bismillahir Rahmanir Rahim.

In the name of Allah, the Most Gracious and the Most Merciful, and peace and blessings be upon our Prophet Muhammad (Sallallahu alaihi wasallam) and his descendants and companions. Furthermore, we pray for salvation of the departed souls in this COVID-19 pandemic. May Allah grand them highest place in Jannat.

Honourable Shareholders, respected members of the Board and my beloved Team SIBL,

Assalamu alaikum wa rahmatullahi wa barakatuhu.

It is my honour to appear before you and welcome you all to the 26th Annual General Meeting of SIBL through Digital Platform. Alhamdulillah! We passed another year amid this pandemic situation. In its 26 years of existence, Social Islami Bank Limited has epitomized the banking landscape of Bangladesh with its innovation, efficiency, honesty, accountability, technology and inclusive Banking. The Bank continues to grow with the values that were established since its founding for a caring society and a bright and better future of the country.

ADVERSE BUSINESS ENVIRONMENT

The year 2020 has seen some unprecedented events that has significantly affected the lives and businesses all over the world. World saw a trade war between USA and China, Post Brexit challenges and the pandemic COVID-19. Many people lost their jobs, many businesses gone bankrupt. Economy shrunken on a global scale. The world has experienced its slowest pace in economic growth comparing last decades. Business activities has come to a halt. We saw that a large number of population has gone under the poverty line in this pandemic. Many people lost everything after spending their savings. Corona virus pandemic has been impacting lives, businesses and economies around the world. It is expected to adversely impact the domestic and global economy. But there is a hope that Covid-19 Pandemic situation will come under control through awareness campaign and vaccination to mass people.

Our banking industry has achieved remarkable momentum in the last few years. With the help of technology we try to provide the banking services at the doorsteps of our clients. The pandemic situation put the banking service delivery infrastructure to the test. It is estimated that cyber-attack damage will reach \$6.00 trillion in 2021. In the year 2020 we have seen many global and local companies including financial institutions were under cyber-attack in the form of ransom ware, hacking, stealing identity and many more. Our banking industry is not out of this threat. In order to fight these cyber-attack, we need to invest more in IT infrastructure. We need to build awareness among our clients and overall in the community against the cyber threat that they are exposed to. Government and regulators must come forward to prevent such kind of cyber-crime with strict policies and laws.

NATIONAL ECONOMY

However, despite negative growth of world economy Bangladesh economy has registered a commendable growth in 2020. While almost all the countries registered negative growth in GDP, Bangladesh's GDP growth was 3.8% in FY 2020. We had the highest GDP growth rate in Asia. Bangladesh is moving forward to become a middle income country with per capita GDP reaching almost 2227 USD. In 2020, foreign exchange reserve reached \$45.00 billion compared to last year's \$32.69 billion. With this reserve the country is able to pay more than 6 month's import payment. There are many countries like Malaysia, Saudi Arabia and Kuwait are hiring Bangladeshi laborers again. Foreign remittance flow experienced significant growth in FY 2020 reaching \$ 18.3 billion highest in the history. Our expats are sending inward remittance more than ever in recent years. This is probably one of the

few sector where we see hope in this dark everlasting pandemic situation.

However, last year our Exports has decreased by 14.57% to \$ 33.60 billion compare to year 2019. It is assumable that Covid-19 lockdown has resulted in the export decline. Also the import has gone down by 4.91% to \$64.18 billion compare to 2019. As the world economy mainly China was under lock-down, our import hampered. This resulted in slower growth in GDP. Bangladesh Bank statistics showed that the net inflow of FDI in the first half of 2020 (calendar year) declined to \$1.19 billion from \$1.70 billion in the same period of 2019. This shows how bitter the economic situation is. First corona virus infection has been identified in Bangladesh on 8th March, 2020. Since then, School, College and Universities are still closed. Business and institutions were shut down on several occasion for a long period of time. Amid this downward situation of our country, we are hoping to recover soon as vaccination campaigns are underway by the government.

RESILIENT PERFORMANCE IN THE FACE OF PANDEMIC

Despite the regulatory pressure on net profit margin, flexible repayment facilities imposed by the authority, downward business trend amid Covid-19, SIBL has performed commendably in 2020. In the year 2020 our bank achieved several significant growth even in this adverse situation. Bank's Asset grew from 34,505 crore to 38,499 crore. The deposit has increased from 28,793 crore to 32,238 crore. Along with deposit the investment has also increased from 26,426 crore to 30,061 crore. It shows that despite the adverse situation we continue to work hard for the growth of this bank. Last year the profit (after Tax and Provision) was increased to 155 crore which was 152 crore in the year 2019.

Single digit lending rate policy was formulated to boost-up the economy of the country. This might help the economy but this has affected the whole banking sector for the time being. However, we hope that the industry will overcome this situation in the coming years. Furthermore, due to pandemic Covid-19 non-funded business deteriorated severely which impacted the targeted profit in 2020. All together with the support of the regulators we had a moderate year in 2020. We are hoping that we will overcome all the obstacles in 2021 and may be able to resume our regular business.

ON THE WAY TO SUSTAINABILITY

2021 will be challenging because the fight against the pandemic continues. We expect economic activity to normalize in many countries that are important for

our business, especially with the roll out of vaccination programmers worldwide. We had a strong start to 2021 and we continue to expect our revenues to increase. Inshallah we will be able to achieve sustainable growth in the year 2021.

And we continue to see opportunities for the coming years. We are well prepared for an economic environment which is on the verge of becoming a middle income country. Even when the economy is facing major upheavals due to the current pandemic situation banking sectors are being called on to support and help shape its recovery by providing Financial Stimulus Packages to the affected clients. More than 1.20 lac crore Taka stimulus package for different sector declared by the Government and disbursed through the industry. We hope that business are restarting their efforts to start a new beginning in the face of this Covid-19. We have a great prospect ahead of us to help build the economy by facilitating the business, trade and commerce.

Social Islami Bank Ltd is firmly committed to our society. We believe that together we will achieve our goals to build a brighter and better future for us. We need your support in this regard. We believe that you will be by our side in the years to come.

OUR SOCIAL OBLIGATIONS

As a Shariah Based Bank, Social Islami Bank Limited is quite conscious of its social responsibility and always trying to participate in social wellbeing of the country. The bank has a dedicated CSR Desk with the aim to serve humanity through different philanthropic activities giving emphasis on health, education, disaster management, rehabilitation, poverty eradication and so on. The bank believes that any kinds of social & philanthropic activities would improve the quality of the lives of the under privileged of the country.

SIBL pioneers in CSR activities in the country. The extent of its activities ranges from individual distressed people to institutional welfare. It spends a considerable sum every year for wellbeing of the community. SIBL always seeks new areas where it can serve the necessary assistance. SIBL rushes to any humanitarian crisis either flood, cyclone or earthquake, fire before anyone with life-saving materials. Over the years SIBL has donated a large some of amount to the Prime Minister's relief fund to help the less fortunate communities. During the cold winter SIBL donated worm clothing among the distress and helpless all over the country. The vision of SIBL is to create a caring society and it is tirelessly working for that.

SIBL also established namely SIBL Foundation Hospital and Diagnostic Centre just to help the less fortunate

community. We have a range of advanced medical equipments to serve the patients with best possible medical care. In this Covid-19 situation SIBL Foundation Hospital and Diagnostic Centre continues to provide better healthcare service to Covid-19 patients.

OUR INITIATIVES

SIBL NOW is an internet banking service based on mobile application to provide the most innovative IT-based services to the clients. This technology based service of Social Islami Bank Limited gives our clients the opportunity to transfer money, pay utility bills, recharge mobile balance, pay credit card bill etc. A client can execute transaction from anywhere, anytime through internet facility enabled mobile handset. We are constantly working for the up-gradation of SIBL NOW.

SIBL Call Center is another initiative to serve the client's 24/7 through the hot-line number-16491. For any kind of information regarding SIBL products and services, anyone can call to the said hot line numbers to get the information more conveniently.

SIBL Internet Banking

SIBL embraced Internet Banking a long time ago and developing services around it. There are e-merchants registered with SIBL and SIBL NOW mobile app. Moreover, SIBL also provides services like BEFTN, RTGS, BACH (clearing), NPSB which are crucial in these days.

SIBL introduced e-payment gateway to make Banking easier and smart. This gives a client the liberty to transact online, pay utility bills, credit card bills etc. This provides enormous opportunities to perform transaction with hundreds of affiliated platforms.

SIBL TO MFS Fund Transfer

This service will allow SIBL account holders to transfer fund to Mobile Financial Service (MFS) Provider (currently bKash and Nagad) account using the mobile application – SIBL NOW. SIBL account holders will use the mobile app by logging-in with SIBL i-banking and perform the transfer securely.

CORPORATE GOVERNANCE

SIBL has earned and maintained public trust by ensuring constant adherence to corporate governance Code. Your Bank is always try to maintain good corporate governance, which promotes long-term interests of shareholders, strengthens the Board and management accountability and helps building public trust in the Bank. SIBL has separate code of conduct for its Board of Directors, Managing

Director & CEO and other high Officials as per guidelines of CGC of BSEC. Bank's holistic approach to value creation is also reflected in its corporate reporting and the Bank has continued to enhance the quality and acceptability of its Integrated Annual Report. Bank's commitment towards transparent reporting was always commended by its stakeholders and different Regulatory Authorities in several times. Therefore, during the year under report, SIBL closely observed all compliance issues including Shariah and ensured all regulatory compliances timely.

Dear shareholders,

We have taken the year 2021 as a challenge with the promise to increase the shareholders' and stakeholders' value. SIBL will be valued as a compliant Islamic organization. By adopting new strategic business policy, our Bank will leave no stone unturned to boost business in all areas of operation to achieve our 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 is deploying their talents, experiences & skills continuously to achieve success in the performance of the Bank.

At the end, I would like to thank you all for your relentless support during the year 2020. 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, Shareholders, Stakeholders and Well-wishers 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. Stay home, Stay Safe.

Aameen.



Prof. Md. Anwarul Azim Arif

Chairman
Board of Directors



“
When our clients needed us most, our teammates redoubled efforts to help clients navigate the changes and challenges of 2020 due to Covid-19 in new and creative ways: transitioning from in-person to virtual interactions, using new technologies and disbursing stimulus packages as announced by government and circular issued by Bangladesh Bank. Employees continued to provide advice, guidance and access to all our capabilities to help clients meet their financial needs.
”

MESSAGE FROM THE DESK OF THE **MANAGING DIRECTOR & CEO**

Bismillahir Rahmanir Rahim

To Honorable Members of the Board of Directors, Shareholders and Clients,
To my teammates,
To leaders and partners in the communities we serve across the country

Assalamu Alaikum,

Wishing you a safe and sound life

It is my great pleasure to share with you the Annual Report-2020 of Social Islami Bank Limited. Our report documents how your bank responded to the impacts-both humanitarian and financial- of the global health crisis. The pages also tell the story of how our bank came forward in new ways to deliver for our shareholders, our teammates, our clients, our communities. I begin this message by thanking my more than 4000 teammates and our senior management team. I thank them for their extraordinary efforts over the past twelve months, and for everything they do to support our clients, and each other, every day.

OUR RESPONSE TO COVID-19

In 2020, our bank rallied as we never have before to respond to the health and humanitarian crisis affecting individuals, families and business owners in the communities where we live and work. Our services are essential to our clients and to the economy. We've taken care of our teammates and their families, delivered for our clients when and where they needed it most. And, together, we ended 2020 stronger and more committed to the people and causes we care about. We are also working closely with regulators including Bangladesh Bank in policy support appropriate for this difficult times. SIBL disbursed government stimulus packages in a prompt manner to its customers to help minimize damage, restart, and bounce back of their business.

FOCUSING & DELIVERING FOR OUR CLIENTS

When our clients needed us most, our teammates redoubled efforts to help clients navigate the changes and challenges of 2020 due to Covid-19 in new and creative ways: transitioning from in-person to virtual interactions, using new technologies and disbursing stimulus packages as announced by government and circular issued by Bangladesh Bank. Employees continued to provide advice, guidance and access to all our capabilities to help clients meet their financial needs. In particular, teammates have been proactively reaching out to clients across all businesses, including by sending SMS, emails and placing outbound calls to SME & Corporates clients, holding thousands of calls, meetings and broadcasts to actively advise and connect with clients through multiple channels. In 2020, SIBL had a very clear mandate- to provide stability in a highly unstable environment for our customers, communities and colleagues. I believe we achieved that in spite of the many challenges presented by the Covid-19 pandemic and heightened geopolitical uncertainty. Helping our customers emerge from the Covid-19 pandemic in a sustainable position was our most pressing priority. We did this by equipping our colleagues to work from home at the height of the pandemic, and keeping the vast majority of our branches, sub-branches and contact centers open. Our investment in our digital capabilities- both in 2020 and in previous years- enabled our customers to access more services remotely. We worked relentlessly with the stimulus package announced by government as broad-based emergency supports to people and firms to protect them from economic fallout. We also played a vital role in keeping capital flowing for our clients, arranging financing for both SME and corporate customers during 2020. Even in the middle of the pandemic, we continued to look to the future. Last year, thanks to the commitment of our teammates, the strength of our platform and our focus on Sustainable

Growth, we could serve our clients satisfactorily. That is a credit to each and every member of our team, who work hard to serve our customers and clients- and exceed their expectations- in every interaction. In 2020, that included far-ranging measures to support those impacted by the health crisis, through our own relief programs and those provided by the government. At the same time, we remained focused on supporting the everyday financial needs of millions of clients. With additional health and safety measures in place, our teams continued to serve individuals and businesses across our nationwide network of 168 branches, 79 sub-branches and 148 ATMs. I'd like to offer a special thanks to my teammates in the financial centers who have played an essential role for our clients and communities through this health crisis.

OUR FINANCIAL PERFORMANCE AT A GLANCE

The principles of stakeholder capitalism are embedded in sustainable growth. We deliver for our clients, our employees, our communities and our shareholders and, at the same time, do our part to deliver progress against society's biggest challenges. This includes our work to support the health and safety of our teammates, the many ways we help the communities we serve grow and prosper, our efforts to promote and economic opportunity and our ongoing drive toward a clean energy future. Companies that pay close attention to environmental, social and governance priorities are much less likely to fail than companies that do not, giving a significant opportunity to build investment portfolios for the long-term. There is an important discussion underway about the role capitalism plays in our society and the ways in which it must evolve to ensure all participants in our economic system are treated fairly and rewards are available equitably. Public companies have an important role to play to help drive that discussion. At Social Islami Bank Limited, we embrace our dual responsibility to drive both profits and purpose. And we work with organizations and leaders around the country to champion these ideals and drive meaningful progress. We need a way to measure that and in 2020 we made substantial progress on that front, too.

Our investment portfolio grew by 13.75% during the year in a favorable environment of liquidity 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 11.83%. We have been able to post a healthy profit portfolio last year. SIBL registered an operating profit of Tk.4605.32 million in the year 2020. Import business of the Bank stood at Tk.76,966.50 million in 2020 while export business stood at Tk. 51,144.70 million in 2020.

Total foreign remittance was Tk. 13,175.88 million in 2020. Bank's capital position also continues to be very satisfactory. Capital of the Bank in the year under report stood at Tk.30,368.90 million which was Tk.27,901.80 million in 2019. We ended up the year with ROA 0.42%, ROE 8.78% and EPS of Tk. 1.65 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.

ADOPTING ACCELERATED DIGITALIZATION DURING COVID-19:

For managing the transition to the new normal in pandemic situation, we accelerated our digital initiatives, maintaining steady progress towards becoming the digital bank of choice for our customers. The year has underlined the absolute necessity of fully embracing digitalization in order to support alternate ways to serve our customers. From SIBL's perspective, the emergence of new businesses, especially digital natives, will open up new credit financing opportunities, going forward. Further, as we already had a strong digital infrastructure, it was relatively easy for us to adopt split operations and mobilize work-from-home. Our digital platforms also made it possible for our customers to carry out more banking transactions online, without exposing themselves to unnecessary risk of visiting our physical branches. One strong motivation in pursuing our digital agenda is the fact that it enables greater inclusivity. We have enhanced the features of our SIBL NOW mobile app and i-Banking service, which has emerged as a preferred interface with many of our customers. The second factor comprises our intention to enhance customer experience. Continuing to build on our portfolio of digital businesses, we have launched many initiatives that helped avoid long queues and crowded spaces at our branches, including the launch of a Call Center service that ensures that customers get access to their services faster without any physical visit to branches. Our valued customers can transfer funds from their SIBL account to MFS accounts "bKash" and "Nagad" through SIBL NOW mobile app and internet banking service. Customers can pay credit card bills, utility bills, recharge their mobile bill using SIBL NOW from their smart device. Going forward, we have implemented e-Accounting service to allow opening up new bank account through online verification process. QR Cash withdrawal feature has been introduced with SIBL NOW app to allow clients withdrawing money from his account visiting any SIBL branch without placing any physical cheque at the counter. Anybody can cash out bKash money from any SIBL ATM booths. Our BPA (Business Process Automation) system under the Green Banking initiatives has accelerated approval process

of investment proposals within few minutes. I want to call out our technology and operations team, who showed creativity and excellence in execution by positioning a certain number of our client-facing teammates to be able to operate in a work-from-home environment.

BEING A GREAT PLACE TO WORK FOR OUR TEAMMATES

Attracting and retaining the best talent is key to our journey towards excellence and one of our top priorities. It helps us manage our operations, provide the best service for our clients and support our communities. We try to make Social Islami Bank Limited a great place to work for all teammates. And we fulfill this commitment by being a diverse and inclusive workplace, attracting and developing talent, recognizing and rewarding performance and supporting teammates' physical, emotional and financial wellness. Our workforce must reflect the communities we serve. We have continued to make progress in our goal to ensure diverse representation at all levels of our bank and twenty percent of our workforce is woman.

We want our teammates to build long-term careers with Social Islami Bank Limited. And that starts with a competitive starting wage and benefits. And we offer ongoing training and development resources to help those teammates grow and thrive within our organization. We hire with a career mindset. And we work to reskill our teammates. To support our teammates during the health crisis, at work and at home, we expanded many of our benefits and resources. This included additional support for mental health and tele consultation with our in-house doctor. As the pandemic hit, we knew our teammates were going to be under pressure at home. For most of them, home was their workplace on roster basis. In 2020, we came together to support one another like never before. It was a great reflection of the commitments, the compassion and the people that make our company a great place to work.

INVESTING IN OUR COMMUNITIES

SIBL has been pioneering to uphold the well-being of the community. We deeply believe that leaving any segment of our community out of development path no true development as a whole can be achieved. Covid-19 pandemic and subsequent financial crisis forced us to think about our responsibility to the community afresh. From the very outbreak of the deadly virus, we have been engaged in all possible ways to help the affected community. To help address the impact of the coronavirus in our communities, we donated medical equipment, PPE, mask, sanitizer, emergency medicine to a number of hospitals in the country during early April 2020. Our SIBL Foundation Hospital is working as a dedicated hospital for Covid-19

patients. The patients are availing covid-19 test and treatment at a minimum cost, and the ultra-poor are getting these facilities almost free. We are also extending financial support, food support and others to the people who have lost their jobs due to economic crisis. We also provided smart phones and internet facilities to the underprivileged students so that they can continue education through online. The returned expatriates are also getting help in a number of ways to create their employment opportunity.

CSR is a noble opportunity to give back to the society we operate in. The extent of our CSR activities ranges from individual distressed people to institutional welfare. SIBL has contributed a sum of Tk. 271.83 million in the field of Health, Education, Disaster Management (Family Rehabilitation), Sports, Art & Culture, Environment (Social Utility) & others during year 2020. 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 contributed Tk. 52.18 million as donation to the poor but meritorious students and different academic institutions of the country to bear their different kinds of expenses. The bank believes that any kinds of social & philanthropic activities would improve the quality of the lives of the underprivileged of the country. During the period the Bank approved Tk. 100 million for "Flood affected helpless and poor people" to the Prime Minister's Relief Fund as a part of its CSR activities. In 2020 the Bank donated total Tk. 1.69 million to different individuals to bear their medical cost, Tk.0.05 million for Sports, Art & Culture, Tk. 117.43 million for Environment (Social Utility) and others Tk. 0.48 million.

LOOKING AHEAD TO 2021

While we made a tremendous impact in supporting our teammates, clients and communities in 2020, our work isn't finished. The health crisis continues to affect the global economy as well as individuals and communities around the world. Our focus now is what else we can do and how we can do it better. Throughout 2021 and beyond, we remain resolute in how we meet our clients' changing needs, how we take care of our teammates and how we help our communities move forward in meaningful ways.

A NOTE OF GRATITUDE

I would like to express my deep sense of gratitude to the members of the Board of Directors for their continued support and guidance. 2020 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 2021.

May the blessings of Allah shower upon you.

Ma-assalam



Quazi Osman Ali
Managing Director & CEO

REPORT & ANALYSIS



26,465.54

28,161.92

26,465.54

198.45

85%

1,538.78

0.01

37,492.43

201.5

1,097.9

19,56.90

0.0

26,717.4

7,534.4

12,512.5

28,875.5

MANAGEMENT REPORT & ANALYSIS

Bismillahir Rahmanir 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 2020.

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.

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 2020.

GETTING PRIORITY TO UNBANKED POPULATION

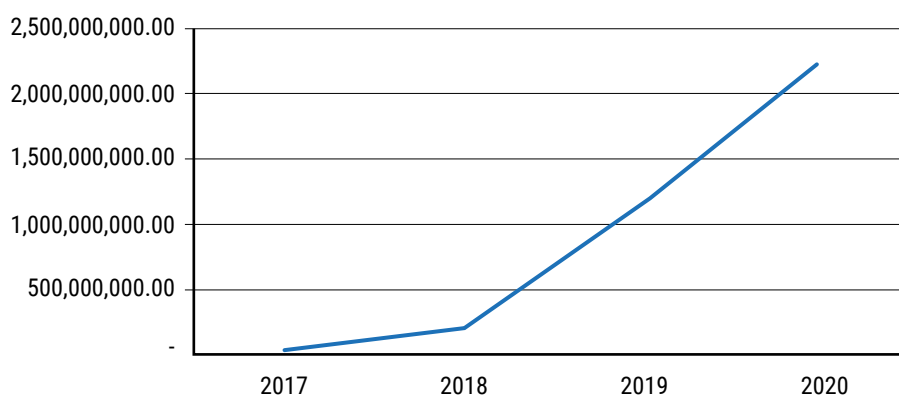
Agent Banking activities usually operates through agents under a valid agency agreement. The respective Agent is the owner of an outlet who conducts banking transactions on behalf of a bank. Agents can carry out transactions on such accounts on behalf of customers. The business rules will be applied by the host system to the accounts of customers. An Agency Banking platform lets agents put in and withdraw money from their digital wallets with various business rules. The facility agent carries out an administrative role in relation to the facility. It supports various types of transactions, such as cash withdrawals, cash deposits, transfers, foreign remittance payment, bill payments of various types, investment / loan repayments, account balance queries, and more. Accounts can be opened in the single name of the illiterate person using thumb impression. The Authorized Officer of the Bank would compare the Photo and thumb impression available in the Bank's record and allow withdrawal of the money from his/her account. Customers of the Agent Outlets may be allowed to avail Cheque book facility on case to case basis. Within just one-and-a-half years of its inception, agent banking has been able to attract a huge number of clients, forcing 28 commercial banks to take up this alternative form of financial service in addition to branch-based banking. According to the agent banking guideline the software of any individual agent will be connected to the core software of the bank, so transactions that will take

place in agent premises will be shown in the banking system real-time and those transactional statements can be used anywhere and everywhere for different purposes of the client.

Social Islami Bank Limited (SIBL), a second generation Private Commercial Bank, started its operation since 22nd November, 1995 based on Shariah Principles. From the inception SIBL is indeed a concept of 21st century participatory three sector banking model, i.e. formal sector, non-formal sector and voluntary sector. Irrespective of Socio-Economic Development and the inclusion of financial activities, in the month of September 2015, Social Islami Bank limited started its journey as a Shariah based Bank through introducing Agent Banking services. SIBL Agent banking is controlled by SIBL Agent Banking Division an individual and separate division situated in the 21st floor of SIBL Head office, City Center, Motijheel, Dhaka. Since inception, SIBL have already established 162 outlets throughout the country by sincere effort of the Agents. As a result these 162 outlets are serving the customers simultaneously with the branches of the bank around the country.

As on 31 December 2020 the total deposit portfolio stands at BDT225.00 crore and total number of account reached 68541.

Amount of Deposit



| Year | No. of Outlet | No of MSD A/C | No of AWCD A/C | No of MTD A/C | Total No of A/C | Deposit Amount in BDT | Remittance Amount in BDT |
|------------------------------------|---------------|---------------|----------------|---------------|-----------------|-----------------------|--------------------------|
| 2017 | 66 | 18288 | 80 | 802 | 19170 | BDT1.80 crore | BDT0.45 crore |
| 2018 | 86 | 23491 | 367 | 2189 | 26047 | BDT19.78 crore | BDT8.22 crore |
| 2019 | 107 | 32733 | 755 | 10626 | 44114 | BDT115.98 crore | BDT41.05 crore |
| 2020 | 152 | 56450 | 1,231 | 10860 | 68541 | BDT225.00 crore | BDT84.11 crore |
| 2021 _[as on 16-05-2021] | 162 | 73575 | 1,583 | 14679 | 89837 | BDT292.28 crore | BDT66.00 crore |
| Projection for 2021 | 214 | - | - | - | 100000 | BDT400.00 crore | BDT200.00 crore |

Though substantial progress has been made in the area of agent banking in terms of the number of agents, account-holders and deposits, there are a number of challenges confronting the growth of this new tool of banking. The BIBM research paper identified seven challenges for banks.

The challenges are:

- A. Selection and monitoring of agents
- B. Cheque book issue and clearing cheque
- C. Limited transaction time
- D. Power failure
- E. Cash carrying or management risk
- F. Physical and cyber security and
- G. Settlement of complaints.

Out of 140 countries, Bangladesh stands at both the 95th and 89th position on availability and affordability of financial services respectively. As per World Bank Global Financial Index Database, 41% of the adults in Bangladesh have Bank Accounts with different Banks. While about 24% of the population has saved money in the past, only 10% have saved through a formal financial institution. Agent banking is playing a pivotal role to provide limited scale banking and financial services to the unbanked & underserved population. Although the central bank issued an agent banking guideline in 2013, the first banks started full-fledged agent operations in 2015. The business took off almost immediately, with 544,536 accounts opened with deposits of BDT380.68 crore opened between October and December that year. Initially it was started with 10 banks and now 19 commercial banks are running agent operations. Among them Social Islami Bank Limited, Dutch-Bangla Bank Limited (DBBL), Bank Asia Limited, Al-Arafah Islami Bank Limited, and Islami Bank Bangladesh Limited is dominating in the market. Agent banking has been able to get such popularity mainly for its simplicity to the clients and cost-effectiveness for the banks. According to a research paper titled, "Alternative delivery channel: Opportunities and challenges of the new banking environment" by Bangladesh Institute of Bank Management (BIBM), agent banking has become popular because of its benefits for both the banks and clients, while the country's economy is also being benefited through financial inclusion. According to the paper, the banks have been able to increase customer volume, improve financial appearance, lower operating costs, expansion of business, increase deposit collection, improve banks' branding and widen their spreads. Agent banking has facilitated customers by providing full-fledged banking services

at their doorsteps in the remote area, and it has made convenient and easy for channeling remittance.

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. The Bank always 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 2020 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 92%. Social Islami Bank is always optimistic to maintain 92% throughout the year. | Mar | 94.17% | -2.17% |
| | | June | 91.56% | 0.44% |
| | | Sep | 91.77% | 0.23% |
| | | Dec | 90.65% | 1.35% |
| MTF Ratio (Liability mature> 1year / Assets mature> 1 year) | On the basis of historical tend 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 | 86.90% | 3.10% |
| | | June | 89.27% | 0.73% |
| | | Sep | 89.53% | 0.47% |
| | | Dec | 89.51% | 0.49% |
| Maximum Cum. Outflow (Net outflow up to 1 Month bucket) | 19% of the Balance Sheet Amounts | Mar | 13.35% | 5.65% |
| | | June | 13.69% | 5.31% |
| | | Sep | 14.53% | 4.47% |
| | | Dec | 15.17% | 3.83% |
| Wholesale Borrowing | 80% of bank's eligible capital | Mar | 50.07% | 29.93% |
| | | June | 62.38% | 17.62% |
| | | Sep | 51.40% | 28.60% |
| | | Dec | 69.42% | 10.58% |
| 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 % & 5.50% res. Required SLR was Tk. 1503.66 Crore & CRR was 1503.66 Crore. | Surplus of SLR + CRR was Tk. 213.73 Crore |
| | | June | Throughout the month, SLR & CRR were maintained above 05.50 % & 4.00% res. Required SLR was Tk. 1508.28 Crore & CRR was 1096.93 Crore. | Surplus of SLR + CRR was Tk. 1221.02 Crore |
| | | Sep | Throughout the month, SLR & CRR were maintained above 05.50 % & 4.00% res. Required SLR was Tk. 1537.10 Crore & CRR was 1117.89 Crore. | Surplus of SLR + CRR was Tk. 811.27 Crore |
| | | Dec | Throughout the month, SLR & CRR were maintained above 05.50 % & 4.00% res. Required SLR was Tk. 1640.27 Crore & CRR was 1191.45 Crore. | Surplus of SLR + CRR was Tk. 1866.15 Crore |
| Liquidity Coverage Ratio (LCR) | The minimum standard for LRC shall be greater than 100. | Mar | 186.94% | 86.94% |
| | | June | 153.10% | 53.10% |
| | | Sep | 174.14% | 74.14% |
| | | Dec | 152.77% | 52.77% |
| Net Stable Funding Ratio (NSFR) | The minimum standard for NSFR shall be greater than 100. | Mar | 125.13% | N/A |
| | | June | 128.67% | N/A |
| | | Sep | 134.01% | N/A |
| | | Dec | 128.51% | N/A |
| Leverage Ratio | The minimum standard for Leverage ratio shall be greater than 3.00%. | Mar | 4.99% | 1.99% |
| | | June | 4.52% | 1.52% |
| | | Sep | 4.50% | 1.50% |
| | | Dec | 4.82% | 1.82% |
| 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 | 13.06% | N/A |
| | | June | 12.60% | N/A |
| | | Sep | 12.54% | N/A |
| | | Dec | 13.50% | 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 13.50% as against the required CRAR of 12.50% 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 for the year 2020 is summarized below:

Figure in Million Tk

| Risk Weighted Assets (RWA) for | RWA | Capital Requirement |
|--------------------------------|------------|---------------------|
| A. Credit Risk | 203,056.96 | 20,305.70 |
| B. Market Risk | 1,782.80 | 178.28 |
| C. Operational Risk | 20,180.85 | 2,018.08 |
| Total: RWA (A+B+C) | 225,020.62 | 22,502.06 |
| Capital Maintained | | 30,368.90, |
| Capital Surplus | | 7,866.84 |

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 271.83 million was spent under Health, Education, Sports, Disaster Management and Environmental programs which was Taka 297.33 million in 2019. 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 63,994.64 million in 2020 as compared to Taka 65,716.40 million in 2019.

PERFORMANCE OF THE BANK

The Banking sector has achieved a slow growth and was under pressure due to different adverse issues throughout the year 2020. Despite manifold challenges, the year 2020 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 "168 Branches Club". Out of the 168 Branches, Performance in 2020 of some branches may be mentioned as under:

- 37 (Thirty Seven) Branches achieved 100% and above Deposit Target
- 41 (Forty One) Branches achieved 100% and above Investment Target
- 18 (Eighteen) Branches achieved 100% and above Foreign Exchange Business Target and
- 23 (Twenty Three) Branches achieved 100% and above Profit Target as set out for the year 2020

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.
- Investment 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.

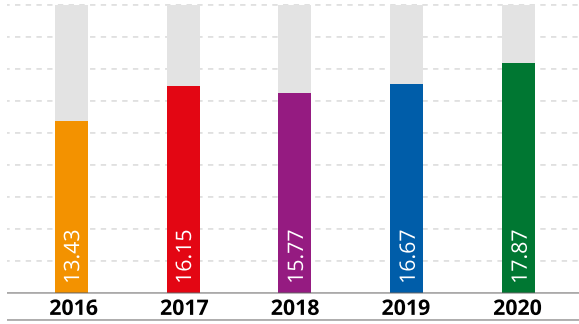
SIBL STUDENT ACCOUNT

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

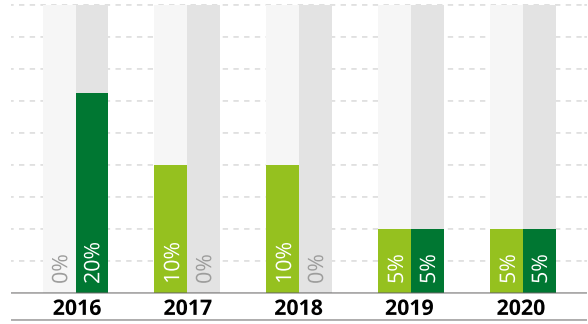
Debt Equity Ratio

(Times)



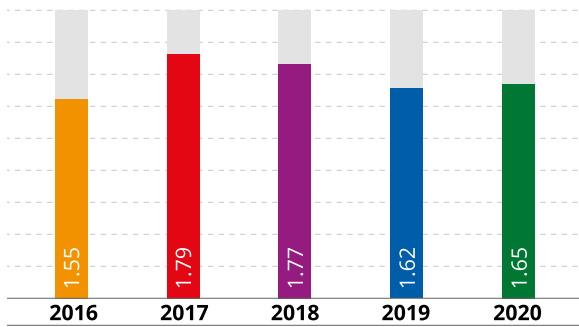
Dividend Pay out History

(%)



Dividend Cover Ratio

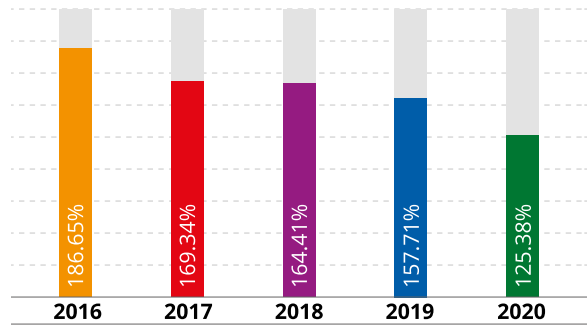
(%)



Net Investment Income

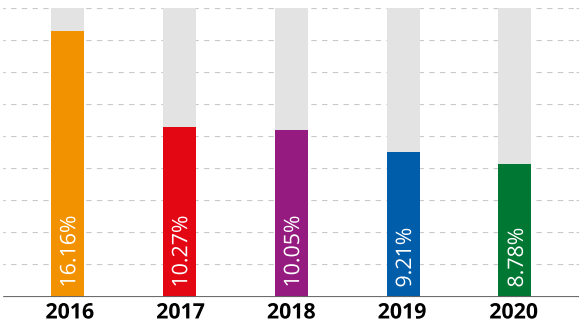
as a percentage of Operating Cost

(%)



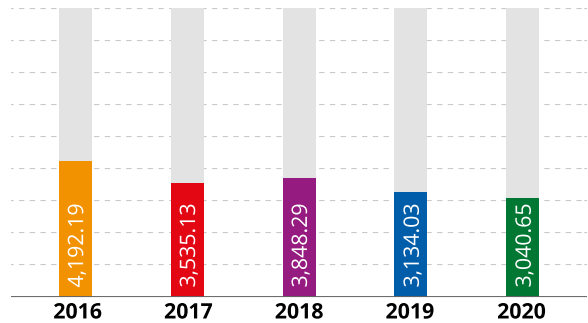
Return on Equity

(%)



Profit Before Tax

(Taka in Million)



BUSINESS ANALYSIS

Cost of Fund of the Bank for the year 2020 was 8.86 % while total overhead cost was 1.98%. Earning Yield was 9.86% and finally accumulated a spread was 1.00 %.

HORIZONTAL/ VERTICAL ANALYSIS Operating performance (Income Statement) Analysis

| Sl. | Particulars | Year 2020 | | Year 2019 | |
|-----------|---|------------------|----------------|------------------|----------------|
| | | Amount | % of total | Amount | % of total |
| 1 | Total Revenue / Operating Income: | | | | |
| i) | Investment Income | 26320.28 | 88.17% | 27138.72 | 88.37% |
| iii) | Profit from Bank Deposit | 715.99 | 2.40% | 658.71 | 2.14% |
| ii) | Investment Income shares & securities | 762.38 | 2.55% | 760.57 | 2.48% |
| a) | Sub-total : Funded Income (i+ii) | 27798.65 | 93.13% | 28558 | 92.99% |
| iii) | Commission | 646.37 | 2.17% | 682.43 | 2.22% |
| iv) | Exchange Gain | 774.84 | 2.60% | 783.4 | 2.55% |
| v) | Other Income | 631.01 | 2.11% | 687.3 | 2.24% |
| b) | Sub-total: Non-Funded Income (iii+iv+v) | 2052.22 | 6.87% | 2153.13 | 7.01% |
| c) | Total: Operating Income {1(a) + 1(b)}/ Total Revenue | 29850.87 | 100.00% | 30711.13 | 100.00% |
| 2 | Operating Expenditure: | | | | |
| i) | Exp. against Customers' Deposit | 18,479.41 | 72.45% | 16,601.17 | 68.12% |
| ii) | Exp. for Bank Deposit | 1,005.38 | 3.94% | 1,827.38 | 7.50% |
| a) | Sub-total: Profit Expenses (i+ii) | 19,484.79 | 76.39% | 18,428.55 | 75.62% |
| iii) | Salary & Allowances | 3567.61 | 13.99% | 3395.57 | 13.93% |
| iv) | Other Operating Expenses | 2455.26 | 9.63% | 2544.89 | 10.44% |
| b) | Sub-total: Administrative Expenses (iii+iv) | 6022.87 | 23.61% | 5940.46 | 24.38% |
| c) | Total: Operating Expenditure {2(a) + 2(b)} | 25,507.66 | 100.00% | 24,369.01 | 100.00% |
| 3 | Operating Profit/ (Loss) {1(c) - 2 (c)} | 4,343.21 | | 6,342.12 | |
| 4 | Profit before tax | 3040.65 | | 3134.03 | |
| 5 | Profit after tax | 1550.94 | | 1521.45 | |
| 6 | EPS (Taka) Restated | 1.65 | | 1.62 | |

BALANCE SHEET ANALYSIS

Figure in million Taka

| Sl. No. | Particulars | Year 2020 | Year 2019 | Year 2018 | Year 2017 | Year 2016 |
|---------|---|-----------|-----------|-----------|-----------|-----------|
| 1 | Shareholders Fund | 18,038.39 | 17,271.33 | 15,749.88 | 14,166.45 | 14,187.80 |
| 2 | Property, Plant & Equipment | 4,431.01 | 3,606.05 | 3,563.53 | 3,480.82 | 3,257.52 |
| 3 | Net Current assets | 5,318.23 | 5,265.09 | 4,863.71 | 4,870.20 | 5,421.97 |
| 4 | Long Term Liabilities/ Current Liabilities | 0.375 | 0.394 | 0.364 | 0.345 | 0.325 |

SOME IMPORTANT RATIO ANALYSIS

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

| Analysis | 1st Quarterly (%) | Half-yearly (%) | 3rd Quarterly (%) | Yearly (%) |
|---|-------------------|-----------------|-------------------|------------|
| | Mar-20 | Jun-20 | Sep-20 | Dec-20 |
| Profitability Ratios: | | | | |
| Return on Average Assets*(Net Profit after tax/Average Assets)*100 | 0.41% | 0.26% | 0.27% | 0.42% |
| Return on Average Equity *(Net profit after tax/Average Equity)*100 | 8.05% | 5.19% | 5.42% | 8.78% |
| Earning per share (EPS) (Taka) * | 0.39 | 0.51 | 0.76 | 1.65 |
| Efficiency/Activity Ratios: (Rate of Return Risk) | | | | |
| Net Investment Income = Total Profit income - Total Profit expenses | 159.45 | 309.49 | 482.80 | 755.15 |
| Net Investment Margin (NIM)=(Net Invest. Income/Avera. Earning Assets)*100 | 2.15% | 2.06% | 2.09% | 2.43% |
| Earning Assets/Total Asset | 88.14% | 85.71% | 87.71% | 85.66% |
| Efficiency Ratio(Total Overhead cost/ Total operating income)*100 | 63.21% | 65.06% | 66.62% | 58.10% |
| Overhead Ratio*(Total Overhead cost/Total Assets*100) | 1.66% | 1.56% | 1.61% | 1.56% |
| Effective Average Cost of Deposit | 7.33% | 6.95% | 6.62% | 6.88% |
| Cost of Fund | 9.07% | 8.73% | 8.46% | 8.86% |
| Effective Average Earning Yield | 9.78% | 9.31% | 9.02% | 9.86% |
| Liquidity Ratios: (Liquidity Risk) | | | | |
| Investment Deposit(client) Ratio (ID Ratio)(Investment/Client Depo.*100 | 94.17% | 93.30% | 89.98% | 90.65% |
| Liquid Assets Ratio (Liquid Assets/Total Assets)*100 | 8.99% | 11.28% | 9.79% | 11.45% |
| LCR | 186.94% | 153.10% | 174.14% | 152.77% |
| NSFR | 125.13% | 128.67% | 134.01% | 128.51% |
| Maximum Cumulative Outflow (MCO) | 13.35% | 13.69% | 14.53% | 15.17% |
| Stable Fund Ratio(Saving Deposit/Total Client Deposit)*100 | 8.94% | 10.29% | 10.72% | 11.23% |
| Dependency Ratio(Bank Deposit& Borrowings/T.Deposit& borrowing)*100 | 4.89% | 8.66% | 5.11% | 7.10% |
| Snap Liquidity Ratio (Liquid Assets/ Total External Liabilities) | 9.48% | 11.87% | 10.29% | 12.01% |
| Liquid Assets/ Short term liabilities | 30.51% | 35.94% | 29.39% | 41.88% |
| Liquid Assets/ Total Deposit | 10.86% | 13.53% | 11.65% | 13.67% |
| Short Term Borrowings/ Liquid Assets | 1.63% | 4.95% | 0.00% | 0.00% |
| Volatile Deposits/ Total Assets | 3.88% | 4.24% | 4.62% | 4.68% |
| Capital Adequacy Ratios: | | | | |
| CET 1 | 8.40% | 7.77% | 7.75% | 7.76% |
| Tire I Ratio | 8.40% | 7.77% | 7.75% | 8.43% |
| Tire II Ratio | 4.66% | 4.83% | 4.79% | 5.07% |
| Risk Weighted Capital Adequacy Ratio (RWCAR) | 13.06% | 12.60% | 12.54% | 13.50% |
| Shareholders Equity to Total Deposit & Borrowings (Equity/Deposit & borrowings)*100 | 6.24% | 5.90% | 5.85% | 5.60% |
| Internal Capital Generation Ratio (Net profit afterTax/Equity)*100 | 7.97% | 5.13% | 5.32% | 8.35% |
| Asset Quality Ratio: | | | | |
| Ratio of Classified Investment(Classified Investment/Net Investment)*100 | 6.40% | 6.25% | 6.00% | 6.05% |
| Ratio of SMA Investment(SMA Investment/ Net Investment)*100 | 3.08% | 4.50% | 4.39% | 4.31% |
| Gross NPI Ratio(Classified Invest.-Profit Suspense/Investment-F.Provision)*100 | 5.56% | 5.41% | 5.10% | 5.08% |
| Net NPI Ratio(Classified Invest.-Profit Suspense-CL Provision/Investment-F.Provision-Profit Suspense)*100 | 1.91% | 1.84% | 1.70% | 2.40% |
| Gross NPI Coverage Ratio(Total CL Provision/Classified Invest.-P.Suspense)*100 | 66.01% | 66.49% | 67.06% | 53.43% |
| Investment (Shares & Securities) Risk: | | | | |
| Market Value Vs Cost Price of quoted Investment | 87.80% | 103.61% | 109.44% | 108.26% |
| Investment Portfolio (Shares & Securities) /Total Equity Capital | 105.21% | 98.26% | 101.39% | 102.49% |

PROFITABILITY / DIVIDENDS/PERFORMANCE AND LIQUIDITY RATIOS

| Particulars | Year 2020 | Year 2019 |
|--------------------------------|-----------|-----------|
| Gross Profit Ratio (%) | 57.47 | 71.12 |
| Price earnings Ratio (%) | 7.86 | 8.10 |
| Current Ratios (%) | 1.02 | 1.03 |
| Return on Capital Employed (%) | 8.78 | 9.21 |
| Debt Equity Ratio (%) | 17.87 | 16.67 |

LIQUIDITY POSITION ANALYSIS

During the year under review, net cash inflow as stated in the Cash Flow Statements as on 31st December, 2020 which is noted below:

Figure in million Taka

| Particulars | Year 2020 | Year 2019 | Year 2018 | Year 2017 | Year 2016 |
|--|------------|------------|------------|-----------|-----------|
| Net Cash flow from Operating activities | 3,612.83 | 18,322.04 | (9085.34) | 5,780.21 | 751.34 |
| Net Cash flow from Investing activities | (1,325.46) | (353.73) | (367.19) | (485.68) | (414.30) |
| Net Cash flow from Financing activities | (346.67) | (9,400.00) | 7,400.00 | 3,923.40 | 945.29 |
| Net Increase / decrease in Cash & Cash equivalents | 1,977.95 | 8,622.76 | (1,986.77) | 9,217.93 | 1282.33 |
| Opening Cash & Cash Equivalents | 42,097.16 | 33,474.41 | 35,461.18 | 26,410.97 | 25,128.64 |
| Closing Cash & Cash Equivalents | 44,075.11 | 42,097.16 | 33,474.41 | 35,461.17 | 26,410.97 |

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 2021

To make the year 2021 another success, SIBL is ready to accept the challenges of 2021 with new visionary zeal to achieve the common objectives of the Bank and hence the year 2021 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 2021, which is realistic and challenging.

The Business Target for the year 2021 is featured by setting of-

- Client Deposit Tk. 370,000.00 million
- Investment Taka 326,500.00 million
- Foreign Exchange Business Taka 210,500.00 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 2021. 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 2020 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 2021 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 Companies Act-1991 (amended up to 2018) 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.

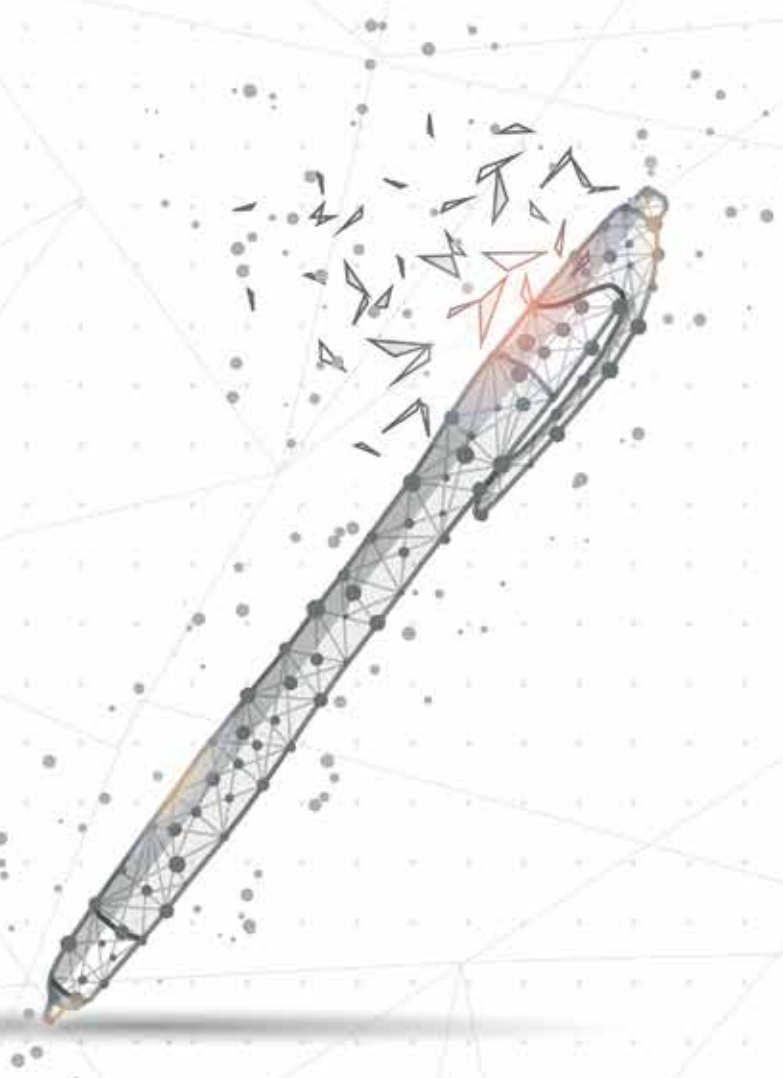
The Board of Directors of the Bank declares that they have actively and diligently discharged their duties and responsibilities to establish a sound internal control system and to ensure good corporate governance.

On behalf of the Board of Directors



Prof. Md. Anwarul Azim Arif
Chairman
Board of Directors

DIRECTOR'S
REPORT





Dear respected Shareholders,

It is my great pleasure to welcome you all on behalf of the Board of Directors to the 26th 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 2020 for your kind information. The board would like to mention some of the salient performance of the Bank during the year 2020 in the backdrop of Global and Local economic, political, environmental scenario and the effects of Covid-19 on them.

Global Economic Outlook

World Economy

The global economy will be estimated to grow by 5.4% by UN and 6.0% by IMF in 2021. Additional policy support announced for 2021, mainly in the advanced economies, is expected to help in lifting economic activities with favorable spillover to trading partners. However, pace of recovery is likely to vary significantly across countries, depending on access to vaccine, effectiveness of policy support.

To protect financial system and economy, policy makers across the globe have taken unprecedented measures to bring it on track. Though recovery in China has been faster than expected, the global economy's rebound to pre-pandemic level of activity remains prone to setbacks. After ease of lockdown global trade started to pick up in June where China was a major contributor. In the second half of 2020 financial condition started to ease for advanced economies and for most emerging market and developing economies. This pandemic has increased inequality globally by pushing more people below poverty line mainly those who live on daily wage and are migrant workers.

After an estimated contraction of -3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 by World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labor force growth in advanced economies and some emerging market economies. Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

Across the globe, COVID-19 has created rapidly growing demand for digital services, accelerating ongoing digital transformation. With lockdowns and movement restrictions in place, operating digitally has been the only viable option for many firms to stay in business and government agencies to perform their functions.

Digital processes are becoming ever more embedded in production and trade as information and communication technology (ICT) services control business processes and facilitate transactions within networks and between firms and customers. New technologies, such as 3D printing and additive manufacturing, have the potential to fundamentally alter business models and redefine comparative advantage by facilitating scale-independent efficient production and bringing production systems closer to consumers. In the medium term, such developments could support restoring trends by increasing the competitiveness of previously noncompetitive production locations and by encouraging a shift from the traditional model of economies of scale of large plants serving global markets to networks of smaller, more flexible and geographically distributed plants. Moreover, digitalization and emerging technologies, including artificial intelligence and machine learning, are also transforming service delivery worldwide. They will increasingly facilitate the cross-border exchange of health, education and other services, reinforcing the growing importance of services in global trade and development.

Bangladesh Economic Review

Economic growth

The past decade Bangladesh's economic growth has steadily increased from 6 percent to 8 percent. The global novel Coronavirus (COVID-19) pandemic has adversely affected the economy of Bangladesh. According to the provisional estimates of the Bangladesh Bureau of Statistics (BBS), GDP growth in FY2019-20 stood at 5.24 percent, compared to 8.15 percent in the previous fiscal year. Growth in export and import in FY2019-20 is negative. However, remittance inflows grew by 10.87 percent has reduced the current account deficit compared to the previous fiscal year. At the same time, the increase in capital and financial account inflows has led to a surplus in the overall balance of payments. As a result, the foreign exchange reserves have increased significantly. During this period, a marginal depreciation in exchange rate of Taka with the US dollar is being observed. To keep the country's economy afloat in the face of the ongoing Coronavirus pandemic, extra spending on healthcare, emergency humanitarian assistance has been materialized. The government has already announced a financial package of about Tk. 1.2 lac crore for economic recovery. Some of the notable activities of this package are: create special funds for export oriented industries; provide working capital facilities to the affected industry and service sector organizations; provide working capital facilities to small (including cottage industries) and medium industrial enterprises; increase the benefits of the Export Development Fund; increase coverage of social security; direct cash transfer to targeted people, formulate various funds for the agricultural sector. As well as financial

incentives, various activities including policy support such as reduction of import duty on COVID-19 related products, policy support to increase liquidity in the banking sector has been provided. As a result of this initiatives and lifting of holidays the economy has started to recover and thus the Asian Development Bank (ADB) predicts that in 2021 Bangladesh will top the growth rate.

Savings and Investment

Gross Domestic Savings (GDSs) at current market price, stood at 25.3 percent of GDP in FY20, higher than 25.0 percent of GDP in the previous fiscal year. Gross National Savings (GNSs) increased to 30.1 percent of GDP in FY20 from 29.5 percent in FY19. Investment as a percent of GDP stood at 31.8 in FY20 from 31.6 in FY19. Private and public investment to GDP ratio slightly increased to 23.6 and 8.1 percent in FY20 from 23.5 and 8.0 percent respectively in FY19. Gross Domestic Savings (GDSs) and Gross National Savings (GNS) at current market prices increased by 11.2 and 12.3 percent respectively in FY20 compared to FY19. Domestic savings-investment gap as percent of GDP reduced to 6.4 percent in FY20 from 6.6 percent in FY19.

Short-term and long-term crisis

The pandemic will likely transform consumer behavior and economic structures. It is unlikely that in-person interactions will quickly return to pre-crisis levels even if millions are inoculated against COVID-19. Remote work will likely become the new norm for many service sector jobs. Meetings and conferences may remain largely digital, reducing demand for business travel related services. Consumer spending will increasingly move online. Leisure and entertainment will also become increasingly digital, replacing brick-and-mortar venues for retail and entertainment. These shifts will likely reduce local government revenues and adversely impact the delivery of basic services—health, sanitation, education, transportation and public safety—in urban centers worldwide. These shifts, already under way before the pandemic, will profoundly impact the trajectory of sustainable development in the future. Furthermore, the pace of digitalization, automation and robotization will likely accelerate during the post-pandemic period, as businesses will pursue resilience and safeguards against shocks to labor supply. Accelerated and more widespread automation and digitalization will likely make many job losses permanent. While automation and innovation typically increase the productivity of workers and firms that can embrace new technologies.

Inflation

The twelve-month point to point general inflation increased to 6.0 percent in June 2020 amid fluctuations from 5.5 percent in June 2019, driven by the increase in food inflation, emanated mostly from uncertainty

due to the COVID-19 pandemic. Point to point food inflation moderated to 4.9 percent in March 2020 with minor fluctuations from 5.4 percent of June 2019 due to adequate supply of food while there was a pickup of 6.5 percent in June 2020 caused by disruption of supply chain. On the other hand, a moderate pressure in point to point non-food is experienced in the second half of FY20 on the back of higher remittance inflows and increase in medical care along with health related expenses. However, point to point non-food inflation eased to 5.2 percent in June 2020 due to subdued demand for elastic items because of losing employment and cut of salaries. Consequently, headline twelve-month average inflation went up to 5.7 percent in June 2020, slightly higher than the target ceiling as well as actual inflation of 5.5 percent recorded in June 2019. In FY20, twelve-month average food inflation experienced broadly a stable trend with a trifling volatility ranging from 5.4 to 5.6 percent and ended up with 5.5 percent in June 2020 from 5.5 percent in June 2019. Annual point-to-point food inflation exerts a mixed trend, following uptrend till November 2019, downtrend up to March 2020 and then again takes the shape of rising trend emanating mainly from uncertainty and disruption of supply chains due to the COVID-19 led shutdown. At the end of June 2020, the annual point-to-point food inflation jumped to 6.5 percent from 5.4 percent in June 2019. On the other hand, in FY20, except a stable situation during October-December 2019, the annual average non-food inflation gradually increased and ruled headline inflation. The average non-food inflation rose to 5.9 percent in June 2020 from 5.4 percent in June 2019. In contrast, annual point to- point non-food inflation followed moderately an erratic trend in FY20. The annual point-to point non-food inflation went up to 6.5 percent in March 2020 from 5.7 percent in June 2019; then started falling, reaching 5.2 percent in June 2020, on the back of subdued demand due to two months' general holiday and lockdown.

Profit Rates Policy

The weighted average lending rate of commercial banks was 9.77 percent at the end of February 2017, decreased to 9.55 percent at end of February 2018 and further decreased to 9.40 percent at the end of February 2019. In the end of the year 2020 the weighted average lending rate of commercial banks stood at 7.61 percent. On the other hand, the deposit rate was 5.08 percent at the end of February 2017 which increased to 5.18 percent at the end of February 2018 and further increased to 5.34 percent at the end of February 2019. In the end of 2020 the deposit rate reached to 4.54 percent. In the beginning of the year 2020 the interest rate spread was 3.97 percent which decreased and stood at 3.07 percent at the end of the year 2020.

Revenue Mobilization

Fiscal performance resumed its pre-COVID-19 growth path in Q2FY21, because of tax collections improved, growth in expenditure moderated and budget deficit narrowed with growing economic activities. The fiscal deficit has reduced in Q2FY21 due to revenue collection increased and expenditure declined with economic recovery. Reflecting the resumption of economic activity, total revenue collections improved in Q2FY21 compared to Q2FY20. During the second quarter of FY21, the overall revenue collection has increased by 8.0 percent compared to those in Q2FY20. In Q2FY21, NBR tax revenue collection rose by 3.8 percent to BDT 604.4 billion from Q2FY20. The customs duties (4.3 percent) and income tax (6.0 percent) were the main drivers of NBR revenue collection. Total revenue collection during H1FY21 increased by 6.3 percent (y/y) to BDT 1315.4 billion which met only 34.8 percent of annual budget target (BDT 3780.0 billion) for FY21. The consolidated fiscal spending weakened with slower growth in ADP expenditure and current expenditure in Q2FY21. Total expenditure amounted to BDT 901.1 billion (2.8 percent of GDP) in Q2FY21. As a share of total expenditure, current expenditure increased by 1.8 percent to BDT 501.1 billion and ADP expenditure declined by 13.71 percent to BDT 339.7 billion in Q2FY21 compared to Q2FY20. During H1FY21, total fiscal expenditure decreased by 4.8 percent (y/y) stood at BDT 1840.4 billion which was about 32.4 percent of the annual budget target of BDT 5680.0 billion for FY21.

The total budget deficit financing relied almost equally on both domestic and foreign sources in Q2FY21. The total deficit financing of BDT 101.8 billion was met from domestic sources of which BDT 11.10 billion came from banking sources and BDT 90.70 billion came from non-bank sources. The foreign financing amounted to BDT 105.3 billion in Q2FY21 which was 18.7 percent lower than that in Q2FY20.

External Sector Developments

According to the provisional estimate of BBS, the growth of agriculture sector has slowed to 3.11 percent in the FY2019-20, from 3.92 percent in FY2018-19. During the same period, industry sector grew by 6.48 percent, which was 12.68 percent in the previous fiscal year. The service sector grew by 5.32 percent in FY2019-20 compared to 6.78 percent in the previous fiscal year. Within the broad agriculture sector, the growth rate of agriculture and forestry sector decelerated from 3.15 percent to 2.08 percent in FY2019-20. In addition, growth in fishing sector slowed slightly to 6.10 percent from 6.21 percent of previous fiscal year. The contribution of the broad agricultural sector to the GDP stood at 13.35 percent in

FY2019-20 against 13.65 percent in the previous fiscal year. Of the 4 sectors of the broad industrial sector, growth in the manufacturing (large and medium scale and small scale) has slowed down significantly. According to provisional estimate, the growth of large and medium enterprises and small scale industries in GDP stood at 5.47 and 7.78 percent respectively in FY2019-20, compared to 14.84 percent and 10.95 percent in the previous fiscal year. The growth of the construction sector stood at 9.06 percent as compared to 10.25 percent over the previous fiscal year. Overall, the contribution of the broad industry sector stood at 35.36 percent in FY2019-20, as compared to 35.00 percent in the previous fiscal year. Among the broad service sector, wholesale and retail trade; hotels and restaurants; transport, storage and communication; financial intermediations; real estate and renting and business activities; health and social works etc. have decelerated significantly (about 1 to 3.1 percent) compared to FY2018-19. The contribution of broad service sector to the GDP stood at 51.30 percent in FY2019-20, which was 51.35 percent in the previous fiscal year.

Capital Market Developments

The robust performance in the capital market which started in June 2020 continued in Q2FY21, as evidenced by strong growth in price indices, buoyant turnover, expansion in market capitalization, and issued capital. The easy monetary condition, the expectation of normalcy in the business activities as COVID-19 situation improved with the beginning of vaccination and several positive initiatives from Bangladesh Security and Exchange Commission (BSEC) helped the vibrant activities in the capital market during the H1FY21. The associations between the movements in the DSE indices and global equity market index were persistent as a result of expansionary monetary policy and restoring business confidence. The Market capitalization of DSE has risen to the highest level (BDT 3933.7 billion) in history of Capital market of Bangladesh. Market capitalization rose to 38.2 percent at the end of Q2FY21 from that of Q2FY20. This growth attributed partly because of newly listed Robi Axiata limited with DSE, the biggest ever IPO.

The DSE broad index (DSEX) and DSE-30 maintained upward trend in Q2FY21 as like Q1FY21. The DSEX index jumped by 8.8 percent in Q2FY21 from Q1FY21 and 21.3 percent from Q2FY20. The DSE-30 index grew by 15.8 percent from Q1FY21 and 29.9 percent from Q2FY20. The food and allied sector reached the highest (3058.2) while Textile sector remained at the lowest level (152.6) in Q2FY21.

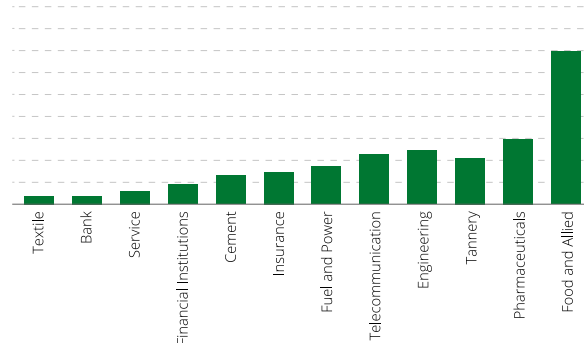
The overall price-earnings (PE) ratio of the DSE increased significantly in Q2FY21 from the level of Q1FY21. The

average price earnings ratios surged to 16.53 in Q2FY21 from 13.51 in Q1FY21. Sector-wise PE data show that banking sector's PE score occupied the lowest position while that of the engineering sector the highest position in Q2FY21.

The increasing trend in turnover and issued capital in DSE continued in Q2FY21. The value of issued equity and debt increased by 8.3 percent in Q2FY21 from Q1FY21 and four new companies were listed in the capital market and one company were re-listed from OTC market during Q2FY21. Thus the number of listed securities rose to 376 at the end of Q2FY21. Total turnover value up by 19.5 percent in Q2FY21 compared to the previous quarter. Market liquidity as measured by the Turnover Velocity Ratio (TVR)³ increased to 57.0 percent in Q2FY21 from 54.1 percent in Q1FY21.

Index of Major Sector, December 2020

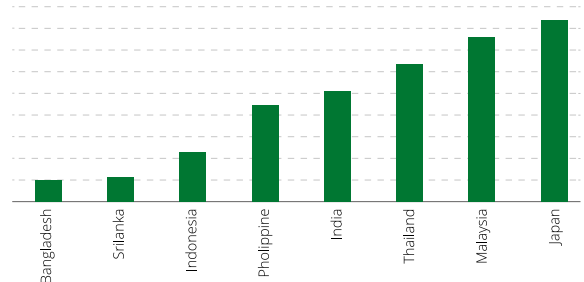
Source: DSE Monthly Review, December 2020



Selected Countries; Stock Market Capitalization, December 2020

Source: DSE Monthly Review, December 2020

(In Percentage of GDP)



Price Earnings Ratio, Dividend Yield and Market Capitalization to GDP ratio of December 2020 of some selected countries are given below;

| Country | Price Earnings Ratio | Dividend Yield | M. Cap to GDP |
|------------|----------------------|----------------|---------------|
| Bangladesh | 14.75 | 3.39 | 16.03 |
| India | 26.08 | 1.05 | 81.39 |
| Sri Lanka | 11.45 | 2.80 | 18.10 |
| Thailand | 28.84 | 3.32 | 102.05 |
| Hong Kong | 17.55 | 2.18 | 1728.70 |
| China | 18.37 | - | 44.12 |

Source: DSE monthly Review, December 2020

Cross-country data on price earnings (PE) ratios as of December 2020 show that Bangladesh has moderate PE ratio among the South and East Asian countries while dividend yield of Bangladesh is the highest among these countries. Market capitalization of as percent of GDP in Bangladesh rebounded sharply to 16.03 percent in Q2FY21 from 11.5 percent in Q1FY21.

The BSEC has taken several investor friendly initiatives e.g. attempt to create an investor protection fund by collecting unclaimed dividend from listed companies, faster approval process of IPO to enhance the market capitalization, to bring transparency and trust in the trading system updated surveillance software, and starting implementation holding of two percent of total capital for individual director and 30 percent of total capital for all sponsors director of the company which restored the investors' confidence in the capital market. In addition, Bangladesh Bank undertook several policy measures under the stimulus packages of the government to boost liquidity in the market which greased the uptrend activities in the capital market during H1FY21. The expectation of improving the COVID-19 situations owing to the beginning of vaccination along with easy monetary condition the uptrend performances of the market are likely continue in near future.

Money and Credit Market Developments

To limit the economic slowdown caused by the pandemic and to ensure faster recovery of economic growth, Bangladesh Bank (BB) has been pursuing an expansionary monetary policy by setting broad money (M2) growth targets of 14.00 and 15.00 percent for December 2020 and June 2021, respectively. A surge in net foreign asset (NFA) kept M2 growing closely to its program path in Q2FY21. Although BB slashed its key policy rates in July 2020, weak private credit demand continued in Q2FY21 resulting a significant rise in excess liquidity in the banking system.

Led mainly by a robust NFA growth, M2 attained at 14.23 percent (y/y) growth in December 2020, which was very close to target. The December growth rate of M2 was considerably higher than 12.04 percent growth in December 2019 and 13.92 percent in September 2020. The NFA registered a higher-than-expected growth of 30.22 percent at the end of Q2FY21 mainly because of much higher inflows in financial account by 1233.3 percent and a high growth of remittance inflows by 27.47 percent amid pandemic-ridden global economic slowdown. On the other hand, the NDA growth further declined to 9.94 percent in Q2FY21 compared with 14.56 percent growth in Q2FY20 and 11.67 percent in Q1FY21, contributed mainly by continued deceleration in credit to both public and private sectors. A growing momentum in government's revenue collection, a rise in borrowing through sales of national saving certificates, and a lower implementation of Annual Development Program (ADP) jointly contributed to reduce government's dependence on borrowing from banks

for deficit financing. Consequently, the growth of credit to the public sector moderated to 21.94 percent at the end of Q2FY21 from 59.81 percent in Q2FY20 and 35.31 percent in Q1FY21. Despite BB's various policy supports and prevailing low real lending rates, the growth of credit to private sector further decelerated to 8.37 percent at the end of December 2020, remaining far below the programmed safe limit of 14.00 percent for December 2020, reflecting subdued loan demand relating to ongoing business slowdown because of COVID-19 situation in the country. In terms of economic purpose-wise distribution of private credit, the industry sector, and trade and commerce activity, which comprise around three-fourth of total private credit, registered 8.36 and 10.69 percent growth in December 2020, noticeably lower than 9.88 percent and 14.60 percent growth in September 2020, respectively.

Driven by a large unsterilized growth in NFA, reserve money grew by 18.11 percent in Q2FY21, remaining well above the target of 15.50 percent set for December 2020. Among the components of reserve money, currency outside bank grew by 19.72 percent in December 2020, which was lower than 33.68 percent growth in July 2020 in the face of the pandemic. On the other hand, balances with the Bangladesh Bank rose significantly to 27.86 percent in December 2020, which mainly contributed to lowering the money multiplier to 4.86 in December 2020 from 5.08 in September 2020.

Bangladesh Bank's recent downward revision of policy rates, particularly the reduction of cash reserve ratio (CRR) by 1.50 percentage points led to a significant rise in liquidity in the banking system. The ratio of total liquid asset to total demand and time liabilities (TDTL) increased to 29.52 percent in Q2FY21 as compared to 27.52 percent in Q1FY21. Similarly, liquid asset in excess of SLR to TDTL rose to 14.58 percent from 12.55 percent during the same period. The impact of rise in the excess liquidity had already been resulted in a downward movement of interest rates in both wholesale and retail money markets. Moreover, prevailing low demand for private credit accentuated this pile-up of liquidity and lingered the downward movements of interest rates. Consequently, interest rate in the call money market further declined to 1.79 percent in December 2020 from 2.87 percent in September 2020 and 4.64 percent in December 2019. The weighted-average interest rate on lending declined to 7.61 percent from 7.79 percent in September 2020 and 9.68 percent in December 2019. Similarly, the weighted-average interest rate on deposit declined to 4.54 percent in December 2020 from 4.79 percent in September 2020 and 5.70 percent in December 2019.

Given the liquidity glut in the banking system, government's less dependency on bank borrowings for deficit financing in the face of a pickup in revenue collection and a rise in borrowing through selling of national saving certificates

pushed yields on government securities (except 20-year treasury bond) down. However, the fall was more pronounced in case of shorter term securities. The yields on 91-day, 182-day, and 364-day treasury bills declined by 0.53, 1.12, and 1.91 percent in December 2020 from 2.93, 3.71, and 3.86 percent in September 2020, respectively, while yield on 20-year treasury bond increased marginally to 7.01 percent from 6.98 percent during the same period.

According to the revised monetary program, the BB will continue its expansionary monetary policy stance for FY21, with some adjustments in net foreign assets and net domestic assets, while keeping the growth target of private sector credit unchanged at 14.8 percent. Looking forward, given the acceleration of vaccination programs across the country, government and Bangladesh Bank policy responses to support recovery from the pandemic are likely to boost business confidence and private credit demand in the coming months. Therefore, it is imperative that supportive monetary policy stance should be continued for strengthening private sector activities affected by the COVID-19 pandemic until the economic recovery is fully achieved.

Sustainable Finance

As per Sustainable Finance Department of Bangladesh Bank circular no.01/2019, all the investment of banks and FIs in impact fund registered under Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015 and has been established for Specific sectors/purposes such as resource efficiency, air emission and quality efficiency, resource recycling, waste management, renewable energy, land contamination prevention/mitigation, energy efficiency, land acquisition etc will get the treatment of Green Finance. To overcome the effect of the flood and dengue fever, Bangladesh Bank has instructed banks and financial institutions to provide necessary assistance (financial & non-financial) to the flood and dengue affected people under their corporate social responsibility (CSR) program.

Green banking is a genre of banking practices which considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called as ethical banking or sustainable banking. The banking sector is one of the major sources of financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which cause maximum carbon emission. Therefore, the banking sector can play an intermediary role between economic & social development and environmental protection, for promoting environmentally sustainable and socially responsible investment. Green banking refers to the banking business conducted in such areas and in such a manner that help the overall reduction of external carbon emission and internal carbon footprint.

'Go-green' approach in banking sector has basically two forms. Firstly, through adoption of environmental and social responsibility in bank's day to day operations like wise use of paper, energy conservation etc. and secondly, by including sustainability in to banks' products and strategies like green lending, etc. Bangladesh Bank (BB) has set examples for others by pioneering green banking initiatives by guiding proactively the banks and NBFIs since 2011. In such aspect, green banking initiatives of BB broadly categorized into the following aspects: policy initiatives, monitoring of green banking activities of banks and NBFIs, refinance support from BB in diverse green products/ sectors, and BB's own initiatives for environmental management.

To broaden the financing avenue for green products like solar energy, bio-gas plant and effluent treatment plant, etc., BB established a revolving refinance scheme amounting to Taka 2 billion (200 crore) from its own fund for solar energy, Bio-gas and Effluent Treatment Plant (ETP) in 2009. The facility is extended to the participating Banks and Financial Institutions (PFIs) 3, those who have signed agreement with Bangladesh Bank to avail the fund.

NBR Tax Revenue

The tax-GDP ratio represents the size of tax revenue earned by the government which is expressed as a percentage of the GDP. The tax includes income tax, payroll tax, value-added tax (VAT), product sales tax, and other GDP items.

The tax-GDP ratio is an important factor in the economy of a country. It measures the effectiveness of a country's tax policy and assesses its income inequality. Higher tax revenue indicates that available resources are being used properly to ensure sustainable economic growth. A higher tax-GDP ratio is always preferable as it induces investment opportunities and helps the government finance its expenditures, develop infrastructure and meet the budget deficit. It also reflects the robust tax buoyancy and wider tax base of an economy. On the other hand, lower tax revenue puts pressure on the government's plan in expanding investment on developmental work and meeting fiscal deficit targets. It also increases public debt.

Bangladesh Tax revenue: % of GDP was reported at 8.0 % in Dec 2020. This records a decrease from the previous number of 9.1 % for Dec 2019. Bangladesh Tax revenue: % of GDP data is updated yearly, averaging 9.3 % from Dec 2006 to 2020, with 15 observations. The data reached an all-time high of 9.6 % in 2015 and a record low of 7.3 % in 2006.

The performance of the banking sector of Bangladesh

The performance of the banking sector of Bangladesh has been largely affected by the COVID-19 pandemic situation for the last four months of FY20. Almost all the large financial markets around the world have been extremely impaired due to the lockdown aiming at hindering the escalation of pandemic. Bangladesh has also lost huge export earnings and its pace of internal production has been reduced significantly due to 66 (sixty six) days long countrywide lockdown. Both the internal and external situations of the financial market have created enormous pressure on the banking sector. Despite these, all scheduled banks of the country remained operational for specified time in every working day during the lockdown period to provide regular banking services to their customers. Moreover, to help the scheduled banks and non-bank financial institutions (NBFIs) to survive in this critical situation and to continue their contribution in revamping the country's economy, Bangladesh Bank (BB) has announced a series of policies and prudential measures from the very beginning of the pandemic situation. These include but not limited to, re-fixation of the regulatory liquidity ratios to ensure additional liquidity in the banking sector, issuance of sufficient prudential guidelines to maintain proper office environment in the banks for continuing the business activities in a limited scale as well as compensation package for the employees as frontline workers during the lock down period, easing of foreign trade and foreign currency transaction regulations, temporary relaxation in the loan classification policy, modeling and implementation of the Govt. stimulus packages for different segments of the economy and refinance schemes to provide liquidity support to those packages and introduction of special fund for capital market investment, etc. Furthermore, the preannounced ceiling of lending rate was also introduced from April 01, 2020.

Monetary Policy

Bangladesh Bank formulates monetary policy for the year-2019-2020. Some of the highlights of the policy are:

The domestic economy of Bangladesh upheld its precise path and accelerating real GDP growth supported by broad-based economic activities until February of FY20. The global economic halt due to COVID-19 outbreak along with the confirmation of the outbreak locally in March 2020 have created some serious impediments to the achievement of real GDP growth of 8.2 percent in FY20. According to provisional estimates of BBS, real GDP of Bangladesh stood at BDT 11637.4 billion, recording 5.2 percent growth in FY20. However, this growth is the highest in the South Asian region (chart 2.1). Before the pandemic, the country was enjoying a higher growth path for the last few years

and achieved a higher growth ever 8.2 percent in FY19, which topped all the countries in the Asia-Pacific region.

Though various sectors of the economy were not performing as expectation during the first three quarters, growth of remittance and industrial production index was in line with the growth target of 8.2 percent. Afterwards, the first positive case of corona virus identified on March and to contain its spread government announced a national general holiday from March 26 to May 30. As a result, economic activities drastically plummeted during the last quarter of FY20 resulting a 2.9 percentage point fall in the growth compared to FY19, which was the largest one-year fall of growth since FY91.

Provisional data of BBS showed that GDP at current market price was BDT 27963.8 billion for FY20 which was 10.0 percent higher compared to the preceding year. In FY20, per capita real GDP and GNI was estimated at tk.166,888 and Tk.174,888 respectively. However, growth rate moderated due to COVID-19 pandemic in FY20, the industry sector continued to achieve the highest growth followed by services and agriculture sector. This reflects the sustainability of growth of the economy.

The industry sector, constituting more than one-third of gross value-added (GVA) in the economy, grew by around 6.5 percent in FY20, far below from 12.7 percent in FY19. This drop in growth was mainly led by low growth in all subsectors of industry hampered by ongoing COVID-19 pandemic. Among the subsectors, mining and quarrying; manufacturing; electricity, gas and water supply; and construction registered the growth of 4.4, 5.8, 6.2 and 9.1 percent in FY20 against 5.9, 14.2, 9.6 and 10.3 percent in FY19 respectively. The large and medium scale and small scale subsectors of manufacturing sector also registered lower growth at (5.5 and 7.8 percent respectively) in FY20 compared to 14.8 and 11.0 percent growth respectively in FY19.

The growth of agriculture sector decreased slightly to 3.1 percent in FY20 from 3.9 percent in FY19. The growth rate dropped due to moderation of growth in all sub sectors of agriculture viz. crops and horticulture, animal farming, forest and related services and fishing. 2.6 Among the subsectors, fishing achieved a growth of 6.1 percent in FY20 against 6.2 percent growth in FY19. Growth in agriculture and forestry subsector fell from 3.2 percent in FY19 to 2.1 percent in FY20. Under agriculture and forestry subsector, forest and related services registered the highest growth of 6.4 percent in FY20 which was 8.3 percent in FY19. Moreover, growth in animal farming and crops and horticulture subsectors also fell from 3.5 and 2.0 percent in FY19 to 3.0 and 0.9 percent in FY20 respectively

Despite some moderation, the service sector, comprising more than half of GVA, registered a modest growth of 5.3

percent in FY20. Within the sector, larger growth impulse in FY20 primarily came from health and social work (10.0 percent) and other financial intermediation (9.5 percent). Among the subsectors of services, wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods; hotel and restaurants; transport, storage and communication; financial intermediation; real estate, renting and business activities; public administration and defense; education; and community, social and personal services registered the growth of 5.0, 6.5, 6.2, 4.5, 4.9, 6.0, 6.2 and 3.6 percent in FY20 which was 8.1, 7.6, 7.2, 7.4, 5.2, 6.4, 7.7 and 3.7 percent in FY19 respectively.

Global and Domestic Islamic Banking Scenario

Being characterized as the finance Industry running based on Shariah principals and its finance backed by tangible assets, the Islamic Finance Industry is growing moderately after due to strong investments in the Halal Sectors, infrastructure after Sukuk bonds. The total worth of the Islamic Finance Service Institution (IFSI) has further crossed USD2 trillion on the back of significant improvement across three sectors of Islamic banking, the Islamic capital market and Takaful. Islamic Finance growth was resilient, and growth recorded 22 percent during the pandemic. There is also an improvement in the resilience of the IFSI based on satisfactory financial stability indicators and compliance with most international regulatory requirements, especially when compared to conventional banks in most jurisdiction with a significant presence of Islamic Finance as well as in the United States and the European Union. The Gulf Cooperation Council (GCC) region remained the engine of growth for the Islamic Banking Sector.

The Islamic capital markets are the second most significant component of the Islamic finance sector; where Sukuk are major contributors. First time in the history of Bangladesh, the /central Bank has invited for an investment of BDT 4,000 on Izra Sukuk- Shariah based bond. And the response was overwhelming. The participators placed demands BDT 15,153 crore against bond value which indicates its acceptance in corporate sectors as well as individuals in Bangladesh. Total deposit in the Islamic Banking Sector reached BDT 3,269,223 million at the end of December 2020 which is increased by BDT 466,944 million (16.66%) compared to the same period of the last year. Total investment of the Islamic banking sector stood at BDT 2,940,936 million at the end of December 2020, which went up by BDT 100,831 million with 8.09 percent compared to the end of the same period of the last year, respectively. At the end of December 2020, the investment- deposit ratio stood at 90 percent which was 94 percent at the end of December 2019. Total remittances mobilized by the Islamic Banking sector stood at BDT 597,481 million during 2020

which went up by 34.13 percent compared to the end of the same period of the last year. The number of branches of the Islamic banking sector, including Islamic branches/windows of conventional commercial banks reached 1528 at the end of December 2020 which was 1380 at the end of December 2019.

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 (BGIB) 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 CSBIB. 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.

Agriculture Credit Department of Bangladesh Bank (BB) through their circular letter no.2 dated 20-09-2020 allowed Refinance scheme of 5000 crore taka for providing working capital in agriculture sector due to break-out of Novel Corona virus. Later on BB has launched a Refinance Scheme for the COVID-19 affected low income professionals, farmers and holders of small and marginal businesses through FID Circular Letter No. 02 dated November 09, 2020. Under this scheme, a microcredit institution is allowed to avail of financing facility from a maximum of 3 (three) different banks. In case of availing financing facility from more than one bank within the stipulated limit, the microcredit institution shall have to submit a declaration on the availed financing facility from the first, if applicable from the first and second, bank to the finally financing bank.

Internal Control and Compliance

Internal control system robust internal control system helps SIBL to ensure achieving goals and aspirations sustainably. This control system also ensures that the Bank complies with local laws and regulations as well as policies, plans, internal and external rules, guidelines and procedures, and subsequently decrease the risk of unexpected loss or damage to the Bank. The Board has delegated the responsibility of overall supervision of internal control system to Audit Committee of the Board. The key functionalities that have been established in reviewing adequacy and integrity of the system of internal control are as follows:

- Different committees have been formed consisting of relative stakeholders with expertise on the subject matter to assist the Board in guiding the Bank's operation in line with corporate mission, vision and strategies.
- The internal audit department of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control system on regular basis and highlights significant findings in respect of any non-compliance.

An Overview of the Bank

Founded in 1995, Social Islami Bank Ltd is the country's leading value-added financial institution based on Shariah Principles. SIBL comprises of SIBL Securities Ltd, SIBL Investment Ltd, SIBL Foundation Hospital. Working closely with our valued clients and stakeholders to provide them one-stop services, access to the very latest products using technology. Our unmatched customer services has made us distinctive in the industry. We build a long term business partnerships with our client helping them grow profitable.

We are always ready to serve you with 3100 employees in 168 branches and 72 sub branches across the country. It has also 162 Agent Banking outlets to cater financial services to the remotest parts of the Land.

The strong conviction to create a caring society is the cornerstone of SIBL's all activities. We feel a strong affinity to the emotions of people. We believe that only banking activities can't usher our society to a just and equitable stage. Thus we are extensively engaged in CSR activities on humanitarian grounds. We work in the fields such as from poverty eradication to family empowerment. Unlike others, the Bank's criteria for success are not only the key objective to make profit but also landmarks to become the country's most humanitarian and complete Bank.

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 2020, it has built a total Capital of Taka 30,368.90 million using the external and internal sources.

Given below table is the last 6 years history of SIBL towards its capital journey efforts:

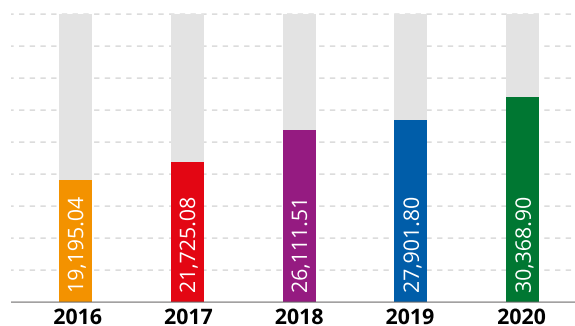
Fig in million Taka

| Year | Paid up Capital | Total Capital | Growth (over the previous year) | Source of Capital |
|------|-----------------|---------------|---------------------------------|---|
| 2015 | 7,031.42 | 16,916.08 | 29.34% | Internal generation & External generation |
| 2016 | 7,385.99 | 19,195.04 | 13.47% | Internal generation & External generation |
| 2017 | 7,385.99 | 21,725.08 | 13.18% | Internal generation & External generation |
| 2018 | 8,121.29 | 26,111.51 | 20.19% | Internal generation & External generation |
| 2019 | 8,933.41 | 27,901.80 | 6.86% | Internal generation & External generation |
| 2020 | 9,380.08 | 30,368.90 | 8.84% | Internal generation & External 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 2020 stood at (a) paid-up capital Taka 9,380.08 million (b) total capital (as per BASEL-III) Taka 30,368.90 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. From the year 2020 all bank operating in Bangladesh are required to maintain the minimum capital to risk weighted assets ratio (CRAR) @ 12.50% 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 Additional Tier I composed of SIBL Mudaraba Perpetual Bond.

Tier-II capital which is known as gone concern capital consisting of (a) general provision on unclassified Investments (b) Subordinated Bond. As per requirements of the guideline, it is mandatory to maintain the CET-1 @ 7.00% 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 2020 stood at Tk. 30,368.90 million as against Tk. 27,901.80 million as on 31st December 2019. As per BASEL-III, the Comparative position of Capital Base of the year 2020 and 2019 is given as under:

Fig in million Taka

| Particulars | 2020 | 2019 |
|---|------------------|------------------|
| Tier-I Capital | | |
| CET-1 Capital | | |
| 1. Paid up Capital | 9,380.08 | 8,933.41 |
| 2. Statutory Reserve | 7,030.39 | 6,422.26 |
| 3. Retained Earnings | 1,056.77 | 984.28 |
| Sub-total | 17,467.25 | 16,339.95 |
| AT-1 | 1,500.00 | - |
| Total Tier I Capital | 18,967.25 | 16,339.95 |
| Tier-II Capital | | |
| 1. 1% provision on unclassified investment | 5,441.65 | 4,401.85 |
| 2. 50% of Revaluation surplus on Fixed Assets (as per phaseout program) | - | - |
| 3. SIBL Mudaraba Subordinated Bond | 5,960.00 | 7,160.00 |
| Sub-total | 11,401.65 | 11,561.85 |
| Total | 30,368.90 | 27,901.80 |
| Capital Adequacy Ratios | | |
| i. CET-1 Capital Adequacy Ratio | 8.43% | 8.07% |
| ii. Tier –II Capital Adequacy Ratio | 5.07% | 5.71% |
| iii. Capital to Risk Weighted Asset Ratio (CRAR) | 13.50% | 13.78% |

Stress Testing

To analyze the soundness of capital impact / capital's shock resilience 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 strength 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 stress test results for the year 2020 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 PERPETUAL BOND RELATED INFORMATION

Social Islami Bank Limited is in the process to issue SIBL Mudaraba Perpetual Bond for a total sum of Taka 500.00 Crore (Taka five hundred Crore). Bangladesh Securities and Exchange Commission (BSEC) vide its letter ref: BSEC/CI/DS-07/2014/272 dated: 25/11/2020 has approved the bond. Bangladesh Bank has also given their NOC for issuing the Bond vide its letter ref: BRPD(BFIS)661/14B(P)/2020-8946 dated: 22/10/2020. This bond will be treated as Additional Tier I capital which will further strengthen the capital base of the Bank in compliance with the capital adequacy requirements as per BASEL-III Capital accord. Expectedly, it will also facilitate the long term business of our Bank through the expansion of general investment portfolios resulting in profitability growth of the Bank as well as attaining sustainable growth. An amount of Tk. 1,500 million has been subscribed within 31/12/2020 and the rest amount will be subscribed within November 2021.

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 | Name of the Bond | Issue Date | Issued Amount | Outstanding Amount as on 31.12.2020 |
|--------------|-------------------------------------|------------|---------------|-------------------------------------|
| 1 | SIBL Mudaraba Subordinated Bond | 31/03/2015 | 3,000 | 600 |
| 2 | SIBL 2nd Mudaraba Subordinated Bond | 20/06/2016 | 4,000 | 2,400 |
| 3 | SIBL 3rd Mudaraba Subordinated Bond | 27/12/2018 | 5,000 | 5,000 |
| Total | | | 12,000 | 8,000 |

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 16 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 :

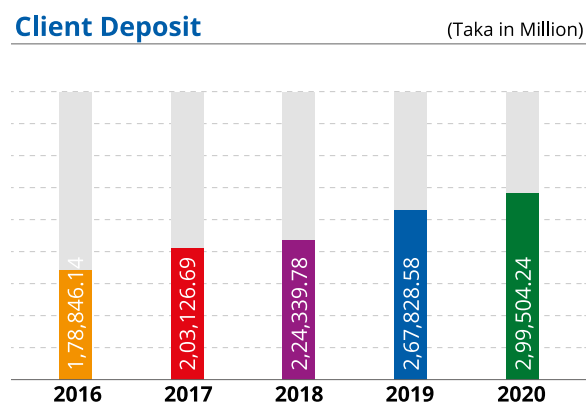
Placement of fund with the other Banks and Financial Institutions in the form of Savings, Notice and Term deposit Since the funding of Shariah banks are restricted to some extent, the bank always keep room in its ID ratios as per BB instruction time to time and the surplus funds keep with other Islami 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.

Borrowings of fund from Bangladesh Govt. Mudaraba Bond SIBL borrows fund from Bangladesh Govt. Mudaraba Bond against the lien marking of Instruments of Investment in Bangladesh Govt. Mudaraba Bond IBP Instruments MTDR receipts with other Bank's Investment.

Deposits

During the year 2020, 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 2020. The following graph shows the deposit trend of the Bank :



Comparative Deposit Mix

Fig in million Taka

| Deposit mix | 2020 | 2019 | Growth |
|------------------------------------|------------|------------|--------|
| Al-Wadeeah Current & Other Deposit | 40230.37 | 32,054.93 | 25.50% |
| Mudaraba Savings deposit | 33622.11 | 25,739.18 | 30.63% |
| Mudaraba Term deposit | 175364.57 | 165,687.51 | 5.84% |
| Other Mudaraba deposit | 72789.41 | 64,112.32 | 13.53% |
| Cash Wqf. | 377.06 | 342.71 | 10.02% |
| Total | 322,383.52 | 287,936.65 | 11.96% |

Profit paid to Depositors

The bank has distributed Tk. 19,484.79 million among the Mudaraba Depositors as profit in 2020 as against Tk. 18,428.55 million in 2019.

Profit paid in 2020 among the various types of mudaraba depositors at the following rate:

Mudaraba Term Deposit

| SI | Particulars | 2020 | 2019 |
|----|----------------|-------|-------|
| 1 | 1 Month | 3.50% | 5.00% |
| 2 | 3 Month | 5.50% | 7.00% |
| 3 | 6 Month | 5.75% | 8.50% |
| 4 | 1 Year & Above | 6.00% | 9.50% |

Mudaraba Savings Deposit

| SI | Particulars | 2020 | 2019 |
|----|--|-------|--------|
| 1 | Mudaraba Savings Deposit | 3.50% | 4.00% |
| 2 | SIBL Youngster Account | 4.50% | 6.50% |
| 3 | Super Savings Account | 4.50% | 5.00% |
| 4 | Sanchita Special Deposit Scheme | 2.50% | 4.50% |
| 5 | Proshanti (Mudaraba Zakat Savings Account) | 7.00% | 9.00% |
| 6 | Mudaraba Cash Waqf Savings Account | 7.00% | 10.50% |

Mudaraba Special Notice Deposit

| SI | Particulars | 2020 | 2019 |
|----|--|-------|-------|
| 1 | Less than 1 crore | 2.50% | 3.50% |
| 2 | Equal to or more than 1 crore but less than 25 crore | 2.75% | 4.00% |
| 3 | Equal to or more than 25 crore but less than 50 crore | 3.00% | 4.50% |
| 4 | Equal to or more than 50 crore but less than 100 crore | 3.50% | 5.00% |
| 5 | Equal to or more than 100 crore | 4.50% | 6.00% |

Mudaraba Scheme Deposits:

| No. | Particulars | 2020 | 2019 |
|--|---|-------------|--------------|
| Group A: mudaraba monthly profit scheme | | | |
| 1. | Mudaraba Monthly Profit Deposit Scheme(3 Year) | 6.50% | 8.50% |
| 2. | Shachanda Protidin | 6.50% | 8.50% |
| 3. | Shuborno Lata | 6.50% | 8.50% |
| 4. | Shobuj Chaya | 6.50% | 8.50% |
| 5. | Mudaraba Monthly Profit Deposit Scheme (1 Year) | 6.00% | 8.00% |
| 6. | SIBL Astha(one year) | 7.20% | 10.50% |
| 7. | SIBL Astha(two year) | 7.80% | |
| Group B: Mudaraba Deposit Pension Scheme | | | |
| 1. | Mudaraba Special Deposit Pension Scheme | 6.50%-7.00% | 8.50%-9.00% |
| 2. | Sonali Din | 6.50%-7.00% | 8.50%-9.00% |
| 3. | Shukher Thikana | 6.50%-7.00% | 8.50%-9.00% |
| 4. | Suborno Rekha | 6.50%-7.00% | 8.50%-9.00% |
| 5. | Shobuj Shayanho | 6.50%-7.00% | 8.50%-9.00% |
| 6. | SIBL Super DPS | 7.00%-7.50% | 9.25%-10.00% |
| Group C: Mudaraba Hajj Scheme | | | |
| 1. | Kafela | 7.00% | 9.00% |
| Group D: Mudaraba Lakhopoti, Millionaire & Billionaire Scheme | | | |
| 1. | Shopner Shiri (Lakhopoti) | 6.25%-7.00% | 8.25%-9.00% |
| 2. | Suborno Digonto (Millionaire) | 6.25%-7.00% | 8.25%-9.00% |
| 3. | Shorno Shikhor (Billinior) | 6.25%-7.00% | 8.25%-9.00% |

| Group E: Other Schemes | | | |
|-------------------------------|-----------------------------------|-------------|-------------|
| 1. | Cash Waqf Deposit Scheme | 7.00% | 10.50% |
| 2. | Cash Waqf Monthly Profit Scheme | 7.00% | 10.50% |
| 3. | Mudaraba Marriage Savings Scheme | 6.50% | 8.50% |
| 4. | Mudaraba Mohorana Savings A/C | 6.75%-7.00% | 8.75%-9.00% |
| 5. | Mudaraba Education Deposit Scheme | 6.50%-7.00% | 8.50%-9.00% |
| 6. | Mudaraba Bashsthan Savings Scheme | 6.50%-7.00% | 8.50%-9.00% |
| 7. | Mudaraba Double Benefit Scheme | 11.25% | 11.25% |

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 investment client 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, Documentary Credits etc. 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 and Agricultural 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 following BASEL-III guidelines and subsequent developments in this regard and other regulatory guidelines meticulously. Our 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 2020 showed a favorable growth. The total investments of the Bank stood at Tk. 300617.94 million in various sectors as at 31st December 2020 against Tk. 264268.59 million as on 31st December 2019 registering a growth 13.75% (Net increase by Tk. 36349.35 million as compared to 2019) that is the sign of the confidence of the clients on the Bank. 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,

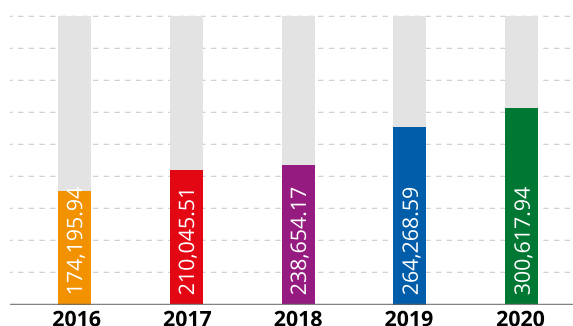
Bashundhara Group, Runner Automobiles Ltd., Runner Motors Ltd., NZ Group, Base Group, ACME, Pran RFL Group, Abul Khair Group, Nitol Motors, AMBAR Group, Shikder Group, Rahimafroz, NASA Group, ACI, Mir Akhter Ltd., Aman Spinning, Megnum Steel, Bangladesh Development Group, BSRM, KDS Group, Noman Group, 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.

Consumer Investment Division of our business is focusing 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 70 (Seventy) Branches of SIBL are in operation of this program and the management of our bank also selected and approved another 40 (Forty) 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 2015:

Year-wise Investment Growth (Taka in Million)



Percentage of Non-performing assets (NPA) of SIBL has decreased from 6.63% (in the year 2019) to 6.05% (in the year 2020). To keep the Non-Performing Investment (NPI) at a reasonable level SIBL has taken vigorous drives towards recovery of NPI and ensuring quality disbursement of fresh investments. Out of Investment of Tk. 300617.94 million, Tk. 18201.16 million has become classified as on 31.12.2020.

Provision composition against funded investment for the year 2020 and 2019 is furnished hereunder:

(Figure in million Tk.)

| Status | Provision Rate | 2020 | | 2019 | |
|-------------------------------|---|-----------------|------------------|-----------------|------------------|
| | | Amount | Composition in % | Amount | Composition in % |
| Unclassified investment | 0.25%, 1%, 2%, 5% & General Provision against RSDL under BRPD Circular No. 05, dt. 16.05.2019 | 3022.31 | 23.64% | 3,855.38 | 33.50% |
| Special Mention Account (SMA) | | 1948.90 | 15.25% | 56.17 | 0.49% |
| Su-Standard investment (SS) | 5%, 20% | 96.48 | 0.75% | 101.86 | 0.89% |
| Doubtful Investment (DF) | 20%, 50% | 24.36 | 0.19% | 39.46 | 0.34% |
| Bad /Loss Investment (BL) | 100% | 7691.25 | 60.17% | 7,454.23 | 64.78% |
| Total | | 12783.30 | 100.00% | 11507.10 | 100.00% |

Investment Plan for 2021:

SIBL has set investment target to Tk. 326,500.00 million Starting from Tk. 300,617.94 million with the focus of minimizing concentration risk and diversifying investment portfolio.

SIBL is looking forward to enhance financing in SME, micro investment sectors and cottage industries with a vision to minimize concentration risk. SIBL is also looking for opportunity to finance investment clients in rural areas. SIBL wants to encourage new entrepreneurs to start their own business & thereby creating employment & reducing poverty rate.

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. Also SIBL always welcome investment in construction sector to ensure continuous infrastructural development in the country.

Moreover, to boost up the present economic condition due to Covid-19, our plan is to achieve target of disbursement against different stimulus packages set by the Bangladesh bank, declared by the government.

We also have plan to make investment as alternative investment fund and also in start-up business to diversify our investment portfolio and improve the present new normal situation

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.

As per Bangladesh Bank guideline, the existing CSR Unit and Green Banking Unit (working under SME & Agricultural Finance Division) already abolished. The separate "Sustainable Finance Department" already established and headed by the Head of Investment Risk Management Division. Initially, at least 05 (Five) regular employees posted in the Department excluding the Head of the Department.

As such, Mr. Abdul Mamun Bhuiyan, FAVP & In-charge of existing CSR Unit and Green Banking Unit along with one dealing officer namely Mr. Md. Nazmul Hasan, SEO has started working under the "Sustainable Finance Department" headed by Head of Investment Risk Management Division (IRMD) to carry out the CSR activities and Green Banking activities of the Bank in line with the Bangladesh Bank guidelines and Bank's Policy in this regard.

Bangladesh Bank has given the organizational structure along with the specific Terms of References (ToRs) of (1) Sustainable Finance Department, (2) Sustainable Finance Committee. Bangladesh Bank also instructed that Risk Management Committee (RMC) of the Board of Directors of the Bank shall guide & oversee the overall activities of Sustainable Finance Department and Sustainable Finance Committee. Accordingly a Term of Reference (ToR) of "Sustainable Finance Department" and "Sustainable Finance Committee" have been proposed as under:

Terms of Reference (ToR) of "Sustainable Finance Department":

1. To perform the following activities of the Bank related to policy formulations, revisions, amendments, renewals & ensuring implementation:
 - 1.1 Green Banking
 - 1.2 Corporate Social Responsibility (CSR)
 - 1.3 Environmental & Social Risk Management Guideline and Sector-wise Environmental & Social Risk Management (to be developed in collaboration with IRMD)
 - 1.4 Green Office Guide
 - 1.5 Green Strategic Planning
 - 1.6 Gender Parity
2. To perform the following activities of the Bank related to policy formulations, revisions, amendments, renewals & ensuring implementation:
 - 2.1 Carbon Footprint Measurement (to be done annually)
 - 2.2 Creating Climate Risk Fund and Management of the Fund
 - 2.3 Green Marketing (to be done in collaboration with Branding & Communication Department)
3. To implement collaborative CSR activities in Financial Sector (e.g. Common Child Day Care Center),
4. To take initiatives regarding approval of Green Branch from Bangladesh Bank and perform all other activities related to establishment of Green Branch,
5. To integrate activities related to Sustainability Reporting [to be done in collaboration with Financial Administration Division (FAD)],
6. To ensure implementation of SFD circular no. 01/2016 of Bangladesh Bank,
7. To comply with the guidelines given time to time by Bangladesh Government and Bangladesh Bank regarding Sustainable Development Goals declared by United Nations (UN),
8. To implement the instructions given time to time by Bangladesh Government and Bangladesh Bank regarding Green Banking, CSR, Sustainable Banking & Sustainable Finance,

9. To submit all the prescribed statements regularly to Bangladesh Bank regarding Green Banking and CSR activities of the Bank and coordinate all activities of Sustainable Finance Department & maintain liaison with Bangladesh Bank,
10. To apply for signing participation agreement for all kinds of On-Lending/On-Blending (Refinance/Pre-finance/Reimbursement) Scheme/Fund/Facility/Project and all other activities in this regard,
11. To develop new product & financial instrument related to Sustainable Finance & Green Finance and take necessary initiatives for Bangladesh Bank approval related functions,
12. To submit progress report on the activities of Sustainable Finance Department at least monthly basis to the Sustainable Finance Committee of the Bank and implement the recommendations of the aforesaid Committee,
13. To prepare the budgets for Green Finance, CSR, Climate Risk Fund and Green Marketing of the Bank and take necessary steps to accord approval of those budgets from the Risk Management Committee of the Bank,
14. To submit progress report on the activities of Sustainable Finance Department at least quarterly basis to the Risk Management Committee of the Bank and implement the recommendations of the aforesaid Committee,
15. To arrange necessary training on Green Banking, CSR, Sustainable Banking & Sustainable Finance for the Officials/Staffs of the Bank,
16. To conduct planning & strategic decision making and to take necessary initiatives for extending the coverage, utilization and amount of Green Finance, Climate Risk Fund, CSR respectively and accord approval of those expansion activities from the Hon'ble Board of Directors through the Sustainable Finance Committee.
17. To provide necessary assistance to Bangladesh Bank Inspection Team and Bank's Internal Control & Compliance Division for conducting audit on Green Banking, CSR, Sustainable Banking & Sustainable Finance activities.

Terms of Reference (ToR) of "Sustainable Finance Committee":

1. To provide approval of regular activities done by Sustainable Finance Department as well as conduct monitoring & evaluation of the activities of Department at Management level.
2. To set yearly budgets of Sustainable Finance Department and to evaluate the achievements against the set budgets.
3. To ensure coordination and cooperation of all concerned Departments for implementing the activities of Sustainable Finance Department.

Terms of Reference (ToR) of "Risk Management Committee" of the Board of Directors:

1. To formulate policy, provide guidance & approval and monitor & evaluate the activities of Sustainable Finance Department and Sustainable Finance Committee.
2. To approve budgets proposed by Sustainable Finance Department.
3. To approve the formation of Sustainable Finance Department and Sustainable Finance Committee.

Formation of Sustainable Finance Committee:

Bangladesh Bank has given guideline to form a Committee headed by the most senior Deputy Managing Director. Other members include: Head of Investment Risk Management Division, Head of Investment Administration Division, Head of Special Asset Management Division, Head of Corporate Banking Division, Head of Retail Banking Division, Head of International Division, Head of Risk Management Division, Head of Human Resources Division, Head of Financial Administration Division, Head of Internal Control & Compliance, Head of Card Division, Head of Logistic Support & Services Division, Head of Branches & Establishment Division, Head of Marketing & Communications, Head of Information & Communication Technology Division and One Official from Sustainable Finance Department.

Green Banking

Bangladesh Bank has recognized SIBL as one of the Top Ten Private Commercial Banks for their 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 Guidelines and Green Office Guide have been circulated to 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 proves 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 2019, as part of our Green Banking initiative SIBL has spent significant amount for Green establishment, installation of solar panels, environment friendly brick plant based on HHK (Hybrid Hoffman Klin) technology etc.

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

| Sl. | Name | Achievement |
|-----|--|---|
| 01. | Formation of Sustainable Finance Department | Sustainable Finance Department has been restructured on 15.01.2017 for smooth functioning of Green activities. |
| 02. | Circulation of Environment Due Diligence (EDD) | Environment Due Diligence (EDD) checklist is being Circulated and practiced. |
| 03. | Circulation of Environment Risk Rating (ERR) | Environment Risk Rating (ERR) is being circulated and practiced. |
| 04. | Circulation of Green Office Guide | Green Office Guide checklist is being monitored regularly. |
| 05. | Formation of Green Banking Policy | Green Banking Policy of SIBL has been approved by the Board of Directors of the Bank. |
| 06. | Circulation of Environment and Social Risk Management (ESRM) | Environment and Social Risk Management (ESRM) is being circulated and practiced. |
| 07. | 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. |

| Particulars | Year-2019 | | Year-2020 | |
|---|-----------------|-----------------|---------------|----------------|
| | Disbursement | Outstanding | Disbursement | Outstanding |
| ETP | | | | |
| Finance for installation of ETP | - | - | - | - |
| Projects financed having ETP | 1842.05 | 2842.59 | - | 5221.24 |
| Bio-gas Plant | 47 | 67.18 | - | 0 |
| Solar Panel/Renewable Energy Plant | 11.44 | 17.24 | 4.65 | 8.25 |
| Hybrid Hoffman Kiln (HHK) | - | - | - | - |
| Projects financed in Brick fields having Zigzag & Improved technology | 3099.54 | 1937.19 | 635.19 | 1723.63 |
| Hazardous waste treatment facility | - | - | - | - |
| Waste Water Treatment Plant | 3667.49 | 1819.68 | - | 0 |
| Plastic Waste Recycling Plant (PVC, PP, LDPE, HDPE,PS) | 27 | 47.52 | - | 0 |
| Green Establishment | 1076.5 | 3409.07 | - | 0 |
| Energy Efficiency (LED) | - | - | 5.59 | |
| Others | 2869.44 | 0 | - | 2698.35 |
| Total | 12640.46 | 10140.47 | 645.43 | 9651.47 |

Green Banking Initiatives of the bank

(Figure in Million)

| Green Banking Initiatives | Yr-2019 | Yr-2020 |
|---|------------|------------|
| ATM (Number) | 108 | 115 |
| No. of Own ATM | 108 | 115 |
| No. of Shared ATM | Under NPSB | Under NPSB |
| Online Banking | | |
| No. of Total Branches | 161 | 168 |
| No. of Branches with online coverage | 161 | 168 |
| Internet Banking | | |
| No. of Accounts facilitated with Internet Banking | 8,116 | 10,248 |
| % of Accounts facilitated with Internet Banking | 2.42% | 2.93% |
| No. of Accounts facilitated with Mobile Banking/SMS Alert Banking | 114807 | 130276 |
| % of Accounts facilitated with Mobile Banking/SMS Alert Banking | 34.18% | 37.22% |
| No. of Training Programs/Seminars/ Workshops/Awareness Programs Exclusively conducted for Green Banking | 14 | 05 |
| Employees | 584 | 171 |
| Customer | - | - |

Progress of Green Finance:

| | Year-2019 | Year-2020 |
|--|------------|-----------|
| Total Investment/Term Investment Disbursed (Funded) | 292,376.79 | 60,171.90 |
| Direct Green Finance (Disbursed) | 12640.46 | 645.43 |
| Indirect Green Finance (Disbursed) | 0.00 | 0.00 |
| Total Green Finance (Disbursed) | 12,640.46 | 645.43 |
| Direct Green Finance as % of Total Investment Disbursement | 4.32% | 1.07% |

Recovery Performance

SSpecial Asset Management Division (SAMD) of SIBL has been performing to recover the overdue, classified and written-off investments of the Bank throughout all of its Branches since inception. This Division also undertakes different initiatives for recovery of overdue, classified and written-off investments in various ways such as settlement of written-off investments under the existing legal framework of the country as well as settles the matter outside the court if and when required. Special Asset Management Division (SAMD) is also engaged in handling all other 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. SAMD also approves rescheduling/ restructuring of the proposals only in accordance with Bangladesh Bank directives from time to time.

During the year 2020 recovery from written-off investment was Taka 9.65 million which was Taka 25.6 million during the year 2019 from the same. Till 2020 total 1,364 cases/ suits are decreed/ disposed in favor of the Bank against total investments of Taka 14,368.52 million. In 2020 total amount of Taka 367 million has been recovered from classified investments.

Different high-powered committees/ teams have also been formed to implement the recovery policies of the bank as well as to monitor the recovery of investment. These committees/ teams are being engaged with achievement of branch-wise recovery target from overdue, classified and written-off investments which has been set by the Head office yearly. For maintaining the strong monitoring particulars assignments have also been given to Head Office executives/ officials to see the progress of recovery on off-site basis.

SAMD use to arrange meeting with clients both at Head Office and at branch frequently as and when required. In these meetings, overall progress are being evaluated regarding recovery from the bad/ written-off investments on the basis of previous commitments given by clients. Besides, assigned executive/ officials have been brought under accountability to get progress towards the recovery.

To decrease NPL of our Bank, 03 (three) Special Assignment Committees (SAC) has been formed by SAMD to find out the untraceable clients and monitor the up-to-date condition of the legal procedures whose suit already filed in the court. Among them 02 (two) committee formed for Dhaka Region and 01 (one) committee formed for Chattogram Region. The works of SAC is being monitored from Head Office for better results. Debt Collection Unit (DCU) has also been formed to look after and strengthen recovery from NPL.

Task Force meeting have been done with concern branches to strengthen the recovery from the overdue and classified accounts. Respective Branch Manager & recovery related officers of classified based Branches has submitted all the particulars of the overdue, classified and written off (if any) investments clients through different statements before the committee. The committee discuss the same and advise the Branches how to recover their overdue, classified and written off investments. In some cases, appropriate legal action have also been taken against the default investment clients to realize Bank's dues as early as possible.

Investment Income

The bank has registered an income from investment of Taka 27,036.27 million under different mode of investment accounts in the year. A comparative position on income received from different mode of investment in the year 2020 and 2019 is given below-

(Figure in Million Tk.)

| Mode | Year 2020 | Year 2019 | Growth |
|--|------------------|------------------|---------------|
| Profit on Murabaha | 120.79 | 206.04 | -41.38% |
| Profit on Bai-Muazzal | 18174.06 | 18,263.67 | -0.49% |
| Profit on Hire-Purchase | 5563.99 | 6,379.69 | -12.79% |
| Profit on Musharka | 21.53 | 32.44 | -33.61% |
| Profit on Bai-Salam | 86.42 | 83.03 | 4.07% |
| Profit on Quard against MTDR, Scheme and others | 614.42 | 532.99 | 15.28% |
| Profit on Inland Document Bill Purchased | 339.04 | 392.54 | -13.63% |
| Profit on Foreign Document Bill Purchased | 1053.06 | 931.36 | 13.07% |
| Profit on Ijarah | 62.37 | 79.42 | -21.47% |
| Profit on Investment against Mudaraba Deposit with other banks and NBFIs | 715.99 | 658.71 | 8.70% |
| Profit on other investments (Card, Wakalat fee etc.) | 208.44 | 213.65 | -2.44% |
| Profit on Mudaraba | 76.16 | 23.88 | 218.93% |
| Total | 27,036.27 | 27,797.43 | -2.74% |

Capital Expenditure

During the year under review, the total capital expenditure on acquisition of fixed assets was Taka 3,610.69 million which includes Taka 800.41 million towards Furniture & Fixtures, Taka 911.50 million for Office Equipment & Computers Software and Taka 17.52 million towards purchase of vehicles and Taka 0.66 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 2020. The Bank undertook a target on foreign exchange business for the year 2020 for Taka 207,250.00 million and accordingly achieved 141,287.08 million. The bank successfully managed to earn a commission & exchange income of Tk. 1,421.21 million in 2020 against Tk. 1,465.83 million of 2019. Despite the volatility of foreign currency throughout the year 2020, the bank accumulated an exchange gain of Taka 774.84 million against Taka 783.40 million of 2019.

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 18,487.37 million in Bond, Government security, Quoted & Unquoted Shares, Preference Share, Bond & Government Security. This year earnings from this segment has been recorded Taka 762.38 million against Taka 760.57 million in 2019.

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 2020 are given below with remarks:

(Figure in Million Tk.)

| SI | Accounting Head | (Un-audited & published) | | | Audited |
|----|---|--------------------------|----------|----------|----------|
| | | 31.03.20 | 30.06.20 | 30.09.20 | 31.12.20 |
| 1 | Investment Income | 7025.79 | 13496.1 | 19891.39 | 27036.27 |
| 2 | Profit Paid on deposits | 5431.33 | 10401.24 | 15063.4 | 19484.79 |
| 3 | Net Investment Income | 1594.46 | 3094.86 | 4827.99 | 7551.48 |
| 4 | Income from Investment in Shares & Securities | 129.42 | 212 | 392.98 | 762.38 |
| 5 | Commission, Exchange & Brokerage | 369.58 | 662.52 | 1005.19 | 1421.21 |
| 6 | Other Operating Income | 135.49 | 313.4 | 406.06 | 631.01 |
| 7 | Total Operating Income | 2228.95 | 4282.78 | 6632.22 | 10366.08 |
| 8 | Operating Expenses | 652.61 | 1096.4 | 1693.86 | 2455.26 |
| 9 | Salaries & Allowances | 756.37 | 1689.86 | 2724.5 | 3567.61 |
| 10 | Other Operating Expenses | 1408.98 | 2786.26 | 4418.36 | 6022.87 |
| 11 | Operating Profit before provisions & taxes | 819.97 | 1496.52 | 2213.86 | 4343.21 |

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 2020, the company has made a profit after tax 8.29 million Taka as against Taka 5.10 million in 2019. 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 | 10,289.98 | 76.16 | 82.32 | 6.60 | 10,455.06 |
| Less: Inter-segmental Income | - | - | - | 0 | - |
| Total Income | 10,289.98 | 76.16 | 82.32 | 6.60 | 10,455.06 |
| Operating profit (Profit before Unallocated expenses and tax) | 10,289.98 | 76.16 | 82.32 | 6.60 | 10,455.06 |
| Allocated expenses | 6,015.55 | 7.38 | 50.27 | 0.02 | 6,073.22 |
| Provision against loans and | 1,297.25 | 0 | 8.16 | 2.66 | 1,308.07 |
| Profit / (loss) before tax | 2,971.86 | 68.78 | 23.89 | 9.24 | 3,073.77 |
| Income tax including deferred tax | 1,489.71 | 0 | 15.6 | 1.19 | 1,506.50 |
| Net profit | 1,482.15 | 68.78 | 8.29 | 8.05 | 1,567.27 |
| Segment assets | 377,626.29 | 4,418.42 | 2,906.27 | 258.98 | 385,209.96 |
| Segment liabilities | 377,626.29 | 4,418.42 | 2,906.27 | 258.98 | 385,209.96 |

Contribution to the National Exchequer

During the year under report, an amount of Taka 3,073.54 million was contributed to the national exchequer against Taka 4,373.38 million in the year 2019.

(Figure in Million Tk.)

| Particulars | Year 2020 | Year 2019 |
|---------------------------|-----------------|-----------------|
| Corporate Income Tax | 1489.71 | 1612.58 |
| VAT Collection at Sources | 280.81 | 300.75 |
| Tax Collection at Source | 2483.33 | 2187.02 |
| Excise Duty | 309.39 | 273.03 |
| Total | 3,073.54 | 4,373.38 |

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 Executive Risk Management Committee (ERMC) 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's Risk Management Committee (BRMC) and 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 Executive Risk Management Committee is actively working to focus the entire risk management system of the bank. We are much concerned about the business risk and its proper management so that the risk and return could be optimized. Our policy envisages that the management would pay special attention to reduce the risk to an acceptable level apart from prudent controls over the Bank's assets.

Business Risk Analysis

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

Credit/Investment Risk

Investment risk is one of the major risks faced by the bank which arises from the potential of failure of a counter party to perform according to contractual agreement with the bank. The factors involved here may be the unwillingness of the counterparty as well as adverse economic condition. To address the risks, SIBL follows a guideline on

Investment Risk Management, which has been prepared in the light of broad guidelines provided by Bangladesh Bank for the banking industry. The bank's formulated investment policies in compliance with regulatory requirement covers investment assessment, collateral requirements, risk grading and reporting, documentation and legal formalities and procedures along with up to date clean CIB report of the client.

The bank has incorporated a segregation of duty among the officers/ executives who are involved in investment activities to mitigate the risk to an acceptable level. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of investment products, exploring new business opportunities etc. Moreover, investment approval, administration, monitoring and recovery function has been segregated. For this three separate units have been formed within the credit division namely Investment Risk Management Division (IRMD), Investment Administration (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. Operational risk is measured as per Basel III guideline of Bangladesh Bank. Operational risk is measured and reviewed on quarterly basis and proper capital is maintained against the operation risk faced by the bank.

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. Market risk is measured as per Basel III guideline of Bangladesh Bank. Market risk is measured and reviewed on quarterly basis and proper capital is maintained against the operation risk faced by the bank.

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. An individual report on Going Concern is Annexed with this report in the page no. 161

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 proper and adequate correspondent 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 28 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.

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

In today's modern world Credit Card is a very extensively used mode of financial transaction and it is widely known as "Plastic Money". It has created an immense impact in the life of the people all over the world. The same trend is being followed in Bangladesh too. Nowadays the popularity of Islamic Credit Cards in Bangladesh is growing by leaps and bounds as domestic and foreign banks are earning substantial profit through this product. An increased use of both local and Dual Currency Islamic Credit Card is taking place side by side with the expansion of personal banking service. Cross-border business and travels are also helping the expansion.

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, still we are the

market leader (holding 50% of total Islami credit card) for issuance of Islami Credit Card in the Islami banking arena. Our Achievement, Planning, Requirement and Challenges for issuance of SIBL VISA Islami Card are furnished below:

Achievement for the year 2020

| | | |
|-----|---|--|
| 1. | Credit Card issued in 2020 | : 2,012 Cards |
| 2. | Number of issued Credit Card as on 31.12. 2020 | : 17,293 Cards |
| 3. | Debit Card issued in 2020 | : 19,813 Cards |
| 4. | Number of issued Debit Card as on 31.12. 2020 | : 1,20,910 Cards |
| 5. | Number of Prepaid Card issued as on 31.12.2020 | : 2,439 Cards |
| 6. | Profit from Jan'20 to Dec'20 | : 6.10 crore |
| 7. | Sanction Credit limit as on 31.12.2020 (BDT 194.59 crore + USD 0.32 crore) | : Tk. 221.59 crore |
| 8. | Outstanding as on 31.12.2020 | : Tk.79.00 crore |
| 9. | Discount Partners in 2020 | : 25 Merchants |
| 10. | Total Discount Partners as on 31.12.2020 | : 166 Merchants |
| 11. | EMI Partners in 2020 | : 14 Merchants |
| 12. | Total EMI Partners as on 31.12.2020 | : 82 Merchants |
| 13. | Campaign (Discount facility & Buy one get one offer) | i) Pohela Boishakh ii) Ramadan iii) EID ul Fitr iv) EID ul Azha |

Plan of Card Department for the year 2021

| | | |
|----|---|----------------|
| 1. | Credit Card will be issue | : 3,500 Cards |
| 2. | Debit Card will be issue | : 50,000 Cards |
| 3. | Profit Target | : 6.50 crore |
| 4. | Total Sanction Credit limit | : Tk.230 crore |
| 5. | Total Outstanding | : Tk.82 crore |
| 6. | Discount Partner | : 50 Merchants |
| 7. | EMI Partner | : 30 Merchants |
| 8. | Implementation of Fund Transfer process through ATM | |
| 9. | Issuance of Dual Debit Card | |

Requirements

- Credit Card Background Skilled manpower
- New Sales Executives

Challenges

- Fraud Control : Fraud Control & Monitoring Software Setup
- Technological Advancement : Card Management Software Accusation
- PCI DSS Certification

Year wise summary

| Particulars | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|--------|--------|--------|--------|--------|--------|
| Number of Debit Card | 19868 | 40280 | 50151 | 74090 | 97515 | 19813 |
| Number of Credit Card | 6273 | 11417 | 14236 | 14567 | 16327 | 2012 |
| Sanction Limit (crore) | 114.55 | 162.35 | 195.95 | 199.65 | 212.18 | 221.59 |
| Outstanding (crore) | 27.58 | 48.15 | 70.99 | 93.95 | 72.00 | 79.00 |
| Income (crore) | 4.75 | 11.35 | 15.91 | 18.94 | 17.03 | 17.95 |
| Expenditure (crore) | 3.61 | 8.24 | 10.85 | 10.93 | 12.63 | 11.85 |
| Net Profit (crore) | 1.28 | 3.11 | 5.06 | 8.01 | 4.40 | 6.10 |

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)

Foreign Remittance services of Social Islami Bank Limited 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 the 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. We are able to reach remittance receivers residing in the deep corners of the country through the extensive Agent Banking network. We are now able to send remittances to any MFS (ie. bKash) accounts all around Bangladesh. Consequences upon different initiatives taken by last one year, SIBL's Foreign Remittance business volume was 10433.00 million BDT in the year 2020.

Off Shore Banking UNIT

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 2020, the OBU has accumulated a Profit after Tax of Taka 68.78 million against Taka 100.63 million in 2019.

Payment Systems Department (PSD)

The payment system is a key element of the banking sector that facilitates efficient functioning of the financial system. Considering the importance of having a modern state-of-art Payment Systems Department (PSD) of SIBL has been actively working to implement a modern payment system. At present PSD, SIBL centrally process, settled and monitored of BACPS, BEFTN & RTGS services.

BACH is the first ever electronic clearing house which has started live operation in Dhaka from October 7th, 2010. Later BEFTN is introduced that provides faster, safer and a more efficient means of inter-bank transfer 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.

All the 168 branches & 68 sub branches of SIBL now under BACPS, BEFTN & RTGS network. In the last quarter of 2019, PSD, SIBL successfully implemented BACH-II (live operation), which supports multi-session and FCY (Foreign currency) transactions i.e. USD, CAD, JPY, GBP, and EURO. Multi session of BEFTN also boost up all the debit and credit payment instructions of BEFTN are exchanged among Scheduled Banks.

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

Credit Rating of SIBL

Rating Conducted by Emerging Credit Rating Limited (ECRL)

Alpha Credit Rating Limited (ACRL) has assigned AA+ (Pronounced as double A plus) long term credit rating and ST-2 short term credit rating to the Social Islami Bank Limited based on audited financials of 2020 and other available information up to the date of rating declaration. The outlook on the rating is stable. The ratings are consistent with ACRL's methodology for this type of company. ACRL 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. Year wise credit rating of SIBL conducted by different rating agency is presented below.

| Date of Declaration | Valid till | Rating Action | Long Term Rating | Short Term Rating | Outlook | Rating Agency |
|---------------------|-------------|---------------|------------------|-------------------|------------|--------------------------------|
| 08-Mar-17 | 07-Mar-18 | Surveillance | AA- | ST-2 | Stable | Emerging Credit Rating Limited |
| 08-Mar-18 | 07-Mar-19 | Surveillance | AA- | ST-2 | Stable | Emerging Credit Rating Limited |
| 08-Mar-19 | 07-Mar-20 | Surveillance | AA | ST-2 | Stable | Emerging Credit Rating Limited |
| 08-Mar-2020 | 07-Mar-2021 | Surveillance | AA | ST-2 | Developing | Emerging Credit Rating Limited |
| 29-Mar-2021 | 28-Mar-2022 | Initial | AA+ | ST-2 | Stable | Alpha Credit Rating Limited |

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 49.3 of audited accounts whereas it is mentioned that Tk. 900.00 million was related to SIBL subsidiary company called SIBL Securities Ltd and of Tk. 1090.02 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.

Rating Conducted by Moody's

On 14 July, 2020, SIBL was assigned b2 long-term local and foreign currency deposit and issuer ratings by Moody's. The rating action follows the downgrade of Bangladesh's Macro Profile to Weak- from Weak. The b3 Baseline Credit Assessment (BCA) reflects the bank's (1) weak asset quality, with risks arising from credit concentration and elevated level of rescheduled investments (loans); (2) modest capital, which improved after the bank slowed growth and froze cash dividends; (3) weak profitability, because of its poor asset quality and reliance on expensive time deposits for funding; and (4) tight funding and liquidity, as Islamic banks are subject to less stringent liquidity requirements than conventional banks.

| Category | Moody's Rating |
|--------------------------|----------------|
| Issuer Rating | B2 |
| Outlook | Negative |
| Counterparty Risk Rating | B1/NP |
| Bank Deposits | B2/NP |
| 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 | Rating Agency |
|-------------------------------------|---------------------|-------------|---------------|------------------|-------------------|------------|--------------------------------|
| Entity | 29-Mar-2021 | 28-Mar-2022 | Surveillance | AA+ | ST-2 | developing | Alpha Credit Rating Limited |
| SIBL Mudaraba Subordinated Bond | 22-Apr-2020 | 21-Apr-2021 | Surveillance | AA- | N/A | developing | Emerging Credit Rating Limited |
| SIBL 2nd Mudaraba Subordinated Bond | 06-Sep-2020 | 05-Sep-2021 | Surveillance | AA- | N/A | developing | Emerging Credit Rating Limited |
| SIBL 3rd Mudaraba Subordinated Bond | 30-Apr-2020 | 29-Apr-2021 | Surveillance | AA- | N/A | developing | Emerging Credit Rating Limited |
| SIBL Mudaraba Perpetual Bond | 10-Nov-2020 | 11-Nov-2021 | Initial | | | | Alpha Credit Rating Limited |

Foreign Exchange Business

Foreign Exchange Business stood at Tk. 141,287.08 million in 2020 against Tk. 159,583.03 million in 2019. The break-up of the foreign exchange business is as under-

Fig. in million

| Particulars | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------|------------|------------|------------|------------|------------|
| Import | 104,270.60 | 121,809.50 | 93,002.80 | 88,911.60 | 76,966.50 |
| Export | 49,766.00 | 58,315.90 | 63,065.90 | 60,079.50 | 51,144.70 |
| Remittance | 13,345.70 | 21,911.60 | 22,521.80 | 10,591.90 | 13,175.88 |
| Total | 167,382.30 | 202,037.00 | 178,590.50 | 159,583.03 | 141,287.08 |

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. 141,287.08 million during the year 2020. The sluggish trend in the foreign Exchange business in 2020 is due to the outbreak of the pandemic. However, target for foreign exchange business for the year 2021 has been fixed at Tk. 210,500.00 million with almost 50% growth in target to increase the market share of the bank in the industry.

SIBL is highly committed to conduct its foreign exchange business by ensuring compliance in the foreign exchange regime. Therefore 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.

Import Business:

Total Import business of the bank stood at Tk. 76,966.50 million during the year 2020 as against Tk. 88,911.60 million and Tk. 93,002.80 million in the year 2019 and 2018 respectively. Bank has carefully facilitated the import business 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. However, in order to support the import demand during the ongoing pandemic, the bank has decided to substantially increase its import target to Tk. 116,000 million in the year 2021.

Export Business:

Total Export Business of the bank stood at Tk. 51,144.70 million during the year 2020 as against 60,079.50 million and Tk. 63,065.90 million in the previous year 2019 and 2018 respectively. Achievement of our export business was 66% of that of the target in 2020 despite the negative impact of the Covid-19. However, bank has intended to increase its export market share by setting an export business target of Tk. 78,500.00 million.

Remittance Business:

Despite the adverse effect of the pandemic on the overall economy, the country has observed a record inflow of wage earner's remittance which has help the country to accumulate a record reserve and a positive current account balance. In tandem with the country, SIBL has also been able to mark high positive growth of 24% in wage earner's remittance inflow in the year 2020. Total remittance of the bank stood at Tk. 13,175.87 million during the year 2020 as against Tk. 10,591.93 million In year 2019. The Target for our remittance business during the year 2021 has been fixed at Tk. 16,000.00 million with an anticipated growth of 21%.

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 proper and adequate corresponding channel with banks all over the world. International Division comes forward to play its role and not only felicitates foreign trade but also works for the development and enhancement of foreign correspondence relationship. The well experienced and dedicated team of the division has established Standard Settlement Instructions (SSI) including arrangements in all major currencies in the locations of international business concentration. The bank maintains ample number of SWIFT RMA and 28 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. As a result, the bank in the year 2020, has been able to accommodate a substantial amount of credit facility for its import clients.

INTERNATIONAL TRADE

One of the core activities of the bank is to facilitate International Trade through export and import financing. To provide faster and quality services to the foreign trade clients, SIBL is operating two CTPUs, one in Dhaka and another in Chottogram in addition to 22 AD branches. These two CTPUs comprising of experienced foreign trade officers are providing trade services in an efficient manner, which is enabling the bank to ensure discipline and enhance monitoring in the foreign trade regime of the bank. Currently, SIBL has arrangement with PrimaDollar Operations Limited for providing factoring facility to its exporter clients. The respective desk officers at branch level are continuously liaising with the exporter clients for availing this effective trade settlement process.

SIBL pledges for digital centralization to ensure excellence in foreign trade business. The bank has integrated the SWIFT system with its Core Banking Software ABABIL, so that SWIFT transactions can be passed through CBS and thus greater control over foreign exchange transactions can be ensured. We have a Sanction Screening Software in place to prevent money laundering and combat terrorist financing which results in boosting the image of the bank. Payment Control Software (PCS) has been installed to escalate monitoring over cross-border transactions by identifying unusual transactions. Besides, the bank has the Global Payment Initiate (GPS) system in place which will enable the bank to trace the whereabouts about of payment, whether the payment has been received by its rightful beneficiary and above all the costs charged at different stages of the payment can be traced.

Off Shore Banking Business

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, The bank expects the unit will be able to play a vital role in the foreign trade business and facilitate the valued customers by maximizing their benefit. In the year 2020, the OBU has accumulated a Profit after Tax of Taka 68.78 million in 2020 against Taka 100.63 million in 2019. In the year 2020 OBU has borrowed USD12.00 million funds from abroad which expected to increase to USD 100 million in 2021. To facilitate this target, the bank has engaged a top UAE based financial advisory firm to procure USD 50 million overseas fund for the OBU. Besides, a number of reputed international bank has supported a substantial amount of trade loan for OBU.

WAGE EARNER'S REMITTANCE DEVELOPMENT:

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. 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. To facilitate rehabilitation of the returning expatriates, SIBL has developed an investment product with relaxed conditions and at cheaper rate. Besides, SIBL has declared a lucrative incentive package for the wage earner remitters. To inspire the expatriates in sending remittance through legal channel, SIBL is paying 2% government incentive, paying 1% extra profit on savings account and 0.50% extra profit on term deposit opened using remittance. On the contrary, 1% less profit will be charged for any investment facility availed by the expatriates from the bank. To motivate the expatriates toward savings of their hard earned money, SIBL is awarding the expatriates with up-down air ticket for visiting the country and also providing transportation facility to village home if a minimum balance is kept in the savings account.

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 43 (forty three) sub branches and 07 (seven) new branches in the year 2020. Now SIBL has become a Bank of 168 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 3100 as on 31st December 2020.

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 2859 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 2020. 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 03 (three) foundation training courses for 146 fresh Officers and 36 Training, workshops and Seminar on different contemporary issues related to banking industries where 2713 different Officers and Executives had participated.

Training of Staff conducted by Social Islami Bank Training Institute from 01st January, 2020 to December, 2020

| SI | Name of the Training | Number | Participant Number |
|-----|--|----------|--------------------|
| 01. | Training Course on "Export Procedure & Risk Management" | 1 | 40 |
| 02. | Training on " Foundation Course in Banking for Probationary Officers and Assistant Officers" | 1 | 25 |
| 03. | Training on " Foundation Course in Banking for Assistant Officers (Cash)" | 2 | 81 |
| 04. | Training on " Foundation Course in Banking for Assistant Officers (General)" | 1 | 40 |
| | Total | 5 | 186 |

Workshop of Staff conducted by Social Islami Bank Training Institute from 01st January, 2020 to December, 2020

| SI | Name of the Training | Number | Participant Number |
|----|---|-----------|--------------------|
| 01 | Workshop on "AML & CFT with special session on Trade Based ML Prevention Procedures " | 5 | 290 |
| 02 | Workshop on "Agent Banking Operation for officials of Link Branch " | 6 | 142 |
| 03 | Workshop on "CIB Online Reporting & data correction" and "Collateral or Security Reporting" on 07.03.2020, 04.04.2020, 11.04.2020 &18.04,2020 accordingly | 1 | 80 |
| 04 | Workshop on "Cash Bonus: 1 e 100 Campaign through Online" from 13.07.2020 to 16.07.2020 | 4 | 161 |
| 05 | Workshop on "Refund of Hajj Registration Fees from the Accounts of 19 Branches" | 1 | 19 |
| 06 | Workshop on "Compliance on AML (Anti Money Laundering) & CFT (Combating Financing of Terrorism)" | 6 | 408 |
| 07 | Workshop on "Search criteria Agent Banking Division and Fatullah Branch" | 1 | 12 |
| 08 | Workshop on "Incentives on Foreign Remittances to grow the Foreign Remittance Business" on 12.08.2020 Through "ZOOM". | 1 | 100 |
| 09 | Workshop on "Customer Service & Professional behavior" will be held on 19, August 2020 at 03.00 pm Through "ZOOM". | 2 | 161 |
| 10 | Workshop on "E-Account (KYC) will be held on 23, August 2020 at 03.00 pm Through "ZOOM". | 5 | 644 |
| 11 | Workshop on "Cyber Security in Banking Operation." | 2 | 264 |
| 12 | Workshop on "Creation of awareness on suspicious Transaction as well as STR for all BAMLCOs of our Bank" | 2 | 161 |
| 13 | Workshop on "Implementation of recommendation no. 3 of decisions taken at the CAMLCO Conference, 2020" through ZOOM on 14.11.2020 | 1 | 70 |
| 14 | Workshop on " ISS Reporting" | 2 | 161 |
| | Total | 39 | 2673 |

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 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------|--------|-------------|-------------|-------------|-------------|-------------|-------------|
| < 30 years | Male | 567 | 502 | 502 | 380 | 382 | 413 |
| | Female | 138 | 169 | 163 | 135 | 115 | 104 |
| 30-50 years | Male | 1791 | 1734 | 1687 | 1640 | 1464 | 1275 |
| | Female | 415 | 394 | 363 | 336 | 293 | 251 |
| > 50 years | Male | 174 | 137 | 119 | 101 | 103 | 84 |
| | Female | 15 | 11 | 10 | 07 | 6 | 3 |
| Total | | 3100 | 2947 | 2844 | 2599 | 2363 | 2130 |

Gender diversity among permanent employees

| Employee Category | Gender | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------|--------|-------------|-------------|-------------|-------------|-------------|-------------|
| Entry level | Male | 1549 | 1374 | 1352 | 1151 | 984 | 965 |
| | Female | 393 | 396 | 363 | 309 | 248 | 214 |
| Mid-level | Male | 942 | 961 | 921 | 824 | 804 | 695 |
| | Female | 174 | 176 | 171 | 158 | 157 | 138 |
| Senior Management | Male | 41 | 38 | 35 | 146 | 161 | 112 |
| | Female | 01 | 02 | 02 | 11 | 9 | 6 |
| Total | | 3100 | 2947 | 2844 | 2599 | 2363 | 2130 |

Human Resource Accounting

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

| Description | Yr-2020 | Yr-2019 | Yr-2018 | Yr-2017 | Yr-2016 | Yr-2015 |
|---|---------|---------|---------|---------|---------|---------|
| Total number of employees | 3100 | 2947 | 2844 | 2599 | 2363 | 2130 |
| Total number of Branches | 168 | 161 | 155 | 138 | 125 | 111 |
| Employee Per Branch (nos) | 18 | 18 | 18 | 19 | 19 | 19 |
| Deposit per employee (million Tk) | 103.99 | 97.37 | 87.22 | 88.03 | 80.64 | 65.7 |
| Investment per employee (millionTk) | 96.97 | 89.37 | 83.83 | 80.82 | 73.72 | 61.36 |
| Operating profit per employee (million Tk) | 1.40 | 2.14 | 2.16 | 2.37 | 2.41 | 2.28 |
| Salaries & Allowances per employee(millionTk) | 1.15 | 1.15 | 1.10 | 1.12 | 1.03 | 1.03 |
| Salaries & Allowances as percentage of Operating profit | 82.14% | 53.54% | 51.21% | 47.02% | 42.82% | 45.61% |

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.

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

The ICT operation of the bank is always adopting latest technology for providing quality of service and reaching banking facility at customer doorstep. Centralized core banking (CBS) solution has been implemented based on islamic shariah principle which allows 24/7 online banking support through internet banking, Mobile App, e-commerce, ATM network. Clients can make banking from any branch for deposit/withdraw, interbank transaction through BACH, BEFTN, RTGS services over the centralized system. The bank has secured client information by implementing modern cyber defence system. The bank has implemented centralized Document Management System for reducing paper work as a green banking initiative by digitizing internal activities. Proposals being approved in digital workflow process with eliminating a lot of paper works. Machine readable account opening forms are being implemented for ensuring transparency.

EXTENDING BANKING SERVICES

Customers gets online banking service from any SIBL branch including deposit/withdrawal facility without per transaction service fees. Sub-branches are established to extend branch support at remote areas around the country which are operated by the Bank officials under the controlling branches cost effectively. SIBL provides Agent Banking service to facilitate banking service to unbanked people in remote areas. There exists 119 agent banking outlets of SIBL at the moment and it has plan for opening many new outlets at several corner of the country in new future.

ANYTIME ANY WHERE BANKING

Internet Banking and "SIBL NOW" mobile app of SIBL brings anytime anywhere banking facility over internet. This supports fund transfer (same bank & other bank), utility bill payment, mobile bill payment, credit card bill payment, Mobile Financial Services (bKash and Nagad) fund transfer services, QR Code based teller transaction, account statement view, location view of branches/booths etc services for clients.

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 own 115 ATM booths of SIBL and more than two thousand shared ATM booths of Q-cash members. SIBL is working for enhancement of ATM service for allowing fund transfer, utility bill payment etc features from ATM booths.

AGENT BANKING

SIBL provides Agent Banking service in remote areas to facilitate banking service to unbanked people. There are 162 agent banking outlets at several corner of the country at present and the number of outlets are increasing day by day.

REMITTANCE DISBURSMENT AND COLLECTION OF BILLS/PAYMENTS

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, DESCO, DPDC, PDB, Titas Gas, Bakhrabad Gas, Karnaphuli Gas, Dept of Shipping, BAR Council, Asisan University, Wills Little Flower School, Pran-RFL, e-tendering etc for collecting fees/bills in favor of them and customers can easily pay their bills at SIBL branches. In 2019 SIBL able to collect funds of two thousand crore taka approximately through these systems.

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 115 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 moderated communication systems for developing effective communication. The bank installed IP Telephony solutions to establish lowcost and easy communication system around the bank. Microsoft Exchange Mail Server has been implemented for efficient usage of corporate email system. Smart phone devices are provided for all branch managers and divisional heads in head office/regional office with dedicated corporate SIM for keeping them 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.

BUSINESS CONTINUITY PLAN

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 for enterprise data. The Far DC is established at different seismic zone at Khulna.

MANAGING CYBER SECURITY AND ICT RISK

State of art security solutions has been implemented for protecting the information assets of SIBL. SIBL has a continuous efforts for preventing cyber security threats. SIBL has implemented world class screening solution for scrutinising 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. Our accountability to the clients is strong enough to build a relationship of trust. SIBL introduced SMS Banking for sending transaction notification alerts , account balance and dynamic password (OTP) for internet banking access.

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. 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.

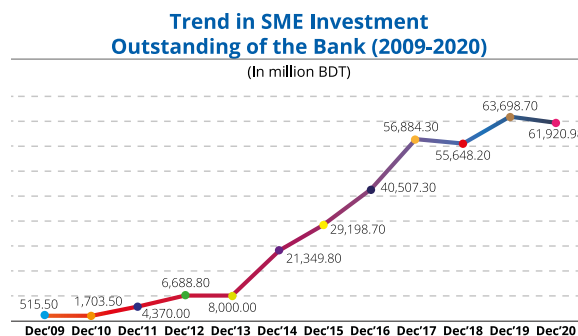
In line with the Prudential Guidelines on SME Financing of Bangladesh Bank, SIBL has designed an array of SME products for both small and medium segments. SIBL offers both revolving and term investment facilities to the SME clients. Small entrepreneurs, agricultural clients and women entrepreneurs are 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 2020, SME portfolio holds 21% share of the total investment portfolio of the Bank amounting to Tk.61,920.98 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.

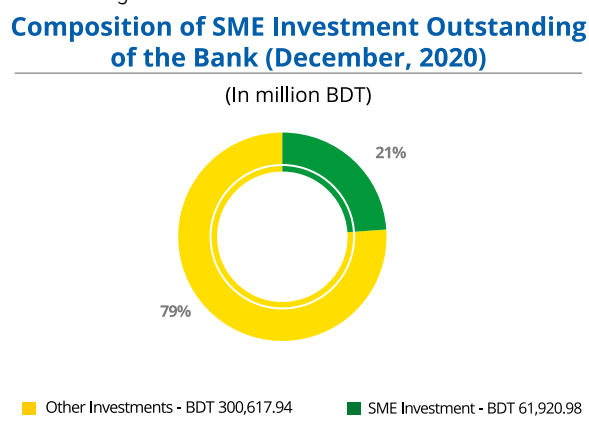
SME portfolio of the Bank has been increasing significantly, which is shown in the following table and graph.

| Particulars | SME Outstanding (Fig. in millions) |
|-------------|------------------------------------|
| 31/12/2014 | 21399.80 |
| 31/12/2015 | 29198.70 |
| 31/12/2016 | 40507.30 |
| 31/12/2017 | 56884.30 |
| 31/12/2018 | 55648.40 |
| 31/12/2019 | 63698.70 |
| 31/12/2020 | 61920.98 |

The trend in SME investment outstanding of the Bank since December, 2009 is shown in Figure 1 below:



The present SME investment outstanding is Tk.61,920.98 million (21%) in comparison with total investment outstanding of the Bank which is BDT.300,617.94 million. The composition of Investment portfolio of the Bank is shown in Figure 2 below:

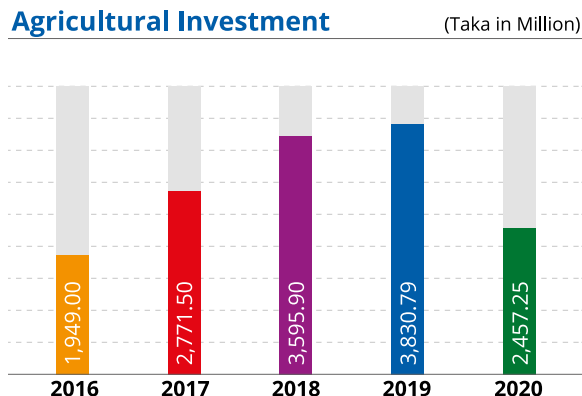


SIBL has been able to create job opportunities among the significant Micro and SME borrowers. Many of them have been able to establish themselves as successful entrepreneurs. Graduate of Micro-Enterprise program and successful SME graduates have the opportunity to get investment facilities from formal 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

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 the FY 2019-2020, SIBL has disbursed Tk.2,457.25 million Agri investments outstanding of which is Tk.2,073.66 million. In 2020-2021, we have a target to disburse Tk.4,960.00 million Agri investments set by Bangladesh Bank.

The trend in agricultural investment disbursement of the Bank since FY 2013-14 is shown in Figure 3 below:



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

Non-Formal Sector

Background:

Social Islami Bank Limited (SIBL) started its journey on 22nd November in 1995 with a very commitment which manifested in the Memorandum and Articles of Association to work in Non-Formal and Voluntary Sectors in addition to Commercial Banking. The three sectors of SIBL are: 1. Formal Sector, 2. Non-Formal Sector and 3. Voluntary Sector

The theme is first in the Banking arena of Bangladesh, brings a new dynamism in welfare banking targeting poverty alleviation of the poor and marginal people of the society with a motto of "Working Together for a Caring Society". To intensify the objectives of the Bank, SIBL has restructured its Islamic Microfinance operations in the name "Family Empowerment Islamic Micro-finance Program (FEIMP)" in the year of 2015. With the Board of Directors approval, we have initially started Family Empowerment Islamic Microfinance Program (FEIMP) in 4 designated Branches and gradually which is successfully expanded to 70 branches over the country.

Objectives of the program:

"Family Empowerment Islamic Micro-finance Program (FEIMP)" is a group-based financing scheme for the poor and marginal segments of the society who are not able to provide collateral security. The goal of FEIMP is to empower 'Family' as a whole, not merely man or woman, individually.

The major objectives of the program are:

1. Financial inclusion through financing facilities to poor and marginal households.
2. To extend financing facilities for mostly in Agricultural investment
3. To promote the upgrade Microfinance graduates to Micro-enterprise and SME segments.
4. To encourage poor population to save for accumulation of capital to invest in productive activities leading to self-sufficiency.
5. To improve socio-economic situation of poor and marginal people.

Features of Investments disbursement:

1. Investment disburse to one client from one family .
2. Investment ceiling from Tk. 20,000/- (twenty thousand) to Tk. 5,00,000/- (five lac)
3. Equal Bi-weekly instalments
4. Duration 12 /18/24/36 months
5. Collateral free investment for the poor and marginal people
6. Most of the investments disburse in agricultural, small trade and handicraft sectors

Program arrangement:

Social Officers are the key manpower of the program. They perform most of the activities of the program as such; Client selection (through survey method), project / business assessment (by physical visit), investment proposal prepare, deposit collection, instalments recovery other related actions. They perform their activities under the supervision of Branch incumbents. Regional coordinators of Microfinance program are also monitor and supervise program activities at field level physically. To implement the program effectively, a separate Unit has been set up at the Head Office under Non-Formal and Voluntary Banking Division of SIBL.

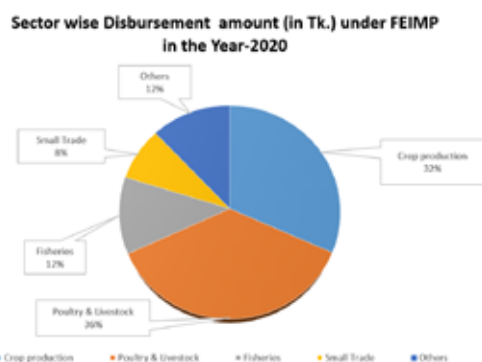
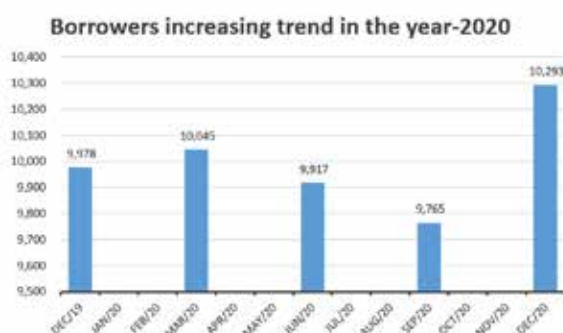
Operations of the program:

Presently, we are operating Islamic Microfinance Program at 70 branches of the Bank through 108 Social Officers. As on 31st December, 2020, client's deposit stood at Tk. 34.46 crore from 33,175 members. We have disbursed a sum of Tk. 195.42 crore among 35,578 clients with a total outstanding of Tk. 54.02 crore among 10,293 borrowers having Risk Fund Tk. 4.35 crore against the investment portfolio.

The portfolio summary of Family Empowerment Islamic Micro-finance Program (FEIMP) as on 31st December 2020 is presented in the following table:

| Sl. | Particulars | Position as on 31 December, 2019 | Position as on 31 December, 2020 | Rate of growth |
|-----|---|----------------------------------|----------------------------------|----------------|
| 01 | No. of branches having Microfinance Program | 68 | 70 | 2.94% |
| 02 | No. of Social Officers | 109 | 108 | -0.92% |
| 03 | No. of Family Clusters | 1835 | 1941 | 5.78% |
| 04 | No. of Members enrolled | 29648 | 33175 | 11.90% |
| 05 | No. of Savings A/Cs | 56841 | 70641 | 24.28% |
| 06 | Amount of deposited savings | 264107402 | 344676544 | 30.51% |
| 07 | Amount of Risk Fund balance | 28477950 | 43527497 | 52.85% |
| 08 | No. of disbursement (cumulative) | 28945 | 35578 | 22.92% |
| 09 | Disbursed amount(cumulative) | 1451628000 | 1954271000 | 34.63% |
| 10 | No. of borrowers | 9978 | 10293 | 3.16% |
| 11 | Investment outstanding | 395304362 | 540174873 | 36.65% |

Client's savings, number of borrowers, Investment outstanding and sector wise disbursement are presented below in Graph - 1, 2, 3 & 4 respectively:



Recent development and Future Plans:

SIBL will continue its efforts towards family empowerment by adopting innovative products and services for its micro-finance clients, focusing on increase client's need and identifying unbanked areas over the country. Due to sufficient scope for extending finance in different sectors, considering client's demand and recommendation from branches, the Management of the Bank has increased investment ceiling of Family Empowerment Islamic Microfinance program from Tk. 2,00,000/- to Tk. 5,00,000/-, Management has also approved to execute the program by the regular officers of branches at field level. The Board of Directors (BOD) of SIBL has approved expansion of microfinance program through it's sub-branches and Agent Banking outlets over the country.

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 of Cash Waqf.

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 Taka. 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/= (one thousand) only. Specific Cash Waqf A/Cs (where name of beneficiary whether Individual(s) or Institution(s) are mentioned by the Waqif) by depositing a minimum sum of Tk. 1,00,000/= (One Lac)only & 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.

Al-Wasiyah Bil Cash Waqf Account:

Very recent, Social Islami Bank Ltd. (SIBL) introduced Al-Wasiyah Bil Cash Waqf Account for the first time in the country. This is a special type of Cash Waqf account. The account has been designed for the wellbeing of the waqif both in here & hereafter in conformity with the Shariah.

Any solvent person aged 40 years or above can open “Al-Wasiyah Bil Cash Waqf Account” by depositing Tk.5.00 Lac (Taka: Five Lac) and above. The account holder will enjoy the profit of the account either full or partial in his life time for his livelihood and after his death the earned profit will be spent for the wellbeing (social, religious, educational) of earthly and heavenly purposes according to the waqif’s wish (instruction).

This is also a perpetual endowment like cash waqf. But for unavoidable or emergency reasons, the waqif can encash the whole amount or part of it. Waqif (account holder) can make one-third of his asset as cash waqf but if he wants to make more than one-third of his asset, he has to take written consent from his descendants.

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

CSR activities under-taken during 2020

SIBL has contributed a sum of total Tk. 271.83 million in the field of Health, Education, Disaster Management (Family Rehabilitation), Sports, Art & Culture, Environment (Social Utility) & Others during year 2020, which are furnished hereunder:

| CSR Activities of SIBL | Sectors | (Jan – Jun’ 20) | (Jul – Dec’20) | Total Contribution |
|------------------------|---|-----------------|----------------|--------------------|
| | Health | 5,55,000 | 11,36,370 | 16,91,370 |
| | Education | 14,55,450 | 5,07,30,299 | 5,21,85,749 |
| | Disaster Management (Family Rehabilitation) | 0 | 10,00,00,000 | 10,00,00,000 |
| | Sports | 50,000 | 0 | 50,000 |
| | Art & Culture | 0 | 0 | 0 |
| | Environment (Social Utility) | 11,09,95,175 | 64,32,000 | 11,74,27,175 |
| | Others | 4,75,845 | 0 | 4,75,845 |
| | Total | 11,35,31,470 | 15,82,98,669 | 27,18,30,139 |

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:

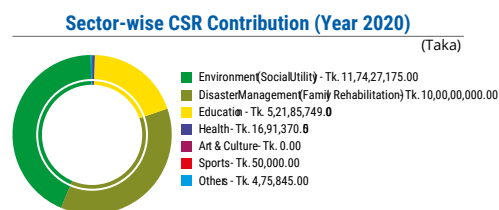
(In the form of Agriculture, SME, Women Entrepreneur, Renewable Energy Finance, Solar Irrigation etc.)

(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 of the Bank during 2020 at a glance :

| Sl. No. | Events | Particulars |
|---------|---|--|
| 1 | Donation to Mr. Azadul Islam | During the period the Board of Directors of the Bank approved Tk. 2.00 lac as donation to Mr. Azadul Islam for his Bicuspid Aortic Bulb and Aortic Stenosis disease to be paid from Compensation Fund. |
| 2 | Donation to Younger Brother Of Mr. Saifullah | During the period the Board of Directors of the Bank approved Tk. 1.00 lac as donation to the treatment of liver Serosis for Younger Brother of Mr. Saifullah to be paid from Compensation Fund. |
| 3 | Donation to Bangabandhu Memorial Trust | During the period the Board of Directors of the Bank approved Tk.5.00 Crore as donation to Bangabandhu Memorial Trust for celebrating "Mujib Year" to be paid from C.S.R Fund. |
| 4 | Donation to Islamic Arabic University, Bosila, Mohammadpur. | During the period the Board of Directors of the Bank approved Tk. 2.00 lac as donation for Furnishing and interior decoration of conference Hall of Islamic Arabic University to be paid from C.S.R Fund. |
| 5 | Donation to Satkania Lohagara Samity, Chattogram. | During the period the Board of Directors of the Bank approved Tk. 2.00 lac as donation to Satkania Lohagara Samity, Chattogram for rehabilitation of the poor & distressed people to be paid from Compensation Fund. |
| 6 | Donation to Rapid Action Battalion (RAB) | During the period the Board of Directors of the Bank approved Tk.1.00 Crore as donation to Rapid Action Battalion (RAB) for celebrating Mujib Year which is organized by RAB paid from C.S.R. Fund . |
| 7 | Donation to Prime Ministers Relief Fund. | During the period the Board of Directors of the Bank approved Tk.3.00 crore as donation to Prime Ministers Relief Fund for house Construction for the poor & distressed people paid from Compensation Fund . |
| 8 | Donation to Khalsi Bazar Maddomik Biddaloy, Pashapal, Chawgacha, Jashore. | During the period the Board of Directors of the Bank approved Tk. 1.50 lac as donation to Khalsi Bazar Maddomik Biddaloy for the poor & distressed student to be paid from Compensation Fund. |
| 9 | Donation to UCEP Bangladesh | During the period the Board of Directors of the Bank approved Tk. 12.50 lac as donation UCEP Bangladesh for Implementation of UCEP & SIBL Skills Training Project to be paid from Compensation Fund. |
| 10 | Donation to Akhura Poursova | During the period the Board of Directors of the Bank approved Tk.1.00 lac as donation to Akhura Poursova to celebrate Mujib Year to be paid from CSR Fund. |
| 11 | Donation to Poor, helpless & Covid-19 affected People. | During the period the Board of Directors of the Bank approved Tk.7.57 lac as donation to Poor, & Covid-19 affected People paid from Compensation Fund. |
| 12 | Donation to Nurkazi Halimia Mahila Dakhil Madrasha | During the period the Board of Directors of the Bank approved Tk. 5.00 lac as donation to Nurkazi Halimia Mahila Dakhil Madrasha for construction of 2nd floor of madrasha paid from Cash Waqf Fund. |
| 13 | Donation to Suchinta Foundation | During the period the Board of Directors of the Bank approved Tk. 5.00 Crore as donation to Suchinta Foundation for "Youth development and spread of education" to be paid from C.S.R Fund. |
| 14 | Donation to Prime Ministers Relief Fund. | During the period the Board of Directors of the Bank approved Tk 10.00 Crore for "Flood affected, helpless and poor people" to be paid from C.S.R.Fund. |
| 15 | Donation to Soyed Mahub | During the period the Board of Directors of the Bank approved Tk.1.00 Lac as donation to Soyed Mahub for his treatment to be paid from C.S.R Fund. |
| 16 | Donation to Mr. Anowa Hossain | During the period the Board of Directors of the Bank approved Tk. 2.00 Lac as donation to Mr. Anowar Hossain for his treatment to be paid from CSR Fund. |
| 17 | Donation to Md. Mustak Ahmed. | During the period the Board of Directors of the Bank approved Tk. 1.00 Lac as donation to Md Mustak Ahmed for his treatment to be paid from CSR Expenditure. |

On going CSR activities of the Bank

| Sl. No. | Events | Particulars |
|---------|---------------------------------------|---|
| 1 | UCEP Bangladesh (Supported by SIBL) | Implementation of UCEP & SIBL Skills Training Project at UCEP Jatrabari Technical School, Dhaka & UCEP Ambagan Technical School, Chattogram. SIBL involving total Tk. 50.00 lac (Per quarter installment @Tk. 12.50 lac) for 01 (One) year. |
| 2 | Stipend to poor & meritorious student | SIBL is sponsoring financial support to the poor & meritorious student. In the year 2019, we have donated Tk. 47.01 lac favoring 55 (Fifty Five) students of different college & university around the country. |

A short list of our stakeholders:

- Muktijuddha Jadugar
- 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.
- Prime Minister's Relief & Welfare Fund
- Dhaka University, Dhaka
- UCEP Bangladesh
- Apex Foundation
- Bidda Niketon High School, Narayanganj.
- Prothom Alo
- Upokul Foundation
- Taragonj H N High School
- Sirajgonj Collectorate School & University

This Report also States

The financial statements prepared as on 31.12.2020 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 31.12.2020 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 2020;
- c. Director's remuneration including Independent Director of Social Islami Bank Limited during the year 2020;
- d. The Bank has been maintained proper books of accounts;
- e. Appropriate accounting policies have been consistently applied in preparation and presentation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- f. International Accounting Standards (IAS) Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;
- g. The system of internal control is sound in design and has been effectively implemented and monitored; and
- h. Management has reasonable ground to believe that there are no significant doubts upon the Bank's ability to continue as a going concern.
- 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.

- I. 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 2020 stood at Tk. 10,366.08 million against Tk. 12,282.58 million of the preceding year. The Bank made an operating profit of Tk. 4,343.21.12 million in 2020 against Tk. 6,342.12 million of 2019.

A summary of operating result of the Bank is shown below

(Taka in Million)

| Particulars | 2020 | 2019 | Growth Rate |
|--|-----------|-----------|-------------|
| Income on Investment | 27,036.27 | 27,797.43 | -2.74% |
| Profit paid to the Depositors | 19,484.79 | 18,428.55 | 5.73% |
| Net Investment Income | 7,551.48 | 9,368.88 | -19.40% |
| Commission, Exchange, Shares & Securities and Other Income | 2,814.60 | 2,913.70 | -3.40% |
| Total Operating Income | 10,366.08 | 12,282.58 | -15.60% |
| Operating Expenses | 6,022.87 | 5,940.46 | 1.39% |
| Profit before Provision | 4,343.21 | 6,342.12 | -31.52% |
| Provision against Investment & Others | 1,302.56 | 3,208.08 | -59.40% |
| Profit before Tax | 3,040.65 | 3,134.04 | -2.98% |

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 defect.

| Particulars | 2020 | 2019 |
|-------------------------------------|----------|----------|
| Net Investment Income Margin (NIIM) | 2.43% | 3.40% |
| Return on Assets (ROA) | 0.42% | 0.47% |
| Return on Equity (ROE) | 8.78% | 9.21% |
| Earning per Share (Restated) | Tk. 1.65 | Tk. 1.62 |

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 2020 and Attended by Each Director:

| Sl. No. | Name of Director | Board Meetings in 2020 | Remarks | Remarks |
|---------|--|------------------------|----------|---|
| | | Held | Attended | |
| 01. | Professor Md. Anwarul Azim Arif, Chairman (Representative of Hasan Abasan (Pvt.) Ltd.) | 14 | 14 | |
| 02. | Mr. Belal Ahmed, Vice Chairman (Representative of Unitex Steel Mills Ltd.) | 14 | 09 | |
| 03. | Mr. Md. Sayedur Rahman, Vice Chairman (Representative of Prasad Paradise Resorts Ltd.) | 14 | 14 | |
| 04. | Mr. Md. Kamal Uddin, Director (Representative of Lion Securities and Investment Ltd.) | 14 | 14 | |
| 05. | Mrs. Nargis Mannan, Director | 14 | 14 | |
| 06. | Dr. Md. Jahangir Hossain, Director (Representative of Reliable Entrepreneurs Limited) | 14 | 14 | |
| 07. | Mrs. Jebunnesa Akbar, Director (Representative of Unitex Cement Limited) | 14 | 14 | |
| 08. | Mr. Ali Hasan Md. Mahmud Ribon, Director (Representative of Dynamic Ventures Ltd.) | 14 | 14 | |
| 09. | Mr. Arshadul Alam, Director (Representative of Leader Business Enterprise Ltd.) | 14 | 14 | |
| 10. | Mr. Mahmudul Alam (Representative of Global Trading Corporation Ltd.) | 14 | 06 | Appointed as Director by the Board of Directors on 12.07.2020 |
| 11. | Professor A J M Shafiul Alam Bhuiyan, Ph.D Independent Director | 14 | 14 | |
| 12. | Professor Mohammed Mizanur Rahman, Ph.D Independent Director | 14 | 14 | |

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 31.12.2020

| 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 | 1,93,30,657 | 1,93,30,657 | 2.0608 |
| 2. | Mr. Belal Ahmed Representative of Unitex Steel Mills Ltd | Vice Chairman | 1,93,24,305 | 1,93,24,305 | 2.0601 |
| 3. | Mr. Md. Sayedur Rahman Representative of Prasad Paradise Resorts Ltd. | Vice Chairman | 1,93,30,657 | 3,80,97,123 | 4.0615 |
| | Mr. Md. Sayedur Rahman | (Own) | 1,87,66,466 | | |
| 4. | Mr. M. Kamal Uddin Representative of Lion Securities & Investment Ltd. | Director | 1,93,22,983 | 1,93,26,984 | 2.0604 |
| | Mr. M. Kamal Uddin | (Own) | 4,001 | | |
| 5. | Mrs. Nargis Mannan | Director | 1,87,60,679 | 2,03,90,174 | 2.1738 |
| | Prof. Dr. M. A. Mannan | Husband | 16,29,495 | | |
| 6. | Dr. Md. Jahangir Hossain Representative of Reliable Entrepreneurs Ltd. | Director | 1,93,23,394 | 1,95,71,114 | 2.0865 |
| | Dr. Md. Jahangir Hossain | (Own) | 2,47,720 | | |
| 7. | Mrs. Jebunnesa Akbar Representative of Global Trading Corporation Ltd. | Director | 1,93,24,305 | 1,93,24,305 | 2.0601 |
| 8. | Mr. Ali Hasan Md. Mahmud Ribon Representative of Dynamic Ventures Ltd. | Director | 1,93,29,387 | 1,93,29,387 | 2.0607 |
| 9. | Mr. Arshadul Alam Representative of Leader Business Enterprise Ltd. | Director | 1,93,30,657 | 1,93,39,461 | 2.0618 |
| | Mr. Arshadul Alam | (Own) | 8,804 | | |
| 10. | Mr. Mahmudul Alam Representative of Global Trading Corporation Ltd. | Director | 1,92,29,938 | 1,92,29,938 | 2.0501 |

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 S T M Abu Naser Chowdhury Deputy Managing Director | NIL |
| 02. | Mr. Md. Sirajul Hoque Deputy Managing Director | NIL |
| 03. | Mr. Md. Shamsul Hoque Deputy Managing Director | NIL |
| 04. | Mr. Mohammad Forkanullah Deputy Managing Director | NIL |
| 05. | Mr. Kazi Obaidul Al-Faruk 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

April 29, 2021

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, 2020

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:

1. The Financial Statements of Social Islami Bank Limited for the year ended on December 31, 2020 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;
2. 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;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. 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, 2020 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) (XXVII)]

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 December 31 2020. This Code relates to the Notification No. BSEC/CMRRCD/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
June 09, 2021



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- 2018). 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 2018) 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.

BOARD MEETINGS & MINUTES

During the year-2020, 14 Board of Directors Meeting were held through digital platform facing the World wide Pandemic Covid-19, minimum one or more Board of Directors meeting may be held in every month 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 459 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 26th Annual General meeting as they have been holding the office for the longest period.

1. Mr. Md. Sayedur Rahman
(Representative of Prasad Paradise Resorts Ltd.)
2. Mr. Md. Kamal Uddin
(Representative of Lion Securities and Investment Ltd.)
3. Mrs. Nargis Mannan
4. Mr. Ali Hasan Md. Mahmud Ribon
(Representative of Dynamic Ventures Limited)

As per compliance of Corporate Governance Code-2018 and Notification No. BSEC/CMMCD/2009-193/09/Admin/117 dated 22th March, 2021 of BSEC, the Engagement of the above mentioned Directors with other companies as Directors other than Social Islami Bank Limited are given below:

| SI No. | Name of the Retiring Directors | Employment | First Appointment date | Last Re-appointment date | Engagement other than Social Islami Bank Limited including Directorship |
|--------|--|------------|------------------------|--------------------------|--|
| 01. | Mr. Md. Sayedur Rahman Vice Chairman (Representative of Prasad Paradise Resorts Ltd.) | Business | 09-09-1999 | 27.06.2018 | Managing Director: <ul style="list-style-type: none"> • M/S Lodestar Fashions Ltd. • M/S Mid Asia Fashions Ltd. |
| 02. | Mr. Md. Kamal Uddin Director (Representative of Lion Securities and Investment Ltd.) | Business | 25.10.2014 | 27.06.2018 | Managing Director: <ul style="list-style-type: none"> • Chittagong Builders & Machinery Ltd. • Merchant Securities Limited. • Sifang Securities Limited. Director: <ul style="list-style-type: none"> • Human Resources Development Com. Ltd. • Central Hospital (Pvt.) Ltd. • ASM Chemical Industries Ltd. • Universal Health Service & Research Ltd. Chairman: <ul style="list-style-type: none"> • Mercantile Insurance Company Ltd. Proprietor: <ul style="list-style-type: none"> • CBM Consortium |
| 03. | Mrs. Nargis Mannan Director | Business | 05.07.1995 | 02.07.2019 | NIL |
| 04. | Mr. Ali Hasan Md. Mahmud Ribon Director (Representative of Dynamic Ventures Limited) | Business | 13.11.2017 | 02.07.2019 | Chairman: <ul style="list-style-type: none"> • M/s Mahmud Ribon |

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.

It is also mentioned here that in the last Annual General Meeting (25th AGM), the following 4 (four) Directors were retired by rotation as per section 91(2) 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. Dr. Md. Jahangir Hossain, Director; (Representative of Reliable Entrepreneurs Ltd.)
3. Mrs. Jebunnesa Akbar (Representative of Unitec Cement Ltd.)
4. Mr. Mahmudul Alam, Director; (Representative of Global Trading Corporation Ltd.)

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;
- viii. work with the MD/CEO and Company Secretary to co-ordinate the agenda, information packages and related events for Board meetings.
- ix. ensure that there is appropriate delegation of authority from the Board to Executive Management;

- x. 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

1. chair all meetings of shareholders;
2. undertake public service as agreed with the MD/CEO in connection with the Company's charitable, educational and cultural activities;
3. 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 Islmai 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.

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
4. Nomination and Remuneration Committee (NRC) is yet to form as Bangladesh Bank has not issued any guidelines regarding this.

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 be en 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 an d 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

- vi. Coordination with the internal auditors for statutory auditing
- vii. Asset Liability Management
- viii. Treasury division
- ix. Monitoring Cash Flows
- x. Consulting with other departments, businesses units and or affiliated companies to improve financial performance
- xi. Strategic financial planning/ capital budgeting
- xii. Cash forecasting

- xiii. Financial risk management
- xiv. Cash Management
- xv. Short term investing
- xvi. Short term borrowing
- xvii. Budgeting and Accounting
- xviii. Designing a proper financial Model for the Business Plan
- xix. Based on data received from respective departments, carrying out analysis on
- xx. Cost of fund
- xxi. Interest rates (both for deposits and lending)
- xxii. Identifying major profit and cost centers
- xxiii. Maintenance of Investment in shares and securities
- xxiv. Preparation of Financial Statements

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

- g. All the financial information required for decision-making by the Board of Directors and Chief Executive Officer is processed and furnished by the CFO.
- h. 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 and 2019 and as per section 15(9) of the Bank Companies Act,1991 (amendment upto-2018) 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 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. He is also a Director of SIBL Investment Ltd (a subsidiary company of SIBL) 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 Hoda Vasi Chowdhury & Co and M/s Shafiq Basak & Co. both are appointed as external Auditors by the Shareholders in the 25th Annual General Meeting held on 15th September, 2020 at a fees of Taka 4,00,000/- each for the year 2020. As per provision of Companies Act,1994, Notification/Directive of BSEC and regulation of Dhaka and Chittagong Stock Exchange (Listing) Regulations-2015 they are also eligible for appointing by the Shareholders in the up-coming AGM for the year-2021.

APPOINTMENT OF COMPLIANCE AUDITORS

Suraiya Parveen & Associates, a Practicing Chartered Secretaries Firm was appointed as Compliance Auditor of the Bank for the year-2020 as per condition 9(2) of the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of Bangladesh Securities and Exchange Commission at an annual fee of Tk.35,000/- (Taka thirty five thousand) only excluding VAT. They are also eligible for appointed for the year- 2021.

INFORMATION AVAILABILITY ON WEBSITE

The full text of the Annual Report 2020 including other financial reports are available in the company's website www.siblb.com

INVESTOR'S COMPLAIN DESK

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

Company Secretary & Head of Investor Complain Desk

City Center, Level-20
90/1 Motijheel C/A, Dhaka-1000
Phone: 88 02 09612001122
Fax: 88 02 9568098
email: info@sibl-bd.com

GRATITUDE

The member of the Board of Directors of Social Islami Bank Ltd. would like to place on record their gratitude to all the valued Shareholders, Clients, Patrons and Well- Wishers for their continued support and cooperation. We are also indebted to the Government of Bangladesh, Bangladesh Bank, 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 | ✓ | | |
| 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 | ✓ | | |

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| 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 | √ | | |
| 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 | √ | | |

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| 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 | √ | | |
| 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 |

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| 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 | √ | | |
| 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 | √ | | |

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| 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 | √ | |
| 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 | √ | |

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| 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. | √ | | |
| 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); | √ | | |
| 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 | √ | | |

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| 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. | | | Unresolved Issue |
| 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 | √ | | |
| 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; | √ | | |

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| 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. | √ | | |
| 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 | | | |
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| 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 | √ | | |
| 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 |

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| 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 |
| 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 | | | Unresolved Issue |
| 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; | | | |

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| 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 | | | |
| 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. | | | |

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| 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 | | | |
| 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) | √ | | |
| 7.1 (ix) | Any other service that creates conflict of interest. | √ | | |

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| 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 | √ | | |
| 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.

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.

NON-PAYMENT RISK

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

Perception

The management of SIBL is always concerned about the prevailing and upcoming future changes in the global financial policies and shall response appropriately and timely to safeguard its interest. The Bank has a very strong financial background as well as cash flow along with diversified business package, that's why the risk is very negligible. Moreover, the bank has a clear policy to maintain its ID Ratio (Investment Deposit Ratio) to 89.00% 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'.

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 31.12.2020, the Board of Directors of the Bank has discharged their duties and responsibilities through 459 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.

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 168 Branches, as on December 31, 2020. 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.

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.

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.

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 26 (Twenty six) year successful banking operation based on Shariah Principles without having any history of non-operation. SIBL has now 168 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.

PORTFOLIO MANAGEMENT RISK

Poor quality of project appraisal, slack monitoring of outstanding debts, inadequate/inappropriate documentation and other forms of management inefficiencies 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.

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 BOARD AUDIT COMMITTEE

The Board Audit Committee 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 (Now, Corporate Governance Code). 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 Board Audit Committee for the Year 2020:

| 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 Board Audit Committee:

The Board Audit Committee had 143 nos. (One hundred forty three) Meetings in the previous years since inception in the year 2003, out of which 05 Meetings were conducted in the Year 2020 and the attendance of the members was as follows:

| Name | No. of Meetings Held | No. of Meetings Attended |
|--|----------------------|--------------------------|
| Professor A J M Shafiul Alam Bhuiyan, Ph.D | 05 | 05 |
| Mr. Md. Kamal Uddin | 05 | 04 |
| Dr. Md. Jahangir Hossain | 05 | 05 |

Disclosure by Board Audit Committee:

- The Committee reviewed annual financial statement of the Bank for the year 31 December 2019 as certified by the External Auditors before submission to the Board for consideration.
- Reviewed un-audited quarterly (Q1, Q2 and Q3) financial statements of the Bank for the year 2020 before submission to the Board for consideration.
- 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 statement 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 discussed and reviewed compliance position of inspection report on "Core Risk Management" conducted by Bangladesh Bank based on 30 June 2019 and the "Management Letter on financial statements for the year ended 31 December 2019" of SIBL submitted by the external auditors for onward submission to the Board.
- The Committee also reviewed the financial statements/investments of the subsidiaries: SIBL Securities Limited and SIBL Investment Limited.
- Pursuant to Condition No. 5(6)(a) of the Corporate Governance Code 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 Integrated Annual Health Report for the year 2019 and recommended to the Board for consideration and approval.

- 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 2020 and suggested appropriate actions where needed. The Internal Auditors were advised to carry out the instruction of the ICCD Manual.
- The Committee discussed the draft copy of "Whistleblower Protection Policy" for the employees of the Bank for 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.



Professor A J M Shafiul Alam Bhuiyan, Ph.D.

Chairman
Audit Committee

REPORT ON NATIONAL INTEGRITY STRATEGY

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 approved the National Integrity Strategy (NIS) in October, 2012 and 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 Organizations but also the non government institutions including financial institutes, 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 investment-default needs to be eliminated. Besides 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 Association.

SIBL Integrity Strategy

Social Islami Bank Ltd (SIBL), a second-generation private sector Bank, operating since 22 November 1995 based on Shariah Principles, has now 168 branches and 79 sub-branches all over the country with two subsidiary companies named SIBL Securities Ltd. & SIBL Investment Ltd. It is one of the prime goals and responsibilities of SIBL to secure employee rights, and to ensure equality of opportunity and dispensation of economic and social justice. SIBL is dedicated to ensure employee's welfare.

To support the total activities of the Government of Bangladesh in establishing NIS, SIBL has formed a Committee called "SIBL Integrity Committee" as per BRPD Circular No 21, dated: 12/11/2013 headed by Deputy Managing Director of the bank assisted by a Focal Point Officer. The committee has taken responsibilities to implement NIS activities throughout the bank. The prime objective of this committee is to prevent corruption and to establish integrity in every sphere of the Bank to eradicate corruption from the Bank as well as from society and state.

We believe that the issue of integrity should not be confined 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 2020, a total of 04 (four) numbers of SIBL Integrity Committee meeting were held. Several steps were taken to promote integrity within the institution, these are-

- Ensuring the attainment of an egalitarian society which would be free from exploitation,
- Guaranteeing employees' rights and freedom as per rules of the Bank,
- Respecting self dignity and commitment to the institution,
- Creating a justified opportunity for all employees of the institution,
- Ensuring participation of women in all spheres of the institution,
- Paying everyone for work on the basis of the principle of ability and work done,
- Providing integrity training to 1995 employees,
- Auditing on regular basis and promoting ethical practice,
- Formulating branch level integrity committee for better moral exercise.

A person with integrity demonstrates sound moral and ethical principles and does the right thing, no matter who's watching. Integrity is the foundation on which coworkers build relationships and trust, and it is one of the fundamental values that employers seek in the employees that they hire. To have integrity means that a person is self-aware, accountable, responsible, and truthful and that their actions are internally consistent. By sowing integrity awareness in individual level, our bank aims to grow a banyan tree of ethical greatness to promote institution's reputation as well as to perform social responsibility.

DIVIDEND DISTRIBUTION POLICY

Introduction:

In compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021; Social Islami Bank Limited formulated a policy known as "Dividend Distribution Policy". The highlights of the said policy are given below:

Purpose:

The purpose of the policy is to comply with the Directives of Bangladesh Securities and Exchange Commission (BSEC). The parameters set out in the policy are applicable for distribution of dividend.

Dividend Recommendation and Approval process:

Dividend to be recommended and approved as per applicable Acts and regulatory directives issued from time to time.

Entitlement of Dividend:

Shareholders whose names shall appear in the Members Register of the Company or in the Depository Register of CDBL on the 'Record Date' of the respective year's AGM will receive entitled dividend.

Process of Distribution of Cash Dividend:

Cash dividend shall be paid directly to the bank account within 30 (thirty) days from the date of approval by the Shareholders in the AGM subject to comply of circulars/directives of BSEC or Bangladesh Bank or other regulatory authority from time to time.

- i. Through Bangladesh Electronic Funds Transfer Network (BEFTN);
- ii. Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTN);
- iii. In case of margin loan and claim by loan provider, through the Consolidated Customer's Bank Account (CCBA);
- iv. To the separate bank account of the merchant Banker or portfolio manager through BEFTN;
- v. Through the security custodian following Foreign Exchange Regulation for non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI);
- vi. Through issuance of Cash Dividend warrant and send it through post in case of non-availability of information of the shareholder or unit holder.
- vii. Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Manner and procedure of stock dividend distribution:

The stock dividend shall be credited within 30 (thirty) days of approval subject to the clearance of the regulatory requirement [if any from Bangladesh Bank, exchange(s) and the Central Depository Bangladesh Limited (CDBL)]:

- i. To the BO account;
- ii. To the suspense BO Account for undistributed or unclaimed stock dividend/bonus shares. A new Suspense BO Account has been opened in every year for the respective year's suspense shares;
- iii. The bonus dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;;
- iv. The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time,

Unpaid or unclaimed of unsettled cash dividend:

Unpaid or unclaimed of unsettled cash dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Unpaid or unclaimed of unsettled stock dividend:

Unpaid or unclaimed of unsettled stock dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Tax matters:

Tax will be deducted at source as per applicable tax laws.

Submission of Dividend Distribution Compliance Report:

In-compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirement Social Islami Bank Limited has been submitted a Dividend Distribution Compliance Report to BSEC, DSE and CSE within 7 days from the date of completion of dividend distribution of the concerned year's. This report shall submit to BSEC, DSE and CSE in a specified format issued by the regulator (s) within stipulated time.

Amendments / Modifications:

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law of the land. Such amended policy shall be placed before the Board for approval.

Disclosure Policy:

The Dividend Distribution Policy has available on the Bank's website and annexed in the Bank's Annual Report-2020.

Summary of Unclaimed Dividend:

As of 31.12.2020 total amount of unclaimed dividend is Tk.6,21,02,641.91 laying with respective year's Bank Accounts.



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:-

- a. 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;
- b. Assign sufficient authority and responsibility to risk management related officials;
- c. Ensure uninterrupted information flow to RMD for sound risk management;
- d. Continuously monitor the bank's performance and overall risk profile through reviewing various reports;
- e. Ensure the formulation, review (at least annually) and implementation of appropriate policies, plans and procedures for risk management;
- f. Define and reviewing the risk appetite, risk tolerance, limit etc. in line with strategic planning;
- g. Make sure maintenance of adequate capital and provision to absorb losses resulting from risk;
- h. 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;
- i. 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 2020.

Role of Board Risk Management Committee is as follows:

- a. Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;
- b. Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- c. Ensuring construction of adequate organizational structure for managing risks within the bank;
- d. Supervising the activities of Executive Risk Management Committee (ERMC);
- e. Ensuring compliance of BB instructions regarding implementation of core risk management;
- f. Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval;
- g. Approving adequate record keeping & reporting system and ensuring its proper use;
- h. Holding at least 4 meetings in a year (preferably one meeting in every quarter) and more if deemed necessary;
- i. 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;
- j. Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis;
- k. Complying with instructions issued from time to time by the regulatory body;
- l. Ensuring appropriate knowledge, experience, and

- expertise of lower-level managers and staff involved in risk management;
- m. Ensuring sufficient & efficient staff resources for RMD;
- n. Establishing standards of ethics and integrity for staff and enforcing these standards;
- o. Assessing overall effectiveness of risk management functions on yearly 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;

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 MRMR, Comprehensive Risk Management Report (CRMR) is prepared and placed to this committee on half yearly basis. Both MRMR and CRMR 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 and BRMC on regular basis;

- 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 desks/units 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 ERM/C 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/ERM/C 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/C 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.

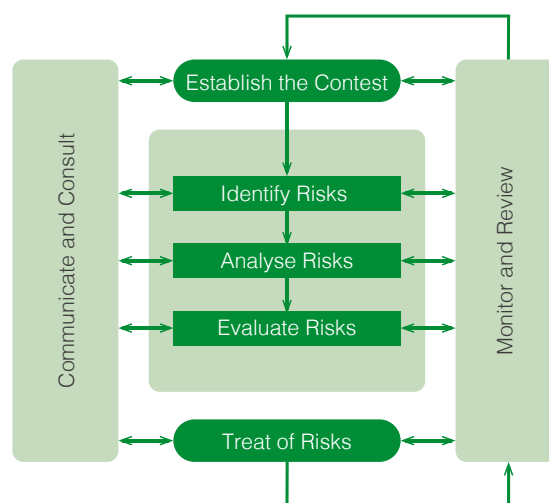
2. Risk Management Process:

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.

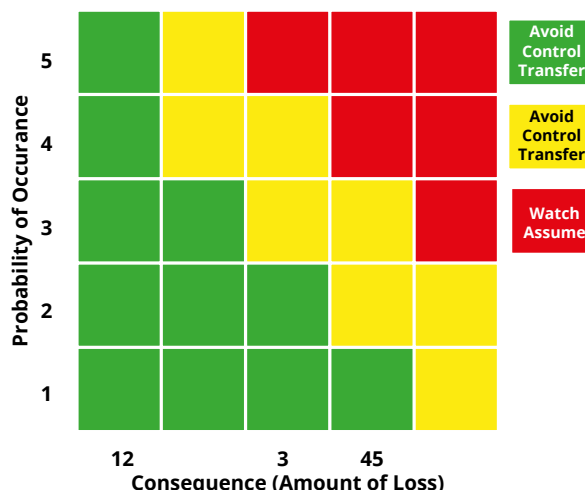


Fig: High Level Risk Management Strategy of SIBL

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: <ol style="list-style-type: none"> Capital adequacy Credit risk Off-shore banking operations Market risk Information about profitability Liquidity risk Operational risk Audit compliance Reputational risk Money laundering risk Compliance of risk management 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: <ul style="list-style-type: none"> Global Economic Outlook Bangladesh Economy Summary of the activities of Risk Management Committee at the board level Credit Risks Analysis Market Risk Liquidity Risk Operational Risk Reputational Risk Core Risk Management Compliance Risk Environmental Risk Management and Other information Money Laundering Risk | Half Yearly | Complied |
| 4 | Capital to Risk-Weighted Asset Ratio | 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: <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 |

| SL | Name of the reporting | Description of the Reporting | Frequency of the Report | Compliance Status |
|----|---|--|-------------------------|-------------------|
| 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 2020

A) Scope of Application

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

B) Capital Structure

| Qualitative Disclosures | |
|---|---|
| <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> <p>a. Common Equity Tier I (CET-1) Capital</p> <p>b. Additional Tier I (AT-1) Capital</p> <p>a) Common Equity Tier-I capital of the Bank consist of -</p> <p>Paid up capital: Issued, subscribed and fully paid up share capital of the Bank.</p> <p>Statutory reserve: As per Section 24 of the Bank Company Act, 1991, an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund.</p> <p>Retained earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.</p> <p>b) Additional Tier-I capital:</p> <p>Instruments issued by the banks that meet the qualifying criteria for AT1: Issued, subscribed and fully paid perpetual subordinated debt/ bond, or other instrument if any which meet the qualifying criteria for AT1 as stipulated in guidelines on Risk Based Capital Adequacy.</p> <p>Tier-II capital consists of –</p> <p>General Provisions: As per Bangladesh Bank directive, amount of provision maintained against unclassified loans and off-balance sheet exposures as of the reporting date has been considered.</p> <p>Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital: Outstanding amount of subordinated debt as of the reporting date.</p> <p>Assets revaluation reserves: As per Bangladesh Bank's instruction, until 31 December 2014, 50% of incremental value of Bank's assets has been considered. Revaluation Reserve (RR) based on the position as of 31 December 2014 will be deducted @ 20% on yearly basis from 2015 to 2019 under Basel III guideline.</p> |

| Quantitative Disclosures | | |
|---|--|---------------------|
| | As on December 31, 2020 (in million taka) | |
| | Solo | Consolidated |
| Tier-1 Capital (Going Concern Capital) : | | |
| Common Equity Tier-1 (CET-1) | | |
| Fully Paid-up Capital | 9,380.08 | 9,380.08 |
| Statutory Reserve | 7,030.39 | 7,030.39 |
| General Reserve | 0.00 | 11.31 |
| Retained Earnings | 1,056.77 | 1,103.50 |
| Total CET-1 | 17,467.24 | 17,525.28 |
| Additional Tier-1 Capital (AT-1) | 1,500.00 | 1,500.00 |
| Total Admissible Tier-1 Capital | 18,967.24 | 19,025.28 |
| | | |
| Tier-2 Capital (Gone Concern Capital) : | | |
| General Provision | 5,441.65 | 5,441.65 |
| Subordinated debt | 5,960.00 | 5,960.00 |
| Revaluation Reserves | 0.00 | 0.00 |
| Total Tier-2 Capital | 11,401.65 | 11,401.65 |
| Total Admissible Tier-2 Capital | 11,401.65 | 11,401.65 |
| Total Capital | 30,368.90 | 30,426.94 |
| Regulatory Adjustments: | 0.00 | 0.00 |
| Total Eligible Capital | 30,368.90 | 30,426.94 |

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 investment (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, 2020 (in million taka) | | | | | | | | | | | | | | | | | | | | | | |
| | | Solo | Consolidated | | | | | | | | | | | | | | | | | | | | | |
| b) | Capital requirements for Investment (Credit) Risk | 20,305.69 | 20,159.25 | | | | | | | | | | | | | | | | | | | | | |
| c) | Capital requirements for Market Risk | 178.28 | 234.74 | | | | | | | | | | | | | | | | | | | | | |
| d) | Capital requirements for Operational Risk | 2,018.08 | 2,035.89 | | | | | | | | | | | | | | | | | | | | | |
| | Total capital requirement | 22,502.05 | 22,429.88 | | | | | | | | | | | | | | | | | | | | | |
| e) | Capital to Risk Weighted Asset Ratio | 13.50% | 13.57% | | | | | | | | | | | | | | | | | | | | | |
| | CET-1 Capital Ratio | 7.76% | 7.81% | | | | | | | | | | | | | | | | | | | | | |
| | Tier-I Capital Ratio | 8.43% | 8.48% | | | | | | | | | | | | | | | | | | | | | |
| | Tier-II Capital Ratio | 5.07% | 5.08% | | | | | | | | | | | | | | | | | | | | | |
| 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 31.12.2020 SIBL maintained the capital conservation buffer as presented below: | | | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Consolidated</th> </tr> </thead> <tbody> <tr> <td>Required CCB</td> <td>2.50%</td> <td>2.50%</td> </tr> <tr> <td>Maintained CCB</td> <td>2.43%</td> <td>2.48%</td> </tr> <tr> <td>Required CET-1 Ratio including CCB</td> <td>7.00%</td> <td>7.00%</td> </tr> <tr> <td>Maintained CET-1 Ratio</td> <td>7.76%</td> <td>7.81%</td> </tr> <tr> <td>Required CRAR Ratio including CCB</td> <td>12.50%</td> <td>12.50%</td> </tr> <tr> <td>Maintained CRAR Ratio</td> <td>13.50%</td> <td>13.57%</td> </tr> </tbody> </table> | | Particulars | Solo | Consolidated | Required CCB | 2.50% | 2.50% | Maintained CCB | 2.43% | 2.48% | Required CET-1 Ratio including CCB | 7.00% | 7.00% | Maintained CET-1 Ratio | 7.76% | 7.81% | Required CRAR Ratio including CCB | 12.50% | 12.50% | Maintained CRAR Ratio | 13.50% | 13.57% |
| Particulars | Solo | Consolidated | | | | | | | | | | | | | | | | | | | | | | |
| Required CCB | 2.50% | 2.50% | | | | | | | | | | | | | | | | | | | | | | |
| Maintained CCB | 2.43% | 2.48% | | | | | | | | | | | | | | | | | | | | | | |
| Required CET-1 Ratio including CCB | 7.00% | 7.00% | | | | | | | | | | | | | | | | | | | | | | |
| Maintained CET-1 Ratio | 7.76% | 7.81% | | | | | | | | | | | | | | | | | | | | | | |
| Required CRAR Ratio including CCB | 12.50% | 12.50% | | | | | | | | | | | | | | | | | | | | | | |
| Maintained CRAR Ratio | 13.50% | 13.57% | | | | | | | | | | | | | | | | | | | | | | |
| g) | Available Capital under Pillar 2 Requirement | Solo | Consolidated | | | | | | | | | | | | | | | | | | | | | |
| | Total Eligible Regulatory Capital [A] | 30,368.90 | 30,426.94 | | | | | | | | | | | | | | | | | | | | | |
| | Minimum Capital Requirement under Pillar 1 [B] | 22,502.05 | 22,429.88 | | | | | | | | | | | | | | | | | | | | | |
| | Capital Conservation Buffer [C]* | 5,625.51 | 5,607.47 | | | | | | | | | | | | | | | | | | | | | |
| | Minimum Capital Requirement including Capital Conservation Buffer [D=B+C] | 28,127.56 | 28,037.35 | | | | | | | | | | | | | | | | | | | | | |
| | Available Capital for Pillar 2 [E=A-D] | 2,241.34 | 2,389.59 | | | | | | | | | | | | | | | | | | | | | |

D) Investment Risk

| Qualitative Disclosures | |
|--|---|
| <p>a) (i) The General Qualitative disclosures requirement with respect to investment (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> |
| | <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> <ul style="list-style-type: none"> 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. ii. @ 1% on the Off Balance Sheet exposure. iii. @5% on unclassified investment amount of consumer financing, @ 1% on unclassified investment amount of House building finance, @ 1% on unclassified investment amount of Investment to professionals under consumer financing for setting up business, Investment to Brokerage House-Merchant Banks-Stock Dealer. iv. @ 5% on the outstanding amount of 'Special Mention Account'. |
| | <p>b) Specific Provisions-will be maintained:</p> <ul style="list-style-type: none"> i. Sub-standard: @ 20% ii. Doubtful: @ 50% iii. Bad /Loss: @ 100% <p>c) Provision for Short-term Agricultural and Micro Investment:</p> <ul style="list-style-type: none"> i. All Investment except bad/loss: 5% ii. Bad/Loss: @ 100% |
| ii) Description of approaches followed for specific and general allowances and statistical method; | <p>Social Islami Bank Limited has a well defined Investment Risk Management Manual duly approved its Board of Directors which is reviewed annually. Investment risk is one of the major risks faced by the bank and such investment risk management of the bank has been designed to address all risks associated with investments.</p> |
| | <p>The Bank has segregated duties of the Officers / Executives involved in investment related activities. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of Investment products, exploring new business opportunities etc. Moreover, investment approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed. These are (a) Investment Risk Management Division, (b) Investment Administration Division. Investment Administration Division includes investment monitoring unit. Investment Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning investment (credit), formulating policy / strategy for lending operation etc.</p> <p>A thorough assessment is done before sanctioning of investment facility at Investment Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed Investment facility etc. The assessment process starts at Corporate Division by the Relationship Manager/Officer and ends at Investment Risk Management Unit. Proposal beyond their delegation are approved / declined by the Executive Committee and / or the Management.</p> <p>In determining single borrower / large investment limit, the Bangladesh Bank instructions are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and regulatory policies. Investments are classified as per Bangladesh Bank's guidelines.</p> |

Quantitative Disclosures

b) Total gross Investment/ Credit Risk exposures broken down by major types of Investment exposures.

In million Tk.

| Type of Investment | As on 31.12.2020 |
|------------------------------|-------------------------|
| Musharaka | 221.69 |
| Murabaha | 7,087.22 |
| Mudaraba | 4,308.10 |
| Bai-Muazzal | 1,98,926.80 |
| Hire-Purchase Sirkatul Meelk | 62,882.33 |
| Quard | 10,565.22 |
| Bai-Salam | 905.73 |
| Staff Loan | 2,308.72 |
| Ijarah | 530.41 |
| Visa Card | 758.65 |
| In land Bill Purchase | 2,458.10 |
| Foreign Bill Purchased | 60.42 |
| Murabaha Bill of Exchange | 1,517.48 |
| Baim-Wes bills | 8,087.08 |
| Total | 3,00,617.94 |

c) Geographical Distribution of exposures, broken down in significant areas by major types of investment (credit) exposure.

In million Tk.

| Name of the Division | As on 31.12.2020 |
|-----------------------------|-------------------------|
| Dhaka | 2,19,164.57 |
| Chittagong | 62,316.54 |
| Sylhet | 559.85 |
| Rajshahi | 6,443.70 |
| Khulna | 6,429.54 |
| Rangpur | 2,390.99 |
| Barisal | 1,434.31 |
| Mymensingh | 1,878.44 |
| Total | 3,00,617.94 |

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 31.12.2020 |
|--|-------------------------|
| Commercial lending | 63,085.99 |
| Export Financing | 7,421.29 |
| House Building Investment | 4,016.75 |
| Investment against Scheme & MTDR | 5,291.70 |
| Small and Medium Enterprises | 61,920.98 |
| Micro Investment | 678.56 |
| Other Investments | 15,673.86 |
| Off-shore Banking Unit | 4,308.10 |
| Executives & Staffs of SIBL | 2,333.64 |
| Agricultural Industries | 3,123.14 |
| Textile & Allied Industries | 41,971.32 |
| Food & Allied Industries | 13,678.73 |
| Pharmaceutical Industries | 1,756.70 |
| Leather, Chemical, Cosmetic etc. | 4,215.66 |
| Construction Industries | 9,140.14 |
| Cement and Ceramic Industries | 5,027.40 |
| Service Industries | 16,686.79 |
| Transport and Communication Industries | 4,143.13 |
| Other Industries | 36,144.08 |
| Total | 3,00,617.94 |

e) Residual contractual maturity break down of the whole portfolio, broken down by major types of investment/credit exposure.

In million Tk.

| Particulars | As on 31.12.2020 |
|--|-------------------------|
| Re-payable on Demand | 35,752.99 |
| Not more than 3 months | 64,247.34 |
| Over 3 months but not more than 1 year | 1,25,502.82 |
| Over 1 year but not more than 5 years | 62,813.15 |
| Over 5 years | 12,301.65 |
| Total | 3,00,617.94 |

| f) By major industry or counterparty type | <p>Amount of impaired investments and if available, past due investments</p> <table border="1" data-bbox="776 289 1416 575"> <thead> <tr> <th>Particulars</th> <th>As on 31.12.2020</th> </tr> </thead> <tbody> <tr> <td>Past Due</td> <td>-</td> </tr> <tr> <td>Special Mentioned Account</td> <td>12,960.00</td> </tr> <tr> <td>Substandard</td> <td>2,123.97</td> </tr> <tr> <td>Doubtful</td> <td>415.59</td> </tr> <tr> <td>Bad or Loss</td> <td>15,661.60</td> </tr> <tr> <td>Total</td> <td>31,161.16</td> </tr> </tbody> </table> <p>Specific and general provisions:</p> <table border="1" data-bbox="776 655 1416 779"> <tbody> <tr> <td>Specific Provisions</td> <td>7,812.08</td> </tr> <tr> <td>General Provision</td> <td>5,441.65</td> </tr> <tr> <td>Total</td> <td>13,253.73</td> </tr> </tbody> </table> <p>Charges for specific allowances and charge-offs during the period</p> <table border="1" data-bbox="776 892 1416 1203"> <tbody> <tr> <td>Provision on classified investment</td> <td>230.21</td> </tr> <tr> <td>Provision on unclassified investment</td> <td>329.52</td> </tr> <tr> <td>Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020)</td> <td>732.16</td> </tr> <tr> <td>Provision on Off-Balance Sheet items</td> <td>(19.84)</td> </tr> <tr> <td>Other provisions (note: 36)</td> <td>30.71</td> </tr> <tr> <td>Total</td> <td>1,302.77</td> </tr> </tbody> </table> | Particulars | As on 31.12.2020 | Past Due | - | Special Mentioned Account | 12,960.00 | Substandard | 2,123.97 | Doubtful | 415.59 | Bad or Loss | 15,661.60 | Total | 31,161.16 | Specific Provisions | 7,812.08 | General Provision | 5,441.65 | Total | 13,253.73 | Provision on classified investment | 230.21 | Provision on unclassified investment | 329.52 | Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020) | 732.16 | Provision on Off-Balance Sheet items | (19.84) | Other provisions (note: 36) | 30.71 | Total | 1,302.77 |
|--|---|-----------------|------------------|-------------------------------------|--------|---------------------------|-----------|-------------------------------------|------------------|------------------------|-----------------|-------------|-----------|--------------|------------------|---------------------|----------|-------------------|----------|--------------|------------------|------------------------------------|--------|--------------------------------------|--------|--|--------|--------------------------------------|---------|-----------------------------|-------|--------------|-----------------|
| Particulars | As on 31.12.2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Past Due | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Special Mentioned Account | 12,960.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Substandard | 2,123.97 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Doubtful | 415.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bad or Loss | 15,661.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 31,161.16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Specific Provisions | 7,812.08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Provision | 5,441.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 13,253.73 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision on classified investment | 230.21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision on unclassified investment | 329.52 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020) | 732.16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision on Off-Balance Sheet items | (19.84) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other provisions (note: 36) | 30.71 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,302.77 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| g) Gross Non Performing Assets (NPAs) | Gross Non Performing Assets of the bank is 18,201.16 Million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non Performing assets to outstanding investment | Non Performing assets to outstanding investment is 6.05% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Movement of non performing assets | <table border="1" data-bbox="776 1354 1416 1522"> <tbody> <tr> <td>Opening balance</td> <td>17,533.30</td> </tr> <tr> <td>Addition</td> <td>667.86</td> </tr> <tr> <td>Reduction</td> <td>-</td> </tr> <tr> <td>Closing Balance</td> <td>18,201.16</td> </tr> </tbody> </table> | Opening balance | 17,533.30 | Addition | 667.86 | Reduction | - | Closing Balance | 18,201.16 | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening balance | 17,533.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Addition | 667.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reduction | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing Balance | 18,201.16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Movement of Specific provisions for Non performing assets | <table border="1" data-bbox="776 1585 1416 1791"> <tbody> <tr> <td>Opening Balance</td> <td>7,595.56</td> </tr> <tr> <td>Add: Provision made during the year</td> <td>239.86</td> </tr> <tr> <td>Less: Write-off</td> <td>23.33</td> </tr> <tr> <td>Add: Write back of excess provision</td> <td></td> </tr> <tr> <td>Closing balance</td> <td>7,812.08</td> </tr> </tbody> </table> | Opening Balance | 7,595.56 | Add: Provision made during the year | 239.86 | Less: Write-off | 23.33 | Add: Write back of excess provision | | Closing balance | 7,812.08 | | | | | | | | | | | | | | | | | | | | | | |
| Opening Balance | 7,595.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Provision made during the year | 239.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Write-off | 23.33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Write back of excess provision | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing balance | 7,812.08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

E. Equities: Disclosures for Banking Book Positions

| Qualitative Disclosures | |
|--|---|
| The general Qualitative Disclosures requirement with respect to equity risk, including: | |
| a) Differences between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons ;and | <p>Social Islami Bank limited has two categories of equity investments namely (i) Quoted Shares- traded in the secondary market of DSE & CSE like common stock, mutual fund, bond etc. and (ii) Unquoted Shares- currently not tradable in the secondary market.</p> <p>Unquoted shares include shares and securities which are characterized and categorized as (i) Held to maturity (ii) long term investment i.e. the Bank does not have any intention to sell securities immediately or in the near future (iii) Securities acquired under private placement which will be traded in the secondary market only after completion of required legal formalities with the BSEC (Bangladesh Securities & Exchange Commission), DSE, CSE as per prevailing laws etc.</p> |
| 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>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 31,2020 (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. | 510.98 | 735.45 |
| b) | The cumulative realized gains (losses) arising from sales & liquidations in the reporting period. | - | - |
| c) | Total unrealized gains (losses) | 42.17 | 42.17 |
| 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 | 553.15 | 693.26 |
| | General Market Risk | 553.15 | 693.26 |

F. Profit Rate Risk in the Banking Book

| Qualitative Discloser | | | |
|---|---|-----------------------------|------------------------------|
| <p>(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</p> | <p>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.</p> | | |
| Quantitative Discloser | | | |
| <p>(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)</p> | | | |
| Figure in Million | | | |
| Particulars | 1-90 Days | Over 3 Month-Up to 6 Months | Over 6 Months - Up to 1 Year |
| RSA | 1,29,999.50 | 32,477.90 | 38,468.60 |
| RSL | 1,28,815.40 | 40,706.30 | 59,300.70 |
| Gap | 1,184.10 | -8,228.40 | -20,832.10 |
| Cumulative Gap | 1,184.10 | -7,044.30 | -29,060.50 |
| Adjusted Profit Rate Change (PRC) | 1.00% | 1.00% | 1.00% |
| Earnings Impact (Cum. Gap*PRC) | 11.84 | -70.44 | -290.61 |
| Accumulated Earnings Impact to Date | 11.84 | -58.60 | -361.05 |

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, 2020 | |
| b) The capital requirements for | Solo | Consolidated |
| Profit rate risk | - | - |
| Equity position risk | 110.63 | 167.09 |
| Foreign exchange risk | 67.65 | 67.65 |
| Commodity risk | - | - |
| Total Capital Requirement | 178.28 | 234.74 |

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. |
| iv) Policies and process for mitigating operational risk | The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit (RBIA) system is in operation. As per RBIA branches are rated according to their risk grading/ scoring audit procedure and required frequent audit to the Branches are operated by the Audit Division. In addition, there is a Vigilance Cell established in the Bank to reinforce operational risk management of the Bank and to minimize the same. Bank's anti-money laundering activities are headed by (Chief Anti Money Laundering Compliance Officer) CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk. |
| v) Approach to calculating capital charges for operational risk | Basic indicator Approach is used for calculating capital charge for operational risk as of the reporting date. |
| Quantitative Disclosures | |
| As per risk based capital adequacy guidelines, capital charge for operational risk is equivalent to 15% of average annual gross income of three previous years where negative figures are excluded. | |
| As per risk based capital adequacy guidelines Social Islami bank Limited follows the Basic Indicator Approach for computing capital charge for operational risk. | |

| As on 31.12.2020 | Amount in million Taka | |
|-------------------------|------------------------|--------------|
| | Solo | Consolidated |
| Capital Requirement for | | |
| Operational Risk | 2,018.08 | 2,035.89 |

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

| iii) Liquidity risk management system | 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>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 investment (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 | The Asset-Liability (ALCO) policy leads the process & procedures for mitigation of liquidity risk of SIBL. | <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) | The Liquidity Coverage Ratio (LCR) under Liquidity Ratios of Basel III of Social Islami Bank Limited as of 31 December 2020 was as under: | <p>Liquidity Coverage Ratio (LCR) = Stock of High quality liquid assets / Net cash outflows over the next 30 calendar days</p> <table border="1" data-bbox="630 1014 1432 1115"> <thead> <tr> <th rowspan="2">particulars</th> <th colspan="2">Ratio (%)</th> </tr> <tr> <th>BB requirement</th> <th>SIBL's position</th> </tr> </thead> <tbody> <tr> <td>Liquidity Coverage Ratio (LCR)</td> <td>≥ 100%</td> <td>152.77%</td> </tr> </tbody> </table> | particulars | Ratio (%) | | BB requirement | SIBL's position | Liquidity Coverage Ratio (LCR) | ≥ 100% | 152.77% |
| particulars | Ratio (%) | | | | | | | | | |
| | BB requirement | SIBL's position | | | | | | | | |
| Liquidity Coverage Ratio (LCR) | ≥ 100% | 152.77% | | | | | | | | |
| ii) Net Stable Funding Ratio (NSFR) | The Net Stable Funding Ratio (NSFR) under Liquidity Ratios of Basel III of Social Islami Bank Limited as of 31 December 2020 was as under: | <p>Net Stable Funding Ratio (NSFR) = Available amount of stable funding (ASF) / Required amount of stable funding (RSF)</p> <table border="1" data-bbox="630 1260 1432 1362"> <thead> <tr> <th rowspan="2">particulars</th> <th colspan="2">Ratio (%)</th> </tr> <tr> <th>BB requirement</th> <th>SIBL's position</th> </tr> </thead> <tbody> <tr> <td>Net Stable Funding Ratio (NSFR)</td> <td>≥ 100%</td> <td>128.51%</td> </tr> </tbody> </table> | particulars | Ratio (%) | | BB requirement | SIBL's position | Net Stable Funding Ratio (NSFR) | ≥ 100% | 128.51% |
| particulars | Ratio (%) | | | | | | | | | |
| | BB requirement | SIBL's position | | | | | | | | |
| Net Stable Funding Ratio (NSFR) | ≥ 100% | 128.51% | | | | | | | | |
| 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 2020 is Tk. 47,392.00 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 2020 is Tk. 31,022.20 million. | | | | | | | | | |
| v) Available amount of stable funding | As stipulated by BB vide DOS Circular Letter No. 1 dated 1 January 2015, the available amount of stable funding (ASF) of Social Islami Bank Limited as of 31 December 2020 was as under: | <table border="1" data-bbox="630 1627 1432 1728"> <thead> <tr> <th>Particulars</th> <th>Amount (in million)</th> </tr> </thead> <tbody> <tr> <td>Available amount of Stable Funding (ASF)</td> <td>3,24,337.20</td> </tr> <tr> <td>Total</td> <td>3,24,337.20</td> </tr> </tbody> </table> | Particulars | Amount (in million) | Available amount of Stable Funding (ASF) | 3,24,337.20 | Total | 3,24,337.20 | | |
| Particulars | Amount (in million) | | | | | | | | | |
| Available amount of Stable Funding (ASF) | 3,24,337.20 | | | | | | | | | |
| Total | 3,24,337.20 | | | | | | | | | |
| vi) Required amount of stable funding | As stipulated by BB vide DOS Circular Letter No. 1 dated 1 January 2015, the required amount of stable funding (RSF) of Social Islami Bank Limited as of 31 December 2020 was as under: | <table border="1" data-bbox="630 1816 1432 1913"> <thead> <tr> <th>Particulars</th> <th>Amount (in million)</th> </tr> </thead> <tbody> <tr> <td>Required amount of Stable Funding (RSF)</td> <td>2,52,391.10</td> </tr> <tr> <td>Total</td> <td>2,52,391.10</td> </tr> </tbody> </table> | Particulars | Amount (in million) | Required amount of Stable Funding (RSF) | 2,52,391.10 | Total | 2,52,391.10 | | |
| Particulars | Amount (in million) | | | | | | | | | |
| Required amount of Stable Funding (RSF) | 2,52,391.10 | | | | | | | | | |
| Total | 2,52,391.10 | | | | | | | | | |

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 investment (credit)-deposit ratio is maintained at a sustainable basis as well as to reduce the mismatches of asset- liability gap within the tolerable limit to manage the liquidity risk.</p> | | | | | | | | |
| ii) Policies and processes for managing excessive on and off-balance sheet leverage | <p>First and foremost, Bank's policy is to maintain the Leverage Ratio (Tier 1 capital as proportion to total adjusted On and Off balance sheet asset) well above the regulatory requirement. To this end, the striking components of balance sheet, namely, the deposits & borrowing, loans & advances, other liquid assets (treasury bills, bonds, fund placements) are analyzed on monthly basis.</p> <p>Measures are taken to contain the growth of overall size of balance sheet (On and Off balance sheet exposures aggregately) considering short term outlook of the industry indicators as well as possible growth of equity (Tier 1 capital) of the Bank on quarterly rest.</p> <p>With regard to managing the excessive leverage, the regulatory stance through the monetary policy initiatives i.e. the scope of expected business potential (growth), estimated money supply, inflation, resulting the estimated overall liquidity of the industry as well as the Bank in particular is also considered.</p> | | | | | | | | |
| iii) Approach for calculating exposure/Leverage | <p>The exposures of balance sheet representing the overall position of the Bank as of the reporting date are calculated and presented in terms of applicable relevant accounting standards, i.e., IASs (BASs), IFRSs (BFRSs), etc.</p> <p>The accounting values of assets and liabilities are also presented and measured at gross. Netting of assets and liabilities are also made where permitted in compliance with the respective accounting standards and the regulatory instruction.</p> <p>For calculating "leverage", SIBL follows the 'Leverage Ratio' approach/method as suggested by Bangladesh Bank</p> | | | | | | | | |
| Quantitative Disclosures | | | | | | | | | |
| i) Leverage Ratio | <p>Leverage Ratio (LR) under Basel III of Social Islami Bank Limited as of 31 December 2020 was as under:</p> <p>Leverage Ratio (LR) = Tier 1 Capital (after related adjustment)/Total Exposure (after related deductions)</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Ratio (%)</th> </tr> <tr> <th>BB requirement</th> <th>SIBL's position</th> </tr> </thead> <tbody> <tr> <td>Leverage Ratio (LR)</td> <td>> 3%</td> <td>4.82%</td> </tr> </tbody> </table> | Particulars | Ratio (%) | | BB requirement | SIBL's position | Leverage Ratio (LR) | > 3% | 4.82% |
| Particulars | Ratio (%) | | | | | | | | |
| | BB requirement | SIBL's position | | | | | | | |
| Leverage Ratio (LR) | > 3% | 4.82% | | | | | | | |
| 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 2020 is Tk. 3,76,475.70 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 2020 is Tk 16,727.51 million. | | | | | | | | |
| iv) Total exposure | Total Exposures for calculating Leverage Ratio under Basel III of Social Islami Bank Limited as of 31 December 2020 is Tk. 3,93,203.22 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> |

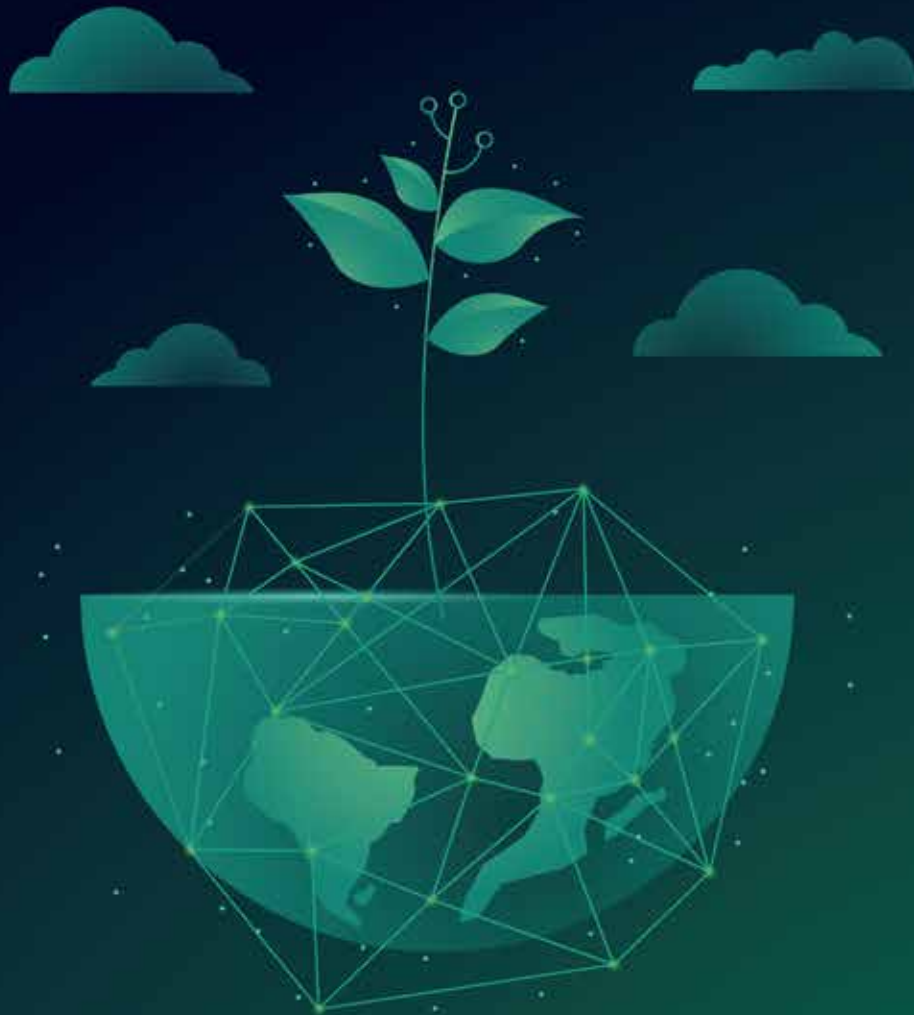
| b | Information relating to the design and structure of remuneration processes. |
|--|--|
| i) An overview of the key features and objectives of remuneration policy. | <p>Remuneration and other associated matters are guided by the Bank's Service Rule as well as instruction, guidance from the Board 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.</p> |
| 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. | <p>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.</p> |

| | | |
|----------|--|--|
| | <p>iii) A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p> | <p>The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them.</p> <p>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.</p> |
| c | Description of the ways in which current and future risks are taken into account in the remuneration processes. | |
| | <p>i) An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> | <p>The business risk including investment (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.</p> |
| | <p>ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.</p> | <p>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.</p> <p>While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.</p> |
| | <p>iii) A discussion of the ways in which these measures affect remuneration.</p> | <p>While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.</p> |
| | <p>iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration</p> | <p>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.</p> |
| d | Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. | |
| | <p>i) An overview of main performance metrics for bank, top-level business lines and individuals.</p> | <p>The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/ approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.</p> |

| | | |
|---------------------------------|---|---|
| | 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. |
| e | Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance. | |
| | 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 |
| f | Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. | |
| | i) An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms. A description of the elements corresponding to other forms of variable remuneration (if any) should be provided. | The Bank pays variable remuneration on cash basis (i.e. direct credit to the employee Bank account and/or Payment Order/ Cheque), as the case may be, as per rule/practice. |
| | ii) A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance. | The following variable remuneration has been offered by SIBL to its employees: Annual Increment Bank provides annual increments based on performance to the employees with the view of medium to long term strategy and adherence to SIBL values. |
| Quantitative Disclosures | | |
| g | Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member. | There were 4 (Four) meetings of the MANCOM held during the year 2020. 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. |

| | | | |
|---|---|--|----------------|
| h | i) Number of employees having received a variable remuneration award during the financial year. | The following Number of Employees were received a variable remuneration during the year 2020: | |
| | | Particulars | Number |
| | | Number of employees having received a variable remuneration award during the year 2020 | Not Applicable |
| | ii) Number and total amount of guaranteed bonuses awarded during the financial year. | The following number and total amount of Guaranteed bonuses awarded during the year 2020: All employee of SIBL get two festival bonuses. | |
| | iii) Number and total amount of sign-on awards made during the financial year. | There was no sign-on awards made in 2020. | |
| | iv) Number and total amount of severance payments made during the financial year. | There was no severance payment made during the year 2020. | |
| i | i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. | Not Applicable | |
| | ii) Total amount of deferred remuneration paid out in the financial year. | Not Applicable | |
| J | Breakdown of amount of remuneration awards for the financial year to show: | i) Fixed and variable remuneration paid in 2020 are as follows: Amount in Million Taka | |
| | | Fixed pay | 3,567.61 |
| | | Variable pay | - |
| | | Total fixed and variable pay | 3,567.61 |
| | | 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. | |
| k | 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: | 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 2020 has been prepared for a year basis for the period of January to December 2020. Text and statistics in the Report cover sites owned and operated wholly by Social Islami Bank during the period 1 January 2020 to 31 December 2020.

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-

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.

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, madrashas, 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:

Financial Inclusion: In the form of financing to Agriculture, SME, Women Entrepreneur, Renewable Energy, Solar Irrigation etc.

Donation to the individuals, covering: Education, Health, Disaster Management (Family Rehabilitation), Environment (Social Utility), Sports, Art & Culture, Others etc.

Donation to NGO's: For supporting such welfare activities

CSR activities under-taken during the year

SIBL has contributed a sum of total Tk. 271.83 million in the field of Health, Education, Disaster Management (Family Rehabilitation), Sports, Art & Culture, Environment (Social Utility) & Others during year 2020, which are furnished hereunder: (Figure in Tk.)

| Sectors | Contribution | |
|---|------------------------|------------------------|
| | in 2020 | in 2019 |
| Health | 16,91,370.00 | 29,69,870.50 |
| Education | 5,21,85,749.00 | 47,01,300.00 |
| Disaster Management (Family Rehabilitation) | 10,00,00,000.00 | 1,00,00,000.00 |
| Sports | 50,000.00 | 1,57,500.00 |
| Art & Culture | 0.00 | 2,76,750.00 |
| Environment (Social Utility) | 11,74,27,175.00 | 27,91,79,950.00 |
| Others | 4,75,845.00 | 47,250.00 |
| Total | 27,18,30,139.00 | 29,73,32,620.50 |



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

Bangladesh Bank has recognized SIBL as one of the Top Ten Private Commercial Banks for their 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 Guidelines and Green Office Guide have been circulated to 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 proves 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 2019, as part of our Green Banking initiative SIBL has spent significant amount for Green establishment, installation of solar panels, environment friendly brick plant based on HHK (Hybrid Hoffman Klin) technology etc.

Green Transformation Fund (GTF)

We have provided USD 21065629.81 to export oriented garments industries by BB Re-Financing Scheme under Green Transformation Fund (GTF) and SIBL was the 2nd highest position in the Banking Industry for the year 2020.

Online Banking

SIBL has been one of the pioneers in introducing Online Banking. SIBL is the 1st Islami Bank, who introduced Online Banking Service to our clients and it covers all our 168 branches, 115 own ATMs. Clients can also have access to their accounts through Internet & Mobile Banking. Online banking system is a great way to reduce wastage of paper.

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
- To introduce 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.
- To establish green building/project.
- To enhance the export oriented project by re-financing scheme under Green Transformation Fund.

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.



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 271.83 million under Health, Education, Sports, Disaster Management and Environmental programs which was Taka 297.33 million in 2019. This is a reaffirmation of the commitment of SIBL towards the society.

Environmental Obligations

Environmental Performance

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 | 87.31 |
| Gas | - |
| Fuel | 40.35 |

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. Up to 2020 we have disbursed Tk. 481.86 million to 17 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, which help reducing printing paper.

| Sl. No. | Instruments |
|---------|--------------------------------------|
| 1 | E-Statement |
| 2 | SMS Banking |
| 3 | SMS Alert |
| 4 | Net Banking |
| 5 | E Fund Transfer |
| 6 | Digital Attendance |
| 7 | E Mail corresponding |
| 8 | Video Conference |
| 9 | Tele Conference |
| 10 | Paperless Board of Directors Meeting |
| 11 | SIBL NOW Instant Banking |

Water

Reducing Carbon Footprint & Water Usage

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

During 2020, SIBL provided Tk. 635.19 million to Bricks which envisages of setting of a modern, environment friendly & energy efficient Brick Manufacturing project utilizing Hybrid Hoffmann Kiln/ Zigzag & Improvement Technology with a capacity of 120,000 pieces auto bricks per day and Tk. 10.24 to other sector.



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.

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

CORE VALUES





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 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------|--------|--------|--------|--------|--------|
| Total number of employees | 3100 | 2947 | 2844 | 2599 | 2363 | 2130 |
| Total number of Branches | 168 | 161 | 155 | 138 | 125 | 111 |
| Employee Per Branch (nos) | 18 | 18 | 18 | 19 | 19 | 19 |
| Deposit per employee (million Tk) | 103.99 | 97.37 | 87.22 | 88.03 | 80.64 | 65.7 |
| Investment per employee (millionTk) | 96.97 | 89.37 | 83.83 | 80.82 | 73.72 | 61.36 |
| Operating profit per employee (million Tk) | 1.40 | 2.14 | 2.16 | 2.37 | 2.41 | 2.28 |
| Salaries & Allowances per employee(millionTk) | 1.15 | 1.15 | 1.10 | 1.12 | 1.03 | 1.03 |
| Salaries & Allowances as percentage of Operating profit | 82.14% | 53.54% | 51.21% | 47.02% | 42.82% | 45.61% |

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.

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 conducted by Social Islami Bank Training Institute from 01st January, 2020 to December, 2020

| SI | Name of the Training | Number | Participant Number |
|--------------|--|----------|--------------------|
| 01. | Training Course on "Export Procedure & Risk Management" | 1 | 40 |
| 02. | Training on " Foundation Course in Banking for Probationary Officers and Assistant Officers" | 1 | 25 |
| 03. | Training on " Foundation Course in Banking for Assistant Officers (Cash)" | 2 | 81 |
| 04. | Training on " Foundation Course in Banking for Assistant Officers (General)" | 1 | 40 |
| Total | | 5 | 186 |

Workshop of Staff conducted by Social Islami Bank Training Institute from 01st January, 2020 to December, 2020

| SI | Name of the Training | Number | Participant Number |
|--------------|---|-----------|--------------------|
| 01 | Workshop on "AML & CFT with special session on Trade Based ML Prevention Procedures " | 5 | 290 |
| 02 | Workshop on "Agent Banking Operation for officials of Link Branch " | 6 | 142 |
| 03 | Workshop on "CIB Online Reporting & data correction" and "Collateral or Security Reporting" on 07.03.2020, 04.04.2020, 11.04.2020 &18,04,2020 accordingly | 1 | 80 |
| 04 | Workshop on "Cash Bonus: 1 e 100 Campaign through Online" from 13.07.2020 to 16.07.2020 | 4 | 161 |
| 05 | Workshop on "Refund of Hajj Registration Fees from the Accounts of 19 Branches" | 1 | 19 |
| 06 | Workshop on "Compliance on AML (Anti Money Laundering) & CFT (Combating Financing of Terrorism)" | 6 | 408 |
| 07 | Workshop on "Search criteria Agent Banking Division and Fatullah Branch" | 1 | 12 |
| 08 | Workshop on "Incentives on Foreign Remittances to grow the Foreign Remittance Business" on 12.08.2020 Through "ZOOM". | 1 | 100 |
| 09 | Workshop on "Customer Service & Professional behavior" will be held on 19, August 2020 at 03.00 pm Through "ZOOM". | 2 | 161 |
| 10 | Workshop on "E-Account (KYC) will be held on 23, August 2020 at 03.00 pm Through "ZOOM". | 5 | 644 |
| 11 | Workshop on "Cyber Security in Banking Operation." | 2 | 264 |
| 12 | Workshop on "Creation of awareness on suspicious Transaction as well as STR for all BAMLCOs of our Bank" | 2 | 161 |
| 13 | Workshop on "Implementation of recommendation no. 3 of decisions taken at the CAMLCO Conference, 2020" through ZOOM on 14.11.2020 | 1 | 70 |
| 14 | Workshop on " ISS Reporting" | 2 | 161 |
| Total | | 39 | 2673 |

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 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------|--------|-------------|-------------|-------------|-------------|-------------|-------------|
| < 30 years | Male | 567 | 502 | 502 | 380 | 382 | 413 |
| | Female | 138 | 169 | 163 | 135 | 115 | 104 |
| 30-50 years | Male | 1791 | 1734 | 1687 | 1640 | 1464 | 1275 |
| | Female | 415 | 394 | 363 | 336 | 293 | 251 |
| > 50 years | Male | 174 | 137 | 119 | 101 | 103 | 84 |
| | Female | 15 | 11 | 10 | 07 | 6 | 3 |
| Total | | 3100 | 2947 | 2844 | 2599 | 2363 | 2130 |

Gender diversity among permanent employees

| Employee Category | Gender | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------|--------|-------------|-------------|-------------|-------------|-------------|-------------|
| Entry level | Male | 1549 | 1374 | 1352 | 1151 | 984 | 965 |
| | Female | 393 | 396 | 363 | 309 | 248 | 214 |
| Mid-level | Male | 942 | 961 | 921 | 824 | 804 | 695 |
| | Female | 174 | 176 | 171 | 158 | 157 | 138 |
| Senior Management | Male | 41 | 38 | 35 | 146 | 161 | 112 |
| | Female | 01 | 02 | 02 | 11 | 9 | 6 |
| Total | | 3100 | 2947 | 2844 | 2599 | 2363 | 2130 |

শরী'আহ সুপারভাইজরী কমিটির বার্ষিক প্রতিবেদন-২০২০ইং

أَحْمَدُ بِهِ الَّذِي خَلَقَ الْإِنْسَانَ فَسُوِي ، وَالَّذِي فَتَرَ فَهْدِي ، أَسْتَعِذُّ بِعِزَّتِهِ وَتَعَالَى الَّذِي لَهُ الْحُكْمُ الْبَالِغَةُ فِي الْخُلُقِ وَالْتَدْبِيرِ وَالْقَائِلِ فِي مَحْكَمِ التَّنْزِيلِ : (وَأَحَلَّ اللَّهُ الْبَيْعَ وَعَرَمَ الرِّبَا) ، وَأَشْهَدُ أَنْ لَا إِلَهَ إِلَّا اللَّهُ وَحْدَهُ لَا شَرِيكَ لَهُ ، وَأَشْهَدُ أَنَّ مُحَمَّدًا عَبْدُهُ وَرَسُولُهُ . صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ . الْقَائِلِ : (لَا يَدْخُلُ الْجَنَّةَ أَكْبَلُ الرِّبَا) . اللَّهُمَّ صَلِّ عَلَيْهِ وَعَلَى آلِهِ وَأَصْحَابِهِ وَتَابِعِهِ وَعَلَيْتَنَا مَعَهُمُ الْجَمْعِينَ وَسَلِّمْ تَسْلِيمًا كَثِيرًا إِلَى يَوْمِ الدِّينِ . أَمَّا بَعْدُ :

ব্যাংকের শরী'আহ সুপারভাইজরী কমিটি ২০২০ইং সালে বিভিন্ন সভায় মিলিত হয়ে পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের প্রেরিত বিষয়াদি ও ব্যাংকের সার্বিক কার্যক্রম পর্যালোচনাপূর্বক শরী'আহ বিষয়ক মতামত ও সিদ্ধান্ত প্রদান করে। ২০২০ইং সালের বার্ষিক পরিকল্পনার আলোকে ব্যাংকের ১৬২টি শাখার মধ্যে ১৬২টি শাখাই মুরাকীবেদের মাধ্যমে শরী'আহ অডিট এন্ড ইন্সপেকশন (অন-সাইট/অফ-সাইট) সম্পন্ন করা হয়েছে, আল-হামদু লিল্লাহ। শরী'আহ অডিট এন্ড ইন্সপেকশন রিপোর্ট পর্যালোচনা করে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষকে প্রয়োজনীয় দিক নির্দেশনা প্রদান করা হয়েছে। শরী'আহ সুপারভাইজরী কমিটির পরামর্শের প্রেক্ষিতে ব্যবস্থাপনা কর্তৃপক্ষ ব্যাংকে কর্মরত কর্মকর্তাদের শরী'আহ পরিপালনের কমিটিমেন্ট 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 ২০২০ইং সালের শরী'আহ অডিট এন্ড ইন্সপেকশন 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 করছে:

অভিমতঃ

- 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 মোতাবেক সম্পন্ন করা হয়েছে।
- সোশ্যাল ইসলামী ব্যাংক লিমিটেড এর আলোচ্য বছরের বিনিয়োগের ক্ষেত্রে সম্পাদিত চুক্তিসমূহ ইসলামী শরী'আহ অনুযায়ী সম্পন্ন করার ব্যাপারে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের সর্বাঙ্গিক চেষ্টার পরিপ্রেক্ষিতে শরী'আহ পরিপালন আশানুরূপ হয়েছে বলে প্রতীয়মান হয়েছে।
- ব্যাংকের যাকাতযোগ্য সম্পদের ওপর প্রদেয় যাকাতের হিসাব ইসলামী শরী'আহর নির্ধারিত বিধি-বিধান অনুযায়ী সম্পাদন করা হয়েছে। উল্লেখ্য, ডিপোজিটর ও শেয়ার হোল্ডারদের হিসাব থেকে ব্যাংক যাকাত বাবদ কোন অর্থ কর্তন করে না। ডিপোজিট ও শেয়ারের বিপরীতে যাকাত প্রদান করা যথাক্রমে ডিপোজিটর ও শেয়ার হোল্ডারদের স্ব-স্ব দায়িত্ব।
- ব্যাংকের শরী'আহ অডিট এন্ড ইন্সপেকশন রিপোর্টে চিহ্নিত সন্দেহজনক আয় বন্টনযোগ্য আয় থেকে পৃথক করা হয়েছে।
- নিম্ন আয়ের মানুষের জীবনযাত্রার মান উন্নয়নে গ্রামাঞ্চলের শাখাসমূহে চালুকৃত “পারিবারিক ক্ষমতায়নে ইসলামী মাইক্রো-ফিন্যান্স কর্মসূচী” নিঃসন্দেহে একটি প্রসংশনীয় উদ্যোগ বলে কমিটি মনে করে, যা দেশের আর্থ-সামাজিক উন্নয়নে



ড. মোহাম্মদ মানজুরে ইলাহী
সদস্য-সচিব
শরী'আহ সুপারভাইজরী কমিটি

ইতিবাচক ভূমিকা রাখবে।

পরামর্শঃ

- 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 প্রয়োজন।
- 'মাকাসিদুশ 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।
- ব্যাংকের সর্বস্তরের জনশক্তিকে ইসলামী ব্যাংকিং বিষয়ক জ্ঞানে সমৃদ্ধ করা, দক্ষ জনশক্তি তৈরী এবং সকলের মধ্যে তাকুওয়া ও জবাবদিহিতার অনুভূতি বৃদ্ধির লক্ষ্যে ইসলামী ব্যাংকিং ও শরী'আহ বিষয়ে নিয়মিত প্রশিক্ষণ আরো বৃদ্ধি করা জরুরী।
- 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।
- নিম্ন আয়ের মানুষের জীবনযাত্রার মান উন্নয়নে ব্যাংকের বিনিয়োগ খাতকে বহুমুখীকরণের লক্ষ্যে এসএমই ও কৃষি বিনিয়োগ এর পাশাপাশি বিদ্যমান “পারিবারিক ক্ষমতায়নে ইসলামী মাইক্রো-ফিন্যান্স কর্মসূচী” সকল শাখায়/উপ-শাখায় চালু করা।
- ব্যাংক ও গ্রাহকদের সামগ্রিক কল্যাণ ও যুগোপযোগী চাহিদা পূরণের লক্ষ্যে লাভ-লোকসানের অংশীদারিত্বমূলক মুদারাবা ও মুশারাকা বিনিয়োগ চালু করার কার্যকরী পদক্ষেপ গ্রহণ করা দরকার।
- 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 ছাদিদ আহমদ
চেয়ারম্যান (চলতি দায়িত্ব)
শরী'আহ সুপারভাইজরী কমিটি



**NEWS
& EVENTS**



Donation to PM Relief Fund

Social Islami Bank Limited (SIBL) handed over Taka 50 million to Prime Minister Relief Fund as a part of Corporate Social Responsibility (CSR). The Chairman of the Board of Directors of Social Islami Bank Limited Professor Md. Anwarul Azim Arif handed over the donation cheque to Honorable Prime Minister Sheikh Hasina through virtual platform at Ganobhabon on 20 September 2020.



Blankets Donation To Pm Relief Fund

Social Islami Bank Limited (SIBL) handed over blankets in favor of Prime Minister Relief Fund for underprivileged and cold-stricken people of the country as a part of Corporate Social Responsibility (CSR). The Chairman of the Board of Directors of Social Islami Bank Limited Professor Md. Anwarul Azim Arif handed over the specimen to Principal Secretary to HPM in presence of Honorable Prime Minister Sheikh Hasina through virtual platform at Ganobhabon on October 28, 2020.



Donation to Bangabondhu Memorial Trust

Social Islami Bank Limited (SIBL) donated Taka 50 Million to "Bangabondhu Memorial Trust" under its Corporate Social Responsibility (CSR) on 06 January 2020. On behalf of the Bank, Mr. Md. Sayedur Rahman, Vice Chairman of the Bank handed over the cheque to the Honourable Prime Minister Sheikh Hasina at Ganobhabon. Mr. M. Kamal Uddin, Director and Mr. Quazi Osman Ali, Managing Director and CEO of SIBL were present in the program.



SIBL Celebrated Birth Centenary Of Bangabandhu Sheikh Mujibur Rahman

Social Islami Bank Limited (SIBL) celebrated birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman in its Head Office on 18 March 2020. Professor Md. Anwarul Azim Arif, Chairman of SIBL Md. Sayedur Rahman, Vice Chairman, Members of Board of Directors, Mr. Quazi Osman Ali, Managing Director and CEO, Additional Managing Director, Deputy Managing Director and other executives of the Bank were also present in the program. All the branches of SIBL also celebrates the birth centenary of Bangabandhu Sheikh Mujibur Rahman.





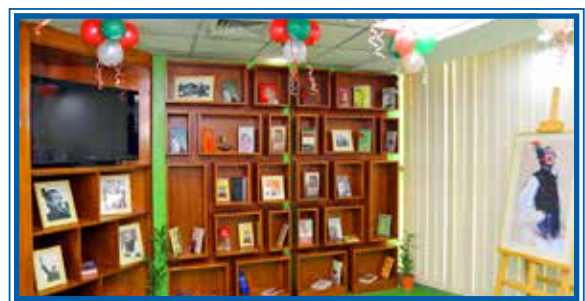
SIBL Board of Directors participated in a rally while celebrating birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman.



Board of Directors of SIBL celebrated the birth centenary of the Father of the Nation by cutting a cake.

SIBL Opened Mujib Corner

Social Islami Bank Limited (SIBL) inaugurated “Mujib Corner” at its Head Office, to mark the birth centenary celebration of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Professor Md. Anwarul Azim Arif, Chairman of SIBL inaugurated the “Mujib Corner”. Mr. Belal Ahmed Vice Chairman, Members of Board of Directors, Mr. Quazi Osman Ali, Managing Director and CEO, Additional Managing Director, Deputy Managing Director and other executives of the Bank were present in the inauguration program. The Bank also established another two Mujib Corners at Jashore and Jhalokathi.



Mujib Corner at Head Office



Mujib Corner at Jhalokathi



Mujib Corner at Jashore



9th Extraordinary General Meeting (EGM) Held

9th Extraordinary General Meeting (EGM) of Social Islami Bank Ltd. was held on 13 December 2020 through digital platform. Professor Md. Anwarul Azim Arif, Chairman of the Bank, presided over the program in participation of the shareholders. The meeting approved to increase authorized capital to Tk.3,000.00 Crore (Three Thousand Crore) from Tk.1,000.00 Crore (One Thousand Crore) and to convert SIBL Mudaraba Perpetual Bond of Tk.500.00 Crore (Five Hundred Crore) into common shares as per Bangladesh Bank instructions. The members of the Board of Directors attended the meeting. Mr. Quazi Osman Ali, MD & CEO, and Mr. Abdul Hannan Khan, Company Secretary, were present in the meeting. Deputy Managing Directors and senior executives of the Bank were also present on the occasion.



Social Islami Bank Shareholders Approved 10% Dividend at 25th AGM

The 25th Annual General Meeting of Social Islami Bank Limited (SIBL) was held on 15 September 2020 on virtual platform due to coronavirus pandemic. The Bank's shareholders approved 10 per cent dividend, 5 per cent in the form of cash and 5 per cent in the form of stock, for the financial year 2019 at the AGM. The Chairman of the Board of Directors of the Bank and former Vice Chancellor of University of Chittagong Professor Md. Anwarul Azim Arif presided over the meeting. Board of Directors of the Bank and shareholders were present in the meeting. Managing Director & CEO Mr. Quazi Osman Ali and Company Secretary Mr. Abdul Hannan Khan were also present in the meeting. The shareholders expressed their satisfaction for the performance of the Bank and suggested different guidelines on the virtual meeting.



Annual Business Conference- 2020 Held

Social Islami Bank Limited (SIBL) arranged two-day long Annual Business Conference-2020 at hotel Grand Sultan Tea Resort and Golf at Sreemangal, Moulvibazar on 10-11 January 2020. Dr. Md. Jahangir Hossain, Ms. Jebunnesa Akbar and Prof. Dr. Mohammed Mizanur Rahman, Directors 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. In his speech, Mr. Quazi Osman Ali mentioned that the

Management of the Bank has taken strategic business policy to increase the overall business growth of the Bank in 2020. He hoped Social Islami Bank Limited will be able to maintain a steady growth in all its business indicators. Additional Managing Director, Deputy Managing Directors, Divisional Heads, Senior Executives and all Branch Managers of the Bank attended the program.



Annual Risk Conference 2020 held

Social Islami Bank Limited arranged Annual Risk Conference-2019 on 11 January 2020 at Hotel Grand Sultan Tea Resort and Golf at Sreemangal, Moulvibazar. Mr. Quazi Osman Ali, Managing Director & CEO of Social Islami Bank Limited presided over the program.



25th Anniversary Celebration of SIBL

Social Islami Bank Limited celebrated its 25th Anniversary at the Head Office of the Bank by cutting a cake on 22 November 2020. Professor Md. Anwarul Azim Arif, Chairman of the Board of Directors of the Bank and former Vice Chancellor of University of Chittagong, was present in the program as the chief guest. Managing Director and CEO Mr. Quazi Osman Ali presided over the program.



SIBL Engaged Alpen Capital to Arrange Fund for OBU

Social Islami Bank Limited and UAE based financial advisor company Alpen Capital signed an agreement on 12th March, 2020 at the Head Office of SIBL. Under the scope of the agreement, Alpen Capital will act as the exclusive financial advisor in raising up to USD 50 million fund for the Offshore Banking Unit (OBU) of SIBL.



SIBL and BlueMount Capital Signed a Mandate Agreement

Social Islami Bank Limited and Australia Based Investment Bank BlueMount Capital signed a Mandate Agreement on 24 March 2020 at the Head Office of SIBL. Mr. Quazi Osman Ali, Managing Director & CEO and other high officials from SIBL were present at the signing ceremony.



SIBL Signed MoU with Primadollar for Factoring Solution

Social Islami Bank Limited (SIBL) signed a Memorandum of Understanding (MoU) with UK based PrimaDollar Operations Limited on August 25 2020 at SIBL Head Office. Mr. Kazi Towhidul Alam, the then Additional Managing Director, SIBL and Mr. Munwar Uddin, Country Manager, Bangladesh of PrimaDollar exchanged the MoU on behalf of their respective organizations.



SIBL Launched Call Center

Social Islami Bank Ltd. launched Call Center to provide banking services to the clients 24/7. Clients can now easily obtain any information by dialing 16491 for home through any local mobile operator and 09612001122 for abroad.

Prof. Md. Anwarul Azim Arif, Chairman of the Bank & former Vice Chancellor of University of Chittagong, inaugurated the Call Center as the chief guest on 01 September 2020 at Bank's head office and Dr. Md. Jahangir Hossain, Director of the Bank, was present as special guest. Mr. Quazi Osman Ali, Managing Director & CEO, presided over the inaugural ceremony.

Prof. Md. Anwarul Azim Arif, Chairman of the Bank, said that from its inception SIBL has been providing banking services with top-notch reputation. Inauguration of Call Center is an addition to elevate the service level to another height. He asked all to work dedicatedly to turn this Call Center into a unique one. He expected that obtaining banking services would be more convenient from home and abroad through this Call Center.

Mr. Quazi Osman Ali, MD & CEO, accentuated the magnitude of the Call Center to ensure modern banking services. The clients can avail the information of branch, subbranch, agent banking outlet, account opening, transactions, deposit, investment, cards, internet banking, mobile app "SIBL NOW", existing rate of return, fees, charges, and other important information from anywhere anytime. He also cited that clients can also avail any information regarding remittance and foreign trade through the Call Center. This will surely uplift the service level of the Bank.





E-Account Opening Ceremony

SIBL started the operation of opening e-Account through its mobile app “SIBL NOW”. Any people can open an account through using the mobile app from anywhere anytime. Managing Director & CEO Quazi Osman Ali inaugurated the e-Account launching program as chief guest through virtual platform on 14 October 2020 at Head Office, Dhaka. Abu Naser Chowdhury, Md. Sirajul Hoque, Md. Shamsul Hoque, Deputy Managing Directors, and Abdul Hannan Khan, Company Secretary, Md. Sultan Badsha, CITO, ICTD, Md. Moniruzzaman, Head of Marketing & Brand Communication, Md. Sharif Al Kashem, Head of Card division, were also present at the program. Managers of different branches virtually joined the program.

In his inaugural speech, the MD & CEO of the Bank said that SIBL is the leading Bank to continuously bring novelty and variety in its digital services and products to expedite the true digital transformation, and launching e-Account is an addition in the list of services. He also added that MTDR & DPS accounts would be opened very soon through the App so that people can avail all banking services from home.



Donation to Islami Arabic University

Social Islami Bank Ltd. handed over a cheque of donation to Islamic Arabic University (IAU), Dhaka under the bank’s CSR activity. A cheque hand over ceremony took place at the Hon’ble Vice Chancellor Prof. Dr. Mohammad Ahsan Ullah’s chamber on 13.01.2020 at the university. The cheque was handed over by the bank’s Hon’ble Deputy Managing Director Mr. Md. SirajulHaque to the Hon’ble Vice-Chancellor of IAU.



Insurance Claim Settlement

Social Islami Bank Limited (SIBL) and Padma Islami Life Insurance Limited jointly organized an Insurance claim settlement ceremony as part of group life insurance policy for the deceased official of the Bank recently at Bank’s Head Office. Mr. Md. Sirajul Hoque, Deputy Managing Director of SIBL and Mr. Md. Morshed Alam Siddiqui, Managing Director & CEO (CC) Padma Islami Life Insurance Limited handed over the cheque of life insurance to family of deceased official of the Bank.

SIBL Opened Seven New Branches in 2020 at Different Places of the Country



Bhanga, Muradnagar and Chayani Bazar Branch

Date: 24 November 2020



Pragati Sarani and Boro Darogahut Branch

Date: 24 December 2020



Bakalia Branch

Date: 10 December 2020



Salimgonj Branch

Date: 30 December 2020

OPENING OF SUB-BRANCHES



Social Islami Bank Limited (SIBL) opened 43 sub-branches throughout the year 2020 at different places of the country.

OPENING OF AGENT BANKING OUTLET



Social Islami Bank Limited (SIBL) opened 59 Agent Banking outlets throughout the year 2020 in different places of the country.



Foundation Training Held

Chairman of SIBL Professor Anwarul Azim Arif delivered motivational speech to the participants of Foundation Training arranged for Probationary Officer of the Bank.



Workshop on Agent Banking Operation

Social Islami Bank Limited arranged workshop on "Agent Banking Operation" in its Training Institute recently. Mr. Quazi Osman Ali, Managing Director & CEO of the Bank inaugurated the workshop. Mr. Md. Sirajul Hoque, Deputy Managing Director of the Bank were also present. Officials of Agent Banking Operations were the participants of the workshop.



Inauguration of UCEP-SIBL Skills Training Project

“UCEP-SIBL Skills Training Project” was inaugurated on 12.01.2020 at Dhaka South Region of UCEP. Mr. Quazi Osman Ali, Managing Director & CEO of SIBL was present as the Chief Guest while Mrs. Tahsinah Ahmed, Executive Director of UCEP Bangladesh presided over the program.

Ms. Tahsinah said that UCEP has been working since 1972 for the development of the underprivileged youth. She thanked SIBL for extending financial support for this project. Mr. Quazi Osman Ali asserted that SIBL is always concerned with the social issues and expressed optimism to be with UCEP in future.

Under this project, SIBL will provide financial support and UCEP will provide all technical and logistic supports. Initially the training program will be started with 100 underprivileged youth in Dhaka and Chattogram and gradually it will be extended other divisions of the country. The participants will also get job placement opportunity.



CORPORATE FINANCE



Project Name:
Lub-rref (Bangladesh) Ltd.
Financed By:
Agrabad Branch, Chottagram



Project Name:
Crossline Knit Fabrics Ltd
Financed By:
Foreign Exchange Branch, Dhaka



Project Name:
Best Golden Flour Mills Ltd
Financed By:
New Eskaton Branch, Dhaka



Project Name:
Sadma Fashon
Financed By:
Foreign Exchange Branch, Dhaka



Project Name:
Monno Ceramic Industries Ltd
Financed By:
Principal Branch, Dhaka



Project Name:
Thermax Spinning Mills Ltd
Financed By:
Principal Branch, Dhaka

SME & AGRI FINANCE



Client's Name:
Btothers Textile and Weaving Mill
Financed By:
Dhanmondi Branch, Dhaka



Client's Name:
M. H. & Co. Ltd
Financed By:
Dhanmondi Branch, Dhaka



Client's Name:
Ekota Telapia Hatchery
Financed By:
Elliotgonj Branch, Cumilla



Client's Name:
Fahiza Matsha Chas Prokalpa
Financed By:
Elliotgonj Branch, Cumilla



Client's Name:
Md Uzzal Hossain
Financed By:
Navaran Branch, Jashore



Client's Name:
Tamim Poultry Farm
Financed By:
Shariatpur Branch, Shariatpur

FAMILY EMPOWERMENT ISLAMIC MICRO FINANCE



Client's name: Md. Tariful Islam
SIBL Navaron Branch



Client's Name: Abdul Ali
SIBL Tongi Branch



Client's Name: Mrs. Maleka Begum
SIBL Navaron Branch



Client's Name: Mrs. Shaleha Begum
SIBL Galimpur Branch



Client's name: Shaikh Parvez Ali
SIBL Fakirhat Branch



Client's Name: Mr. Mosharaf Hossain Khan
SIBL Tongi Branch

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 2020 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 and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and 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 2020, and of its consolidated and separate financial performance 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 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank 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 Bangladesh Bank, 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for 2020. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated and separate financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

| Description of key audit matters | Our response to key audit matters |
|---|---|
| Measurement of provision for investments | |
| <p>The process for estimating the provision for investments portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group reported total gross Investments of BDT 299,717.94 million (2019: BDT 263,468.59 million) and provision for investments of BDT 13,254 million (2019: BDT 11,997 million).</p> | <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Credit appraisal, investments disbursement procedures, monitoring and provisioning process;</p> <p>Identification of loss events, including early warning and default warning indicators; and</p> <p>Reviewed quarterly Classification of Investments; Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <p>Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</p> <p>Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</p> <p>Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.</p> |
| See note no 7 and 14 to the financial statements | |
| Implementation of IFRS 16 Leases | |
| <p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p> | <p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p> |
| See note no 8, 14, 27 to the financial statements | |
| Impairment assessment of unquoted investments | |
| <p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p> | <p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We tested a sample of investments valuation as at 31 December 2020 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> |
| See note no 6 to the financial statements | |

| IT systems and controls | |
|---|---|
| <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 areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application-based controls are operating effectively.</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 and reviewed 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> |
| Legal and regulatory matters | |
| <p>We focused on this area because the Bank and its subsidiaries (the "Group") 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>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>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</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 to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p> |

EMPHASIS OF MATTER

We draw attention to Note- 5.1 and 5.2, balance with financial institutions includes MTDR with International Leasing and Financial Services Limited, ICB Islamic Bank Limited, Reliance Finance Limited, FAS Finance and Investment Limited and Union Capital Limited amounting total Tk. 272.14 crore. Due to Covid 19, the above NBFIs has challenged by liquidity crisis and prolonged the withdrawal of its deposits. Our opinion is not modified in respect of this matter.

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 Auditors' report.

Our opinion on the consolidated and separate financial statements does not cover 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 consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 in accordance with IFRSs as explained in note 2 and 3, 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 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 Auditors' 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 judgement and maintain professional scepticism 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 Auditors' 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 Auditors' 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 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 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 Auditors' Responsibility section in forming the above opinion on the consolidated financial statements 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 as disclosed in the financial statements appeared to be materially adequate;
 - 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 Group and its related entities (other than matters disclosed in these financial statements);
- iii. Consolidated financial statements of the Bank include two subsidiaries, namely SIBL Securities Limited and SIBL Investment Limited reflect total assets of BDT 385,209 million as at 31 December 2020 and total operating income of BDT 10,455 million for the year ended 31 December 2020. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- iv. in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi. 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;
- vii. the expenditures incurred were for the purpose of the Bank's business for the year;
- viii. the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix. adequate provisions have been made for advance and other assets as per DBI letter no: DBI-4/42(2)/2021-388 which are in our opinion, doubtful of recovery;
- 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 over 9,800 person hours; and
- xii. Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



Showkat Hossain, FCA

Partner

Enrolment no. 0137

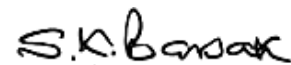
Hoda Vasi Chowdhury & Co

Chartered Accountants

DVC No. 210503137AS675845

Place: Dhaka

Date: 03 May 2021



Sampad Kumar Basak, FCA

Partner

Enrolment no. 0625

Shafiq Basak & Co.

Chartered Accountants

DVC No.: 2105030625AS496690

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

| Particulars | Note(s) | 31.12.2020 Taka | 31.12.2019 Taka |
|---|---------|------------------------|------------------------|
| PROPERTY AND ASSETS | | | |
| Cash in hand | | | |
| Cash in hand (including foreign currencies) | 3(a) | 2,973,262,850 | 2,949,359,808 |
| Balance with Bangladesh Bank & its Agent Banks (including foreign currencies) | 3.1 | 30,400,773,390 | 28,949,172,602 |
| | | 33,374,036,240 | 31,898,532,410 |
| Balance with other Banks and Financial Institutions | | | |
| In Bangladesh | 4(a) | 3,889,054,019 | 2,288,375,533 |
| Outside Bangladesh | 4.2 | 611,795,207 | 1,084,292,499 |
| | | 4,500,849,226 | 3,372,668,032 |
| Placement with Banks and other Financial Institutions | 5 | 6,200,795,494 | 6,826,069,299 |
| Investments in shares and securities | | | |
| Government | 6(a) | 14,462,160,000 | 13,692,300,000 |
| Others | | 4,275,574,273 | 4,170,415,304 |
| | | 18,737,734,273 | 17,862,715,304 |
| Investments | 7 (a) | | |
| General investment etc. | | 287,594,854,278 | 251,238,985,230 |
| Bills purchased and discounted | | 12,123,089,288 | 12,229,604,419 |
| | | 299,717,943,566 | 263,468,589,649 |
| Fixed assets including premises | 8(a) | 4,446,983,032 | 3,613,716,895 |
| Other assets | 9(a) | 18,231,614,894 | 18,143,066,838 |
| Non Banking assets | | - | - |
| Total assets | | 385,209,956,725 | 345,185,358,427 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Placement from Banks & other Financial Institutions | 10 | - | - |
| Deposits and other accounts | 11 | | |
| Mudaraba savings deposits | | 33,622,114,210 | 25,739,179,658 |
| Mudaraba term deposits | | 175,364,565,456 | 165,687,514,476 |
| Other mudaraba deposits | | 72,789,409,014 | 64,112,318,321 |
| Al-wadeeah current and other deposit accounts | 11.2(a) | 34,819,969,171 | 25,608,307,719 |
| Bills payable | 11.3 | 4,909,336,453 | 5,982,863,785 |
| Cash waqf fund | | 377,056,255 | 342,710,311 |
| | | 321,882,450,559 | 287,472,894,270 |
| Bond | | | |
| SIBL mudaraba subordinated bond | 12 | 8,000,000,000 | 9,400,000,000 |
| SIBL mudaraba perpetual bond | 13 | 1,500,000,000 | - |
| | | 9,500,000,000 | 9,400,000,000 |
| Other liabilities | 14(a) | 35,292,055,497 | 30,905,629,453 |
| Deferred tax liabilities/ (assets) | 15 (a) | 439,019,598 | 94,704,927 |
| Total liabilities | | 367,113,525,654 | 327,873,228,650 |
| Capital/shareholders' equity | | | |
| Paid-up capital | 16.2 | 9,380,084,230 | 8,933,413,560 |
| Statutory reserve | 17 | 7,030,390,821 | 6,422,261,269 |
| General Reserve | 17(a) | 11,314,058 | 9,843,356 |
| Revaluation reserve on fixed assets | 18 | 571,142,055 | 931,379,261 |
| Retained earnings | 19(a) | 1,103,498,067 | 1,015,230,517 |
| Total shareholders' equity of parent Company, SIBL | | 18,096,429,231 | 17,312,127,963 |
| Non controlling interest | 19(b) | 1,840 | 1,814 |
| Total shareholders' equity of parent Company, SIBL with non controlling interest | | 18,096,431,071 | 17,312,129,777 |
| Total liabilities and shareholders' equity of the group | | 385,209,956,725 | 345,185,358,427 |

| Particulars | Note(s) | 31.12.2020 | 31.12.2019 |
|--|---------|-----------------------|-----------------------|
| | | Taka | Taka |
| CONTINGENT LIABILITIES | | | |
| Acceptances and endorsements | 20.1 | 21,329,871,746 | 21,931,661,800 |
| Irrevocable letters of credit (including back to back bills) | 20.2 | 15,362,950,636 | 15,775,047,149 |
| Letters of guarantee | 20.3 | 10,352,181,319 | 11,322,648,716 |
| Bills for collection | 20.4 | 5,394,930,566 | 4,565,448,355 |
| Other contingent liabilities | 20.5 | - | - |
| Total | | 52,439,934,267 | 53,594,806,020 |
| 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 | | | |
| | | 52,439,934,267 | 53,594,806,020 |
| Consolidated Net Asset Value per share (CNAV/share) (Prior year restated) | | | |
| | 39(i) | 19.29 | 18.46 |

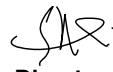
Annexed notes (1 to 51) form an integral part of these financial statements



Director



Director



Director



Managing Director & CEO

Signed as per our report of same date



Showkat Hossain, FCA

Enrollment no. 0137

Partner

Hoda Vasi Chowdhury & Co.

Chartered Accountants

DVC No. 2105030137AS675845

Dhaka, Bangladesh

Date: 03.05.2021



Sampad Kumar Basak, FCA

Enrollment no. 0625

Partner

Shafiq Basak & Co.

Chartered Accountants

DVC No. 2105030625AS496690

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

| Particulars | Note(s) | 31.12.2020 Taka | 31.12.2019 Taka |
|--|---------|-----------------------|-----------------------|
| Investment income | 21(a) | 27,114,836,024 | 27,872,037,075 |
| Profit paid on deposits | 22(a) | 19,557,578,597 | 18,500,646,256 |
| Net investment income | | 7,557,257,427 | 9,371,390,819 |
| Income from investment in shares/securities | 23(a) | 778,358,729 | 773,998,540 |
| Commission, exchange and brokerage | 24(a) | 1,486,658,285 | 1,526,240,435 |
| Other operating income | 25(a) | 632,784,502 | 689,079,020 |
| | | 2,897,801,516 | 2,989,317,995 |
| Total operating income | | 10,455,058,943 | 12,360,708,815 |
| Salaries and allowances | 26(a) | 3,584,686,809 | 3,413,882,572 |
| Rent, taxes, insurances, electricity etc. | 27(a) | 390,764,845 | 579,209,966 |
| Legal expenses | 28 | 9,374,270 | 11,268,775 |
| Postage, stamps, telecommunication etc. | 29(a) | 7,333,769 | 8,776,440 |
| Stationery, printings, advertisements etc. | 30(a) | 122,909,565 | 161,473,808 |
| Managing Director's salary and allowances | 31 | 13,621,826 | 12,712,000 |
| Directors' fees & expenses | 32(a) | 5,322,836 | 9,918,184 |
| Shariah supervisory committee's fees & expenses | 33 | 74,629 | 446,507 |
| Auditors' fees | | 977,500 | 977,500 |
| Charges on investment losses | | - | - |
| Depreciation & repair of Bank's assets | 34(a) | 591,191,793 | 379,910,822 |
| Zakat expenses | | 165,694,341 | 149,522,749 |
| Other expenses | 35(a) | 1,181,269,234 | 1,265,616,824 |
| Total operating expenses | | 6,073,221,416 | 5,993,716,149 |
| Profit/(Loss) before provision | | 4,381,837,527 | 6,366,992,666 |
| Provision for investments | | 1,272,053,993 | 3,184,444,138 |
| Other provisions | 36(a) | 36,011,634 | 31,542,301 |
| Total provision | 37(a) | 1,308,065,627 | 3,215,986,439 |
| Total profit/(loss) before income taxes | | 3,073,771,900 | 3,151,006,227 |
| Provision for taxation | 38(a) | 1,506,500,770 | 1,625,326,874 |
| Current tax | | 1,499,394,282 | 1,606,058,965 |
| Deferred tax | | 7,106,488 | 19,267,908 |
| Net profit/(loss) after taxation | | 1,567,271,131 | 1,525,679,354 |
| Appropriations | | | |
| Statutory reserve | | 608,129,552 | 626,805,871 |
| Retained surplus | | 959,141,578 | 898,873,482 |
| Attributable to: | | | |
| Equity holders' of the Bank | | 959,141,552 | 898,873,480 |
| Non controlling interest | | 26 | 2 |
| | | 959,141,578 | 898,873,482 |
| Consolidated Earning Per Share (CEPS) (Prior year restated) | 39(a) | 1.67 | 1.63 |

Annexed notes (1 to 51) form an integral part of these financial statements


Director


Director


Director


Managing Director & CEO

Signed as per our report of same date


Showkat Hossain, FCA
 Enrollment no. 0137
 Partner
Hoda Vasi Chowdhury & Co.
 Chartered Accountants
 DVC No. 2105030137AS675845


Sampad Kumar Basak, FCA
 Enrollment no. 0625
 Partner
Shafiq Basak & Co.
 Chartered Accountants
 DVC No. 2105030625AS496690

Dhaka, Bangladesh
 Date: 03.05.2021

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

| Particulars | Note(s) | 31.12.2020 Taka | 31.12.2019 Taka |
|--|---------|------------------------|------------------------|
| Cash Flow from operating activities | | | |
| Investment Income receipt | 40(a) | 27,251,621,057 | 27,679,327,604 |
| Profit paid on deposits | | (18,550,348,689) | (16,756,600,941) |
| Dividend receipts | | 778,358,729 | 773,998,540 |
| Fees & commission receipt | | 711,813,684 | 742,845,087 |
| Cash payments to employees | | (3,598,308,635) | (3,426,594,572) |
| Cash payments to suppliers | | (130,243,334) | (170,250,248) |
| Income tax paid | | (1,312,378,550) | (1,326,270,037) |
| Receipts from other operating activities | 41(a) | 1,370,377,559 | 1,418,028,758 |
| Payments for other operating activities | 42(a) | (2,042,307,306) | (2,084,247,716) |
| Operating profit before changes in operating assets and liabilities | 43(a) | 4,478,584,514 | 6,850,236,475 |
| Increase/Decrease in operating assets and liabilities | | | |
| Statutory deposits | | - | - |
| Net trading securities | | (875,018,969) | (6,113,692,937) |
| Investments to other Banks | | - | - |
| Investment to customers | | (36,249,353,918) | (25,614,418,696) |
| Other assets | 44(a) | 1,087,045,459 | 4,128,793,353 |
| Deposits from other Banks | | 2,771,192,536 | (3,876,630,345) |
| Deposits received from customers | | 30,631,133,845 | 41,654,702,726 |
| Other liabilities on account of customers | | - | - |
| Trading liabilities | | - | - |
| Other liabilities | 45(a) | 1,783,834,704 | 1,293,392,753 |
| Sub Total | | (851,166,342) | 11,472,146,853 |
| A. Net Cash flow from operating activities | | 3,627,418,172 | 18,322,383,329 |
| 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 | | (1,339,587,820) | (354,087,403) |
| Purchase/Sale of subsidiaries | | - | - |
| B. Net Cash flows from investing activities | | (1,339,587,820) | (354,087,403) |
| Cash flows from financing activities | | | |
| Receipts from issue of debt instruments | | - | (8,000,000,000) |
| SIBL Mudaraba Subordinated Bond | | (1,400,000,000) | (1,400,000,000) |
| SIBL mudaraba perpetual bond | | 1,500,000,000 | - |
| Receipts from issue of right shares/ordinary share | | - | - |
| Dividend paid in cash | | (446,670,678) | - |
| C. Net Cash flow from financing activities | | (346,670,678) | (9,400,000,000) |
| D. Net increase/(decrease) in cash & cash equivalents (A+B+C) | | 1,941,159,675 | 8,568,295,925 |
| E. Effects of exchange rate changes on cash & cash equivalents | | 37,251,544 | 54,445,609 |
| F. Cash and cash equivalents at the beginning of the year | | 42,097,269,741 | 33,474,528,207 |
| G. Cash and cash equivalents at the end of the year (D+E+F) | 46(a) | 44,075,680,961 | 42,097,269,741 |
| Consolidated Net Operating Cash Flow Per Share (NOCFPS) (prior year restated) | 39(ii) | 3.87 | 19.53 |

Annexed notes (1 to 51) form an integral part of these financial statements


Director


Director


Director


Managing Director & CEO

Signed as per our report of same date

Dhaka, Bangladesh
Date: 03.05.2021

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

| Particulars | (Amount in Taka) | | | | | | | | |
|---|------------------|---|---------------|-------------|---------------|---------------|---------------|-----------------------|-----------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9=(2 to 8) |
| Balance as at 01 January 2020 | 8,933,413,560 | - | 6,422,261,269 | 9,843,356 | 931,379,261 | 1,015,230,517 | 1,814 | 17,312,129,777 | |
| Changes in Accounting Policy | - | - | - | - | - | - | - | - | - |
| Restated Balance | - | - | - | - | - | - | - | - | - |
| Surplus / (Deficit) on account of Revaluation of Properties | - | - | - | - | (337,208,183) | - | - | (337,208,183) | - |
| 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 | - | - | - | 608,129,552 | 1,470,702 | - | 1,567,271,105 | - | 1,567,271,105 |
| Appropriation made during the year | - | - | - | - | - | - | (608,129,552) | - | 1,470,702 |
| Dividend: | | | | | | | | | |
| Cash Dividend | | | | | | | | | |
| Bonus shares | 446,670,670 | - | - | - | - | - | (446,670,678) | - | (446,670,678) |
| Transferred to retained earnings | - | - | - | - | - | - | (446,670,670) | - | - |
| Adjustment for implementation of IFRS 16 | - | - | - | - | (23,029,023) | - | 23,029,023 | - | - |
| Non-controlling interest | | | | | | | | | |
| Eligible Capital Under Basel III: | 9,380,084,230 | - | 7,030,390,821 | 11,314,058 | 571,142,055 | 1,103,498,067 | 1,840 | 18,096,431,071 | |
| Add: SIBL Mudaraba Perpetual Bond | 9,380,084,230 | - | 7,030,390,821 | 11,314,058 | - | 1,103,498,067 | 26 | 17,525,287,175 | |
| Add: General provision for unclassified investment | - | - | - | - | - | - | - | - | 5,441,654,902 |
| Add: SIBL Mudaraba Subordinated Bond | - | - | - | - | - | - | - | - | 5,960,000,000 |
| Total eligible capital as on 31 December 2020 | | | | | | | | | 30,426,942,077 |
| Total group shareholders' equity as on 31 Dec 2019 | 8,933,413,560 | - | 6,422,261,269 | 9,843,356 | 931,379,261 | 1,015,230,517 | 1,814 | 17,312,129,777 | |
| Eligible Capital Under Basel III: | 8,933,413,560 | - | 6,422,261,269 | 9,843,356 | - | 1,015,230,517 | - | 16,380,748,701 | |
| Add: General provision for unclassified investment | - | - | - | - | - | - | - | 4,401,846,015 | |
| Add: SIBL Mudaraba Subordinated Bond | - | - | - | - | - | - | - | 7,160,000,000 | |
| Total eligible capital as on 31 Dec 2019 | | | | | | | | 27,942,594,716 | |


Director


Director

Annexed notes (1 to 51) form an integral part of these financial statements


Managing Director & CEO

Signed as per our report of same date

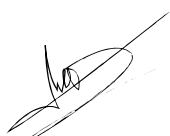
Dhaka, Bangladesh
Date: 03.05.2021

SOCIAL ISLAMI BANK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2020

| Particulars | Note(s) | 31.12.2020 | 31.12.2019 |
|--|---------|------------------------|------------------------|
| | | Taka | Taka |
| PROPERTY AND ASSETS | | | |
| Cash in hand | | | |
| Cash in hand (Including foreign currencies) | 3 | 2,972,709,048 | 2,949,269,520 |
| Balance with Bangladesh Bank & its Agent Banks (Including foreign currencies) | 3.1 | 30,400,773,390 | 28,949,172,602 |
| | | 33,373,482,438 | 31,898,442,122 |
| Balance with other Banks and Financial Institutions | | | |
| In Bangladesh | 4 | 3,889,038,464 | 2,288,360,101 |
| Outside Bangladesh | | 611,795,207 | 1,084,292,499 |
| | | 4,500,833,672 | 3,372,652,600 |
| Placement with Banks & other Financial Institutions | | | |
| | 5 | 6,200,795,494 | 6,826,069,299 |
| Investments in shares & securities | | | |
| | 6 | | |
| Government | | 14,462,160,000 | 13,692,300,000 |
| Others | | 4,025,207,661 | 3,946,685,081 |
| | | 18,487,367,661 | 17,638,985,081 |
| Investments | | | |
| | 7 | | |
| General investments etc. | | 288,494,854,278 | 252,038,985,230 |
| Bills purchased and discounted | | 12,123,089,288 | 12,229,604,419 |
| | | 300,617,943,566 | 264,268,589,649 |
| Fixed assets including premises | | | |
| | 8 | 4,431,010,176 | 3,606,049,743 |
| Other assets | | | |
| | 9 | 17,388,277,852 | 17,445,443,133 |
| Non Banking assets | | | |
| | | - | - |
| Total assets | | 384,999,710,859 | 345,056,231,627 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Placement from Banks & other Financial Institutions | | | |
| | 10 | - | - |
| Deposits and other accounts | | | |
| | 11 | | |
| Mudaraba savings deposits | | 33,622,114,210 | 25,739,179,658 |
| Mudaraba term deposits | | 175,364,565,456 | 165,687,514,476 |
| Other mudaraba deposits | | 72,789,409,014 | 64,112,318,321 |
| Al-wadeeah current & other deposit accounts | 11.2 | 35,321,029,179 | 26,072,068,558 |
| Bills payable | 11.3 | 4,909,336,453 | 5,982,863,785 |
| Cash waqf fund | | 377,056,255 | 342,710,311 |
| | | 322,383,510,566 | 287,936,655,109 |
| Bond | | | |
| SIBL mudaraba subordinated bond | 12 | 8,000,000,000 | 9,400,000,000 |
| SIBL mudaraba perpetual bond | 13 | 1,500,000,000 | - |
| | | 9,500,000,000 | 9,400,000,000 |
| Other liabilities | | | |
| | 14 | 34,639,606,343 | 30,354,428,531 |
| Deferred tax liabilities/ (assets) | | | |
| | 15 | 438,206,855 | 93,817,514 |
| Total liabilities | | 366,961,323,764 | 327,784,901,154 |
| Capital/Shareholders' equity | | | |
| | | | |
| Paid-up capital | 16.2 | 9,380,084,230 | 8,933,413,560 |
| Statutory reserve | 17 | 7,030,390,821 | 6,422,261,269 |
| Revaluation reserve on fixed assets | 18 | 571,142,055 | 931,379,261 |
| Retained earnings | 19 | 1,056,769,989 | 984,276,383 |
| Total shareholders' equity | | 18,038,387,095 | 17,271,330,473 |
| Total liabilities & shareholders' equity | | 384,999,710,859 | 345,056,231,627 |

| Particulars | Note(s) | 31.12.2020 | 31.12.2019 |
|---|---------|-----------------------|-----------------------|
| | | Taka | Taka |
| CONTINGENT LIABILITIES | | | |
| Acceptances and Endorsements | 20.1 | 21,329,871,746 | 21,931,661,800 |
| Irrevocable Letters of Credit (including Back to Back Bills) | 20.2 | 15,362,950,636 | 15,775,047,149 |
| Letters of Guarantee | 20.3 | 10,352,181,319 | 11,322,648,716 |
| Bills for Collection | 20.4 | 5,394,930,566 | 4,565,448,355 |
| Other Contingent Liabilities | 20.5 | - | - |
| Total | | 52,439,934,267 | 53,594,806,020 |
| 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 | | 52,439,934,267 | 53,594,806,020 |
| Net Asset Value per share (NAV/share) (Prior year restated) | 39 (i) | 19.23 | 18.41 |

Annexed notes (1 to 51) form an integral part of these financial statements



Director



Director



Director



Managing Director & CEO

Signed as per our report of same date



Showkat Hossain, FCA

Enrollment no. 0137

Partner

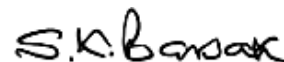
Hoda Vasi Chowdhury & Co.

Chartered Accountants

DVC No. 2105030137AS675845

Dhaka, Bangladesh

Date: 03.05.2021



Sampad Kumar Basak, FCA

Enrollment no. 0625

Partner

Shafiq Basak & Co.

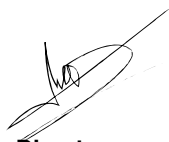
Chartered Accountants

DVC No. 2105030625AS496690

SOCIAL ISLAMI BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

| Particulars | Note(s) | 31.12.2020 | 31.12.2019 |
|--|---------|-----------------------|-----------------------|
| | | Taka | Taka |
| Investment income | 21 | 27,036,266,956 | 27,797,425,826 |
| Profit paid on deposits | 22 | 19,484,793,192 | 18,428,552,565 |
| Net investment income | | 7,551,473,764 | 9,368,873,261 |
| Income from investment in shares and securities | 23 | 762,379,471 | 760,574,012 |
| Commission, Exchange and Brokerage | 24 | 1,421,214,804 | 1,465,828,639 |
| Other operating income | 25 | 631,009,280 | 687,299,082 |
| | | 2,814,603,555 | 2,913,701,732 |
| Total operating income | | 10,366,077,319 | 12,282,574,994 |
| Operating expenses | | | |
| Salaries and allowances | 26 | 3,553,987,716 | 3,382,863,890 |
| Rent, taxes, insurances, electricity etc. | 27 | 390,000,739 | 573,011,660 |
| Legal expenses | 28 | 9,374,270 | 11,268,775 |
| Postage, stamps, telecommunication etc. | 29 | 6,359,275 | 6,750,345 |
| Stationery, printings, advertisements etc. | 30 | 122,607,574 | 160,996,133 |
| Managing Director's salary and allowances | 31 | 13,621,826 | 12,712,000 |
| Directors' fees & expenses | 32 | 4,786,836 | 9,498,684 |
| Shariah supervisory committee's fees & expenses | 33 | 74,629 | 446,507 |
| Auditors' fees | | 920,000 | 920,000 |
| Charges on investment losses | | - | - |
| Depreciation & repair to Bank's assets | 34 | 584,665,633 | 377,693,254 |
| Zakat expenses | | 165,694,341 | 149,522,749 |
| Other expenses | 35 | 1,170,773,372 | 1,254,780,502 |
| Total operating expenses | | 6,022,866,210 | 5,940,464,499 |
| | | | |
| Profit/(loss) before provision | | 4,343,211,109 | 6,342,110,494 |
| Provision for investments | | 1,272,053,993 | 3,184,444,138 |
| Other provisions | 36 | 30,509,355 | 23,637,000 |
| Total provision | 37 | 1,302,563,348 | 3,208,081,138 |
| Total profit/(loss) before income taxes | | 3,040,647,761 | 3,134,029,357 |
| | | | |
| Provision for taxation | 38 | 1,489,712,278 | 1,612,578,681 |
| Current tax | | 1,482,531,120 | 1,593,092,009 |
| Deferred tax | | 7,181,158 | 19,486,671 |
| Net profit/(loss) after taxation | | 1,550,935,483 | 1,521,450,676 |
| Appropriations: | | | |
| Statutory reserve | | 608,129,552 | 626,805,871 |
| Retained surplus | | 942,805,931 | 894,644,805 |
| | | 1,550,935,483 | 1,521,450,676 |
| | | | |
| Earning per share (EPS) (prior year restated) | 39 | 1.65 | 1.62 |

Annexed notes (1 to 51) form an integral part of these financial statements



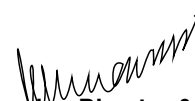
Director



Director



Director



Managing Director & CEO

Signed as per our report of same date



Showkat Hossain, FCA

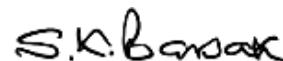
Enrollment no. 0137

Partner

Hoda Vasi Chowdhury & Co.

Chartered Accountants

DVC No. 2105030137AS675845



Sampad Kumar Basak, FCA

Enrollment no. 0625

Partner

Shafiq Basak & Co.

Chartered Accountants

DVC No. 2105030625AS496690

Dhaka, Bangladesh

Date: 03.05.2021

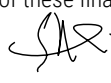
SOCIAL ISLAMI BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

| Particulars | Note(s) | 31.12.2020 Taka | 31.12.2019 Taka |
|--|---------|------------------------|------------------------|
| Cash Flow from operating activities | | | |
| Investment Income receipt | 40 | 27,173,051,989 | 27,604,716,354 |
| Profit paid on deposits | | (18,477,563,284) | (16,684,507,250) |
| Dividend receipts | | 762,379,471 | 760,574,012 |
| Fees & commission receipt | | 646,370,203 | 682,433,291 |
| Cash payments to employees | | (3,567,609,542) | (3,395,575,890) |
| Cash payments to suppliers | | (128,966,849) | (167,746,478) |
| Income tax paid | | (1,296,182,842) | (1,313,745,832) |
| Receipts from other operating activities | 41 | 1,368,602,337 | 1,416,248,821 |
| Payments for other operating activities | 42 | (2,029,750,248) | (2,065,925,283) |
| Operating profit before changes in operating assets and liabilities | 43 | 4,450,331,235 | 6,836,471,745 |
| Increase/Decrease in operating assets and liabilities | | | |
| Statutory deposits | | - | - |
| Net trading securities | | (848,382,580) | (6,032,432,643) |
| Investments to other Banks | | - | - |
| Investment to customers | | (36,349,353,918) | (25,614,418,696) |
| Other assets | 44 | 1,216,563,089 | 4,067,668,995 |
| Deposits from other Banks | | 2,771,192,536 | (3,876,630,345) |
| Deposits received from customers | | 30,668,433,013 | 41,744,750,489 |
| Other liabilities on account of customers | | - | - |
| Trading liabilities | | - | - |
| Other liabilities | 45 | 1,704,042,885 | 1,196,634,229 |
| Sub Total | | (837,504,975) | 11,485,572,030 |
| A. Net Cash flow from operating activities | | 3,612,826,261 | 18,322,043,775 |
| 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 | | (1,325,459,546) | (353,731,874) |
| Purchase/Sale of subsidiaries | | - | - |
| B. Net Cash flows from investing activities | | (1,325,459,546) | (353,731,874) |
| Cash flows from financing activities | | | |
| Receipts from issue of debt instruments | | - | (8,000,000,000) |
| SIBL Mudaraba Subordinated Bond | | (1,400,000,000) | (1,400,000,000) |
| SIBL mudaraba perpetual bond | | 1,500,000,000 | - |
| Receipts from issue of right shares/ordinary share | | - | - |
| Dividend paid in cash | | (446,670,678) | - |
| C. Net Cash flow from financing activities | | (346,670,678) | (9,400,000,000) |
| D. Net increase/(decrease) in cash & cash equivalents (A+B+C) | | 1,940,696,037 | 8,568,311,900 |
| E. Effects of exchange rate changes on cash & cash equivalents | | 37,251,544 | 54,445,609 |
| F. Cash and cash equivalents at the beginning of the year | | 42,097,164,021 | 33,474,406,512 |
| G. Cash and cash equivalents at the end of the year (D+E+F) | 46 | 44,075,111,603 | 42,097,164,021 |
| Net Operating Cash Flow Per Share (NOCFPS) (prior year restated) | 39(ii) | 3.85 | 19.53 |

Annexed notes (1 to 51) form an integral part of these financial statements


Director


Director


Director


Managing Director & CEO

Signed as per our report of same date

Dhaka, Bangladesh
Date: 03.05.2021

SOCIAL ISLAMI BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

| Particulars | (Amount in Taka) | | | | | | | |
|---|------------------|----------------------|---|----------------------|---|--------------------|----------------------|-----------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8=(2+3+4 +5+6+7) |
| Balance as at 01 January 2020 | | 8,933,413,560 | - | 6,422,261,269 | - | 931,379,261 | 984,276,383 | 17,271,330,473 |
| Changes in Accounting Policy | | - | - | - | - | - | - | - |
| Restated Balance | | - | - | - | - | - | - | - |
| Surplus / (Deficit) on account of Revaluation of Properties | | - | - | - | - | (337,208,183) | - | (337,208,183) |
| 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 | | - | - | - | - | - | 1,550,935,483 | 1,550,935,483 |
| Appropriation made during the year | | - | - | 608,129,552 | - | - | (608,129,552) | - |
| Dividend: | | | | | | | | |
| Cash dividend | | - | - | - | - | - | (446,670,678) | (446,670,678) |
| Bonus Shares | | 446,670,670 | - | - | - | - | (446,670,670) | - |
| Transferred to retained earnings | | - | - | - | - | (23,029,023) | 23,029,023 | - |
| Total shareholders' equity as on 31 December 2020 | | 9,380,084,230 | - | 7,030,390,821 | - | 571,142,055 | 1,056,769,989 | 18,038,387,095 |
| Eligible Capital Under Basel III: | | 9,380,084,230 | | 7,030,390,821 | | | 1,056,769,989 | 17,467,245,040 |
| Add: SIBL Mudaraba Perpetual Bond | | | | | | | | 1,500,000,000 |
| Add: General provision for unclassified investment | | | | | | | | 5,441,654,902 |
| Add: SIBL Mudaraba Subordinated Bond | | | | | | | | 5,960,000,000 |
| Total eligible capital as on 31 December 2020 | | | | | | | | 30,368,899,942 |
| Total shareholders' equity as on 31 December 2019 | | 8,933,413,560 | - | 6,422,261,268 | - | 931,379,261 | 984,276,383 | 17,271,330,473 |
| Eligible Capital Under Basel III: | | 8,933,413,560 | | 6,422,261,269 | | | 984,276,383 | 16,339,951,211 |
| Add: General provision for unclassified investment | | | | | | | | 4,401,846,015 |
| Add: SIBL Mudaraba Subordinated Bond | | | | | | | | 7,160,000,000 |
| Total eligible capital as on 31 December 2019 | | | | | | | | 27,901,797,226 |

Annexed notes (1 to 51) form an integral part of these financial statements


Director


Director
 Signed as per our report of same date


Managing Director & CEO

Dhaka, Bangladesh
 Date: 03.05.2021

SOCIAL ISLAMI BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES ANALYSIS
AS AT 31 DECEMBER 2020

| Particulars | (amount in Taka) | | | | | | |
|--|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-------------------------------------|------------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 8 |
| | Upto 01 Month | 01-03 Months | 03-12 Months | 01-05 Years | More than 05 years | Total Current Year 7=(2+3+4+5+6) | Total Previous Year |
| Assets | | | | | | | |
| Cash in hand | 21,459,001,438 | - | - | - | 11,914,481,000 | 33,373,482,438 | 31,898,442,122 |
| Balance with other Banks and Financial Institutions | 733,540,816 | 3,767,292,855 | - | - | - | 4,500,833,672 | 3,372,652,600 |
| Placement with Banks & other Financial Institutions | 3,635,000,000 | 2,354,400,000 | 25,000,000 | 186,395,494 | - | 6,200,795,494 | 6,826,069,299 |
| Investment (in Shares & Securities) | 4,955,117,669 | 250,000,000 | 7,700,000,000 | 4,972,981,048 | 609,268,945 | 18,487,367,661 | 17,638,985,081 |
| Investments | 35,752,994,623 | 64,247,337,188 | 125,502,816,755 | 62,813,150,000 | 12,301,645,000 | 300,617,943,566 | 264,268,589,649 |
| Fixed Assets including premises, furniture & fixtures etc. | - | - | - | 2,215,505,088 | 2,215,505,088 | 4,431,010,176 | 3,606,049,743 |
| Other Assets | 33,610,312 | 239,242,987 | 1,614,095,746 | 5,035,328,635 | 10,466,000,173 | 17,388,277,852 | 17,445,443,133 |
| Non-Banking Assets | - | - | - | - | - | - | - |
| Total Assets | 66,569,264,859 | 70,858,273,031 | 134,841,912,500 | 75,223,360,264 | 37,506,900,206 | 384,999,710,859 | 345,056,231,627 |
| Liabilities | | | | | | | |
| Placement from Banks & other financial institutions | - | - | - | - | - | - | - |
| Deposits and other accounts | 65,104,235,921 | 69,471,645,122 | 130,478,500,349 | 45,277,361,980 | 12,051,767,194 | 322,383,510,566 | 287,936,655,109 |
| Provision and other liabilities | 61,028,516 | 45,892,125 | 1,789,913,000 | 21,971,854,276 | 20,270,918,424 | 44,139,606,343 | 39,754,428,531 |
| Deferred tax liability | - | - | - | 438,206,855 | - | 438,206,855 | 93,817,514 |
| Total Liabilities | 65,165,264,438 | 69,517,537,248 | 132,268,413,350 | 67,687,423,111 | 32,322,685,618 | 366,961,323,764 | 327,784,901,154 |
| Net Liquidity Gap | 1,404,000,421 | 1,340,735,783 | 2,573,499,151 | 7,535,937,153 | 5,184,214,588 | 18,038,387,095 | 17,271,330,473 |

Annexed notes (1 to 51) form an integral part of these financial statements



Director



Director

Signed as per our report of same date



Managing Director & CEO

Dhaka, Bangladesh
Date: 03.05.2021

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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 Company Act, 1991 (as amended in 2018) 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 and 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 sixty eight (168) 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 Internet Banking services

SIBL has been providing anytime anywhere Banking service (24/7/365) through internet Banking since 2013. Recently, SIBL reshaped its internet Banking service with user friendly features like with a wide range of features as balance inquiry, fund transfer, credit card bill payment, bill payment, and statement view options. SIBL has introduced "SIBL NOW" mobile app to facilitate i-Banking services in the palm of hand. "SIBL NOW" internet Banking and mobile app comes up with various features including fund transfer (same Bank, other Bank, bKash), utility bill payment, mobile recharge, credit card bill payment, viewing transaction history, location view of branches/booths etc over the internet.

1.3 Agent Banking services

The Bank started operation of Agent Banking Services in 2015.

The principal activities of the Agent Banking Services are to provide Banking services to the Bank customers through engagement of agents who conducts Banking Transaction on behalf of the Bank under a valid agency agreements rather than Bank's own Tellers/Cashiers to deliver the services within the applicable rules & regulations and guidelines of Bangladesh Bank.

1.4 Enlistment with the stock exchanges

The Bank subscribed for IPO (Initial Public Offering) 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:

1.5 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.

1.6 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% | 0.000098% |
| 2 | SIBL Investment Limited | 250,000,000 | 99.99968% | 0.00032% |
| Total capital | | 1,480,000,000 | | |

1.7 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.

The principal activities of the OBUs are to provide commercial banking services through its Units within the rules & regulations and guidelines of Bangladesh Bank applicable for the Off-shore Banking Units.

1.8 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 |
| Income Taxes | 12 | Applied |
| Property, Plant and Equipment | 16 | Applied |
| Employee Benefits | 19 | Applied |
| Accounting for Government Grants and Disclosure of Government Assistance | 20 | N/A |
| The Effects of Changes in Foreign Exchange Rates | 21 | Applied |
| Borrowing Costs | 23 | N/A |
| Related Party Disclosures | 24 | Applied |
| Accounting and Reporting by Retirement Benefit Plans | 26 | N/A |
| Consolidated and Separate Financial Statements | 27 | Applied with in compliance with related BRPD Circular |
| Investments in Associates | 28 | N/A |
| Financial Instruments: Presentation | 32 | Applied with in compliance with related BRPD Circular |
| Earnings Per Share | 33 | Applied |
| Interim Financial Reporting* | 34 | Applied |
| Impairment of Assets | 36 | Applied |
| Provisions, Contingent Liabilities and Contingent Assets | 37 | Applied |
| Intangible Assets | 38 | Applied |
| 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 | Applied |
| Financial Instruments | 9 | Applied to the extent of compliance with (Financial Instruments) which is mandatorily effective for periods beginning on or after 1 January 2019 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. |
| 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 |
| Leases IFRS -16 | 16 | 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 Changes in significant accounting policies

Except for the changes below, the Bank has consistently applied the accounting policies to all periods presented in these financial statements.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Bank has initially adopted IFRS 16 Leases from 1 January 2020. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Bank as a lessee, has recognised right-of-use assets representing its' rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. The Bank has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised at 1 January 2020. Accordingly, the comparative information presented for the year ended 31 December 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements of the Bank have been prepared under historical cost convention except investments which are measured at present value and in accordance with "First Schedule" of the Bank Company Act, 1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other rules and regulations applicable for Banks in Bangladesh.

In cases, any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions & circulars issued by Bangladesh Bank prevailed.

2.2.2 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.

2.2.3 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as Banks. The Bank Company Act 1991 obliges Banks to prepare their financial statements under such financial reporting standards. Due to unavailability of any financial reporting standards by FRC, International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, Securities and Exchange Rules 1987. In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

According to BRPD circular no 2 dated 25 February 2019 financial statements for the Bank is prepared on a solo basis from 2019 where OBU information is included in equivalent BDT denomination. However key financial informations of OBU is provided as "Annexure G" the solo financial statements of the Bank. Material deviations from the requirements of IFRS in preparing the financial statements are as follows:

i Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes inequity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (amended up to 2018) and BRPD circular no. 15 dated 09 November 2009 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii Investment in shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) circular no. 15 dated 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; otherwise investments are recognised at cost.

iii Provision on investments and off balance sheet

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for advances at an amount equal to the lifetime expected credit losses if the credit risk on these advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No.4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013) and BRPD circular No.1 (20 February 2018) a general provision at 0.25% to 5% under different categories of unclassified advances (good/standard) has to be maintained regardless of objective evidence of impairment. Also specific provision for sub-standard advances, doubtful advances and bad losses has to be provided at 5%, 20%, 50% and 100% respectively for advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

iv Recognition of profit in suspense and compensation

IFRS: Advances to customers are generally classified at amortised cost as per IFRS 9 and profit on advance is calculated by using the effective profit rate method to the gross carrying amount over the term of the advance. Once an advance subsequently become credit-impaired, the entity shall apply the effective profit rate to the amortised cost of these advances.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, once an advance is classified as impaired, profit on such advance are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an profit in suspense account, which is presented as a liability in the balance sheet.

v Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all Banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

vi Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

vii Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 15, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn investment commitments).

viii Cash and cash equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as money at call on short notice, treasury bills with maturity of more than three months and prize bond are not shown as cash and cash equivalents. Money at call on short notice is shown separately in the balance sheet. Treasury bills with maturity of more than three months and prize bond are shown under investment in the balance sheet.

ix Non-Banking assets

IFRS: No indication of Non-Banking assets is found in any IFRS.

Bangladesh Bank: As per BRPD 15, there is a separate balance sheet item named Non-Banking assets existed in the standard format.

x Cash flow statement

IFRS: The cash flow statement can be prepared using either the direct method or the indirect method as per IAS 7. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 15, the cash flow statement is a mixture of both the direct and the indirect methods.

xi Balance with Bangladesh Bank: (Cash Reserve Ratio - CRR)

IFRS: CRR maintained with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank including CRR is treated as cash and cash equivalents.

xii Presentation of intangible assets

IFRS: Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 15.

xiii Off-balance sheet items

IFRS: As per IFRS, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv As per IFRS 9 Investments net off provision

IFRS: Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 15, provision on investments are presented separately as a liability and cannot be netted off against investments.

xv Charges on tax on retained earnings as per income tax ordinance (ITO) 1984

As per section 16(G) of the income tax ordinance 1984, proposed dividend of Listed companies should be disclosed in the Balance sheet as "amount to be distributed as dividend." However there is no such provision in BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009 and IFRS restrict such presentation in the balance sheet.

xvi Comparative information of changes in equity

IFRS: As per IAS 1, Comparative information in to be provided with the financial statements.

Bangladesh Bank: As per BRPD 15, no comparative is suggested for statements changes in equity.

xvii 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.

xviii Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009 an appropriation of profit should be disclosed in the face of profit and loss account.

xix Recognition of Profit in Suspense

IFRSs: Investment to customers are generally classified as "Loans and receivables" as per IFRS 9 and profit income is recognised through effective profit rate method over the term of the Investment. Once an investment is impaired, investment income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD Circular No. 15 dated 09 November 2009, once an investment is classified, profit on such investment are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an profit in suspense account, which is presented as liability in balance sheet.

2.2.4 Investment in shares and securities

The Bank investment in different securities has been valued on 31.12.2020 as under:

| | |
|-------------------------------|---|
| Quoted Bond & Shares | At fair value through profit and loss account |
| 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 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.

2.2.5. 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 BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No.1 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No.16 (21 July 2020), BRPD circular No. 52 (20 October 2020) and BRPD circular No. 56 (10 December 2020) 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 Share | 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 | 5%, 20% |
| Specific Provision on Doubtful Investment | 20%, 50% |
| Specific Provision on Bad or Loss Investment | 100% |
| Specific Provision on Substandard Investment for Short term Agri/ Micro credit | 5% |
| Specific Provision on Doubtful Investment for Short term Agri/ Micro credit | 5% |
| Specific Provision on Bad or loss Investment for Short term Agri/ Micro credit | 100% |
| Special General Provision-Covid 19 for all deferred facility investments | 1% |

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.

2.2.6. 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.

2.3 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 2020.

2.4 Measurement of elements in the financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the financial statements. The measurement basis adopted by the Bank is historical cost except for land, building and few of the financial assets which are stated in accordance with the policies mentioned in the respective notes.

2.5 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.

2.5.1 Investment in subsidiaries in the Bank separate financial statements

When the Bank prepares separate financial statements, it accounts for investments in subsidiaries at cost.

2.6 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.

2.7 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.

2.8 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 2020 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 2020 have been adjusted by debiting or crediting to the Profit and Loss Account.

2.9 Comparative information and rearrangement thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.10 Adoption of new accounting standards

The Bank has consistently applied the accounting policies as set out above to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2019 have been considered. A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted. However, the Bank has not early applied these new standards and yet assess potential impact on its financial statements.

2.10.1. IFRS 16: Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

While implementation IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset. Immovable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

Nevertheless, as a first step the Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement and considered lease of 'ATM Booths and other installations' as low value asset. Thereafter, the Bank has reviewed lease arrangements for 'office premises' for consideration under IFRS 16.

2.10.2. IFRS 17: Insurance contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

2.10.3 Approval of the financial statements

The Board of Directors of the Bank adopted the financial statements for the year ended 31 December 2020 as on its 463rd board meeting held on 29 April 2021 and authorized the financial statements on 03 May 2021

2.10.4 Statement of changes in equity

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

2.11 Liquidity statement

Liquidity Statement has been prepared based on the residual/remaining maturity of assets and liabilities as on 31 December 2020 as per the guidelines for islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003 as follows:

- i) Balance with other banks and financial institutions, etc. are on the basis of their respective maturity term;
- ii) Investments in shares & securities are on the basis of their respective maturity;
- iii) General investments are on the basis of their recovery/repayment schedule;
- iv) Fixed assets [property, plant & equipment] are on the basis of their useful lives;
- v) Other assets are on the basis of their realization/amortization;
- vi) Deposits and other accounts are on the basis of their maturity and payments;
- vii) Provisions and other liabilities are on the basis of their adjustment/settlement;
- viii) Due to perpetual in nature/maturity, Mudaraba Perpetual Bond (MPB) is reported under maturity more than 5 (five) years.
- ix) Mudaraba Redeemable Subordinated Bond is reported under maturity 1 (one) to 5 (five) years and more than 5 (five) years.

2.12 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.

2.13 Off-balance sheet exposures

In compliance with the instruction contained in BRPD Circular No. 10 dated 18 September 2007 issued by Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as under:

| Category / status of Off-balance sheet exposures | Rates | |
|--|-------------------------------|------------------------|
| | Bangladesh Bank's requirement | Maintained by the Bank |
| General provision for Off-balance sheet exposures | | |
| All types of Off-balance sheet exposures | 1.00% | 1.00% |

2.14 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.

2.15 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 Company Act, 1991 (as amended 2018) until such reserve equal to its paid up capital together with the share premium.

2.16 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.

2.17 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 2020 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 carryforward 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 carryforward 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".

2.18 Zakat fund

The Bank has created a Zakat Fund @ 2.58% for the period ended 31 December 2020 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.

2.19 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 @ 9.1% of basic salary of the regular employees have been made as per actuarial valuation of Z. Halim & Associates, Actuarial & Pension Consultants for the period ended 31 December 2020.

2.20 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.

2.21 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 forward 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 according to the DOS circular no: 04 (08 October 2018) regarding 'Risk Management Guidelines' for Banks, Bank Companies Act 1991 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 Division (RMD) as per DOS circular no:04 (08 October 2018). RMD consists of five desk i.e i) Investment Risk Related Desk; ii) Market Risk Related Desk; iii) Operational Risk Related Desk; iv) Liquidity Risk Related Desk; v) Risk Research and Policy Desk and vi) Capital Adequacy Reporting Desk. Risk Management Division also 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 Mark-to-market rate as determined by Bangladesh Bank at the month end. All NOSTRO Accounts are reconciled on monthly basis and the management for its settlement reviews outstanding entry beyond 30 days.

(c) Asset liability management risk

Asset Liability Management (ALM) has been defined as a planned, structured and systematic process of managing the asset and liability with a view to lead the Bank to a balanced and sustainable growth through minimizing various business risk factors - market risk and liquidity risk. According to the Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by the Managing Director and holds meeting at least one in every month. ALM Desk, an exclusive functional and operational desk for the asset liability management, is embodied herewith the ALCO to function under the direct control of Financial Administration Division (FAD).

ALCO reviews the liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan at the threshold of stress liquidity situation. Besides that monitoring and analyzing of significant volatility in net investment income, investment value and exchange earnings etc. are the common and regular job of the ALM desk.

(d) Money laundering risk

Social Islami Bank Limited (SIBL) has framed an approved Money Laundering Prevention Policy Guideline so that it could be sufficient enough to protect the Bank from tribulations of money laundering.

As per Money Laundering Prevention Act, 2012 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 form 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) Operational risk

Operational risk can be defined as the possibilities of losses resulting from inadequacy or failed internal processes, systems and people or from external events.

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. It exists in some form in every Bank business and function. Operational risk can not only result in financial loss, but also regulatory sanctions and damage to the Bank's reputation. SIBL is successful at managing operational risk with a view to safeguarding client assets and preserving shareholder value.

SIBL manages operational risks in the following manner:

- I. Risks are identified with reference to the relevant policy manuals, processes, and practices;
- II. Departmental Control Function Check List (DCFCL) is in place for evaluation of control;
- III. Review of safety and control measures of premises and equipments;
- IV. Management of technological and information security risks; and
- V. Ensuring the maintenance of the Bank's business continuity plan (BCP) and crisis management policy.

(g) Legal risks

In SIBL, legal risks are covered by recognizing potential losses from litigation or possible litigation at an early stage and by formulating solutions for reducing, restricting and avoiding such risks and creating adequate provision there- against.

(h) Business risk

Business risk covers the risk of losses arising from lower non-interest income and higher expenses from the budgeted amount. The business risk is resulted from the market condition, greater customer expectation and or technological development that may change compared to the assumptions made at the time of planning.

Business risk in SIBL is managed by setting clear targets for specific business units, in terms of business volume, income, cost, cost-income ratio, quality of assets etc. with an ongoing process of continuous improvement.

(i) Reputational risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the Company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public in SIBL.

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from a deficiency in managing other risks. All risk must therefore be managed effectively in order to uphold the Bank's reputation. The management ensures that SIBL is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. SIBL takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

(j) Compliance risk

The success of SIBL is largely dependent on the trust and confidence of our existing and potential customers, our shareholders, our staff, our regulators and the general public in our integrity and ethical standard. The confidence largely depends on meticulous compliance with applicable legal and regulatory requirements and internal policies of SIBL. The confidence also depends on conformity with generally accepted market norms and standards in our business operations. The Board of Directors is primarily responsible for compliance with all applicable norms and regulations. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of SIBL and to mitigate the risks in most appropriate way.

(k) 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.

(l) 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.

(m) 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

(n) 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.

2.22 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 numbe 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 protion 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 2020 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.

2.23 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 - 51.

2.24 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.

2.25 Asset retirement obligations (ARO)

Asset retirement obligations (ARO) are recognized when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The periodic unwinding of the discount is recognized in the statement of profit or loss as a finance cost as it occurs.

2.26 Off-shore Banking Units (OBU)

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Company Act, 1991 as amended, International Financial Reporting Standards (IFRSs) and other applicable directives issued by Bangladesh Bank. All the financial statements relating to the OBU has already been accounted for in the separate financial statements of the Bank (considering necessary adjustments relating to intra-units transactions and balances). Along with that, this financial statements relating to OBU only is prepared and disclosed in compliance with the requirements of Bangladesh Bank.

2.27 Dividend payments

Final dividend is recognized when it is approved by the shareholders in Annual General Meeting (AGM). The proposed dividend for the year 2020, therefore, has not been recognized as a liability however disclosed in the balance sheet in accordance with IAS-10 "Events after the Reporting Period". Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

2.28 Other earnings

Profit received from the balances held with foreign banks and from foreign currency clearing account with Bangladesh Bank are not credited to income, since it is not permissible as per Shari'ah. These are expended for charitable purposes after payment of corporate income tax thereon.

2.29 Inter-branch transactions

Transactions with regard to inter-branches and units are reconciled regularly and efforts are taken to minimize the unreconciled entries at the end of the year.

2.30 Regulatory and legal compliance

Among others, the Bank complied with the requirements of the following circular, rules and regulations:

- a) The Bank Companies Act, 1991 as amended
- b) The Companies Act, 1994
- c) BRPD Circular No. 14 dated 25.06.2003 and "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009
- d) Other circulars, rules and regulations issued by Bangladesh Bank from time to time
- e) The Securities and Exchange Rules, 1987
- f) The Securities and Exchange Ordinance, 1969
- g) The Securities and Exchange Commission Act, 1993
- h) Income Tax Ordinance, 1984 as amended
- i) Value Added Tax and Supplementary Duty Act, 2012
- j) Standards issued by AAOIFI
- k) The Stamp Act-1899
- l) The Customs Act-1969
- m) The Money Laundering Prevention Act, 2012
- n) The Anti Terrorism (Amendment) Act, 2012 etc.

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.

2.31 Workers profit participation fund and welfare fund

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in Company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2019.

2.32 Related party disclosures

A party is related to the company if:

- i. Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- ii. The party is an associate;
- iii. The party is a joint venture;
- iv. The party is a member of the key management personnel of the Company or its parent;
- v. The party is a close member of the family of any individual referred to in (i) or (iv);
- vi. The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii. The party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

| | | | | 31.12.2020 | 31.12.2019 |
|--------------|---|-------------------------|---------------------|-----------------------|-----------------------|
| | | | | Taka | Taka |
| 3 | Cash | | | | |
| | In hand: | | | | |
| | In local currency | | | 2,492,410,437 | 2,662,912,406 |
| | In foreign currencies | | | 49,036,144 | 27,328,950 |
| | ATM balance | | | 431,262,467 | 259,028,164 |
| | | | | 2,972,709,048 | 2,949,269,520 |
| | In Foreign Currencies | | | | |
| | | Foreign Currency | Amount in FC | Exchange Rate | |
| | | USD | 420,099 | 84.80 | 35,624,846 |
| | | EURO | 119,965 | 104.14 | 12,493,040 |
| | | GBP | 7,980 | 114.79 | 915,999 |
| | | S. Riyal | 100 | 22.60 | 2,260 |
| | | | | 49,036,144 | 27,328,950 |
| 3(a) | Consolidated balance of cash in hand | | | | |
| | Social Islami Bank Limited | | | 2,972,709,048 | 2,949,269,520 |
| | Cash in hand of Subsidiary companies | | | 553,803 | 90,288 |
| | SIBL Securities Limited | | | 528,602 | 85,087 |
| | SIBL Investment Limited | | | 25,201 | 5,201 |
| | | | | 2,973,262,850 | 2,949,359,808 |
| 3. | Balance with Bangladesh Bank and its agent Bank (Sonali Bank) | | | | |
| | Balance with Bangladesh Bank (Note-3.1.1) | | | 29,856,531,522 | 28,481,818,448 |
| | Balance with Sonali Bank (as an agent of BB) (Note-3.1.2) | | | 544,241,868 | 467,354,154 |
| | | | | 30,400,773,390 | 28,949,172,602 |
| 3.1.1 | Balance with Bangladesh Bank (Including foreign currencies) | | | | |
| | In local currency | | | 29,005,056,916 | 27,497,425,366 |
| | In foreign currencies | | | 851,474,606 | 984,393,082 |
| | | | | 29,856,531,522 | 28,481,818,448 |
| 3.1.2 | Balance with Sonali Bank (as an agent of Bangladesh Bank) | | | | |
| | In local currency | | | 544,241,868 | 467,354,154 |
| 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 MPD Circular no. 03, dated 09/04/2020, the statutory cash reserve requirement (CRR) on Bank's time and demand liabilities @3.50% on daily basis and @4.00% 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:

| | | 31.12.2020 | 31.12.2019 |
|-------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 3.3 | Cash Reserve Requirement (CRR): 3.50% for DBO and 1.5% for OBO(on daily basis) of average Demand and Time Liabilities | | |
| | Required Reserve | 10,423,322,000 | 12,844,916,000 |
| | Actual Reserve held as per GL balance (in local currency) | 29,005,056,916 | 27,497,425,366 |
| | Excess Reserve | 18,581,734,916 | 14,652,509,366 |
| 3.4 | Cash Reserve Requirement (CRR): 4.00% for DBO and 2.00% for OBO (on bi-weekly average basis) of average Demand and Time Liabilities | | |
| | Required Reserve | 11,914,481,000 | 14,129,408,000 |
| | Actual Reserve held as per GL balance (in local currency) | 29,005,056,916 | 27,497,425,366 |
| | Excess Reserve | 17,090,575,916 | 13,368,017,366 |
| 3.5 | Statutory Liquidity Ratio (SLR) | | |
| | Required Reserve | 16,402,749,000 | 14,129,408,000 |
| | Actual Reserve held as per GL balance (Note- 3.6) | 35,069,686,832 | 30,476,941,040 |
| | Surplus | 18,666,937,832 | 16,347,533,040 |
| 3.6 | Held for Statutory Liquidity Ratio | | |
| | Cash in hand (Note- 3) | 2,972,709,048 | 2,949,269,520 |
| | Balance with Bangladesh Bank and its Agent Banks (Note-3.1) | - | - |
| | Balance with Sonali Bank (as an agent of BB) (Note-3.1.2) | 544,241,868 | 467,354,154 |
| | Excess reserve of CRR (Note-3.4) | 17,090,575,916 | 13,368,017,366 |
| | Balance with Islamic Refinance Fund (Note-6) | 250,000,000 | 250,000,000 |
| | Bangladesh Govt. Islamic Bond (Note- 6) | 14,212,160,000 | 13,442,300,000 |
| | | 35,069,686,832 | 30,476,941,040 |
| 4 | Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit) | | |
| | In Bangladesh (Note - 4.1) | 3,889,038,464 | 2,288,360,101 |
| | Outside Bangladesh (Note- 4.2) | 611,795,207 | 1,084,292,499 |
| | | 4,500,833,672 | 3,372,652,600 |
| 4(a) | Consolidated balance of other Banks and Financial Institutions | | |
| | In Bangladesh | | |
| | Social Islami Bank Limited | 3,889,038,464 | 2,288,360,101 |
| | Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch | 501,060,008 | 463,760,840 |
| | SIBL Securities Limited (Current account and MTDR) | 396,156,756 | 362,309,451 |
| | SIBL Investment Limited | 104,903,252 | 101,451,389 |
| | | 4,390,098,473 | 2,752,120,941 |
| | Less: Inter Company balance eliminated | 501,060,008 | 463,760,840 |
| | SIBL Securities Limited (Current account and MTDR) | 396,156,756 | 362,309,451 |
| | SIBL Investment Limited | 104,903,252 | 101,451,389 |
| | Add: Account Balance of subsidiaries of SIBL with other Banks and financial institutions | 15,555 | 15,432 |
| | SIBL Securities Limited | 15,555 | 15,432 |
| | SIBL Investment Limited | - | - |
| | Consolidated balance with Banks and Financial Institutions | 3,889,054,019 | 2,288,375,533 |

The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively.

| | | 31.12.2020 | 31.12.2019 |
|------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 4.1 | In Bangladesh | | |
| | a) Current Account | | |
| | Islami Bank Bangladesh Limited | 43,119 | 18,634,159 |
| | Sonali Bank Limited | 30,364,123 | 2,088,071 |
| | Agrani Bank Limited | 18,275 | 15,004,080 |
| | Pubali Bank Limited | 2,261 | 2,261 |
| | Rupali Bank Limited | 61,126,220 | 17,967,529 |
| | NRB Global Bank Limited | - | 702,092,443 |
| | Trust Bank Limited (ATM settlement Account) | 23,433,312 | 3,726,896 |
| | Standard Chartered Bank (ATM settlement Account) | 6,758,300 | 4,142,926 |
| | | 121,745,609 | 763,658,364 |
| | b) Mudaraba Short Notice Deposits | | |
| | Al- Arafah Islami Bank Limited | 783,162,184 | 1,362,705,870 |
| | ICB Islami Bank Limited | 9,187 | 9,532 |
| | Shahjalal Islami Bank Limited | 19,196,450 | 9,045,702 |
| | Prime Bank Limited (Islami Banking Branch) | 7,455 | 7,290 |
| | Bank Asia Limited (Islami Banking Branch) | 582,992 | 572,257 |
| | Islami Bank Bangladesh Limited | 81,100,933 | 71,741,699 |
| | Jamuna Bank Limited (Islami Banking Branch) | 557,106 | 546,155 |
| | Pubali Bank Limited (Islami Banking Branch) | 3,156,669 | 4,833,279 |
| | Exim Bank Ltd. | 9,115,185 | 8,631,760 |
| | Janata Bank Limited | 19,226 | 19,716 |
| | Southeast Bank Ltd. | 3,338,774 | 332,435 |
| | AB Bank Ltd. | 315,904 | 3,596,021 |
| | The City Bank Ltd. | 11,859 | 11,891 |
| | Agrani Bank Ltd. | 257,655,395 | 41,192,183 |
| | First Security Islami Bank Ltd. | 32,817,096 | 12,249,692 |
| | NRB Global Banl Ltd. | 1,028,573,976 | - |
| | Union Bank Ltd. | 1,547,672,464 | 9,206,257 |
| | | 3,767,292,855 | 1,524,701,738 |
| | c) Mudaraba Savings Deposits | - | - |
| | Total | 3,889,038,464 | 2,288,360,101 |

| | | |
|--|-------------------|-------------------|
| | 31.12.2020 | 31.12.2019 |
| | Taka | Taka |

4.2 Outside Bangladesh (NOSTRO Account)
31.12.2020

| SL | Current Account with | Currency | F.C. Amount | Rate | Taka |
|--------------|---------------------------------|----------|--------------|--------|--------------------|
| 1 | SCB, MUMBAI | ACUD | 28,014.80 | 84.80 | 2,375,686 |
| 2 | SUMMIT Bank, KARACHI | ACUD | 30,436.82 | 84.80 | 2,581,076 |
| 3 | SONALI Bank, KOLKATA | ACUD | 114,495.92 | 84.80 | 9,709,380 |
| 4 | MASHREQ Bank, MUMBAI | ACUD | 15,464.88 | 84.80 | 1,311,439 |
| 5 | NEPAL BANGLADESH Bank | ACUD | 39,231.86 | 84.80 | 3,326,905 |
| 6 | Bank OF BHUTAN, PHUENTSHOLING | ACUD | 101,416.35 | 84.80 | 8,600,218 |
| 7 | UNITED Bank OF INDIA | ACUD | 43,121.30 | 84.80 | 3,656,734 |
| 8 | AB Bank, MUMBAI | ACUD | 228,255.70 | 84.80 | 19,356,334 |
| 9 | MEEZAN Bank LIMITED | ACUD | 331,179.89 | 84.80 | 28,084,419 |
| 10 | MCB Bank,KARACHI,PAKISTAN | ACUD | 1,105.78 | 84.80 | 93,771 |
| 11 | AXIS Bank LIMITED | ACUD | 109,377.58 | 84.80 | 9,275,339 |
| 12 | HDFC Bank LTD., MUMBAI | ACUD | 337,035.08 | 84.80 | 28,580,946 |
| 13 | MASHREQ Bank , NEW YORK, (OBU) | USD | 402,578.04 | 84.80 | 34,139,061 |
| 14 | MASHREQ Bank PSC, NEW YORK, USA | USD | 596,346.70 | 84.80 | 50,570,856 |
| 15 | SCB, NY, USA | USD | 4,209,384.53 | 84.80 | 356,960,438 |
| 16 | KOREA EXCH. Bank,KOREA | USD | 4,364.42 | 84.80 | 370,108 |
| 17 | HABIB AMERICAN Bank | USD | 410,025.39 | 84.80 | 34,770,604 |
| 18 | COMMERZ Bank AG, FRANKFURT | USD | 34,437.27 | 84.80 | 2,920,318 |
| 19 | MASHREQ Bank, PSC MUMBAI | ACU EURO | 437.92 | 104.14 | 45,607 |
| 20 | SCB, FRANKFURT | EURO | 20,171.91 | 104.14 | 2,100,683 |
| 21 | COMMERZ Bank AG, FRANKFURT | EURO | 25,712.97 | 104.14 | 2,677,857 |
| 22 | SCB, LONDON, UK | GBP | 6,082.13 | 114.79 | 698,148 |
| 23 | SCB, TOKYO | JPY | 502,880.00 | 0.82 | 412,663 |
| 24 | RIYAD BANK | RIYAL | 405,400.00 | 22.60 | 9,160,743 |
| 25 | Bank AL JAZIRA | RIYAL | 702.50 | 22.60 | 15,874 |
| Total | | | | | 611,795,207 |

| Currency wise Distribution: | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
|-----------------------------|-------------|-------------|--------------------|----------------------|
| Foreign Currency | Composition | Composition | Taka | Taka |
| USD/ACU | 97.05% | 92.19% | 593,763,313 | 999,586,463 |
| GBP | 0.11% | 1.40% | 698,148 | 15,139,253 |
| EUR | 1.27% | 5.64% | 7,744,465 | 61,182,660 |
| YEN | 0.07% | 0.02% | 412,663 | 224,443 |
| RIYAL | 1.50% | 0.75% | 9,176,617 | 8,159,680 |
| | 100% | 100% | 611,795,207 | 1,084,292,499 |

Please see 'Annexure-C' for details comparative statement of 31.12.2020 & 31.12.2019 of foreign currency amount and rate.

| | | 31.12.2020 | 31.12.2019 |
|------------|---|----------------------|----------------------|
| | | Taka | Taka |
| 4.3 | Maturity-wise groupings of balance with other Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh) | | |
| | On Demand | 733,540,816 | 1,847,950,863 |
| | Not more than 3 months | 3,767,292,855 | 1,524,701,738 |
| | Over 3 months but not more than 1 year | - | - |
| | Over 1 year but not more than 5 years | - | - |
| | More than 5 years | - | - |
| | | 4,500,833,672 | 3,372,652,600 |
| 5 | Placement with Banks & other Financial Institutions | | |
| | Placement with Banks (Note-5.1) | 1,986,395,494 | 1,986,469,299 |
| | Placement with other Financial Institutions (Note-5.2 & 5.3) | 4,214,400,000 | 4,839,600,000 |
| | | 6,200,795,494 | 6,826,069,299 |
| 5.1 | Mudaraba Term Deposits with Banks | | |
| | ICB Islamic Bank Limited | 186,395,494 | 186,469,299 |
| | Union Bank Limited | 1,800,000,000 | 1,800,000,000 |
| | | 1,986,395,494 | 1,986,469,299 |
| 5.2 | Mudaraba Term Deposits with Other Financial Institutions | | |
| | IIDFC | - | - |
| | IPDC Finance Ltd. | 250,000,000 | 250,000,000 |
| | International Leasing & Financial Services Ltd. | 355,000,000 | 355,000,000 |
| | Union Capital Limited | 200,000,000 | 200,000,000 |
| | Bay Leasing & Investment Ltd. | 50,000,000 | 50,000,000 |
| | Fas Finance and Investment Limited | 300,000,000 | 300,000,000 |
| | First Finance Limited | 100,000,000 | 100,000,000 |
| | Islamic Finance & Investment Ltd. | 25,000,000 | 25,000,000 |
| | Reliance Finance Limited | 1,680,000,000 | 1,880,000,000 |
| | Investment Corporation of BD Ltd. (ICB) | 1,000,000,000 | 1,000,000,000 |
| | | 3,960,000,000 | 4,160,000,000 |
| 5.3 | FC Placement with Banks & other Financial Institutions | | |
| | National Bank Limited | - | 169,900,000 |
| | NCC Bank Limited | - | 509,700,000 |
| | Al-Arafah Islami Bank Ltd. | 254,400,000 | - |
| | | 254,400,000 | 679,600,000 |
| 5.4 | Maturity-wise groupings of placement with Banks and other Financial Institutions | | |
| | On Demand | 3,635,000,000 | 4,314,600,000 |
| | Not more than 3 months | 2,354,400,000 | 2,300,000,000 |
| | More than 3 months but less than 1 year | 25,000,000 | 25,000,000 |
| | More than 1 year but less than 5 years | 186,395,494 | 186,469,299 |
| | More than 5 years | - | - |
| | | 6,200,795,494 | 6,826,069,299 |

| | | 31.12.2020 | 31.12.2019 |
|-------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 6 | Investment in Shares & Securities | | |
| | Government | | |
| | Government Bond (Islamic Investment Bond) (Note 6.1) | 12,450,000,000 | 13,000,000,000 |
| | 7 Years Treasury BOND (5%) | 319,300,000 | 319,300,000 |
| | 7 Years Treasury BOND (0%) | 123,000,000 | 123,000,000 |
| | Investment in BD GOVT. Investment Sukuk bond | 1,319,860,000 | - |
| | | 14,212,160,000 | 13,442,300,000 |
| | BD Government Islamic Refinance Fund | 250,000,000 | 250,000,000 |
| | | 14,462,160,000 | 13,692,300,000 |
| | Others | | |
| | Investment in Shares, Quoted (Note 6.3 & 6.6) | 655,101,435 | 641,262,505 |
| | Investment in Shares, Unquoted/bond (Note 6.4 & 6.5) | 3,327,938,395 | 3,427,938,395 |
| | | 3,983,039,830 | 4,069,200,900 |
| | Fair value adjustment through profit or loss (FVTPL) (note: 6.6) | 42,167,831 | (122,515,819) |
| | Value of Investment in Shares and securities, Others | 4,025,207,661 | 3,946,685,081 |
| | Grand Total | 18,487,367,661 | 17,638,985,081 |
| | Maturity-wise Grouping of Investment in Securities: | | |
| | Upto one month | 4,955,117,669 | 4,568,746,686 |
| | Not more than 3 months | 250,000,000 | 2,250,000,000 |
| | Over 3 months but not more than 1 year | 7,700,000,000 | 6,950,000,000 |
| | Over 1 year but not more than 5 years | 4,972,981,048 | 3,609,000,000 |
| | More than 5 years | 609,268,945 | 1,741,236,795 |
| | | 18,487,367,661 | 19,118,983,481 |
| 6(a) | Consolidated Investment in Shares and Securities | | |
| | Social Islami Bank Limited | | |
| | Government | | |
| | Investment in Government Islamic Bond | 12,450,000,000 | 13,000,000,000 |
| | BD Government Islamic Refinance Fund | 250,000,000 | 250,000,000 |
| | 7 Years Treasury BOND (5%) | 319,300,000 | 319,300,000 |
| | 7 Years Treasury BOND (0%) | 123,000,000 | 123,000,000 |
| | Investment in BD GOVT. Investment Sukuk bond | 1,319,860,000 | - |
| | | 14,142,860,000 | 13,373,000,000 |
| | Others sectors | 4,025,207,661 | 3,946,685,081 |
| | Add: Investment in Shares and Securities by subsidiary companies | 250,366,611 | 223,730,222 |
| | SIBL Securities Limited | 142,155,281 | 154,433,823 |
| | SIBL Investment Limited | 108,211,330 | 69,296,400 |
| | | 4,275,574,273 | 4,170,415,304 |
| | Total consolidated balance of Investment in shares and securities | 14,142,860,000 | 13,373,000,000 |

| | | 31.12.2020 | 31.12.2019 |
|--|--|------------|------------|
| | | Taka | Taka |

6.1 Bangladesh Bank introduced a new type of investment opportunity solely for the purpose of Shariah Banks in the year 2005 being inherent limitation on the part of Shariah Compliant Banks to take part in buying and selling of treasury bill etc as a very common form of treasury management. The fund has been operated under Mudaraba Principle and are being used as a part of SLR (Statutory Liquidity Requirement) vide Bangladesh Bank Circular Letter ref. no: AMA/AUSOBI/SANCHAY/S-03/2004/262 dated September 2, 2004.

The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed amongst the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenure of the bond. So, the rate of return from Islamic Bond is not prefixed rather dependent on fund deployment by Bangladesh Bank.

6.2 Investment (Cost) in Shares (Quoted)

| | | |
|---------------------------------|--------------------|--------------------|
| Bd. Submarine Cable Co | 44,452,104 | - |
| Baraka Power | 9,710,124 | - |
| Aamra Net | 2,960,002 | 9,984,573 |
| Aman Feed Ltd | 7,459,915 | - |
| Aamra Tech | 77,786,555 | 68,249,577 |
| SEBL 1st Mutual Fund | - | 1,850,435 |
| IFIC 1ST Mutual Fund | 3,220,000 | 7,099,672 |
| Trust Bank 1ST Mutual Fund | 2,880,000 | 7,043,696 |
| 1ST Janata Mutual Fund | - | 2,315,482 |
| AB 1st Mutual Fund | 2,050,000 | 4,693,330 |
| Al-Arafah Islami Bank Limited | 1,621,481 | 1,990,000 |
| Exim Bank Limited | 15,135,009 | 15,198,513 |
| Titas Gas Limited | 65,569,565 | 72,998,131 |
| MJL Bangladesh | 9,845,458 | 15,559,985 |
| Desco | 5,561,840 | 6,072,928 |
| Padma Oil | 6,966,289 | 8,162,374 |
| BSRM Steel | 15,183,797 | 13,361,414 |
| Bashundhara Paper Mills Ltd. | 7,068,709 | - |
| Jamuna Oil | 29,468,515 | 45,292,538 |
| Unique Hotel | 4,212,337 | - |
| Orion Pharma Limited | - | 169,498,371 |
| Square Pharmaceuticals | 37,526,672 | 27,678,105 |
| Bangladesh Shipping Corporation | 14,238,401 | - |
| RAK Ceramics Limited | 14,581,323 | 7,800,000 |
| BSRM Ltd. | 11,223,280 | 12,512,000 |
| Beximco Pharmaceutical | - | 15,820,000 |
| Apex Foot Wear Limited | 4,439,556 | 4,995,428 |
| Square Textile | 3,290,184 | 2,358,439 |
| Bata Shoe Company | - | 2,510,231 |
| Summit Power Limited | 62,104,401 | 72,841,854 |
| BBS Cables | 14,860,701 | 12,499,901 |
| Powergrid Company Limited | 1,796,220 | 2,880,000 |
| Agni Systems Ltd | - | 2,277,572 |
| Intraco Refueling Station Ltd. | - | 243,640 |
| IFADAuto Ltd. | 2,530,762 | - |
| Meghna Petroleum | 33,237,184 | 27,474,316 |
| | 510,980,387 | 641,262,505 |

| | | 31.12.2020 | 31.12.2019 |
|------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 6.3 | Capital Market (special fund) | | |
| | Aamra Tech | 13,316,476 | - |
| | Batashoe | 1,399,490 | - |
| | BBS Cables | 5,388,689 | - |
| | Exim Bank Limited | 3,403,560 | - |
| | First Security Islami Bank Limited | 4,794,693 | - |
| | IFADAuto Ltd. | 2,157,255 | - |
| | Jamuna Oil | 16,472,051 | - |
| | KPCL | 4,720,970 | - |
| | Linde BD. | 2,050,777 | - |
| | Meghna Petroleum | 18,536,099 | - |
| | RAK Ceramics Limited | 5,491,341 | - |
| | Renata | 4,794,890 | - |
| | Singerbd | 3,462,635 | - |
| | Square Pharmaceuticals | 19,161,391 | - |
| | Summit Power Limited | 18,938,026 | - |
| | Titas Gas Limited | 15,899,531 | - |
| | Unique Hotel | 4,133,176 | - |
| | | 144,121,048 | - |
| 6.4 | 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) | 169,900,000 | 169,900,000 |
| | Lub-RREF (BD) Limited. Pre-IPO | 52,000,000 | 52,000,000 |
| | Awqaf Properties Investment fund (APIF) | 166,968,945 | 166,968,945 |
| | Central Counterparty Bangladesh Ltd.(CCBL) | 37,500,000 | 37,500,000 |
| | | 927,938,395 | 927,938,395 |
| 6.5 | Subordinated Bond | | |
| | FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond) | 1,400,000,000 | 1,500,000,000 |
| | UBL Mudaraba Subordinate Bond | 1,000,000,000 | 1,000,000,000 |
| | | 2,400,000,000 | 2,500,000,000 |
| | | | |
| | Total Investment (Cost) in Shares (Unquoted)/Bond | 3,327,938,395 | 3,427,938,395 |

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.

| | | | | 31.12.2020 | 31.12.2019 | |
|--|--|-------------------------|---|-----------------------------|-----------------------|--|
| | | | | Taka | Taka | |
| 6.6 | Details of Shares & Securities in quoted and unquoted other than in subsidiaries | | | | 31.12.2020 Taka | |
| Particulars | No. of Shares/ Securities | Market price per Shares | Fair value/ Market value as on 31-12-2020 | Cost price as on 31-12-2020 | Fair value adjustment | |
| Quoted Shares | | | | | | |
| Bd. Submarine Cable Co | 320,000 | 166.10 | 53,152,000 | 44,452,104 | 8,699,896 | |
| Baraka Power | 321,000 | 25.70 | 8,249,700 | 9,710,124 | (1,460,424) | |
| Aamra Net | 76,265 | 45.20 | 3,447,178 | 2,960,002 | 487,176 | |
| Aman Feed Ltd | 221,844 | 29.90 | 6,633,136 | 7,459,915 | (826,780) | |
| Aamra Tech | 3,242,795 | 26.40 | 85,609,786 | 77,786,555 | 7,823,231 | |
| IFIC 1ST Mutual Fund | 700,000 | 6.10 | 4,270,000 | 3,220,000 | 1,050,000 | |
| Trust Bank 1ST Mutual Fund | 600,000 | 6.10 | 3,660,000 | 2,880,000 | 780,000 | |
| AB 1st Mutual Fund | 500,000 | 6.30 | 3,150,000 | 2,050,000 | 1,100,000 | |
| Al-Arafah Islami Bank Limited | 100,000 | 22.20 | 2,220,000 | 1,621,481 | 598,519 | |
| Exim Bank Limited | 1,500,000 | 11.80 | 17,700,000 | 15,135,009 | 2,564,991 | |
| Titas Gas Limited | 2,100,000 | 30.80 | 64,680,000 | 65,569,565 | (889,565) | |
| MJL Bangladesh | 155,714 | 76.90 | 11,974,407 | 9,845,458 | 2,128,948 | |
| Desco | 150,320 | 34.80 | 5,231,136 | 5,561,840 | (330,704) | |
| Padma Oil | 36,245 | 205.10 | 7,433,850 | 6,966,289 | 467,561 | |
| BSRM Steel | 381,020 | 42.50 | 16,193,350 | 15,183,797 | 1,009,553 | |
| Bashundhara Paper Mills Ltd. | 150,000 | 44.40 | 6,660,000 | 7,068,709 | (408,709) | |
| Jamuna Oil | 207,671 | 165.50 | 34,369,551 | 29,468,515 | 4,901,036 | |
| Unique Hotel | 100,000 | 39.60 | 3,960,000 | 4,212,337 | (252,337) | |
| Square Pharmaceuticals | 200,000 | 219.50 | 43,900,000 | 37,526,672 | 6,373,328 | |
| Bangladesh Shipping Corporation | 300,000 | 44.70 | 13,410,000 | 14,238,401 | (828,401) | |
| RAK Ceramics Limited | 500,000 | 26.10 | 13,050,000 | 14,581,323 | (1,531,323) | |
| BSRM Ltd. | 210,000 | 60.20 | 12,642,000 | 11,223,280 | 1,418,720 | |
| Apex Foot Wear Limited | 20,000 | 220.30 | 4,406,000 | 4,439,556 | (33,556) | |
| Square Textile | 100,000 | 29.80 | 2,980,000 | 3,290,184 | (310,184) | |
| Summit Power Limited | 1,700,000 | 38.90 | 66,130,000 | 62,104,401 | 4,025,599 | |
| BBS Cables | 269,500 | 54.80 | 14,768,600 | 14,860,701 | (92,101) | |
| Powergrid Company Limited | 40,274 | 41.80 | 1,683,453 | 1,796,220 | (112,767) | |
| IFADAuto Ltd. | 63,010 | 47.20 | 2,974,072 | 2,530,762 | 443,310 | |
| Meghna Petroleum | 195,000 | 198.00 | 38,610,000 | 33,237,184 | 5,372,816 | |
| | | | 553,148,218 | 510,980,387 | 42,167,831 | |
| Preference Shares | | | | | | |
| Orion Infrastructure Ltd. (Cumulative) | 50,000,000 | - | 500,000,000 | 500,000,000 | - | |
| Orion Infrastructure Ltd. (Redeemable) | | | 169,900,000 | 169,900,000 | - | |
| | | | 669,900,000 | 669,900,000 | - | |
| Unquoted Shares/ Bond | | | | | | |
| CDBL Share | 571,181 | - | 1,569,450 | 1,569,450 | - | |
| Lub-RREF (BD) Limited. Pre-IPO | | | 52,000,000 | 52,000,000 | - | |
| Awqaf Properties Investment fund (APIF) | | | 166,968,945 | 166,968,945 | - | |
| UBL Mudaraba Subordinate Bond | | | 1,000,000,000 | 1,000,000,000 | - | |
| Central Counterparty Bangladesh Ltd.(CCBL) | | | 37,500,000 | 37,500,000 | - | |
| FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond) | | - | 1,400,000,000 | 1,400,000,000 | - | |
| | | | 2,658,038,395 | 2,658,038,395 | - | |
| Grand Total | | | 3,881,086,613 | 3,838,918,782 | 42,167,831 | |

Management conducted impairment assessment of investment in unquoted shares as on 31 December 2020 satisfied that impairment provision is required.

| | | 31.12.2020 | 31.12.2019 |
|------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 6.7 | Industry wise classification of shares at market price | | |
| | Quoted shares | | |
| | Banks | 22,373,587 | 27,596,716 |
| | Mutual Funds | 212,454,716 | 129,318,663 |
| | Others | 276,152,083 | 484,347,125 |
| | | 510,980,387 | 641,262,505 |
| 6.8 | Cost of shares and securities of quoted and unquoted, other than investment in subsidiaries | 3,838,918,782 | 4,069,200,900 |
| | Fair value adjustment {Profit/(Loss)} to be made through profit and loss account | 42,167,831 | (122,515,819) |
| | Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries | 3,881,086,613 | 3,946,685,081 |

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) | 288,494,854,278 | 252,038,985,230 |
| | Bills purchased and discounted-net (Note- 7.2) | 2,458,098,719 | 3,134,654,364 |
| | <u>Outside Bangladesh</u> | | |
| | Bills purchased and discounted-net (Note- 7.2) | 9,664,990,569 | 9,094,950,055 |
| | | 300,617,943,566 | 264,268,589,650 |
| 7 (a) | Consolidated Investment | | |
| | General Investments etc. | 288,494,854,278 | 252,038,985,230 |
| | Less: InterCompany balance eliminated | | |
| | SIBL Securities Limited | | |
| | Quard Investment with SIBL- Principal branch | 900,000,000 | 800,000,000 |
| | SIBL Investment Limited | - | - |
| | Total consolidated general investment | 287,594,854,278 | 251,238,985,230 |
| | Bills purchased and discounted-net | 12,123,089,288 | 12,229,604,419 |
| | Grand total | 299,717,943,566 | 263,468,589,649 |
| | Maturity wise Classification of Investments: | | |
| | With a residual maturity of | | |
| | Re-payable on Demand | 35,752,994,623 | 27,035,631,139 |
| | Not more than 3 months | 64,247,337,188 | 55,622,290,351 |
| | Over 3 months but not more than 1 year | 125,502,816,755 | 116,074,187,159 |
| | Over 1 year but not more than 5 years | 62,813,150,000 | 54,543,539,000 |
| | Over 5 years | 12,301,645,000 | 10,992,942,000 |
| | | 300,617,943,566 | 264,268,589,649 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|------------------------|------------------------|
| | | Taka | Taka |
| 7.1 | Mode-Wise Investment (General) | | |
| | a) In Bangladesh | | |
| | Musharaka | 221,690,407 | 285,826,612 |
| | Murabaha | 7,087,218,568 | 4,110,909,296 |
| | Mudaraba | 4,308,095,641 | 2,213,479,499 |
| | Bai-Muazzal | 198,926,795,932 | 175,173,237,666 |
| | Hire-Purchase Sirkatul Meelk | 62,882,333,115 | 56,906,637,122 |
| | Quard | 10,565,217,449 | 8,648,705,103 |
| | Bai-Salam | 905,733,176 | 931,350,622 |
| | Staff Loan | 2,308,715,593 | 2,431,330,908 |
| | Ijarah | 530,405,560 | 609,610,142 |
| | Visa Card | 758,648,835 | 727,898,260 |
| | | 288,494,854,278 | 252,038,985,230 |
| | 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 | 2,458,098,719 | 3,134,654,364 |
| | Outside Bangladesh | | |
| | Foreign Bill Purchased | 60,424,380 | 85,750,964 |
| | Murabaha Bill of Exchange | 1,517,484,462 | 1,455,670,105 |
| | Baim-Wes bills | 8,087,081,727 | 7,553,528,986 |
| | | 9,664,990,569 | 9,094,950,055 |
| | Grand total of net Bills Purchased and Discounted | 12,123,089,288 | 12,229,604,419 |
| 7.2.1 | Bills Purchased and Discounted | | |
| | Payable in Bangladesh | 4,096,589,743 | 4,698,133,914 |
| | Payable outside Bangladesh | 8,343,893,127 | 8,137,099,405 |
| | Gross Bills Purchased and Discounted | 12,440,482,871 | 12,835,233,319 |
| | Less: Profit receivable on Bills Purchased and Discounted | 317,393,583 | 605,628,901 |
| | Net Bills Purchased and Discounted | 12,123,089,287 | 12,229,604,419 |
| | Maturity wise Classification of Bills Purchased and Discounted: | | |
| | On demand | 2,424,617,857 | 2,445,920,884 |
| | Over 1 month but less than 3 months | 6,061,544,644 | 6,114,802,209 |
| | Over 3 months but less than 1 year | 3,636,926,786 | 3,668,881,326 |
| | 1 year or more | - | - |
| | | 12,123,089,287 | 12,229,604,419 |

| | | | 31.12.2020 | 31.12.2019 |
|------------|--|-------------------|-------------------|------------------------|
| | | | Taka | Taka |
| 7.3 | Investments on the basis of significant concentration | | | |
| | | 31.12.2020 | 31.12.2019 | |
| | Investments to allied concern of Directors | 0.00% | 0.00% | - |
| | Investments to Executives & Staffs | 0.78% | 0.93% | 2,333,636,172 |
| | Investments to Customer Groups | 54.02% | 57.28% | 162,397,228,441 |
| | Industrial Investment | 45.20% | 41.79% | 135,887,078,952 |
| | Others | 0.00% | 0.00% | - |
| | | 100.00% | 100.00% | 300,617,943,566 |
| | | | | 264,268,589,649 |

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. 3,036.89 Crore as on 31.12.2020 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 455.53 crore (3,036.89 crore x 15%) till 31.12.2020. It is mentioned here that as per Bank Companies Act, 1991, single party exposure limit has been fixed at 15% for funded and 20% non-funded investment based on capital maintained for non export oriented clients whereas 15% funded and 35% non-fundend limit for 100% export oriented clients.

| | | |
|--|----------------|----------------|
| Total Principal outstanding amount to such customers at end of the year (Funded) | 1277.10 crore* | 809.90 crore |
| Number of such types of customers | 03 | 2 |
| 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-759.22 crore as on 31.12.2020.

7.4 Customer group and industry wise classification of Investment (Amount in Taka)

| Sector | 2020 | | 2019 | |
|--|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Commercial lending | 63,085,991,368 | 20.99% | 53,900,724,832 | 20.40% |
| Export Financing | 7,421,291,294 | 2.47% | 4,921,018,590 | 1.86% |
| House Building Investment | 4,016,753,073 | 1.34% | 3,743,143,723 | 1.42% |
| Investment against Scheme & MTDR | 5,291,700,741 | 1.76% | 3,991,981,577 | 1.51% |
| Small and Medium Enterprises | 61,920,979,098 | 20.60% | 63,698,717,346 | 24.10% |
| Micro Investment | 678,555,344 | 0.23% | 528,101,236 | 0.20% |
| Other Investments | 15,673,861,882 | 5.21% | 18,368,360,048 | 6.95% |
| Off-shore Banking Unit | 4,308,095,641 | 1.43% | 2,213,479,499 | 0.84% |
| Executives & Staffs of SIBL | 2,333,636,172 | 0.78% | 2,460,432,039 | 0.93% |
| Agricultural Industries | 3,123,138,160 | 1.04% | 3,368,258,174 | 1.27% |
| Textile & Allied Industries | 41,971,323,395 | 13.96% | 33,741,188,311 | 12.77% |
| Food & Allied Industries | 13,678,729,468 | 4.55% | 12,615,242,920 | 4.77% |
| Pharmaceutical Industries | 1,756,699,072 | 0.58% | 1,568,322,953 | 0.59% |
| Leather, Chemical, Cosmetic etc. | 4,215,657,911 | 1.40% | 3,197,244,220 | 1.21% |
| Construction Industries | 9,140,136,471 | 3.04% | 8,177,394,150 | 3.09% |
| Cement and Ceramic Industries | 5,027,401,867 | 1.67% | 3,611,668,991 | 1.37% |
| Service Industries | 16,686,788,763 | 5.55% | 11,368,846,621 | 4.30% |
| Transport and Communication Industries | 4,143,127,206 | 1.38% | 3,192,320,500 | 1.21% |
| Other Industries | 36,144,076,640 | 12.02% | 29,602,143,917 | 11.20% |
| Total | 300,617,943,566 | 100.00% | 264,268,589,649 | 100.00% |

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

7.5 Geographical Location-wise Classification of Investments

(Amount in Taka)

| Sector | 2020 | | 2019 | |
|-------------------------------|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| i) Within Bangladesh | | | | |
| a) In Rural Areas | 28,753,581,886 | 9.56% | 26,431,716,557 | 10.00% |
| b) In Urban Areas | 271,864,361,679 | 90.44% | 237,836,873,092 | 90.00% |
| Sub-total (a+b) | 300,617,943,566 | 100.00% | 264,268,589,649 | 100.00% |
| ii) Outside Bangladesh | | | | |
| Total (i+ii) | 300,617,943,566 | 100.00% | 264,268,589,649 | 100.00% |

7.6 Division-wise Investments

(Amount in Taka)

| Division | As at 31 December 2020 | | As at 31 December 2019 | |
|--------------|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Dhaka | 219,164,567,260 | 72.90% | 194,694,679,083 | 73.67% |
| Chittagong | 62,316,540,044 | 20.73% | 50,488,355,028 | 19.10% |
| Sylhet | 559,850,559 | 0.19% | 596,444,575 | 0.23% |
| Rajshahi | 6,443,695,356 | 2.14% | 6,474,479,583 | 2.45% |
| Khulna | 6,429,542,620 | 2.14% | 6,245,768,176 | 2.36% |
| Rangpur | 2,390,991,771 | 0.80% | 2,267,255,928 | 0.86% |
| Barisal | 1,434,312,616 | 0.48% | 1,403,466,160 | 0.53% |
| Mymensingh | 1,878,443,339 | 0.62% | 2,098,141,116 | 0.79% |
| Total | 300,617,943,566 | 100.00% | 264,268,589,649 | 100.00% |

7.7 Investments (Classification wise)

Unclassified

Standard

264,989,783,318

235,404,417,478

Special Mentioned Account

12,959,999,501

6,951,113,350

Classified

Substandard

2,111,157,964

658,469,819

Doubtful

414,777,440

282,521,464

Bad or Loss

15,606,044,145

16,493,952,059

296,081,762,367

259,790,474,170

Standard (short term agri / micro inv.)

2,133,360,697

1,915,841,760

Special Mentioned Account (short term agri/ micro inv.)

-

3,481,184

Substandard (short term agri / micro inv.)

12,810,901

40,782,857

Doubtful (short term agri / micro inv.)

813,137

759,771

Bad or Loss (short term agri/micro inv.)

55,560,291

56,817,868

2,202,545,026

2,017,683,440

Staff Investment

2,333,636,172

2,460,432,039

300,617,943,566

264,268,589,649

7.8 Particulars of provision required for general investment

Unclassified (Excluding Off-balance sheet exposures)

4,971,204,865

3,911,552,438

Classified

7,812,088,173

7,595,557,186

Unclassified- Off-balance sheet exposures

470,450,037

490,293,577

13,253,743,075

11,997,403,200

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

7.8.1 Detail Particulars of Provision for Investment

| Unclassified | Rate | Base for Provision | Provision Required | |
|--|-------|--------------------|-----------------------|-----------------------|
| Standard | 1% | 205,644,761,160 | 2,056,447,612 | 3,590,306,367 |
| Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020) | 1% | 732,164,047 | 732,164,047 | - |
| Staff Investment | 0% | - | - | - |
| Consumer Finance (Other than HF and LP) | 2% | 1,008,774,968 | 20,175,499 | 32,905,606 |
| Small and Medium Enterprise | 0.25% | 56,746,711,320 | 141,866,778 | 147,023,584 |
| Housing Finance (HF) | 1% | 2,006,322,368 | 20,063,224 | 20,416,068 |
| Loan for Professionals (LP) | 2% | 4,806,701 | 96,134 | 197,865 |
| Share | 2% | 1,508,104,365 | 30,162,087 | 45,371,601 |
| SMA Investment (Same as UC i.e 0.25%, 1%, 2%, to 5%) | 5% | 1,948,895,876 | 1,948,895,876 | 56,172,929 |
| Unclassified Off Balance Sheet Items | 1% | 47,045,003,700 | 470,450,037 | 490,293,577 |
| Classified | - | - | - | - |
| Substandard | 20% | 472,977,731 | 94,595,546 | 101,124,330 |
| Substandard (CMSME) | 5% | 33,997,080 | 1,699,854 | - |
| Doubtful (CMSME) | 20% | 10,915,640 | 2,183,128 | - |
| Doubtful | 50% | 44,345,097 | 22,172,549 | 39,454,362 |
| Bad or Loss | 100% | 7,676,453,920 | 7,676,453,920 | 7,454,232,680 |
| | | | 13,217,426,292 | 11,977,498,969 |

| Provision Required (Short term Agricultural & Micro Credit) | Rate | Base for Provision | Provision Required | |
|---|------|--------------------|--------------------|-------------------|
| Unclassified | | | | |
| Standard (short term agri /micro credit) | 1.0% | 2,133,360,697 | 21,333,607 | 19,158,418 |
| Classified | | | | |
| Substandard (short term agri ,micro credit & CMSME) | 5% | 3,661,131 | 183,057 | 740,116 |
| Doubtful (short term agri /micro credit) | 5% | 121,971 | 6,099 | 5,698 |
| Bad or Loss (Short term agri /micro credit) | 100% | 14,794,021 | 14,794,021 | - |
| | | | 36,316,783 | 19,904,232 |

| | | |
|---|-----------------------|-----------------------|
| Required provision for Investments (Grand Total) | 13,253,743,075 | 11,997,403,200 |
| Total provision maintained | 13,253,743,075 | 11,997,403,200 |
| 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 instructed to maintain this amount equally during next three years from year 2019 to year 2021.

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

Bangladesh Bank vide its letter ref: DBI-4/42(2)/2020-368, dated: 27.04.2021, suggested additional provision for investment amounting to Taka-26.64 crore and the required provision has been made accordingly. Bangladesh Bank has also deferred classification of some borrowers up to 31 December 2021.

Provision Made: (Other than Short term Agricultural & Micro Credit)

Unclassified

| | | |
|----------|---------------|---------------|
| Standard | 3,471,425,418 | 4,326,514,668 |
| SMA | 1,948,895,876 | 56,172,929 |

Classified

| | | |
|-------------|---------------|---------------|
| Substandard | 96,295,400 | 101,124,330 |
| Doubtful | 24,355,677 | 39,454,362 |
| Bad or Loss | 7,676,453,920 | 7,454,232,680 |

13,217,426,292 **11,977,498,969**

Provision Made: (Short term Agricultural & Micro Credit)

| | | |
|--------------------------------------|------------|------------|
| Standard (short term agri credit) | 21,333,607 | 19,158,418 |
| Substandard (short term agri credit) | 183,057 | 740,116 |
| Doubtful (short term agri credit) | 6,099 | 5,698 |
| Bad or Loss (Short term agri credit) | 14,794,021 | - |

36,316,783 **19,904,232**

Grand Total

13,253,743,075 **11,997,403,200**

Required provision - Provision made = Surplus/ (Shortfall)

- **-**

7.8.2 Particulars of provision for Off-Balance Sheet items

| Status | Rate | Basis for Provision | | |
|---------------------------------------|------|---------------------|--------------------|--------------------|
| Off-Balance Sheet Items | 1% | 52,439,934,267 | 470,450,037 | 490,293,577 |
| Required provision for Investments | | | 470,450,037 | 490,293,577 |
| Provision maintained {note # 14.1(c)} | | | 470,450,037 | 490,293,577 |
| Surplus Provision | | | - | - |

7.9 Particulars of Investments:

| | | | |
|--------|--|------------------------|------------------------|
| (i) | Investment considered good in respect of which the Banking Company is fully secured | 193,992,330,243 | 181,408,014,364 |
| (ii) | Investment considered good for which the Banking Company holds no other security other than the debtor's personal security | 99,759,553,524 | 76,561,437,854 |
| (iii) | Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors | 6,866,059,800 | 6,299,137,431 |
| (iv) | Investment considered bad or doubtful not provided for | - | - |
| | Total | 300,617,943,566 | 264,268,589,649 |
| (v) | Investment due by directors or officers of the Banking Company or any of them either severally or jointly with any other person | 2,333,636,172 | 2,460,432,039 |
| (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. | 9,797,168 | 9,851,600 |
| (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 | 9,797,168 | 9,851,600 |
| (ix) | Investment due from other Banks | Nil | Nil |
| (x) | Classified Investment on which profit has not been charged | Nil | Nil |
| (xi) | Particulars of written off investments | 15,661,604,436 | 16,550,769,927 |
| | a) Cumulative amount of written off/Waiver of Investments since inception to 31 December last year | 5,989,846,325 | 5,958,111,345 |
| | b) Amount of written off / waiver of Investment during the year | 25,361,653 | 31,734,980 |
| | Total amount of written off (a+b) | 6,015,207,978 | 5,989,846,325 |
| | c) Amount recovered against debts which are previously written off (cumulative balance) | 463,647,741 | 454,000,207 |
| | d) Amount of Investments written off/waiver against which cases have been filed for recovery | 6,015,207,978 | 5,989,846,325 |
| xii) | e) Amount of compensation suspense as at year end. | 3,579,826,001 | 2,870,657,332 |

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

7.10 Large Investment Restructuring

Large Investment Restructuring is made as per BRPD Circular no: 04, Dated: 29 January 2015, of the investments having minimum outstanding amount of Taka-500 crore and above in aggregate. The Eligibility criteria as per the circular are:

a) Investments of a particular borrower or group in a Bank, singly or in clubbed together form, shall be eligible for restructuring. Borrower having exposure in multiple Banks may also approach by forming a consortium.

b) Minimum outstanding investment amount for restructuring shall be Taka-500.00 crore or above in aggregate.

c) Restructuring facility will be provided to a particular investment only once.

Total outstanding amount of such restructured investment for the year 2020 amounts to Taka- 96.76 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 | 1,348,301,260 | 1,257,167,455 |
| Office Equipment | 1,790,969,871 | 1,621,292,105 |
| Software | 291,981,062 | 247,489,817 |
| Vehicles | 150,527,921 | 141,721,354 |
| Right of use Assets as per IFRS-16 * | 1,011,325,434 | - |
| Books | 1,764,278 | 1,739,549 |
| | 6,927,420,539 | 5,601,960,993 |

B. Accumulated Depreciation

| | | |
|------------------------------------|----------------------|----------------------|
| Land | - | - |
| Building | 451,943,280 | 404,038,934 |
| Furniture & Fixtures | 547,891,338 | 466,111,881 |
| Office Equipment | 1,079,806,659 | 930,956,342 |
| Software | 91,645,655 | 72,722,101 |
| Vehicles | 133,011,069 | 121,051,952 |
| Right of use Assets as per IFRS-16 | 191,010,137 | - |
| Books | 1,102,226 | 1,030,039 |
| | 2,496,410,364 | 1,995,911,251 |

Carrying value

| | | |
|--|----------------------|----------------------|
| | 4,431,010,176 | 3,606,049,743 |
|--|----------------------|----------------------|

* The cost of the right of use assets (ROU) (lease assets) comprises lease liabilities which is present value of lease payments and the advance rent. While calculating right of use assets, the bank has not considered the present value of lease payments against its ATM boots if the agreement was made separately as considering it as low value assets and if the contract period of the rental premises did not exceed twelve months.

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-291,981,062.00 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 31.12.2020 is Taka -200,335,407.00

For details please refer to Annexure-A

| | | 31.12.2020 | 31.12.2019 |
|-------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 8(a) | Consolidated written down value of Fixed Assets including intangible assets | | |
| | Social Islami Bank Ltd. | 4,431,010,176 | 3,606,049,743 |
| | Fixed assets of subsidiaries | 15,972,856 | 7,667,152 |
| | SIBL Securities Ltd. | 15,972,856 | 7,667,152 |
| | SIBL Investment Ltd. | - | - |
| | Carrying value of Fixed assets of the Group | 4,446,983,032 | 3,613,716,895 |
| 9 | Others Assets | | |
| | Stock of stationery, stamps and printing materials etc. (valued at cost) | 36,210,869 | 36,651,315 |
| | Advance rent | 81,946,417 | 236,783,450 |
| | Security Deposit | 3,495,026 | 3,441,126 |
| | Branch Adjustments (SIBG) (Note: 9.1) | 1,561,206,224 | 2,950,929,983 |
| | Suspense Accounts (Note: 9.2) | 285,122,898 | 192,702,080 |
| | Other Prepayments | 64,517,296 | 64,210,064 |
| | Receivable from SIBL Securities Ltd. | 239,242,987 | 21,482,142 |
| | Advance Income Tax | 11,981,335,696 | 10,685,152,854 |
| | 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 |
| | Receivable from SIBL Securities Limited | 72,049,180 | 72,000,000 |
| | Receivable from SIBL Investment Limited | 1,903,690 | 1,883,690 |
| | Protested Bills against Investment | 325,014,570 | 325,014,570 |
| | Profit Receivable from Banks, NBF1 and BD Govt. | 528,810,265 | 665,595,298 |
| | Investment with Off-shore Banking Unit | 4,053,637,881 | 1,487,890,290 |
| | Receivable from Off-shore Banking Unit | 77,990,079 | 36,882,278 |
| | Dividend Receivable Account | 555,193,696 | 562,130,020 |
| | Profit Receivable from Mudaraba Subordinated Bond | 56,815,069 | 99,616,438 |
| | Others (Note: 9.3) | 37,425,491 | 10,969,426 |
| | | 21,441,915,734 | 18,933,333,423 |
| | Less: Balance with OBU for elimination | | |
| | Investment with Off-shore Banking Unit | 4,053,637,881 | 1,487,890,290 |
| | Grand total after elimination of balance with OBU | 17,388,277,852 | 17,445,443,133 |
| 9(a) | Consolidated other Assets | | |
| | Social Islami Bank Limited | 17,388,277,852 | 17,445,443,133 |
| | Add: Other assets of subsidiary companies | | |
| | SIBL Securities Limited | 2,351,445,232 | 2,169,894,251 |
| | Membership of Chittagong Stock Exchange | 307,000,000 | 307,000,000 |
| | Membership of Dhaka Stock Exchange | 682,770,683 | 682,770,683 |
| | Advance Income Tax | 104,889,269 | 89,184,152 |
| | Advance Office Rent | - | 1,168,865 |
| | Advance for floor space at nikunjo, DSE Tower | - | 850,000 |
| | Receivable from Regulators | 31,824,621 | 1,637,167 |
| | Receivable from client | 1,129,885,060 | 984,335,485 |
| | Receivable from DSE, CSE ,Bai-Muajjal & Dividend Income | 94,855,599 | 102,733,901 |
| | Security Deposit to CDBL, DSE | 200,000 | 200,000 |
| | Security Deposit to BTCL & Duncan Products | 20,000 | 14,000 |
| | | 45,843,081 | 81,611,544 |
| | SIBL Investment Limited | | |
| | Advance Income Tax | 703,000 | 212,409 |
| | Accounts receivable | 45,140,081 | 81,399,135 |
| | Less: InterCompany balance eliminated | | |
| | Investments in Subsidiaries | 1,479,998,400 | 1,479,998,400 |
| | 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 |
| | | 73,952,870 | 73,883,690 |
| | Less: Inter Company transactions eliminated: | | |
| | Receivable from SIBL Securities Limited | 72,049,180 | 72,000,000 |
| | Receivable from SIBL Investment Limited | 1,903,690 | 1,883,690 |
| | | 18,231,614,894 | 18,143,066,838 |

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

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 26 April 2021 were Taka-629,250,355.00 Details of which are as follows:

| | Number of Unrespondent entries | | Amount (in Tk) of Unrespondent entries | |
|-----------------------------------|--------------------------------|------------|--|--------------------|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Upto 3 months | 14 | 19 | 762,976 | 488,869,484 |
| Over 3 months but within 6 months | 4 | - | 6,099,371 | - |
| Over 6 months but within 9 months | 1 | - | 26,064,389 | - |
| Over 9 months | 17 | - | 596,323,619 | - |
| | 36 | 19 | 629,250,355 | 488,869,484 |

9.2 Suspense Account represents advance against TA/DA, Entertainment Expenses, Advertisement Expenses, Branch Decoration Expenses, Legal Charges and suspense -others. Necessary provision on others assets has been made in the accounts according to the BRPD Circular no: 14 dated June 25, 2001 para Kha (1) & (2).

9.3 **Others**

| | | |
|-----------------------------|-------------------|-------------------|
| D.D. Paid without advice | 650 | 650 |
| Wes fund purchased | - | 1,089 |
| Adjusting A/c debit balance | 32,696,146 | 5,500,000 |
| Advance VAT paid | 3,815,178 | 3,815,178 |
| BEFTN adjustment A/c | 53,444 | (88,956) |
| Cards Accrued Income | 860,073 | - |
| Incentive disbursement Fund | - | 1,741,465 |
| | 37,425,491 | 10,969,426 |

10 **Placement from Banks & Other Financial Institutions**

Bangladesh Govt. Islamic Bond.

The Bank has no outstanding balance of borrowing as on 31.12.2020 & 31.12.2019

Maturity Grouping of Borrowings

| | | |
|---|----------|----------|
| Up to 1 month | - | - |
| More than 1 month but less than 3 months | - | - |
| More than 3 months but less than 6 months | - | - |
| 6 months and above | - | - |
| | - | - |

11 **Deposits and Other Accounts**

| | | |
|--|------------------------|------------------------|
| Mudaraba Savings Deposits (MSD) | 33,622,114,210 | 25,739,179,658 |
| Mudaraba Term Deposits (MTDR) | 175,364,565,456 | 165,687,514,476 |
| Other Mudaraba Deposit | 72,789,409,014 | 64,112,318,321 |
| Mudaraba Short Notice Deposits (MSND) | 17,394,576,463 | 17,218,665,421 |
| Mudaraba Scheme Deposits (Note-11.1) | 55,394,832,551 | 46,893,652,900 |
| Al- Wadeeah Current Deposit and other accounts (AWCD) (Note- 11.2) | 35,321,029,179 | 26,072,068,558 |
| Bills payable (Note-11.3) | 4,909,336,453 | 5,982,863,785 |
| Cash Waqf Fund | 377,056,255 | 342,710,311 |
| | 322,383,510,566 | 287,936,655,109 |

| | | 31.12.2020 | 31.12.2019 |
|-------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 11.1 | Mudaraba Scheme Deposits | | |
| | Mud. Hajj/ Umrah Savings Scheme | 145,686,733 | 126,594,292 |
| | Mud. Pension Savings Scheme | 2,195,822,146 | 2,617,368,700 |
| | Mud. Education Savings Scheme | 32,294,535 | 34,374,390 |
| | Mud. Monthly Sav. Deposit Sche | 50,958,911 | 49,064,610 |
| | Mud. Monthly Profit Deposit | 2,567,883,861 | 3,408,450,904 |
| | Mud. Bashstan Savings Scheme | 538,620,684 | 584,971,007 |
| | Mud. Millionaire Scheme | 962,954,420 | 1,016,936,541 |
| | M.Lakhopoti Deposit Scheme | 29,677,722 | 38,201,939 |
| | M. Double Benefit Deposit Scheme | 1,085,639,666 | 1,518,882,641 |
| | M.Marriage Savings Scheme | 76,698,825 | 99,456,576 |
| | M.Mohorana Savings Scheme | 20,315,894 | 20,546,614 |
| | Subarnalata Special Scheme(Women) | 22,072,023 | 23,087,165 |
| | Subarna Rekha Special Deposit(Women) | 1,888,587,448 | 1,767,726,041 |
| | Shabug Chya Special Deposit | 25,755,489 | 32,260,353 |
| | Shabuj Shayanna Special Deposit | 728,336,850 | 647,011,293 |
| | Sanchita Special Deposit scheme | 218,281,516 | 223,441,473 |
| | Sonali Din Pension Deposit Scheme | 14,842,980,995 | 14,179,920,337 |
| | Sukher Thikana Savings Scheme | 17,105,321 | 14,118,626 |
| | Sacchandey Protidin Monthly Profit Deposit | 1,292,496,846 | 2,002,551,186 |
| | Samriddir Sopan Scheme Deposit | 195,323,252 | 755,470,981 |
| | Sopner Siri Deposit Scheme | 83,603,865 | 101,568,075 |
| | Sharna Shikhar (Mudaraba Billinior Deposit S | 1,135,861,519 | 1,109,118,024 |
| | Proshanti (Mudaraba Zakat Savings Deposit S | 14,554,373 | 17,811,220 |
| | SIBL ASTHA (MUDARABA MONTHLY P | 23,306,153,512 | 14,373,382,413 |
| | SIBL SUPER DPS (MUDARABA PENSION | 1,964,539,094 | 390,957,789 |
| | SIBL DIGUN PROTTASHA(DOUBLE BE | 1,952,627,052 | 1,740,379,712 |
| | | 55,394,832,551 | 46,893,652,900 |

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

| | | | |
|-------------|---|-----------------------|-----------------------|
| 11.2 | Al-Wadeeah Current Deposit & other A/c | | |
| | Al Wadeeah current deposit * | 12,355,529,074 | 9,853,744,246 |
| | Sundry deposit | 6,153,653,694 | 6,218,150,977 |
| | Social fund deposit | 17,075 | 17,075 |
| | Supervision charge | 861,490 | 861,490 |
| | Risk fund deposit | 4,064,434 | 3,079,314 |
| | FC deposit | 8,681,982,247 | 4,096,848,487 |
| | Convertible Taka A/c** | 137,449,361 | 80,270,645 |
| | F. C. held against B.B. L/C | 2,956,663,236 | 2,427,891,287 |
| | Bangladesh Bank Fund for COVID | 2,943,987,857 | - |
| | Profit payable A/c | 2,069,967,856 | 3,385,663,078 |
| | Compensation Realized | 16,852,856 | 5,541,961 |
| | | 35,321,029,179 | 26,072,068,558 |

* It is mention here that Un-claimed dividend amount of taka 62,102,641.91 has been included in Al Wadeeah current deposit account.

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

| | | 31.12.2020 | 31.12.2019 |
|---|---|------------------------|------------------------|
| | | Taka | Taka |
| 11.2(a) | Consolidated balance of Al-Wadeeah Current Deposit & Other A/c | | |
| | Social Islami Bank Limited | 35,321,029,179 | 26,072,068,558 |
| | Less: InterCompany balance eliminated | 501,060,008 | 463,760,839 |
| | SIBL Securities Limited | 396,156,756 | 362,309,451 |
| | SIBL Investment Limited | 104,903,252 | 101,451,389 |
| | Consolidated balance of Current deposit and other accounts | 34,819,969,171 | 25,608,307,719 |
| <p>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.</p> | | | |
| 11.3 | Bills Payable | | |
| | Payment Order (PO) | 4,888,620,857 | 4,737,716,525 |
| | Demand Draft (DD) | 1,820,911 | 1,940,911 |
| | B/P awaiting remittance | 18,894,685 | 1,243,206,349 |
| | | 4,909,336,453 | 5,982,863,785 |
| 11.4 | Maturity wise classification of Deposits | | |
| | Payable on demand | 24,223,376,144 | 17,955,008,461 |
| | Up to 1 month | 40,880,859,777 | 36,044,108,770 |
| | More than 1 month but up to 6 months | 113,938,374,563 | 100,548,415,301 |
| | More than 6 months but up to 1 year | 86,011,770,908 | 80,655,986,645 |
| | More than 1 year but up to 5 years | 45,277,361,980 | 41,448,001,171 |
| | More than 5 years but up to 10 years | 12,051,767,194 | 11,285,134,762 |
| | | 322,383,510,566 | 287,936,655,109 |
| 11.5 | Segregation of deposits & other accounts | | |
| | i) Client Deposit | | |
| | Al-Wadeeah Current deposit & other accounts | 35,320,581,444 | 26,056,267,878 |
| | Bills Payable | 4,909,336,453 | 5,982,863,785 |
| | Mudaraba Savings Deposits | 29,859,722,499 | 23,456,665,950 |
| | Mudaraba Short Notice Deposits | 16,588,144,822 | 12,878,901,258 |
| | Mudaraba Term Deposit | 157,054,565,456 | 152,217,514,476 |
| | Mudaraba Scheme Deposits | 55,394,832,551 | 46,893,652,900 |
| | Cash Waqf Fund | 377,056,255 | 342,710,311 |
| | | 299,504,239,480 | 267,828,576,558 |
| | ii) Bank Deposit | | |
| | Mudaraba Term Deposit Receipt (MTDR) | 18,310,000,000 | 13,470,000,000 |
| | Mudaraba Short Notice Deposit (MSND) | 806,431,641 | 4,339,764,163 |
| | Al-Wadeeah Current deposit (AWCD) | 447,735 | 15,800,680 |
| | Mudaraba Savings Deposit (MSD) | 3,762,391,711 | 2,282,513,708 |
| | | 22,879,271,087 | 20,108,078,551 |
| | Grand Total of deposits and other accounts | 322,383,510,566 | 287,936,655,109 |

| | | 31.12.2020 | 31.12.2019 |
|----|--|----------------------|----------------------|
| | | Taka | Taka |
| 12 | SIBL Mudaraba Subordinated Bond | 8,000,000,000 | 9,400,000,000 |

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. The list of investor with present outstanding balance is as follows:

Investors of SIBL Mudaraba Subordinated Bond

| | | |
|--|--------------------|----------------------|
| Al-Arafah Islami Bank Limited | 100,000,000 | 200,000,000 |
| Bank Asia Limited | 40,000,000 | 80,000,000 |
| Bank Asia Limited Employees' Gratuity Fund | 14,000,000 | 28,000,000 |
| Islami Bank Bangladesh Limited | 100,000,000 | 200,000,000 |
| Padma Islami Life Insurance Limited | 10,000,000 | 20,000,000 |
| Prime Islami Life Insurance Limited | 10,000,000 | 20,000,000 |
| Pubali Bank Limited | 40,000,000 | 80,000,000 |
| Reliance Insurance Limited | 10,000,000 | 20,000,000 |
| Rupali Bank Limited | 100,000,000 | 200,000,000 |
| Shahjalal Islami Bank Limited | 20,000,000 | 40,000,000 |
| Sonali Bank Limited | 100,000,000 | 200,000,000 |
| Square Pharmaceuticals Workers Profit Participation Fund | 10,000,000 | 20,000,000 |
| United Finance Limited | 26,000,000 | 52,000,000 |
| Uttara Bank Limited | 20,000,000 | 40,000,000 |
| | 600,000,000 | 1,200,000,000 |

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 | 60,000,000 | 80,000,000 |
| Central Depository Bangladesh Ltd | 120,000,000 | 160,000,000 |
| Dhaka Stock Exchange Limited | 240,000,000 | 320,000,000 |
| Eastern Bank Limited | 150,000,000 | 200,000,000 |
| Mercantile Bank Limited | 150,000,000 | 200,000,000 |
| Midland Bank Limited | 120,000,000 | 160,000,000 |
| National Life Insurance Co. Ltd | 60,000,000 | 80,000,000 |
| Pubali Bank Limited | 300,000,000 | 400,000,000 |
| Rupali Bank Limited | 300,000,000 | 400,000,000 |
| Shahjalal Islami Bank Limited | 300,000,000 | 400,000,000 |
| Trust Bank Limited | 300,000,000 | 400,000,000 |
| Uttara Bank Limited | 300,000,000 | 400,000,000 |
| | 2,400,000,000 | 3,200,000,000 |

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

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 list of investor with present outstanding balance is as follows:

Investors of SIBL 3rd Mudaraba Subordinated Bond

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

13 SIBL Mudaraba Perpetual Bond of Tk.500 Crore

Social Islami Bank Limited issued 'SIBL Mudaraba Perpetual 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-07/2014/272 & BRPD(BFIS)661/14B(P)/2020-8946, Dated: 25 November 2020 & 22 October 2020 respectively. The subscription of the bond is going on and the total fund will be collected within one year from the approval date of BSEC. Meanwhile, an amount of Tk. 1,50,00,00,000 of the bond is subscribed by Islami Bank Bangladesh Limited on 29/12/2020. The present list of subscriber with outstanding balance is as follows:

| | | |
|--------------------------------|----------------------|----------|
| Islami Bank Bangladesh Limited | 1,500,000,000 | - |
| | 1,500,000,000 | - |

14 Other Liabilities

| | | |
|--|-----------------------|-----------------------|
| Adjusting A/C (Cr.) Balance | 17,485,085 | 10,231,405 |
| Other Payable | 13,929,175 | 12,263,717 |
| BEFTN Adjustment Account | 43,539,542 | 35,998,977 |
| Parking Account | 3,890 | - |
| ATM Settlement for Q-Cash | 31,962,950 | 23,642,698 |
| Provision for Investments (note: 14.1) | 13,253,743,075 | 11,997,403,200 |
| Provision for other Assets (note: 14.2) | 449,527,557 | 456,527,557 |
| Compensation and Rent Suspense (note: 14.3) | 3,579,826,001 | 2,870,657,332 |
| Provision for Taxation (note: 14.4) | 16,370,918,424 | 14,826,251,926 |
| Zakat Fund (note: 14.5) | 103,558,963 | 93,451,718 |
| Lease liabilities as per IFRS-16 * | 724,602,327 | - |
| Mudaraba Profit Distribution (note: 14.6) | 5,000,000 | 15,000,000 |
| Provision for good borrower (note: 14.7) | 10,000,000 | 10,000,000 |
| Provision for Climate Risk Fund (note: 14.8) | 20,000,000 | 3,000,000 |
| Provision for Start-Up Fund (note: 14.9) | 15,509,355 | - |
| | 34,639,606,343 | 30,354,428,531 |

* The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00%.

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 14(a) | Consolidated Other Liabilities | | |
| | Social Islami Bank Limited | 34,639,606,343 | 30,354,428,531 |
| | Add: Other Liabilities of subsidiaries | | |
| | SIBL Securities Limited | 1,550,538,240 | 1,347,839,260 |
| | Payable to SIBL-Term loan | 900,000,000 | 800,000,000 |
| | Payable to regulators | 9,692,149 | 6,655,006 |
| | Payable to clients | 359,987,025 | 305,701,236 |
| | Other provisions | 167,231,086 | 146,322,314 |
| | Lease Liability | 5,070,782 | - |
| | Lease Liability_Current Portion | 3,720,086 | - |
| | Provision for Income Tax | 104,837,111 | 89,160,703 |
| | SIBL Investment Limited | 1,910,913 | 3,361,661 |
| | Accrued Expenses | 69,000 | 46,000 |
| | Other provisions | - | 2,660,502 |
| | Provision for Income Tax | 1,841,913 | 655,159 |
| | | 36,192,055,497 | 31,705,629,453 |
| | Less: InterCompany balance eliminated | | |
| | SIBL Securities Limited | | |
| | Payable to SIBL-Term loan | 900,000,000 | 800,000,000 |
| | Grand total | 35,292,055,497 | 30,905,629,453 |
| 14.1 | Provision for Investment | | |
| | (a) Specific Provision on Investment | | |
| | Provision held at the beginning of the year | 7,595,557,186 | 6,398,009,498 |
| | Fully provided Investment written off /Waiver | (23,325,653) | (31,734,980) |
| | Transferred from doubtful income/compensation realized/recovery | 9,647,534 | 155,621,173 |
| | Provision made during this year | 230,209,106 | 1,073,661,495 |
| | Provision held at the end of the year | 7,812,088,173 | 7,595,557,186 |
| | (b) General Provision on Investment | | |
| | Provision held at the beginning of the year | 3,911,552,438 | 1,826,099,534 |
| | Fully provided Investment written off /Waiver | (2,036,000) | - |
| | Addition during the year | 329,524,380 | 2,085,452,904 |
| | Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020) | 732,164,047 | - |
| | Balance at the end of the year | 4,971,204,865 | 3,911,552,438 |
| | Total Provision on Investments | 12,783,293,038 | 11,507,109,623 |
| | (c) General Provision on Off-Balance Sheet items | | |
| | Provision held at the beginning of the year | 490,293,577 | 464,963,838 |
| | Addition during the year | (19,843,540) | 25,329,739 |
| | Balance at the end of the year | 470,450,037 | 490,293,577 |
| | Total Provision for Investments & Off-Balance Sheet items (a+b+c) | 13,253,743,075 | 11,997,403,200 |

| | | 31.12.2020 | 31.12.2019 |
|---------------|---|----------------------|----------------------|
| | | Taka | Taka |
| 14.2 | Provision for other Assets | | |
| | Provision held at the beginning of the year | 456,527,557 | 450,890,557 |
| | Provision written back during the year | (7,000,000) | - |
| | Addition during the year | - | 5,637,000 |
| | Balance at the end of the year | 449,527,557 | 456,527,557 |
| 14.2.1 | Provision for protested bills | | |
| | Provision held at the beginning of the year | 325,014,570 | 319,377,570 |
| | Provision during the year | - | 5,637,000 |
| | | 325,014,570 | 325,014,570 |
| 14.2.2 | Provision for suspense account | | |
| | Provision held at the beginning of the year | 131,512,987 | 131,512,987 |
| | Provision written back during the year | (7,000,000) | - |
| | Addition during the year | - | - |
| | | 124,512,987 | 131,512,987 |
| 14.3 | Compensation & Rent Suspense A/C | | |
| | Compensation Receivable A/C | | |
| | Murabaha (General) | 129,036,636 | 124,210,725 |
| | Murabaha (Post Import) | 46,789,090 | 726,953 |
| | Musharaka (Preshipment) | 33,069,243 | 33,656,265 |
| | Bai-Muazzal | 335,219,814 | 279,495,170 |
| | Bai-Muazzal Trust Receipt | 305,457,904 | 290,986,238 |
| | Baim Wes bills | 136,034 | 115,209 |
| | Bai-Muazzal (ME) | 602,999,781 | 534,086,612 |
| | | 1,452,708,502 | 1,263,277,170 |
| | Compensation Suspense A/C | | |
| | Murabaha (General) | 10,014,098 | 8,016,152 |
| | Murabaha (Post Import) | 16,516,669 | 16,582,644 |
| | Bai-Muazzal | 378,444,789 | 281,444,010 |
| | Bai-Muazzal- House hold | 7,856 | 7,856 |
| | Bai-Muazzal Trust Receipt | 55,749,048 | 48,681,849 |
| | Musharaka (Preshipment) | 2,988,289 | 455,592 |
| | Others | 195,413,601 | 67,335,270 |
| | | 659,134,351 | 422,523,374 |
| | Rent Suspense A/C | 1,467,983,149 | 1,184,856,788 |
| | Total Compensation & Rent Suspense | 3,579,826,001 | 2,870,657,332 |

| | | 31.12.2020 | 31.12.2019 |
|---------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 14.3.1 | Movement of Compensation and Rent Suspense A/C | | |
| | Balance at the beginning of the year | 2,870,657,332 | 1,874,740,496 |
| | Add: Amount transferred to suspense account during the year | 726,021,525 | 1,131,458,797 |
| | Less: Amount recovered from suspense account during the year | (16,852,856) | (135,541,961) |
| | Less: Amount written off/waived during the year | - | - |
| | Balance at the end of the year | 3,579,826,001 | 2,870,657,332 |
| 14.4 | Provision for Taxation | | |
| | Provision for Current tax | | |
| | Balance at the beginning of the year | 14,826,251,926 | 13,177,088,886 |
| | Add: Provision made during the year (Zakat Fund) (Note:14.5) | 62,135,378 | 56,071,031 |
| | Add: Provision made during the year (Note:14.4.1) | 1,482,531,120 | 1,593,092,009 |
| | | 16,370,918,424 | 14,826,251,926 |
| | Advance tax | | |
| | Balance at the beginning of the year | 10,685,152,854 | 9,371,407,022 |
| | Paid during the year | 1,296,182,842 | 1,313,745,832 |
| | | 11,981,335,696 | 10,685,152,854 |
| | Balance at the end of the year | 4,389,582,728 | 4,141,099,073 |
| 14.4.1 | Provision made during the year | | |
| | Operating Profit before provision & tax | 4,343,211,109 | 6,342,110,494 |
| | Accounting Depreciation | 309,488,978 | 311,216,849 |
| | Fair value adjustment of shares & securities | - | 122,515,819 |
| | Excess perquisites | 90,000,000 | 95,000,000 |
| | Add: Inadmissible expense | 399,488,978 | 528,732,667 |
| | Less: Items to be deducted | | |
| | Dividend Income receipt | 566,096,045 | 753,500,134 |
| | Capital Gain from Shares & Securities | 196,283,426 | 7,073,878 |
| | Written off Waiver Bad Investment as per BRPD Circular | 25,361,653 | 31,734,980 |
| | Depreciation under 3rd Schedule as per ITO 1984 and amendment | 355,802,780 | 355,741,917 |
| | General Provisions for Investments | - | 1,878,300,000 |
| | Less: Inadmissible expense and for separate consideration | 1,143,543,904 | 3,026,350,909 |
| | Total Taxable Income | 3,599,156,182 | 3,844,492,253 |
| | Total Tax liability for current year | | |
| | Business Tax @ 37.50% for year 2020 and @37.50% for year 2019 | 1,349,683,568 | 1,441,684,595 |
| | Dividend Tax @ 20% | 113,219,209 | 150,700,027 |
| | Tax on gain on shares & securities @ 10% | 19,628,343 | 707,388 |
| | Provision required | 1,482,531,120 | 1,593,092,009 |
| | Provision made | 1,482,531,120 | 1,593,092,009 |

| | | 31.12.2020 | 31.12.2019 |
|---------------|--|-----------------------|----------------------|
| | | Taka | Taka |
| 14.4.2 | Reconciliation of effective tax rate of the Bank | | |
| | Particulars | Effective Rate | |
| | Profit before income tax as per profit and loss account | | 4,343,211,109 |
| | Income tax as per applicable tax rate | 37.50 | 1,628,704,166 |
| | Factors affecting the tax charge for current year: | | |
| | Inadmissible | 3.45 | 149,808,367 |
| | Abmissible Expenses in the current year (i.e.write-off etc.) | (3.29) | (142,936,663) |
| | Tax savings from reduced tax rates for dividend | (2.28) | (99,066,808) |
| | Tax loss/(savings) from reduced tax rates for capital gain | (1.24) | (53,977,942) |
| | Total income Tax Expenses | 34.13 | 1,482,531,120 |
| | | | 1,593,092,009 |
| 14.5 | Zakat fund | | |
| | Opening Balance | | 149,522,749 |
| | Addition this year | | 165,694,341 |
| | To sadaka fund | | 103,558,963 |
| | To provision for tax | | 62,135,378 |
| | Less: Paid during the year | | - |
| | Less: Transferred to Provision for Taxation | | (56,071,031) |
| | Less: Transferred to Sadaka fund (Balance of Zakat Fund) | | (93,451,718) |
| | Closing Balance at the end of the year | | 165,694,341 |
| | | | 149,522,749 |
| 14.6 | Mudaraba Profit Distribution | | |
| | Opening Balance | | - |
| | Addition the year | | 5,000,000 |
| | Less: Paid during the year | | - |
| | Closing Balance at the end of the year | | 5,000,000 |
| | | | 15,000,000 |
| 14.7 | Provision for good borrower | | |
| | Opening balance | | 10,000,000 |
| | Addition during the year | | - |
| | Paid during the year | | - |
| | | | 10,000,000 |
| | | | 10,000,000 |
| 14.8 | Provision for Climate Risk Fund | | |
| | Opening balance | | 3,000,000 |
| | Addition during the year | | 17,000,000 |
| | Paid during the year | | - |
| | | | 20,000,000 |
| | | | 3,000,000 |

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.

| | | 31.12.2020 | 31.12.2019 |
|---------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 14.9 | Provision for Start-Up Fund | | |
| | Start-Up Fund | 15,509,355 | - |
| | Provision for Start-Up Fund has been maintained in accordance with Bangladesh bank SMESPD circular no: 04, dated: 29 March 2021. | | |
| 15 | Deferred Tax Liability/(Asset) | | |
| | Balance at the beginning of the year | 93,817,514 | 74,330,843 |
| | Add: Provision made during the year | 7,181,158 | 19,486,671 |
| | Add: Transferred from revaluation reserve | 337,208,183 | - |
| | Closing balance at the end of the year | 438,206,855 | 93,817,514 |
| | Deferred tax detailed calculation disclosed in annexure-G | | |
| 15 (a) | Consolidated Deferred Tax Liability/(Asset) | | |
| | Social Islami Bank Limited | 438,206,855 | 93,817,514 |
| | SIBL Securities Limited | | |
| | Balance at the beginning of the year | 887,413 | 1,106,176 |
| | Add: Provision made during the year | (74,670) | (218,763) |
| | Closing balance at the end of the year | 812,743 | 887,413 |
| | Grand total | 439,019,598 | 94,704,927 |
| 16 | Capital | | |
| 16.1 | Authorized Capital | | |
| | 3,000,000,000 ordinary shares of Tk. 10 each | 30,000,000,000 | 10,000,000,000 |
| 16.2 | Issued, Subscribed and Paid up Capital | | |
| | The Paid-up Capital of the Bank is currently Tk. 9,380,084,230 divided into 938,008,423 Ordinary Shares of Tk 10 each | 9,380,084,230 | 8,933,413,560 |
| | 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 | 738,298,640 |
| | 81,212,850 no.ordinary shares of Tk 10 each issued as bonus shares | 812,128,500 | 812,128,500 |
| | 44,667,067 no.ordinary shares of Tk 10 each issued as bonus shares | 446,670,670 | - |
| | | 9,380,084,230 | 8,933,413,560 |
| | Sponsor and Directors | 2,819,069,460 | 2,683,909,620 |
| | General Shareholders | 6,561,014,770 | 6,249,503,940 |
| | | 9,380,084,230 | 8,933,413,560 |

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

16.3 Classification of Shareholders by holding

| Year 2020 | No. of Shareholders | No. of shares | Percentage of holding of shares |
|-------------------------|---------------------|--------------------|---------------------------------|
| Less than 500 shares | 12,383 | 1,993,664 | 0.21% |
| 501 to 5,000 shares | 12,683 | 22,780,015 | 2.43% |
| 5,001 to 10,000 shares | 1,706 | 11,909,672 | 1.27% |
| 10,001 to 20,000 shares | 794 | 11,184,125 | 1.19% |
| 20,001 to 50,000 shares | 417 | 12,756,769 | 1.36% |
| 50,001 to 99,999 shares | 364 | 877,384,178 | 93.54% |
| Total | 28,347 | 938,008,423 | 100.00% |

| Year 2019 | No. of Shareholders | No. of shares | Percentage of holding of shares |
|-------------------------|---------------------|--------------------|---------------------------------|
| Less than 500 shares | 13,072 | 2,095,017 | 0.23% |
| 501 to 5,000 shares | 13,336 | 23,417,108 | 2.62% |
| 5,001 to 10,000 shares | 1,697 | 11,698,548 | 1.31% |
| 10,001 to 20,000 shares | 787 | 10,933,635 | 1.22% |
| 20,001 to 50,000 shares | 409 | 12,580,029 | 1.41% |
| 50,001 to 99,999 shares | 346 | 832,617,019 | 93.20% |
| Total | 29,647 | 893,341,356 | 100.00% |

16.4 Particulars of shareholding and Percentage Analysis

| Particulars of shareholding: | Year 2020 | | | Year 2019 |
|---------------------------------|-------------------------|--------------------|----------------------|----------------------|
| | Number of Share holders | Number of Shares | Taka | Taka |
| Sponsors & Placement | 21 | 89,292,991 | 892,929,910 | 1,028,340,630 |
| Sponsors Foreign | 12 | 12,809,800 | 128,098,000 | 123,069,200 |
| Sponsors & Placement Company | 11 | 192,613,955 | 1,926,139,550 | 1,834,418,660 |
| General Public | 27,686 | 179,937,174 | 1,799,371,740 | 1,555,865,990 |
| Institutions (Bank & Insurance) | 44 | 25,890,523 | 258,905,230 | 245,358,590 |
| Institution (Others) | 535 | 417,197,182 | 4,171,971,820 | 3,972,237,900 |
| ICB Account Holders | 25 | 63,754 | 637,540 | 608,950 |
| ICB | 1 | 10,754,004 | 107,540,040 | 101,482,040 |
| ICB Unit Fund | 1 | 7,408,826 | 74,088,260 | 53,217,370 |
| ICB Mutual Fund | - | - | - | - |
| Employee | 2 | 1,797,866 | 17,978,660 | 15,981,950 |
| Non-Resident Bangladeshi | 9 | 242,348 | 2,423,480 | 2,832,280 |
| | 28,347 | 938,008,423 | 9,380,084,230 | 8,933,413,560 |

| Percentage of shareholding Analysis: | Percentage | Percentage |
|--------------------------------------|-------------|-------------|
| Sponsors & Placement | 9.52% | 11.51% |
| Sponsors Foreign | 1.37% | 1.38% |
| Sponsors & Placement Company | 20.53% | 20.53% |
| General Public | 19.18% | 17.42% |
| Institutions (Bank & Insurance) | 2.76% | 2.75% |
| Institution (Others) | 44.48% | 44.46% |
| ICB Account Holders | 0.01% | 0.01% |
| ICB | 1.15% | 1.14% |
| ICB Unit Fund | 0.79% | 0.60% |
| Employee | 0.19% | 0.18% |
| Non-Resident Bangladeshi | 0.03% | 0.03% |
| | 100% | 100% |

| | | 31.12.2020 | 31.12.2019 |
|-------------|--|------------------------|------------------------|
| | | Taka | Taka |
| 16.5 | 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 | 9,380,084,230 | 8,933,413,560 |
| | ii) Statutory Reserve (Note: 17) | 7,030,390,821 | 6,422,261,269 |
| | iii) Retained Earnings (Note: 19) | 1,056,769,989 | 984,276,383 |
| | | 17,467,245,040 | 16,339,951,211 |
| | Additional Tier I (AT-1) Capital | | |
| | i) SIBLMudaraba Perpetual Bonds | 1,500,000,000 | - |
| | | 18,967,245,040 | 16,339,951,211 |
| | b) Gone Concern Capital (Tier-II) | | |
| | i) General Provision {Note 14.2(b+c)} | 5,441,654,902 | 4,401,846,015 |
| | ii) SIBLMudaraba Subordinated Bonds | 5,960,000,000 | 7,160,000,000 |
| | | 11,401,654,902 | 11,561,846,015 |
| | c) Total eligible capital (a +b) | 30,368,899,942 | 27,901,797,226 |
| | d) Total Risk Weighted Assets | 225,020,617,500 | 202,485,885,000 |
| | e) Minimum Required Capital (10% of Risk Weighted Assets) | 22,502,061,750 | 20,248,588,500 |
| | f) Minimum Required Capital including conservation buffer (12.5% of Risk weighted assets) | 28,127,577,188 | 25,310,735,625 |
| | g) Total Capital Surplus (c-e) | 7,866,838,192 | 7,653,208,726 |
| | h) Total Capital Surplus considering conservation buffer(c-f) | 2,241,322,754 | 2,591,061,601 |
| | 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 | 9,380,084,230 | 8,933,413,560 |
| | ii) Statutory Reserve (Note: 17) | 7,030,390,821 | 6,422,261,269 |
| | iii) General Reserve | 11,314,058 | 9,843,356 |
| | iv) Retained Earnings {Note: 19(a)} | 1,103,498,067 | 1,015,230,517 |
| | | 17,525,287,175 | 16,380,748,701 |
| | Additional Tier I (AT-1) Capital | | |
| | i) SIBLMudaraba Perpetual Bonds | 1,500,000,000 | - |
| | | 19,025,287,175 | 16,380,748,701 |
| | b) Gone Concern Capital (Tier-II) | | |
| | i) General Provision {Note 14.1(b+c)} | 5,441,654,902 | 4,401,846,015 |
| | ii) SIBLMudaraba Subordinated Bonds | 5,960,000,000 | 7,160,000,000 |
| | | 11,401,654,902 | 11,561,846,015 |

| | 31.12.2020 | 31.12.2019 |
|---|-----------------|-----------------|
| | Taka | Taka |
| c) Total eligible capital (a +b) | 30,426,942,077 | 27,942,594,716 |
| d) Total Risk Weighted Assets | 224,298,667,500 | 201,385,860,000 |
| e) Minimum Required Capital (10% of Risk Weighted Assets) | 22,429,866,750 | 20,138,586,000 |
| f) Minimum Required Capital including conservation buffer (12.5% of Risk Weighted Assets) | 28,037,333,438 | 25,173,232,500 |
| g) Total Capital Surplus (c-e) | 7,997,075,327 | 7,804,008,716 |
| h) Total Capital Surplus considering conservation buffer(c-f) | 2,389,608,639 | 2,769,362,216 |

Capital to Risk Weighted Asset Ratio (Solo basis)

| Particulars | 31.12.2020 | | 31.12.2019 | |
|--|---------------|--------------------|---------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |
| Going Concern Capital: (Tier-I) | 6.00% | 8.43% | 6.00% | 8.07% |
| Common Equity Tier I Capital: (CET-1) | 4.50% | 7.76% | 4.50% | 8.07% |
| CET-1 Plus Conservation Buffer | 7.00% | 7.76% | 7.00% | 8.07% |
| Going Concern Capital: (Tier-II) | 0.00% | 5.07% | 0.00% | 5.71% |
| Minimum CRAR | 10.00% | 13.50% | 10.00% | 13.78% |
| Minimum CRAR Plus Conservation Buffer | 12.50% | 13.50% | 12.50% | 13.78% |

Capital Adequacy Ratio (Consolidated basis)

| Particulars | 31.12.2020 | | 31.12.2019 | |
|--|---------------|--------------------|---------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |
| Going Concern Capital: (Tier-I) | 6.00% | 8.48% | 6.00% | 8.13% |
| Common Equity Tier I Capital: (CET-1) | 4.50% | 7.81% | 4.50% | 8.13% |
| CET-1 Plus Conservation Buffer | 7.00% | 7.81% | 7.00% | 8.13% |
| Going Concern Capital: (Tier-II) | 0.00% | 5.08% | 0.00% | 5.74% |
| Minimum CRAR | 10.00% | 13.57% | 10.00% | 13.88% |
| Minimum CRAR Plus Conservation Buffer | 12.50% | 13.57% | 12.50% | 13.88% |

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.

| | | 31.12.2020 | 31.12.2019 |
|--------------|----------------------------------|----------------------|----------------------|
| | | Taka | Taka |
| 17 | Statutory Reserve | | |
| | Opening balance | 6,422,261,269 | 5,795,455,397 |
| | Add: Addition during the year | 608,129,552 | 626,805,871 |
| | | 7,030,390,821 | 6,422,261,269 |
| 17(a) | General Reserve | | |
| | Opening balance | 9,843,356 | 10,764,250 |
| | Add: Addition during the year | 1,470,702 | - |
| | Less: Adjustment during the year | - | (920,894) |
| | | 11,314,058 | 9,843,356 |

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.

| | | | |
|-----------|--|--------------------|--------------------|
| 18 | Revaluation Reserve on fixed assets | | |
| | Carrying (Revalued) amount of fixed assets (Land and Building) | 1,401,041,790 | 1,436,649,786 |
| | Cost of fixed assets (land and building) less depreciation | 469,662,529 | 481,651,015 |
| | Balance of revaluation reserve | 931,379,261 | 954,998,771 |
| | Less: Adjustment made based on difference amount of depreciation | 23,029,023 | 23,619,510 |
| | Less: Transferred to deferred tax | 337,208,183 | - |
| | Remaining balance of revaluation reserve | 571,142,055 | 931,379,261 |

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.

| (amounts in Taka) | | | | | | |
|--------------------------|-------------------|------------------------|--------------------------------------|---------------------------------|----------------------|--|
| Location | Class of property | Cost less depreciation | Revaluation Surplus as on 01.01.2020 | Depreciation on revalued amount | Depreciation on cost | Amount of adjustment for the year 2020 |
| City Center, Head Office | Building | 320,279,249 | 764,887,668 | 27,129,173 | 8,006,981 | 19,122,192 |
| Chandaikona Branch | Land | 2,111,623 | 10,218,377 | | - | - |
| | Building | 943,382 | 1,053,680 | 49,927 | 23,585 | 26,342 |
| Savar Branch | Building | 25,714,849 | 23,316,586 | 1,225,786 | 642,871 | 582,915 |
| Panthapath Branch | Building | 21,395,453 | 43,205,831 | 1,615,032 | 534,886 | 1,080,146 |
| Rampura Branch | Building | 31,846,510 | 30,302,716 | 1,553,731 | 796,163 | 757,568 |
| Khulna Branch | Building | 15,004,092 | 11,822,056 | 670,654 | 375,102 | 295,552 |
| Nawabpur Road Branch | Building | 52,367,370 | 46,572,348 | 2,473,493 | 1,309,184 | 1,164,309 |
| | | 469,662,529 | 931,379,262 | 34,717,796 | 11,688,773 | 23,029,023 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 19 | Retained Earnings | | |
| | Opening balance | 984,276,383 | 878,140,568 |
| | Less: Issue of cash dividend 5% | (446,670,678) | - |
| | Less: Issue of Stock dividend 5% | (446,670,670) | (812,128,500) |
| | Add: Transferred from Profit & Loss Account | 942,805,931 | 894,644,805 |
| | Add: Transferred from Revaluation Reserve for Fixed Assets | 23,029,023 | 23,619,510 |
| | | 1,056,769,989 | 984,276,383 |
| 19(a) | Consolidated retained earnings | | |
| | Opening Balance | 1,015,230,517 | 904,866,027 |
| | Less: Issue of cash dividend for SIBL shareholders 5% | (446,670,678) | - |
| | Less: Issue of Stock dividend 5% | (446,670,670) | (812,128,500) |
| | Add: Transferred from current year retained earnings of SIBL & its subsidiaries (note 19.1(a)) | 959,141,552 | 898,873,480 |
| | Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL | 23,029,023 | 23,619,510 |
| | Add: Adjustment for implementation of IFRS 16 | (561,678) | - |
| | | 1,103,498,067 | 1,015,230,517 |

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:

| SI 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% | 99.99968% |
| 2 | Alhaj Nasiruddin | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| 3 | Mr. Md. Sayedur Rahman | 1 | - | 100 | - | 0.000008% | - |
| 4 | Major (Retd.) Dr. Md. Rezaul Haque | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| 5 | Alhaj Sultan Mahmood Chowdhury | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| 6 | Mr. Abdul Awal Patwary | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| 7 | H a m d a r d Laboratories (W a q f) Bangladesh, Represented by: Mr. Anisul Hoque | 1 | - | 100 | - | 0.000008% | - |
| 8 | Mrs. Nargis Mannan | 1 | - | 100 | - | 0.000008% | - |
| 9 | Mr. Kamaluddin Ahmed | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| 10 | Alhaj Sk. M o h a m m a d Rabbani Ali | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| 11 | Mr. A. Jabbar Mollah | 1 | - | 100 | - | 0.000008% | - |
| 12 | Mr. Md. Kamal Uddin | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| 13 | Mr. Belal Ahmed | 1 | 1 | 100 | 100 | 0.000008% | 0.00004% |
| | | 12,300,000 | 2,500,000 | 1,230,000,000 | 250,000,000 | 100.00% | 100.00% |

| | | 31.12.2020 | 31.12.2019 |
|-----------------|---|----------------------|----------------------|
| | | Taka | Taka |
| 19.1 | Current year retained earnings | | |
| | Social Islami Bank Limited | | |
| | Profit after tax | 1,550,935,483 | 1,521,450,676 |
| | Less : Statutory Reserve | 608,129,552 | 626,805,871 |
| | | 942,805,931 | 894,644,805 |
| 19.1.(a) | Consolidated Current year retained earnings | | |
| | Profit after tax of SIBL | 1,550,935,483 | 1,521,450,676 |
| | Less :Statutory Reserve | 608,129,552 | 626,805,871 |
| | Profit/(Loss) attributable to Group | 942,805,931 | 894,644,805 |
| | Add: Profit/(loss) of subsidiaries | | |
| | Add: Current year profit/(loss) of subsidiaries | | |
| | SIBL Securities Limited | 8,286,568 | 5,097,574 |
| | SIBL Investment Limited | 8,049,079 | (868,896) |
| | | 16,335,646 | 4,228,677 |
| | Less: Non controlling interests of profit/(loss) attributable for current year | | |
| | SIBL Securities Limited | 7 | 4 |
| | SIBL Investment Limited | 19 | (2) |
| | | 26 | 2 |
| | Less: Common income (Dividend) for elimination | | |
| | SIBL Securities Limited | - | - |
| | Profit/(Loss) attributable to parent | 959,141,551 | 898,873,480 |
| 19(b) | Non-controlling interest | | |
| | SIBL Securities Limited | | |
| | Paid up capital | 1,230,000,000 | 1,230,000,000 |
| | Retained earnings | 41,560,062 | 33,835,172 |
| | Net Assets | 1,271,560,062 | 1,263,835,172 |
| | SIBL Investment Limited | | |
| | Paid up capital | 250,000,000 | 250,000,000 |
| | Retained earnings | 5,168,260 | (2,880,818) |
| | Net Assets | 255,168,260 | 247,119,182 |
| | Non-controlling interests | | |
| | SIBL Securities Limited, @ 0.000098% of net assets | 1,226 | 1,219 |
| | SIBL Investment Limited, @0.00032% of net assets | 613 | 594 |
| | Total non-controlling interest | 1,840 | 1,814 |

| | | 31.12.2020 | 31.12.2019 |
|-------------|---|-----------------------|-----------------------|
| | | Taka | Taka |
| 20 | Contingent liabilities | | |
| 20.1 | Acceptances and Endorsements | | |
| | Bill Bankers' liabilities (DP) | 16,435,379,400 | 16,354,279,800 |
| | Bill Bankers' liabilities (BB/FO) | 842,599,000 | 966,841,000 |
| | Bill Bankers' liabilities (BB/LO) | 3,615,452,346 | 3,870,411,000 |
| | Bill Bankers' liabilities (EPZ) | 319,459,000 | 539,231,000 |
| | Bill Bankers' liabilities Others | 116,982,000 | 200,899,000 |
| | | 21,329,871,746 | 21,931,661,800 |
| 20.2 | Letter of Credit | | |
| | L/C Bankers' liabilities (DP) | 3,786,200,000 | 5,581,415,000 |
| | L/C Bankers' liabilities (BB/FO) | 848,696,000 | 1,070,742,000 |
| | L/C Bankers' liabilities (BB/LO) | 1,798,280,000 | 1,974,818,000 |
| | L/C Bankers' liabilities (Cash) | 7,302,561,672 | 6,115,576,805 |
| | L/C Bankers' liabilities (EPZ) | 1,487,197,965 | 502,530,000 |
| | L/C Bankers' liabilities (Others) | 140,015,000 | 529,965,344 |
| | | 15,362,950,636 | 15,775,047,149 |
| 20.3 | Letters of guarantees | | |
| | Letters of guarantee | 10,352,181,319 | 11,322,648,716 |
| 20.4 | Bills for collection | | |
| | In-ward bills for collection | - | - |
| | Out-ward Bills for Collection | 5,394,930,566 | 4,565,448,355 |
| | | 5,394,930,566 | 4,565,448,355 |
| 20.5 | Other Contingent Liabilities | - | - |
| 20.6 | Other Commitments | - | - |
| | Total Off-balance sheet items | 52,439,934,267 | 53,594,806,020 |
| | Income Statement (Note-21 to Note-39) | | |
| | Income: | | |
| | Income from Investment (Note-21) | 27,036,266,956 | 27,797,425,826 |
| | Income from Investment in Shares & Securities (Note-23) | 762,379,471 | 760,574,012 |
| | Commission, Exchange and Brokerage Income (Note-24) | 1,421,214,804 | 1,465,828,639 |
| | Other operating income (Note-25) | 631,009,280 | 687,299,082 |
| | | 29,850,870,511 | 30,711,127,559 |
| | Expenses: | | |
| | Profit paid on Deposits (Note-22) | 19,484,793,192 | 18,428,552,565 |
| | Administrative expenses | 3,567,609,542 | 3,395,575,890 |
| | Other operating expenses | 1,870,591,036 | 2,167,195,355 |
| | Depreciation on Banking assets | 584,665,633 | 377,693,254 |
| | | 25,507,659,402 | 24,369,017,064 |
| | Income over expenditure | 4,343,211,109 | 6,342,110,494 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 21 | Income from Investment | | |
| | Profit on Murabaha | 120,787,294 | 206,043,784 |
| | Profit on Bai-Muazzal | 18,174,056,468 | 18,263,667,034 |
| | Profit on Hire-Purchase | 5,563,994,892 | 6,379,691,766 |
| | Profit on Musharka | 21,534,594 | 32,436,760 |
| | Profit on Bai-Salam | 86,416,082 | 83,033,729 |
| | Profit on Quard against MTDR, Scheme and others | 614,418,851 | 532,992,282 |
| | Profit on Inland Document Bill Purchased | 339,039,978 | 392,535,775 |
| | Profit on Foreign Document Bill Purchased | 1,053,056,472 | 931,364,498 |
| | Profit on Ijarah | 62,368,086 | 79,419,586 |
| | Profit on Investment against Mudaraba Deposit with other Banks and NBFIs | 715,988,122 | 658,706,127 |
| | Profit on other investments (Card, Wakalat fee etc.) | 208,442,820 | 213,653,686 |
| | Profit on Mudaraba | 76,163,298 | 23,880,802 |
| | | 27,036,266,956 | 27,797,425,826 |
| 21(a) | Consolidated income from investment | | |
| | Social Islami Bank Ltd. | 27,036,266,956 | 27,797,425,826 |
| | Add: Income from investment of subsidiaries of SIBL | 78,569,068 | 74,611,249 |
| | SIBL Securities Ltd. | 75,475,009 | 73,001,249 |
| | SIBL Investment Ltd. | 3,094,059 | 1,610,000 |
| | Grand total of consolidated investment income | 27,114,836,024 | 27,872,037,075 |
| 22 | Profit paid on Deposits | | |
| | Profit paid on deposits | | |
| | Mudaraba Savings Deposits (MSD) | 814,767,804 | 647,757,594 |
| | Mudaraba short notice deposit (MSND) | 386,923,535 | 448,010,965 |
| | Mudaraba term deposit (MTDR) | 13,548,513,534 | 12,719,545,830 |
| | Cash waqf fund deposit | 25,991,181 | 31,173,914 |
| | Profit paid on Scheme Deposits & others | 3,914,166,276 | 3,128,872,205 |
| | | 18,690,362,330 | 16,975,360,508 |
| | Profit paid on borrowings | 64,957,714 | 409,273,968 |
| | SIBL Mudaraba Subordinate Bond | 729,473,148 | 1,043,918,089 |
| | Total profit paid on deposits and borrowings | 19,484,793,192 | 18,428,552,565 |
| 22(a) | Consolidated Profit paid on Deposits | | |
| | Social Islami Bank Ltd. | 19,484,793,192 | 18,428,552,565 |
| | Add: Income from investment of subsidiaries of SIBL | 72,785,405 | 72,093,691 |
| | SIBL Securities Ltd. | 72,785,405 | 72,093,691 |
| | SIBL Investment Ltd. | - | - |
| | Grand total of consolidated Profit paid on Deposits | 19,557,578,597 | 18,500,646,256 |
| 23 | Income from Investment in Shares & Securities | | |
| | Income from Investment in Islamic Bond | 312,612,559 | 389,846,554 |
| | Income from Investment in Shares | 196,283,426 | 7,073,878 |
| | Income from Mudaraba Subordinate Bond | 209,645,890 | 142,991,669 |
| | Dividend Income | 43,837,595 | 220,661,911 |
| | | 762,379,471 | 760,574,012 |

Social Islami Bank Ltd. has investment of Tk. 1245.00 crore in Bangladesh Govt. Islamic Investment Bond for which 2.75%, average rate of income has been provided for January-December 2020. The nature of the Fund is to generate profit according to Mudaraba Principle.

| | | 31.12.2020 | 31.12.2019 |
|--------------|---|----------------------|----------------------|
| | | Taka | Taka |
| 23(a) | Consolidated income from Investment in Shares & Securities | | |
| | Social Islami Bank Ltd. | 762,379,471 | 760,574,012 |
| | Add: Income from Investment in Shares & Securities of subsidiaries of SIBL | 15,979,258 | 13,424,528 |
| | SIBL Securities Ltd. | 12,416,956 | 12,470,948 |
| | SIBL Investment Ltd. | 3,562,302 | 953,580 |
| | Less: Common income for elimination | | |
| | SIBL Securities Ltd. | - | - |
| | Grand total of consolidated income from Investment in Shares & Securities | 778,358,729 | 773,998,540 |
| 24 | Commission, Exchange & Brokerage | | |
| | Commission | 646,370,203 | 682,433,291 |
| | Exchange income | 774,844,601 | 783,395,348 |
| | | 1,421,214,804 | 1,465,828,639 |
| 24(a) | Consolidated income from commission, exchange & brokerage | | |
| | Social Islami Bank Ltd. | 1,421,214,804 | 1,465,828,639 |
| | Add: Income from commission, exchange & brokerage of subsidiaries of SIBL | 65,443,481 | 60,411,796 |
| | SIBL Securities Ltd. | 65,443,481 | 60,411,796 |
| | SIBL Investment Ltd. | - | - |
| | Grand total of consolidated income from commission, exchange & brokerage | 1,486,658,285 | 1,526,240,435 |
| 25 | Other Operating Income | | |
| | P & T charge recovered | 1,104,446 | 1,476,629 |
| | Courier Charges Recovery & Others | 7,749,768 | 7,903,186 |
| | Services & charges | 293,035,374 | 336,380,402 |
| | SWIFT/ Return charge recovered | 44,920,212 | 51,928,649 |
| | Other charges (Note: 25.1) | 284,199,480 | 289,610,215 |
| | | 631,009,280 | 687,299,082 |
| 25(a) | Consolidated other operating income | | |
| | Social Islami Bank Ltd. | 631,009,280 | 687,299,082 |
| | Add: Other operating Income of subsidiaries of SIBL | 1,775,222 | 1,779,938 |
| | SIBL Securities Ltd. | 1,775,222 | 1,779,938 |
| | SIBL Investment Ltd. | - | - |
| | Grand total of consolidated income from other operating income | 632,784,502 | 689,079,020 |
| 25.1 | Other Charges | | |
| | Rent receipts | 3,381,450 | 3,335,931 |
| | Income from sale of forms | 89,900 | 96,420 |
| | Service charge on SIBL Cards | 103,868,978 | 77,915,128 |
| | Notice pay earnings | 6,773,104 | 5,972,795 |
| | Miscellaneous income | 170,086,049 | 202,289,941 |
| | | 284,199,480 | 289,610,215 |

Miscellaneous income includes forfeiture account amount of taka 2,307,789.50 which is transferred from SIBL PF Account according to FRC circular no.170/FRC/FRM/Proggapon/2020/2 Date: 07/07/2020

| | | 31.12.2020 | 31.12.2019 |
|--------------|---|--------------------|--------------------|
| | | Taka | Taka |
| 27.1 | Rents, Rates, Taxes, Insurance & Lighting etc. | | |
| | Rents | | |
| | Rent (Office) | 369,208,140 | 324,458,510 |
| | Rent (Garage) | 338,580 | 300,980 |
| | Rent (Godown & others) | 6,570,388 | 4,989,087 |
| | | 376,117,108 | 329,748,577 |
| | Rates and Taxes | 10,498,246 | 3,116,720 |
| | Total Rents, Rates & Taxes | 386,615,353 | 332,865,298 |
| 27.2 | Insurances | | |
| | Insurance Premium in Counter | 1,055,338 | 807,239 |
| | Insurance Premium in Transit | 7,498,369 | 7,237,901 |
| | Insurance Premium Safe/Vault | 7,739,869 | 6,034,278 |
| | Insurance Premium on deposit | 96,184,464 | 129,712,448 |
| | Insurance Premium on Vehicle | 1,886,030 | 1,605,403 |
| | Other Insurance | 1,810,705 | 1,743,228 |
| | | 116,174,774 | 147,140,497 |
| 27.3 | Lighting & Electricity | | |
| | Lighting & Electricity Bill (Office) | 82,396,953 | 82,788,662 |
| | Lighting & Electricity Charges (Office) | 4,915,332 | 5,760,829 |
| | Sub Total | 87,312,285 | 88,549,490 |
| | Water & Sewerage | 3,857,869 | 4,456,375 |
| | | 91,170,155 | 93,005,865 |
| 28 | Legal Expenses | | |
| | Legal Fees & Charge | 5,063,206 | 5,860,731 |
| | Stamp Duties | 70,704 | 155,999 |
| | Other Legal Expenses | 4,240,360 | 5,252,045 |
| | | 9,374,270 | 11,268,775 |
| 29 | Postage, Stamps, Telecommunication etc. | | |
| | Cable Network rent | 467,202 | 325,203 |
| | Telephone charges | 2,330,470 | 3,180,154 |
| | Mobile phone charges | 3,561,603 | 3,244,988 |
| | | 6,359,275 | 6,750,345 |
| 29(a) | Consolidated expenses for Postage, Stamps, Telecommunication etc. | | |
| | Social Islami Bank Limited | 6,359,275 | 6,750,345 |
| | Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries | 974,494 | 2,026,095 |
| | SIBL Securities Ltd. | 974,494 | 2,026,095 |
| | SIBL Investment Ltd. | - | - |
| | | 7,333,769 | 8,776,440 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|---|--------------------|--------------------|
| | | Taka | Taka |
| 30 | Stationery, Printing, Advertisements etc. | | |
| | Table Stationery | 11,921,489 | 13,861,407 |
| | Printing & Stationery | 42,374,132 | 63,353,438 |
| | News Paper & Magazine | 20,125,696 | 24,510,840 |
| | Television & Radio | 31,651,160 | 44,361,750 |
| | Neon Sign, Banner etc. | 531,889 | 814,821 |
| | Other Publicity | 16,003,209 | 14,093,877 |
| | | 122,607,574 | 160,996,133 |
| 30(a) | Consolidated expense of Stationery, Printing, Advertisement etc. Social Islami Bank Ltd. | 122,607,574 | 160,996,133 |
| | Stationery, Printing, Advertisement expense of Subsidiaries of SIBL | 301,991 | 477,675 |
| | SIBL Securities Limited. | 301,991 | 477,675 |
| | SIBL Investment Limited. | - | - |
| | | 122,909,565 | 161,473,808 |
| 31 | Managing Director's salary and allowances | | |
| | Basic Salary | 8,056,113 | 7,381,000 |
| | Allowances | 3,101,613 | 3,000,000 |
| | Festival & other Bonus | 2,464,100 | 2,331,000 |
| | | 13,621,826 | 12,712,000 |
| 32 | Directors' Fees & Meeting Expenses | | |
| | Directors Fee | 2,014,200 | 2,349,881 |
| | Meeting Expenses | 2,772,636 | 7,148,803 |
| | | 4,786,836 | 9,498,684 |
| 32(a) | Consolidated Directors' fees & Meeting Expenses: Social Islami Bank Limited | 4,786,836 | 9,498,684 |
| | Directors' Fees & Meeting Expenses of Subsidiaries of SIBL | 536,000 | 419,500 |
| | SIBL Securities Limited | 536,000 | 419,500 |
| | SIBL Investment Limited | - | - |
| | | 5,322,836 | 9,918,184 |
| 33 | Shariah Supervisory Committee's Fees & Expenses | | |
| | Shariah Council Meeting Expenses | 74,629 | 446,507 |
| | | 74,629 | 446,507 |
| 34 | Depreciation and Repair of Bank's Assets | | |
| | a) Depreciation of Bank's Assets (Annexure A) | | |
| | Land | - | - |
| | Building | 47,904,346 | 49,091,006 |
| | Furniture & Fixtures | 81,779,457 | 79,975,897 |
| | Office Appliance & Equipment | 148,850,317 | 149,430,092 |
| | Computer Software | 18,923,554 | 18,135,533 |
| | Vehicles | 11,959,117 | 14,505,903 |
| | Right of use Assets (RoU) | 191,010,137 | - |
| | Books | 72,187 | 78,416 |
| | | 500,499,115 | 311,216,849 |
| | b) Repair on Bank's Assets | | |
| | Building | 331,740 | 180,456 |
| | Motor Car/ Vehicle | 15,115,446 | 3,826,584 |
| | Furniture Fixture | 3,281,586 | 3,415,073 |
| | Mechanical Appliances | 13,924,926 | 16,005,681 |
| | Software Maintenance fee | 1,315,800 | 1,261,250 |
| | Hardware Maintenance fee | 18,180 | 704 |
| | IT Enable Service Charges | 50,178,841 | 41,786,658 |
| | | 84,166,518 | 66,476,405 |
| | Total of Depreciation and repair of Bank's Assets | 584,665,633 | 377,693,254 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 34(a) | Consolidated balance of Depreciation | | |
| | Social Islami Bank Ltd. | 584,665,633 | 377,693,254 |
| | Add: Depreciation on assets of subsidiaries | 5,822,570 | 1,406,763 |
| | SIBL Securities Ltd. | 5,822,570 | 1,406,763 |
| | SIBL Investment Ltd. | - | - |
| | Add: Repairs & Maintainance on assets of subsidiaries | 703,590 | 810,805 |
| | SIBL Securities Ltd. | 703,590 | 810,805 |
| | SIBL Investment Ltd. | - | - |
| | | 591,191,793 | 379,910,822 |
| 35 | Other Expenses | | |
| | Local conveyance | 20,249,156 | 20,235,180 |
| | Petroleum, oil & lubricants | 13,763,887 | 17,076,671 |
| | Entertainment expenses | 34,107,282 | 47,688,493 |
| | Traveling allowances | 13,397,742 | 39,274,222 |
| | Travelling Foreign | 1,419,385 | 5,299,015 |
| | Bank charges | 9,924,553 | 10,914,576 |
| | Uniform charges | 1,613,771 | 1,845,270 |
| | Subscriptions to Institutions & Others | 13,543,177 | 7,984,120 |
| | Banks' clearing house charges | 16,634 | 29,568 |
| | CIB Charges | 558,860 | 1,251,930 |
| | Transportation charges | 6,700,787 | 6,857,724 |
| | News paper, Journal & periodicals | 98,162 | 190,721 |
| | Washing charges | 1,463,624 | 984,332 |
| | Training expenses Academy/ Internal | 26,940 | 605,358 |
| | Training expenses at outside Banks | 499,227 | 2,085,724 |
| | Meeting expenses | 720 | 34,928 |
| | Direct expenses on investment | 3,078 | 52,219 |
| | Up keep of branches/office premises | 6,909,990 | 6,703,808 |
| | Excise duty | 1,603,345 | 1,246,150 |
| | Computer charges | 13,315,012 | 17,025,558 |
| | Security Services | 202,282,596 | 171,101,570 |
| | Cleaner Services | 7,824,644 | 6,945,812 |
| | Others wages | 218,034,048 | 186,695,326 |
| | Photocopy expenses | 763,774 | 1,040,015 |
| | Photography expenses | 113,255 | 118,429 |
| | Cash & Bank remittance charges | 5,627,534 | 4,687,823 |
| | Honorarium | 2,004,485 | 3,865,350 |
| | On-Line Expenses | 36,682,138 | 36,214,592 |
| | ATM Rent Hardware | 5,388,532 | 3,071,143 |
| | Professional & Rating Fees | 11,867,274 | 42,048,887 |
| | Other Utility | 35,957,380 | 6,153,839 |
| | Bond issue related Expense | 11,185,000 | 3,974,300 |
| | Donation to Government | 180,000,000 | 79,000 |
| | Donation to Others | 557,695 | 209,299 |
| | CSR Ralated Expenditure | 55,167,633 | 265,040,772 |
| | Fair value adjustment for shares and securities | - | 122,515,819 |
| | Gratuity expense | 126,929,022 | 125,056,624 |
| | Finance cost on lease liabilities as per IFRS-16 | 48,400,969 | - |
| | Miscellaneous expenses | 82,772,062 | 88,576,335 |
| | | 1,170,773,372 | 1,254,780,502 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 35(a) | Consolidated Other Expenses | | |
| | Social Islami Bank Limited | 1,170,773,372 | 1,254,780,502 |
| | Add:Other Expenses for SIBL Securities Limited | 10,437,832 | 10,742,507 |
| | License, fees, renewals and incorporation expenses | 8,752,272 | 7,570,217 |
| | Entertainment | 782,891 | 833,903 |
| | Others | 902,669 | 2,338,387 |
| | Other Expenses for SIBL Investment Limited | 58,030 | 93,815 |
| | Incorporation and Other Regulatory expenses | - | 40,580 |
| | Bank charge and Excise duty | 57,530 | 52,235 |
| | Others | 500 | 1,000 |
| | | 1,181,269,234 | 1,265,616,824 |
| 36 | Other Provision | | |
| | Provision for other assets (note: 14.2) | - | 5,637,000 |
| | Mudaraba Profit Distribution (note: 14.6) | 5,000,000 | 15,000,000 |
| | Provision for good borrower (note: 14.7) | - | 2,000,000 |
| | Provision for Climate Risk Fund (note:13.8) | 10,000,000 | 1,000,000 |
| | Provision for Start-Up Fund (note:14.9) | 15,509,355 | - |
| | | 30,509,355 | 23,637,000 |
| 36(a) | Consolidated other provision | | |
| | Social Islami Bank Ltd. | 30,509,355 | 23,637,000 |
| | Add:Provision for subsidiaries | | |
| | SIBL Securities Ltd. | | |
| | Provision for general reserve | 1,470,702 | (920,894) |
| | Provision for impairment of margin loan | 4,193,333 | 3,090,496 |
| | Provision for diminution in value of investment | 2,498,746 | 3,075,197 |
| | | 8,162,781 | 5,244,799 |
| | SIBL Investment Ltd. (Provision for diminution in value of investment) | (2,660,502) | 2,660,502 |
| | | 36,011,634 | 31,542,301 |
| 37 | Provision against Investment, Off-Balance Sheet items & Others | | |
| | Provision on classified investment | 230,209,106 | 1,073,661,495 |
| | Provision on unclassified investment | 329,524,380 | 2,085,452,904 |
| | Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020) | 732,164,047 | - |
| | Provision on Off-Balance Sheet items | (19,843,540) | 25,329,739 |
| | Other provisions (note: 36) | 30,509,355 | 23,637,000 |
| | | 1,302,563,348 | 3,208,081,138 |
| 37(a) | Consolidated Provision against Investment, Off-Balance Sheet items & Others | | |
| | Social Islami Bank Ltd. | 1,302,563,348 | 3,208,081,138 |
| | Add:Provision for subsidiaries | 5,502,279 | 7,905,301 |
| | SIBL Securities Ltd. | 8,162,781 | 5,244,799 |
| | SIBL Investment Ltd. | (2,660,502) | 2,660,502 |
| | | 1,308,065,627 | 3,215,986,439 |

| | | 31.12.2020 | 31.12.2019 |
|---------------|---|----------------------|----------------------|
| | | Taka | Taka |
| 38 | Provision for Income Tax | | |
| | Current year provision (Note: 38.1) | 1,482,531,120 | 1,593,092,009 |
| | Deferred Tax expense/(income) (Note: 38.2) | 7,181,158 | 19,486,671 |
| | | 1,489,712,278 | 1,612,578,680 |
| 38(a) | Consolidated Provision for Income Tax | | |
| | Social Islami Bank Limited | 1,489,712,278 | 1,612,578,680 |
| | SIBL Securities Limited | 15,601,738 | 12,093,034 |
| | Current year provision | 15,676,408 | 12,311,797 |
| | Deferred Tax expense/(income) | (74,670) | (218,763) |
| | SIBL Investment Limited | 1,186,754 | 655,159 |
| | | 1,506,500,770 | 1,625,326,873 |
| 38.1 | Current Year Tax Provision | | |
| | Provision on tax has been calculated based on Income Tax Ordinance, 1984 as amended upto 2020 by the Finance Act, considering the allowances and disallowances. | | |
| 38.2 | Deferred Tax Expenses/(Income) | | |
| | Deferred tax expense/(income) for liability/(asset) has been calculated as per Bangladesh Accounting Standard 12. | | |
| 39 | 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, Taka-738,298,640, 812,128,500 and Taka-446,670,670 issued as bonus share for the years ended 31 December 2010, 2012, 2015, 2017, 2018 and 2019. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 9,380,084,230 with a total no. of 938,008,423 shares having face value @ Taka- 10/share. | | |
| | Net Profit after Tax | 1,550,935,483 | 1,521,450,676 |
| | Number of ordinary shares outstanding | 938,008,423 | 938,008,423 |
| | Earning Per Share (EPS) (Prior year Restated) | 1.65 | 1.62 |
| 39(a) | Consolidated Earning Per Share (CEPS) | | |
| | Net Profit after Tax | 1,567,271,105 | 1,525,679,352 |
| | Number of ordinary shares outstanding | 938,008,423 | 938,008,423 |
| | Consolidated Earning Per Share (CEPS) (Prior year Restated) | 1.67 | 1.63 |
| | Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)". | | |
| | Earnings per share (EPS) increased compare to the last year mainly due to increase of net profit after tax. | | |
| 39 (i) | Net Asset Value (NAV) Per Share: | | |
| | Net Asset Value (Consolidated) | 18,096,429,231 | 17,312,127,963 |
| | Net Asset Value (Solo) | 18,038,387,095 | 17,271,330,473 |
| | Number of ordinary shares outstanding | 938,008,423 | 938,008,423 |
| | Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated) | 19.29 | 18.46 |
| | Net Asset Value (NAV) Per Share (Solo) (Prior year Restated) | 19.23 | 18.41 |

| | | 31.12.2020 | 31.12.2019 |
|----------------|---|-----------------------|-----------------------|
| | | Taka | Taka |
| 39 (ii) | Net Operating Cash Flows per share (NOCFPS): | | |
| | Net Cash flow from operating activities (Consolidated) | 3,627,418,172 | 18,322,383,329 |
| | Net Cash flow from operating activities (Solo) | 3,612,826,261 | 18,322,043,775 |
| | Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated) | 938,008,423 | 938,008,423 |
| | Net Operating Cash Flow Per Share (NOCFPS)(Consolidated) (prior year restated) | 3.87 | 19.53 |
| | Net Operating Cash Flow Per Share (NOCFPS)(Solo) (prior year restated) | 3.85 | 19.53 |
| | | | |
| | Net Operating Cash Flow per share decreased compare to the last year mainly due to decrease of customer deposit and cash outflow for investment to customers. | | |
| | Notes for Cash Flow Statement (Note-40 to Note-45) | | |
| 40 | Income from Investment | | |
| | Investment profit receipt | 27,036,266,956 | 27,797,425,826 |
| | Add: Opening profit receivable | 665,595,298 | 472,885,826 |
| | Less: Closing profit receivable | (528,810,265) | (665,595,298) |
| | | 27,173,051,989 | 27,604,716,354 |
| 40(a) | Consolidated income from investment | | |
| | Income from investment of SIBL | 27,173,051,989 | 27,604,716,354 |
| | Income from investment of Subsidiaries of SIBL | 78,569,068 | 74,611,249 |
| | SIBL Securities Ltd. | 75,475,009 | 73,001,249 |
| | SIBL Investment Ltd. | 3,094,059 | 1,610,000 |
| | Grand total | 27,251,621,057 | 27,679,327,604 |
| 41 | Receipts from Other Operating Activities | | |
| | Exchange income | 737,593,057 | 728,949,739 |
| | Rent receipts | 3,381,450 | 3,335,931 |
| | P & T charge recovered | 1,104,446 | 1,476,629 |
| | Courier Charges Recovery & Others | 7,749,768 | 7,903,186 |
| | Notice pay earnings | 6,773,104 | 5,972,795 |
| | Miscellaneous income | 170,086,049 | 202,289,941 |
| | Services & charges | 293,035,374 | 336,380,402 |
| | SWIFT/ Return charge recovered | 44,920,212 | 51,928,649 |
| | Service charge on SIBL Cards | 103,868,978 | 77,915,128 |
| | Income from sale of forms | 89,900 | 96,420 |
| | | 1,368,602,337 | 1,416,248,821 |
| 41(a) | Consolidated receipts from Other Operating Activities | | |
| | Receipts from Other Operating Activities of SIBL | 1,368,602,337 | 1,416,248,821 |
| | Receipts from other operating activities of Subsidiaries of SIBL | 1,775,222 | 1,779,938 |
| | SIBL Securities Ltd. | 1,775,222 | 1,779,938 |
| | SIBL Investment Ltd. | - | - |
| | | 1,370,377,559 | 1,418,028,758 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|----------------------|----------------------|
| | | Taka | Taka |
| 42 | Payment to others | | |
| | Rent (Office) | 369,208,140 | 324,458,510 |
| | Rent (Garage) | 338,580 | 300,980 |
| | Rent (Godown) | 6,570,388 | 4,989,087 |
| | Rates and Taxes | 10,498,246 | 3,116,720 |
| | Insurance Premium for cash in counter | 1,055,338 | 807,239 |
| | Insurance Premium for cash in transit | 7,498,369 | 7,237,901 |
| | Insurance Premium for cash in safe/ vault | 7,739,869 | 6,034,278 |
| | Insurance Premium on deposit | 96,184,464 | 129,712,448 |
| | Insurance Premium for vehicle | 1,886,030 | 1,605,403 |
| | Other Insurance | 1,810,705 | 1,743,228 |
| | Lighting and Electricity Bill (Office) | 82,396,953 | 82,788,662 |
| | Lighting and Electricity Charges (Office) | 4,915,332 | 5,760,829 |
| | Water and Sewerage | 3,857,869 | 4,456,375 |
| | Legal Expenses | 9,374,270 | 11,268,775 |
| | Directors Fees and Meeting Expenses | 4,786,836 | 9,498,684 |
| | Shariah Supervisory Fees & Expenses | 74,629 | 446,507 |
| | Audit Fees | 920,000 | 920,000 |
| | Repairs and Maintenance | 84,166,518 | 66,476,405 |
| | Zakat expenses | 165,694,341 | 149,522,749 |
| | Other Expenses (note: 34) | 1,170,773,372 | 1,254,780,502 |
| | | 2,029,750,248 | 2,065,925,283 |
| 42(a) | Consolidated payment to others | | |
| | Social Islami Bank Limited | 2,029,750,248 | 2,065,925,283 |
| | Payment to others- Subsidiaries | 12,557,058 | 18,322,434 |
| | SIBL Securities Limited | 12,476,028 | 18,205,619 |
| | SIBL Investment Limited | 81,030 | 116,815 |
| | | 2,042,307,306 | 2,084,247,716 |
| 43 | Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities | | |
| | Cash flows from operating activities | | |
| | Net Profit after Taxation | 1,550,935,483 | 1,521,450,676 |
| | (Increase)/Decrease Profit Receivable | 136,785,033 | (192,709,472) |
| | (Increase)/Decrease Profit Payable on Deposit | 1,007,229,908 | 1,744,045,315 |
| | Effects of exchange rate changes on cash & cash equivalents | (37,251,544) | (54,445,609) |
| | Provision for Tax | 1,489,712,278 | 1,612,578,681 |
| | Provision for Investment, Contingent Liability & Others | 1,302,563,348 | 3,208,081,138 |
| | Depreciation & Amortization of Fixed Assets | 500,499,115 | 311,216,849 |
| | Lease rent payable as per IFRS-16 | (203,959,543) | - |
| | Income tax paid | (1,296,182,842) | (1,313,745,832) |
| | Operating Profit before changes in operating assets & liabilities | 4,450,331,235 | 6,836,471,746 |

| | 31.12.2020 | 31.12.2019 |
|--|-----------------------|-----------------------|
| | Taka | Taka |
| 43(a) Consolidated Cash flows from operating activities | | |
| Net Profit after Taxation | 1,567,271,131 | 1,525,679,354 |
| (Increase)/Decrease Profit Receivable | 136,785,033 | (192,709,472) |
| (Increase)/Decrease Profit Payable on Deposit | 1,007,229,908 | 1,744,045,315 |
| Effects of exchange rate changes on cash & cash equivalents | (37,251,544) | (54,445,609) |
| Provision for Tax | 1,506,500,770 | 1,625,326,874 |
| Provision for Investment, Contingent Liability & Others | 1,308,065,627 | 3,215,986,439 |
| Depreciation & Amortization of Fixed Assets | 506,321,685 | 312,623,612 |
| Lease rent payable as per IFRS-16 | (203,959,543) | - |
| Income tax paid | (1,312,378,550) | (1,326,270,037) |
| Operating Profit before changes in operating assets & liabilities | 4,478,584,514 | 6,850,236,475 |
| 44 Cash Increase/ Decrease in Other Assets | | |
| Stock of stationery, stamps and printing materials etc. (valued at cost) | 36,210,869 | 36,651,315 |
| Advance rent | 81,946,417 | 236,783,450 |
| Security Deposit | 3,495,026 | 3,441,126 |
| Branch Adjustments (SIBG) (Note: 9.1) | 1,561,206,224 | 2,950,929,983 |
| Suspense Accounts (Note: 9.2) | 285,122,898 | 192,702,080 |
| Other Prepayments | 64,517,296 | 64,210,064 |
| Receivable from SIBL Securities Ltd. | 239,242,987 | 21,482,142 |
| Advance Income Tax | 11,981,335,696 | 10,685,152,854 |
| Receivable from SIBL Securities Limited | 72,049,180 | 72,000,000 |
| Receivable from SIBL Investment Limited | 1,903,690 | 1,883,690 |
| Protested Bills against Investment | 325,014,570 | 325,014,570 |
| Receivable from Off-shore Banking Unit | 77,990,079 | 36,882,278 |
| Dividend Receivable Account | 555,193,696 | 562,130,020 |
| Profit Receivable from Mudaraba Subordinated Bond | 56,815,069 | 99,616,438 |
| Others (Note: 9.3) | 37,425,491 | 10,969,426 |
| | 15,379,469,188 | 15,299,849,435 |
| Difference between (2020, 2019) | (79,619,753) | 2,753,923,163 |
| Advance Income Tax | 1,296,182,842 | 1,313,745,832 |
| Net change in Other Assets | 1,216,563,089 | 4,067,668,995 |
| 44(a) Consolidated cash increase/decrease in other assets | | |
| Social Islami Bank Limited | 15,379,469,188 | 15,299,849,435 |
| Cash Increase/ Decrease in Other Assets of subsidiaries | 2,323,335,443 | 2,177,622,105 |
| | 17,702,804,631 | 17,477,471,540 |
| Difference between (2020, 2019) | (225,333,091) | 2,802,523,316 |
| Advance Income Tax | 1,312,378,550 | 1,326,270,037 |
| Consolidated net change in Other Assets | 1,087,045,459 | 4,128,793,353 |

| | | 31.12.2020 | 31.12.2019 |
|--------------|--|-----------------------|-----------------------|
| | | Taka | Taka |
| 45 | Cash Increase/ Decrease in Other Liabilities | | |
| | Adjusting A/C (Cr.) Balance | 17,485,085 | 10,231,405 |
| | Other Payable | 13,929,175 | 12,263,717 |
| | Compensation and Rent Suspense (note: 14.3) | 3,579,826,001 | 2,870,657,332 |
| | BEFTN Adjustment Account | 43,539,542 | 35,998,977 |
| | Parking Account | 3,890 | - |
| | Lease liabilities as per IFRS-16 * | 724,602,327 | - |
| | ATM Settlement for Q-Cash | 31,962,950 | 23,642,698 |
| | | 4,411,348,970 | 2,952,794,130 |
| | Cash Increase/ (Decrease) in Other Liabilities | 1,458,554,840 | 1,004,266,256 |
| | Difference between (2020 & 2019) | 1,458,554,840 | 1,004,266,256 |
| | Add: Transfer to Provision for Investment from Write-off (In Yr. 2020) | 9,647,534 | 155,621,173 |
| | Add: Zakat expense transferred to Sadaka Fund | 165,694,341 | 149,522,749 |
| | Add: Lease rent Payable as per IFRS-16 | 203,959,543 | - |
| | Less: Zakat distributed during the year | 93,451,718 | 81,040,968 |
| | Less: Mudaraba Profit distribution transferred during the year | 15,000,000 | - |
| | Less: Written off/ Waiver of investment during the year | 25,361,653 | 31,734,980 |
| | | 1,704,042,885 | 1,196,634,229 |
| 45(a) | Consolidated cash increase/decrease in other liabilities | | |
| | Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited | 4,411,348,970 | 2,952,794,130 |
| | Cash Increase/ Decrease in Other Liabilities of subsidiaries | 408,558,265 | 328,766,448 |
| | | 4,819,907,235 | 3,281,560,578 |
| | Difference between (2020, 2019) | 1,538,346,657 | 1,101,024,779 |
| | Other changes in other liabilities of Social Islami Bank Limited | 245,488,047 | 192,367,974 |
| | Net change in Other Liabilities-Social Islami Bank Limited | 1,783,834,704 | 1,293,392,753 |
| 46 | Cash and Cash Equivalent | | |
| | Cash in Hand | 2,972,709,048 | 2,949,269,520 |
| | Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank) | 30,400,773,390 | 28,949,172,602 |
| | Balance with Other Banks & Financial Institutions-in Bangladesh | 10,089,833,958 | 9,114,429,400 |
| | Balance with Other Banks & Financial Institutions-outside Bangladesh | 611,795,207 | 1,084,292,499 |
| | | 44,075,111,603 | 42,097,164,021 |
| 46(a) | Consolidated Cash and Cash Equivalent | | |
| | Social Islami Bank Limited | 44,075,111,603 | 42,097,164,021 |
| | Cash and Cash Equivalent of subsidiaries | 569,357 | 105,720 |
| | SIBL Securities Limited. | 544,157 | 100,519 |
| | SIBL Investment Limited. | 25,201 | 5,201 |
| | | 44,075,680,961 | 42,097,269,741 |

| | | |
|--|-------------------|-------------------|
| | 31.12.2020 | 31.12.2019 |
| | Taka | Taka |

47 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 3100.

48 Audit Committee

The Board of Directors in its 390th meeting (Emergency) held on 30.03.2017 reconstituted the Board Audit Committee comprising with the following:

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

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.

Meetings of the Audit Committee:

The Board Audit Committee had 143 nos. (One hundred forty three) Meetings in the previous years since inception in the year 2003, out of which 05 Meetings were conducted in the Year 2020 and the attendance of the members was as follows:

| Sl. No. | Director | No. of Meetings Held | No. of Meetings Attended |
|---------|---|----------------------|--------------------------|
| 1 | Professor A J M Shafiul Alam Bhuiyan Ph.D | 5 | 5 |
| 2 | Mr. Md. Kamal Uddin | 5 | 5 |
| 3 | Dr. Md. Jahangir Hossain | 5 | 5 |

Disclosure by Audit Committee:

| | 31.12.2020 | 31.12.2019 |
|--|------------|------------|
| | Taka | Taka |

The Committee reviewed the Quarterly Financial Statements as well as the yearly financial statements for the year 2020 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 statement 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 discussed and reviewed compliance position of inspection report on various Branches, Division as well as Core Risk Management" conducted by Bangladesh Bank and the "Management Letter on financial statements" for the year ended 31 December 2019" of SIBL submitted by the external auditors for onward submission to the Board if needed.

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

Pursuant to Condition No. 5.6.a 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 Integrated Annual Health Report of SIBL for the year-2019 and recommended to the Board for consideration and approval

The Committee approved the risk based yearly 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 Audit Reports and suggested appropriate actions where needed. The Internal Auditors were advised to carryout audit of all the branches, sub-branches, agent banking outlet and other subsidiaries of the Bank as per risk based yearly audit plan.

The Committee reviewed IC&CD Manual for the year 2020 and suggested appropriate actions where needed. The Internal Auditors were advised to carry out the instruction of the IC&CD Manual.

The Committee discuss the draft copy of "Whistleblower Protection Policy" for the employees of the Bank for 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.

| | | | |
|--|--|-------------------|-------------------|
| | | 31.12.2020 | 31.12.2019 |
| | | Taka | Taka |

49 Related Party Disclosures

49.1 Name of the Firms / Business Organizations where the Directors of the Social Islami Bank Limited have got interest as on 31 December 2020:

| SL No | Name | Name of Firms/ Business Organizations Where the Directors of SIBL have got interest |
|-------|--|--|
| 1 | Professor 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 Vice Chairman (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 |
| 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 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. Mahmudul Alam Director (Representative of Global Trading Corporation Limited) | Proprietor Paragon Transport, Carrying Contractor Amir Traders, Commission Agents |
| 11 | Professor A J M Shafiul Alam Bhuiyan Independent Director | Nil |
| 12 | Professor Mohammed Mizanur Rahman Independent Director | Nil |

| | | 31.12.2020 | 31.12.2019 |
|--|--|------------|------------|
| | | Taka | Taka |

49.2 Significant contracts where Bank is a party and where in Directors have interest: Nil

49.3 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. | NA | Subsidiary | Quard | 9000.00 lac | UC |
| SIBL Foundation Hospital & Diagnostic Center | NA | A concern of SIBL Foundation | Quard- E- Hasana | 10,900.17 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

50 Post Balance Sheet events (IAS-10)

No material events occurring after balance sheet date came to our notice, which could affect the values reported in the financial statements significantly.

1. Dividend

The Board of Director has authorized the financial statements for issue on and recommended stock dividend @ 5% & Cash dividend @ 5 % for the year ended 31 December 2020.

51 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.

SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020
SCHEDULE OF FIXED ASSETS INCLUDING PREMISES

(Amounts in Taka)

| Particulars | C O S T / R E V A L U E D * | | | | Rate of Depreciation | D E P R E C I A T I O N | | | | Written down value as at 31 Dec 2020 |
|---------------------------|-----------------------------|---------------------------|------------------------------------|------------------------|----------------------|---------------------------|--------------------------------------|-------------------------|------------------------|--------------------------------------|
| | Balance as on 01 Jan 2020 | Additions during the year | Disposal/ Transfer during the year | Balance at 31 Dec 2020 | | Balance as on 01 Jan 2020 | Transfer/ Adjustment during the year | Charged during the year | Balance at 31 Dec 2020 | |
| Land | 12,330,000 | - | - | 12,330,000 | | - | - | - | - | 12,330,000 |
| Building | 2,320,220,714 | - | - | 2,320,220,714 | 2.50% | 404,038,934 | - | 47,904,346 | 451,943,280 | 1,868,277,435 |
| Furniture & Fixtures | 1,257,167,455 | 91,133,805 | - | 1,348,301,260 | 10% | 466,111,881 | - | 81,779,457 | 547,891,338 | 800,409,921 |
| Office Equipment | 1,621,292,105 | 169,677,766 | - | 1,790,969,871 | 20% | 930,956,342 | - | 148,850,317 | 1,079,806,659 | 711,163,211 |
| Software | 247,489,817 | 44,491,245 | - | 291,981,062 | 10% | 72,722,101 | - | 18,923,554 | 91,645,655 | 200,335,407 |
| Vehicles | 141,721,354 | 8,806,567 | - | 150,527,921 | 20% | 121,051,952 | - | 11,959,117 | 133,011,069 | 17,516,852 |
| Right of use Assets (RoU) | - | 1,011,325,434 | - | 1,011,325,434 | | - | - | 191,010,137 | 191,010,137 | 820,315,297 |
| Books | 1,739,549 | 24,729 | - | 1,764,278 | 10% | 1,030,039 | - | 72,187 | 1,102,226 | 662,052 |
| 31 December 2020 | 5,601,960,993 | 1,325,459,546 | - | 6,927,420,539 | | 1,995,911,251 | - | 500,499,115 | 2,496,410,364 | 4,431,010,176 |
| 31 December 2019 | 5,248,229,118 | 353,731,874 | - | 5,601,960,993 | | 1,684,694,401 | - | 311,216,849 | 1,995,911,251 | 3,606,049,743 |

* Details of revaluation of Fixed assets is shown in note:18.

SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020
CONSOLIDATED SCHEDULE OF FIXED ASSETS

(Amounts in Taka)

| Particulars | C O S T / R E V A L U E D | | | | Rate of Depreciation | D E P R E C I A T I O N | | | | Written down value as at 31 Dec 2020 |
|---------------------------|---------------------------|---------------------------|------------------------------------|------------------------|----------------------|---------------------------|--------------------------------------|-------------------------|------------------------|--------------------------------------|
| | Balance as on 01 Jan 2020 | Additions during the year | Disposal/ Transfer during the year | Balance at 31 Dec 2020 | | Balance as on 01 Jan 2020 | Transfer/ Adjustment during the year | Charged during the year | Balance at 31 Dec 2020 | |
| Land | 12,330,000 | - | - | 12,330,000 | - | - | - | - | - | 12,330,000 |
| Building | 2,320,220,714 | - | - | 2,320,220,714 | 2.50% | 404,038,934 | 47,904,346 | 451,943,280 | 1,868,277,434 | |
| Furniture & Fixtures | 1,264,310,200 | 91,335,082 | - | 1,355,645,282 | 10% | 468,411,931 | 82,208,233 | 550,620,164 | 805,025,118 | |
| Office Equipment | 1,632,507,486 | 170,492,658 | - | 1,803,000,144 | 20% | 940,157,282 | 149,472,902 | 1,089,630,184 | 713,369,960 | |
| Software | 250,663,457 | 44,491,245 | - | 295,154,702 | 10% | 75,085,726 | 19,240,918 | 94,326,644 | 200,828,058 | |
| Vehicles | 141,721,355 | 8,806,567 | - | 150,527,922 | 20% | 121,051,952 | 11,959,117 | 133,011,069 | 17,516,853 | |
| Right of use Assets (RoU) | - | 1,024,437,539 | - | 1,024,437,539 | - | - | 195,463,982 | 195,463,982 | 828,973,557 | |
| Books | 1,739,550 | 24,729 | - | 1,764,279 | 10% | 1,030,040 | 72,187 | 1,102,227 | 662,052 | |
| 31 December 2020 | 5,623,492,761 | 1,339,587,820 | - | 6,963,080,582 | - | 2,009,775,866 | 506,321,685 | 2,516,097,550 | 4,446,983,032 | |
| 31 December 2019 | 5,269,405,357 | 354,087,403 | - | 5,623,492,761 | - | 1,697,152,254 | 312,623,611 | 2,009,775,866 | 3,613,716,895 | |

SOCIAL ISLAMI BANK LIMITED

Annexure-C

BALANCE WITH OTHER BANKS IN FOREIGN CURRENCIES

[REFERRED TO NOTE 4.2 OF THESE FINANCIAL STATEMENTS]

| SL | Name of the Banks | Currency Name | 31.12.2020 | | | 31.12.2019 | | |
|--------------|---------------------------------|---------------|----------------------------|-------------------------------|--------------------|----------------------------|-------------------------------|----------------------|
| | | | 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 | 28,014.80 | 84.80 | 2,375,686 | 437,019.61 | 84.90 | 37,102,965 |
| 2 | SUMMIT Bank, KARACHI | ACUD | 30,436.82 | 84.80 | 2,581,076 | 75,458.64 | 84.90 | 6,406,439 |
| 3 | SONALI Bank, KOLKATA | ACUD | 114,495.92 | 84.80 | 9,709,380 | 171,578.79 | 84.90 | 14,567,039 |
| 4 | MASHREQ Bank, MUMBAI | ACUD | 15,464.88 | 84.80 | 1,311,439 | 569,235.68 | 84.90 | 48,328,109 |
| 5 | NEPAL BANGLADESH Bank | ACUD | 39,231.86 | 84.80 | 3,326,905 | 8,567.36 | 84.90 | 727,369 |
| 6 | Bank OF BHUTAN, PHUENTSHOLING | ACUD | 101,416.35 | 84.80 | 8,600,218 | 80,809.10 | 84.90 | 6,860,693 |
| 7 | UNITED Bank OF INDIA | ACUD | 43,121.30 | 84.80 | 3,656,734 | 189,437.33 | 84.90 | 16,083,229 |
| 8 | AB Bank, MUMBAI | ACUD | 228,255.70 | 84.80 | 19,356,334 | 341,814.61 | 84.90 | 29,020,060 |
| 9 | MEEZAN Bank LIMITED | ACUD | 331,179.89 | 84.80 | 28,084,419 | 48,309.53 | 84.90 | 4,101,479 |
| 10 | MCB Bank,KARACHI,PAKISTAN | ACUD | 1,105.78 | 84.80 | 93,771 | 1,805.78 | 84.90 | 153,311 |
| 11 | AXIS Bank LIMITED | ACUD | 109,377.58 | 84.80 | 9,275,339 | (72,599.71) | 84.90 | (6,163,715) |
| 12 | HDFC Bank LTD., MUMBAI | ACUD | 337,035.08 | 84.80 | 28,580,946 | 99,050.35 | 84.90 | 8,409,375 |
| 13 | MASHREQ Bank , NEW YORK, (OBU) | USD | 402,578.04 | 84.80 | 34,139,061 | 474,032.05 | 84.90 | 40,245,321 |
| 14 | MASHREQ Bank PSC, NEW YORK, USA | USD | 596,346.70 | 84.80 | 50,570,856 | 3,195,038.56 | 84.90 | 271,258,774 |
| 15 | SCB, NY, USA | USD | 4,209,384.53 | 84.80 | 356,960,438 | 6,029,595.94 | 84.90 | 511,920,528 |
| 16 | KOREA EXCH. Bank,KOREA | USD | 4,364.42 | 84.80 | 370,108 | 948.76 | 84.90 | 80,550 |
| 17 | HABIB AMERICAN Bank | USD | 410,025.39 | 84.80 | 34,770,604 | 123,497.51 | 84.90 | 10,484,939 |
| 18 | COMMERZ Bank AG, FRANKFURT | USD | 34,437.27 | 84.80 | 2,920,318 | 9,715.50 | 84.90 | 824,846 |
| 19 | MASHREQ Bank, PSC MUMBAI | ACU EURO | 437.92 | 104.14 | 45,607 | 437.92 | 95.06 | 41,630 |
| 20 | SCB, FRANKFURT | EURO | 20,171.91 | 104.14 | 2,100,683 | 471,972.69 | 95.06 | 44,869,295 |
| 21 | COMMERZ Bank AG, FRANKFURT | EURO | 25,712.97 | 104.14 | 2,677,857 | 162,491.89 | 95.06 | 15,446,890 |
| 22 | SCB, LONDON, UK | GBP | 6,082.13 | 114.79 | 698,148 | 135,975.79 | 111.34 | 15,139,253 |
| 23 | SCB, TOKYO | JPY | 502,880.00 | 0.82 | 412,663 | 288,603.00 | 0.78 | 224,443 |
| 24 | Bank AL JAZIRA | RIYAL | 702.50 | 22.60 | 15,874 | 360,500.00 | 22.63 | 8,159,680 |
| 25 | RIYAD BANK | RIYAL | 405,400.00 | 22.60 | 9,160,743 | - | | |
| Total | | | | | 611,795,207 | | | 1,084,292,499 |

SOCIAL ISLAMI BANK LIMITED

Annexure-D

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

Taka in Crore

| Sl no. | Name of client | Outstanding as on 31 December 2020 | | |
|--------|--|------------------------------------|------------|---------------|
| | | Funded | Non-funded | Total |
| 1 | 1. PowerPac Mutiara Keraniganj Power Plant Limited & its sister concerns, 2. PowerPac Mutiara Jamalpur Power Plant Limited, 3. PowerPac Holdings Ltd. 4. PowerPac Mutiara Khulna Power Plant Ltd. 5. Powerpac | 566.60 | 68.27 | 634.87 |
| 2 | i. Bashundhara Import Export Limited ii. Bashundhara Steel & Engineering Ltd. iii. Bashundhara City Development Limited. | 305.21 | 21.97 | 327.18 |
| 3 | i. Bashundhara Industrial Complex Ltd. ii. East West Media Group iii. Bashundhara Infrastructure Ltd | 482.64 | 143.70 | 626.34 |
| 4 | Bashundhara Multi Food Products Ltd & Sundarban Industrial Complex Ltd. | 169.45 | 383.66 | 553.11 |
| 5 | Infinia Spinning Mills Ltd. | 296.57 | 185.04 | 481.61 |
| 6 | i. Western Dresses Ltd. & its sister concerns- ii. MNC Apparels Ltd. iii. Kimia Washing Industries Limited iv. NASSA BASIC WASH LTD. | 433.00 | 58.51 | 491.51 |
| 7 | i. Orion Infrastructure Ltd. & its sister concerns ii. Orion Agro Products Ltd. iii. Orion Power Meghnaghat Ltd. iv. Belhasa Accom JV. Ltd. v. Panbo Bangla Mushroom Limited vi. Orion Power Unit-2 Dhaka Limited vii. Orion Pharma Ltd. | 576.09 | 2.58 | 578.67 |
| 8 | i. Amber Denim Mills Limited & its sister concerns- ii. Amber Denim LTD, iii. Amber Rotor Mills Ltd. iv. Amber Rotor Spinning Mills Ltd. v. Amber Jeans & Washing Ltd. | 309.84 | 126.18 | 436.02 |
| 9 | SQ Birichina Limited | 258.46 | 54.63 | 313.09 |
| 10 | Badsha Textile | 92.05 | - | 92.05 |
| 11 | Mir Akhter Hossain Limited, Mir Telecom Limited | 149.78 | 95.67 | 245.45 |
| 12 | M/S. Shah Amanat Agency | 425.09 | - | 425.09 |
| 13 | i. Base Paper Ltd. and it's sister concerns- ii. Base Fashion Limited iii. Zayantex Limited iv. Base Technologies Limited v. Base Paper Ltd. vi. Akash CNG Filling Limited | 324.04 | 41.35 | 365.39 |
| 14 | i. M/S. Islam Brothers & Co. & its sister concerns- ii. Anwara Mannan Textile Mills Ltd. iii. Juvenile Construction Ltd. iv. RS & T International v. Aman Feed Ltd. vi. Aman Shipyard Ltd. | 465.97 | - | 465.97 |
| 15 | M/S. Sonali Traders | 400.07 | - | 400.07 |
| 16 | Dong Bang Dyeing Ltd. | 369.69 | 47.28 | 416.97 |

| Sl no. | Name of client | Outstanding as on 31 December 2020 | | |
|--------------------|--|------------------------------------|-----------------|------------------|
| | | Funded | Non-funded | Total |
| 17 | i.M/S. Rabiul Islam & its sister concerns- ii.M/s. Rhythm Trading iii.A R Cement Mills Ltd. iv.Ehsan Cement Industries Ltd. V. RMR Poultry & Hatchery Ltd. vi.A.R. Specialized Auto Rice Mills Ltd. | 417.18 | 0.00 | 417.18 |
| 18 | i.M/S. Millennium Enterprise, & its sister concerns- ii.Panama Composite Textile Mills Ltd. iii.O.N Spinning Mills Ltd. | 184.13 | 41.55 | 225.68 |
| 19 | i. S. Alam Brothers Ltd. & it's sister concerns ii. S. Alam Cold Rolled Steels Limited. iii. S. Alam Steels Limited iv. S. Alam Refined Sugar Industries Limited Ruby Food Products Ltd. & Its Allied Concern, Masud & Brothers , BSM Syndicate | 443.03 | 56.22 | 499.25 |
| 20 | M/S Mars Textile Ltd. | 302.05 | 53.33 | 355.38 |
| 21 | Dong Bang Textile Ltd. | 294.60 | 43.15 | 337.75 |
| 22 | Ronghdhanu Builders (Pvt) Ltd., Mehedi Mart | 356.14 | - | 356.14 |
| 23 | i. DADA ENGINEERING LIMITED & sister concerns- ii. DADA ACCESSORIES LTD. iii. DADA ZIPPER LTD iv. DADA BAG INDUSTRIES LTD v. JAMUNA SPINNING MILLS LTD. vi. SHAMEEM SPINNING MILLS LTD. vii. JAMUNA ELECTRONICS AND AUTOMOBILES LTD. viii. Jamuna Denims Ltd. ix. JAMUNA SPINNING MILLS LTD. (Unit 02) x. Daily Jugantor. | 69.57 | 36.62 | 106.19 |
| 24 | i. Abul Khair Steel Ltd. & its sister concerns- ii. Abul Khair Ltd. iii. A.K CORPORATION LTD iv.Abul Khair Consumer v. Shah Cement Industries Ltd. vi. Abul Khair Ceramic Industries Ltd. vii.Abul Khair Steel Melting Ltd. viii. Abul Khair Strip Processing Ltd. ix. Abul Khair Ltd. | 0.00 | 24.35 | 24.35 |
| 25 | i. Thermax Textile Mills Ltd. & its sister concerns- ii. Thermax Knit Yarn Ltd. iii. Thermax Spinning Ltd. iv. Thermax Melange Spinning Mills Ltd., v.Thermax Check Fabrics Limited vi. Adury Apparels Ltd. vii.Adury knit compsite. | 239.04 | 86.06 | 325.10 |
| 26 | i. Infinia Composite Textiles Limited ii. Infinia Chemicals Limited | 77.63 | 139.25 | 216.88 |
| 27 | i. Mahbub Brothers(Pvt.) Ltd. & sister concerns- ii. M/s. Pubali Traders, iii. Rishad Enterprise iv. ARK-MBPL JV. v. Best Golden Flour Mills Ltd | 229.88 | 28.74 | 258.62 |
| 28 | Ruby Food Products Ltd. | 230.52 | 47.10 | 277.62 |
| 29 | LUB-RREF (BANGLADESH) LIMITED | 274.55 | 23.66 | 298.21 |
| 30 | i. Nasrin Agriculture Industries Limited & its sister concerns- ii. M/s. Al-Habib Enterprise and its sister concern M/s. H R Feed iii. M/s. Nutrila Feed | 346.55 | 88.30 | 434.85 |
| 31 | TecTonics | 345.04 | - | 345.04 |
| 32 | Nitol Motors Ltd. | 151.71 | 18.12 | 169.83 |
| Grand Total | | 9,586.17 | 1,915.29 | 11,501.46 |

SOCIAL ISLAMI BANK LIMITED
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 | 738,298,640 | 8,121,285,060 |
| 2019 | 10% bonus issue for the year 2018 | 81,212,850 | 10 | 893,341,356 | 812,128,500 | 8,933,413,560 |
| 2020 | 5% Bonus & 5% cash Issue for the year 2019 | 44,667,067 | 10 | 938,008,423 | 446,670,670 | 9,380,084,230 |

SOCIAL ISLAMI BANK LIMITED
STATEMENT OF CORPORATE INCOME TAX STATUS
AS AT 31 DECEMBER 2020

(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 | 42,284,322 | 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 | 283,427,344 | 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 | 1,344,746,694 | 1,455,548,339 | Pending at High Court Division of Supreme Court |
| 2013 | 2014-2015 | 802,951,284 | 876,386,844 | 1,223,045,189 | Pending at High Court Division of Supreme Court |
| 2014 | 2015-2016 | 1,400,446,160 | 1,160,345,616 | 1,397,825,207 | Pending at High Court Division of Supreme Court |
| 2015 | 2016-2017 | 1,403,060,382 | 1,021,914,182 | 1,481,927,423 | Pending at High Court Division of Supreme Court |
| 2016 | 2017-2018 | 1,887,664,569 | 1,433,555,743 | 1,934,958,507 | Pending at High Court Division of Supreme Court |
| 2017 | 2018-2019 | 2,063,450,826 | 1,326,968,492 | 1,949,246,472 | Submitted to the Appellate Tribunal |
| 2018 | 2019-2020 | 2,227,743,967 | 1,128,245,770 | 2,545,214,694 | Submitted to the 1st Appeal |
| 2019 | 2020-2021 | 1,593,092,009 | 1,126,392,864 | - | Return Submitted |
| 2020 | 2021-2022 | 1,482,531,120 | 785,893,610 | - | Return not yet Submitted |

SOCIAL ISLAMI BANK LIMITED
CALCULATION OF DEFERRED TAX LIABILITY
FOR THE YEAR ENDED 31.12.2020

Assets:

| Assets Description | Tax Base | Accounting Base | Difference | Tax Rate | D. Tax Liability / (Assets) |
|-----------------------|----------------------|----------------------|----------------------|----------|-----------------------------|
| Building | 458,121,877 | 959,927,197 | 501,805,321 | 37.50% | 188,176,995 |
| Furniture & Fixture | 751,649,375 | 800,409,921 | 48,760,547 | 37.50% | 18,285,205 |
| Mechanical Appliances | 403,966,561 | 711,163,211 | 307,196,650 | 37.50% | 115,198,744 |
| Software | 37,697,307 | 200,335,407 | 162,638,100 | 37.50% | 60,989,288 |
| Books | 228,246 | 662,052 | 433,807 | 37.50% | 162,677 |
| Motor Vehicles | 41,840,400 | 17,516,852 | - | - | - |
| Sub-total | 1,693,503,764 | 2,690,014,641 | 1,020,834,424 | | 382,812,909 |

| DTL on revaluation surplus | | | | | |
|----------------------------|---|-------------|--|--------|--------------------|
| Land | - | 10,218,377 | | 4.00% | 408,735 |
| Building | | 898,131,861 | | 37.50% | 336,799,448 |
| Sub-total | | | | | 337,208,183 |

Total deferred tax liability**720,021,092**

| Liability: | | | | | |
|---|----------|--------------------|----------------------|--------|----------------------|
| Amount to be written off in future | | 751,504,632 | (751,504,632) | 37.50% | (281,814,237) |
| Sub-total | - | 751,504,632 | (751,504,632) | | (281,814,237) |
| Grand Total of deferred Tax Liability as on 31.12.2020 | | | | | 438,206,855 |

OFF-SHORE BANKING UNIT FINANCIAL INFORMATION



SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
BALANCE SHEET
AS AT 31 DECEMBER 2020

| | Note(s) | 31.12.2020 | | 31.12.2019 | |
|--|----------|-------------------|----------------------|-------------------|----------------------|
| | | 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 | | 815,963 | 69,194,558 | 1,291,507 | 109,648,944 |
| | | 815,963 | 69,194,558 | 1,291,507 | 109,648,944 |
| | | | | | |
| Placement with Banks & other Financial Institutions | | - | - | - | - |
| Investments in Shares & Securities | | - | - | - | - |
| Government | | - | - | - | - |
| Others | | - | - | - | - |
| | | - | - | - | - |
| Investments | | | | | |
| General Investment etc. | 4 | 50,801,816 | 4,308,095,641 | 26,071,608 | 2,213,479,499 |
| Bills Purchased and Discounted | | - | - | - | - |
| | | 50,801,816 | 4,308,095,641 | 26,071,608 | 2,213,479,499 |
| | | | | | |
| Fixed Assets including Premises, Furnitures and Fixtures | 5 | 223 | 18,878 | 278 | 23,598 |
| Other Assets | 6 | 484,756 | 41,107,801 | 434,420 | 36,882,278 |
| Non Banking Assets | | | | | |
| Total Assets | | 52,102,758 | 4,418,416,878 | 27,797,813 | 2,360,034,320 |
| LIABILITIES AND CAPITAL | | | | | |
| Liabilities | | | | | |
| Borrowing from Banks & other Financial Institutions | 7 | 47,801,174 | 4,053,637,881 | 17,525,210 | 1,487,890,290 |
| Deposits and Other Accounts | 8 | 3,403,220 | 288,596,821 | 9,020,430 | 765,834,530 |
| Mudaraba Savings Deposits | | - | - | - | - |
| Mudaraba Term Deposits | 8.1 | 3,000,000 | 254,403,300 | 8,948,438 | 759,722,389 |
| Other Mudaraba Deposits | | - | - | - | - |
| Al-Wadeeah Current & Other Deposit Accounts | 8.2 | 403,220 | 34,193,521 | 71,992 | 6,112,141 |
| Bills Payable | | - | - | - | - |
| | | 898,363 | 76,182,177 | 1,252,173 | 106,309,500 |
| Other Liabilities | | | | | |
| Deffered Tax Liabilities/ (Assets) | | | | | |
| Total Liabilities | | 52,102,758 | 4,418,416,878 | 27,797,813 | 2,360,034,320 |
| Capital/Shareholders' Equity | | | | | |
| Paid-up Capital | | - | - | - | - |
| Statutory Reserve | | - | - | - | - |
| Foreign currency translation gain/(Loss) | | - | - | - | - |
| Retained Earnings | | - | - | - | - |
| Total Shareholders' Equity | | - | - | - | - |
| Total Liabilities & Shareholders' Equity | | 52,102,758 | 4,418,416,878 | 27,797,813 | 2,360,034,320 |

| Note(s) | 31.12.2020 | | 31.12.2019 | |
|---|------------|------|------------|------|
| | 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 | - | - | - | - |

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

| | 31.12.2020 | | 31.12.2019 | |
|---|----------------|-------------------|------------------|--------------------|
| | USD | Taka | USD | Taka |
| Investment Income | 2,477,113 | 210,061,926 | 1,679,016 | 142,548,423 |
| Less: Profit paid on Deposits | (1,589,724) | (134,810,330) | (442,588) | (37,575,714) |
| Net Investment Income | 887,389 | 75,251,596 | 1,236,428 | 104,972,708 |
| Commission, Exchange and Brokerage | - | - | - | - |
| Other Operating Income | 10,751 | 911,703 | 15,467 | 1,313,172 |
| Total Operating Income | 898,140 | 76,163,298 | 1,251,895 | 106,285,880 |
| Salary & allowances | 87,051 | 7,382,024 | 66,594 | 5,653,860 |
| Rent & Utilities | - | - | - | - |
| Depreciation on fixed assets | 56 | 4,720 | 69 | 5,900 |
| Others | - | - | - | - |
| Total Operating Expenses | 87,107 | 7,386,743 | 66,664 | 5,659,760 |
| 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 | 811,034 | 68,776,555 | 1,185,231 | 100,626,121 |
| Provision for Income Tax | - | - | - | - |
| Net Profit/(Loss) after Tax | 811,034 | 68,776,555 | 1,185,231 | 100,626,121 |

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

| | 31.12.2020 | | 31.12.2019 |
|--|--------------------|----------------------|----------------------|
| | USD | Taka | Taka |
| Cash Flow from operating activities | | | |
| Investment Income receipt | 2,477,113 | 210,061,926 | 142,548,423 |
| Profit paid on deposits | (1,589,724) | (134,810,330) | (37,575,714) |
| Dividend receipts | - | - | - |
| Fees & commission receipt | - | - | - |
| Cash payments to employees | (87,051) | (7,382,024) | (5,653,860) |
| Cash payments to suppliers | - | - | - |
| Income tax paid | - | - | - |
| Receipts from other operating activities | 10,751 | 911,703 | 1,313,172 |
| Payments for other operating activities | - | - | - |
| Operating profit before changes in operating assets and liabilities | 811,089 | 68,781,275 | 100,632,020 |
| Changes in operating assets and liabilities | | | |
| Statutory deposits | - | - | - |
| Net trading securities | - | - | - |
| Investments to other banks | - | - | - |
| Investment to customers | (24,730,208) | (2,094,616,142) | (151,618,107) |
| Other assets | (50,336) | (4,225,523) | 25,599,218 |
| Deposits from other banks | 30,275,964 | 2,565,747,591 | (246,712,585) |
| Deposits received from customers | (5,617,210) | (477,237,709) | 424,001,060 |
| Other liabilities on account of customers | - | - | - |
| Trading liabilities | - | - | - |
| Other liabilities | (1,164,899) | (98,908,598) | (317,175,215) |
| Sub Total | (1,286,689) | (109,240,381) | (265,905,629) |
| A. Net Cash flow from operating activities | (475,599) | (40,459,106) | (165,273,609) |
| 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 | 56 | 4,720 | 5,900 |
| Purchase/Sale of subsidiaries | - | - | - |
| B. Net Cash flows from investing activities | 56 | 4,720 | 5,900 |
| 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) | (475,544) | (40,454,387) | (165,267,711) |
| E. Cash and cash equivalents at the beginning of the year | 1,291,507 | 109,648,944 | 274,916,654 |
| F. Cash and cash equivalents at the end of the year (D+E) | 815,963 | 69,194,558 | 109,648,944 |

**SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 (IAS), 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, 2020.

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" interest and other expenses are recognized on accrual basis.

2.8 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationery, etc. are allocated as common expense rather separately accounted for in the financial statements.

3 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

Balance with other Banks and Financial Institutions consists nostro account balance of OBU unit of SIBL which is held with Mashreq Bnak, New York.

4 GENERAL INVESTMENTS

a) General investments of Off-shore Banking Units are stated in the balance sheet on net basis.

b) Profit is calculated on a daily product basis but charged and accounted for on accrual basis. Profit is not charged on bad and loss investments as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

5 FIXED ASSETS

Fixed assets includes Furnitures and office equipments used by the employees of OBU unit.

6 OTHER ASSETS

Other assets include profit receivable from investment clients which are accounted for on accrual basis as per relative accounting standards.

7 BORROWING FROM BANKS & OTHER FINANCIAL INSTITUTIONS

Borrowing from Banks & other Financial Institutions includes amount received from SIBL as part of fund which will be returned/adjusted in due course, balance of which is eliminated in the consolidated balance sheet of SIBL to avoid improper double reflection of fund.

8 DEPOSITS AND OTHER ACCOUNTS

8.1 Mudaraba Term Deposits

Mudaraba Term Deposits includes deposits procured from various local and foreign banks/institutions which includes:
among the foreign banks/institutions:

1. Alahli Bank of Kuit 2. Indusind Bank Ltd. India

8.2 Al-Wadeeah Current & Other Deposit Accounts

Al-Wadeeah Current & Other Deposit Accounts includes profit payable account and sundry deposits.

9 General

a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US \$1 = Taka 84.80 closing rate as at 31st December 2020.

c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.

SOCIAL ISLAMI BANK LIMITED
HIGHLIGHTS OF PERFORMANCE (ONLY BANK-SOLO BASIS)

(Amount in Taka)

| SL no. | Particulars | 31.12.2020 | 31.12.2019 |
|--------|---|-----------------|-----------------|
| 1 | Paid up Capital | 9,380,084,230 | 8,933,413,560 |
| 2 | Total Capital (Core + Supplementary) | 30,368,899,942 | 27,901,797,226 |
| 3 | Capital Surplus/(Deficit) | 7,866,838,192 | 7,653,208,726 |
| 4 | Capital to Risk-weighted Asset Ratio (CRAR) | 13.50% | 13.78% |
| 5 | Total Assets | 384,999,710,859 | 345,056,231,627 |
| 6 | Total Deposit | 322,383,510,566 | 287,936,655,109 |
| 7 | General Investment | 300,617,943,566 | 264,268,589,649 |
| 8 | Total Contingent Liabilities and Commitments | 52,439,934,267 | 53,594,806,020 |
| 9 | Investment-Deposit (ID) Ratio (%) | 90.65% | 89.47% |
| 10 | Percentage of classified investment against total investments | 6.05% | 6.63% |
| 11 | Profit before Tax and Provision | 4,343,211,109 | 6,342,110,494 |
| 12 | Profit after Tax and Provision | 1,550,935,483 | 1,521,450,676 |
| 13 | Amount of classified investment | 18,201,163,877 | 17,533,303,838 |
| 14 | Provisions kept against classified investment | 7,812,088,173 | 7,595,557,186 |
| 15 | Provisions surplus | - | - |
| 16 | Cost of Deposits | 6.88% | 6.56% |
| 17 | Profit Earning Assets | 329,806,940,393 | 292,106,296,629 |
| 18 | Non-Profit Earning Assets | 55,192,770,466 | 52,949,934,997 |
| 19 | Return on Investment in Securities | 4.12% | 3.98% |
| 20 | Return (after tax) on average Assets (ROA) | 0.42% | 0.47% |
| 21 | Return (after tax) on equity (ROE) | 8.78% | 9.21% |
| 22 | Income from Investment in Securities | 762,379,471 | 760,574,012 |
| 23 | Earning Per Share (EPS) (Prior year restated) | 1.65 | 1.62 |
| 24 | Consolidated Earning Per Share (CEPS) (Prior year restated) | 1.67 | 1.63 |
| 25 | Net Income Per Share | 1.65 | 1.62 |
| 26 | Price Earning Ratio (Times) | 7.86 | 8.10 |

SIBL SECURITIES LIMITED

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIBL 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 financial position as at 31 December 2020, and the 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other regulatory requirements.

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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 CONTROL

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as explained in note # 01, 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. The companies Act, 1994, require the management to ensure effective internal audit, internal control and risk management functions of the company.

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.

AUDITOR'S 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 Group and 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 entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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 and the Securities and Exchange Rules 1987, we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. 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 these books; and
- c. the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Place, Dhaka
May 02, 2021



Md. Shafiqul Islam FCA
Enrolment # 595
Partner
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 210503059AS893676


SIBL SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

| Particulars | Note | Amount in Taka | |
|--|------|----------------------|----------------------|
| | | 2020 | 2019 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment less acc. depreciation | 3 | 6,821,945 | 6,857,137 |
| Right of Use Assets | 4 | 8,658,260 | - |
| Intangible assets | 5 | 492,651 | 810,015 |
| Investment in Equity of Strategic Company | 6 | 989,770,683 | 989,770,683 |
| | | 1,005,743,539 | 997,437,835 |
| Current Assets | | | |
| Advances, deposits & pre-payments | 7 | 105,109,269 | 91,417,017 |
| Accounts Receivable | 8 | 1,256,565,280 | 1,088,706,553 |
| Investment in stock dealer activities | 9 | 142,155,281 | 154,433,823 |
| Cash & cash equivalents | 10 | 396,700,913 | 362,409,969 |
| | | 1,900,530,742 | 1,696,967,362 |
| Total Assets | | 2,906,274,281 | 2,694,405,197 |
| EQUITY AND LIABILITIES | | | |
| Capital & reserve | | | |
| Share capital | 11 | 1,230,000,000 | 1,230,000,000 |
| General reserve | 12 | 11,314,057 | 9,843,355 |
| Retained earnings | 13 | 41,560,062 | 33,835,172 |
| | | 1,282,874,119 | 1,273,678,527 |
| Non-current liabilities | | | |
| HPSM investment loan from SIBL | 14 | 900,000,000 | 800,000,000 |
| Deferred Tax Liability/(Asset) | 15 | 812,743 | 887,413 |
| Lease Liability | 16 | 5,070,782 | - |
| | | 905,883,525 | 800,887,413 |
| Current liabilities | | | |
| Accounts Payables | 17 | 608,959,440 | 530,678,554 |
| Provision for tax | 18 | 104,837,111 | 89,160,703 |
| Lease Liability_Current Portion | 16 | 3,720,086 | - |
| | | 717,516,637 | 619,839,257 |
| Total Equity & Liabilities | | 2,906,274,281 | 2,694,405,197 |

The annexed notes 1 to 26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our report of same date



Md. Shafiqul Islam FCA
Enrolment # 595
Partner
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 210503059AS893676

Place: Dhaka
Dated: May 02, 2021

SIBL SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED ON DECEMBER 31, 2020

| Particulars | Note | Amount in Taka | |
|--|--------|----------------------|----------------------|
| | | Dec-2020 | Dec-2019 |
| Operating Income: | | | |
| Brokerage commission | 19 | 65,443,481 | 60,411,796 |
| Profit earned on bank account: | 20 | 12,426,392 | 9,975,141 |
| Profit on margin facility | | 63,048,617 | 63,026,108 |
| Profit / (Loss) on sale of share | | 5,580,054 | 3,206,983 |
| Cash dividend from investment in share | | 3,367,981 | 1,708,971 |
| Dividend Income from investment in DSE & CSE Share | | 3,468,921 | 7,554,995 |
| Other income | 21 | 1,775,222 | 1,779,938 |
| Total operating income | | 155,110,668 | 147,663,932 |
| Expenses | | | |
| Operating expenses | 22 | (50,274,176) | (47,745,002) |
| Financial Expenses | 23 | (72,785,405) | (72,093,691) |
| | | (123,059,581) | (119,838,693) |
| Operating profit/(loss) before Provisions & Reserve | | 32,051,087 | 27,825,239 |
| Other Provisions & Reserve | | | |
| Provision for impairment of margin loan | 17.2.A | 4,193,333 | 3,090,496 |
| Provision for diminution in value of investment | 17.2.B | 2,498,746 | 3,075,197 |
| General Reserve | 12 | 1,470,702 | (920,894) |
| Total Provisions & Reserve | | (8,162,781) | (5,244,799) |
| Operating profit/(loss) before tax | | 23,888,306 | 17,190,608 |
| Current tax | | 15,676,408 | 12,311,797 |
| Deferred Tax Expenses / (Income) | | (74,670) | (218,763) |
| | | (15,601,738) | (12,093,034) |
| Operating Profit/(loss) after tax | | 8,286,568 | 5,097,574 |

The annexed notes 1 to 26 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our report of same date

Place: Dhaka
Dated: May 02, 2021


Md. Shafiqul Islam FCA
Enrolment # 595
Partner
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 210503059AS893676

SIBL SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED ON DECEMBER 31, 2020

| Particulars | Share capital | General reserve | Retained earnings | Total |
|--|----------------------|-------------------|-------------------|----------------------|
| Opening balance at 01 January, 2020 | 1,230,000,000 | 9,843,355 | 33,835,172 | 1,273,678,528 |
| Add: Net Profit/Loss during the period | - | - | 8,286,568 | 8,286,568 |
| Add: General reserve addition | - | 1,470,702 | - | 1,470,702 |
| Add: Adjustment for execution of IFRS 16 | - | - | (561,678) | (561,678) |
| Less: Interim cash Dividend paid | - | - | - | - |
| Balance as at 31st December, 2020 | 1,230,000,000 | 11,314,057 | 41,560,062 | 1,282,874,120 |

| Particulars | Share capital | General reserve | Retained earnings | Total |
|--|----------------------|------------------|-------------------|----------------------|
| Opening balance at 01 January, 2019 | 1,230,000,000 | 10,764,249 | 28,737,598 | 1,269,501,848 |
| Add: Net Profit/Loss during the year | - | - | 5,097,574 | 5,097,574 |
| Add: General reserve addition | - | (920,894) | - | (920,894) |
| Less: Interim cash Dividend paid | - | - | - | - |
| Balance as at 31st December, 2019 | 1,230,000,000 | 9,843,355 | 33,835,172 | 1,273,678,528 |

The accounting policies and other notes form an integral part of the financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our report of same date

Place: Dhaka
Dated: May 02, 2021

SIBL SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED ON DECEMBER 31, 2020

| | 2020 | 2019 |
|--|---------------------|---------------------|
| | BDT | BDT |
| Cash flows from operating activities: | | |
| Net profit before tax | 23,888,306 | 17,190,608 |
| Increase/(decrease) in Advance & Prepayments | (13,692,252) | (12,641,514) |
| Increase in receivables | (167,858,727) | 70,789,579 |
| Increase/(decrease) in payables | 57,322,932 | 93,536,386 |
| Increase/(decrease) in other provisions | 20,957,954 | 81,387,833 |
| Depreciation | 1,051,361 | 1,089,399 |
| Amortization | 317,364 | 317,364 |
| General reserve | 1,470,702 | (920,894) |
| Adjustment to retained earnings | (429,069) | - |
| Net cash inflow/(outflow) from operating activities (A) | (76,971,429) | 250,748,761 |
| Cash flows from investing activities: | | |
| Investment in membership of stock exchanges | - | - |
| decrease/(Increase) in security deposit | - | - |
| Increase/(decrease) in fixed assets | (1,016,169) | (355,529) |
| Sale of DSE Share | - | - |
| Increase in investment | 12,278,542 | (11,963,895) |
| Net cash used in investing activities (B) | 11,262,373 | (12,319,424) |
| Cash flows from financing activities: | | |
| Increase in investment borrowing-SIBL | 100,000,000 | - |
| Interim cash dividend paid | - | - |
| Net cash from financing activities (C) | 100,000,000 | - |
| Net cash inflow for the year D=(A+B+C) | 34,290,944 | 238,429,337 |
| Opening cash & cash equivalents (E) | 362,409,969 | 123,980,632 |
| Closing cash & cash equivalents (D+E) | 396,700,913 | 362,409,969 |

The accounting policies and other notes form an integral part of the financial statements.


Chief Executive Officer


Director


Director


Chairman

Signed as per our report of same date

Place: Dhaka
Dated: May 02, 2021

SIBL SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED ON DECEMBER 31, 2020

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 & Equipment". 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 |

The company has implemented International Financial Reporting Standard 16; LEASE for the first time in 2020 and accordingly "Right of Use Asset" has been created on account of Office Rent.

Intangible 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 | |
|----------|--|--------------------|--------------------|
| | | 2020 | 2019 |
| 3 | Property, plant & equipment: | | |
| | Opening balance | 18,358,126 | 18,002,597 |
| | Add: Addition during the year (annexure-A) | 1,016,169 | 355,529 |
| | Less: Disposal during the year | - | - |
| | Closing balance (A) | 19,374,295 | 18,358,126 |
| | Less: Accumulated depreciation: | | |
| | Opening balance | 11,500,989 | 10,411,590 |
| | Depreciation charged during the year (annexure-A) | 1,051,361 | 1,089,399 |
| | Disposal/adjustment during the year | - | - |
| | Closing balance (B) | 12,552,350 | 11,500,989 |
| | Written down value (A-B) | 6,821,945 | 6,857,137 |
| 4 | Right of Use Assets | 13,112,105 | - |
| | During the year under report the company has implemented IFRS 16: LEASE therefore " Right of Use Assets " has been arisen due to result of actions of the same IFRS 16 | | |
| | Less: Accumulated Depreciation | 4,453,845 | - |
| | | 8,658,260 | - |
| 5 | 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 | 2,363,625 | 2,046,261 |
| | Depreciation charged during the year (annexure-A) | 317,364 | 317,364 |
| | Disposal/adjustment during the year | - | - |
| | Closing balance (B) | 2,680,989 | 2,363,625 |
| | Written down value (A-B) | 492,651 | 810,015 |
| 6 | Investment in Equity of Strategic Company | | |
| | Chittagong Stock Exchange Ltd. (CSE) | 307,000,000 | 307,000,000 |
| | Dhaka Stock Exchange Ltd. (DSE) | 682,770,683 | 682,770,683 |
| | | 989,770,683 | 989,770,683 |
| | DSE Share sale to Strategic shareholder | - | - |
| | | 989,770,683 | 989,770,683 |

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 than the overall DSE shares cost.

| Stock Exchange | No of Shares | |
|-----------------------------------|--------------------|--------------------|
| | 31-Dec-20 | 31-Dec-19 |
| Dhaka Stock Exchange Limited | 5,411,329 | 5,411,329 |
| Chittagong Stock Exchange Limited | 4,287,330 | 4,287,330 |
| Total number of shares | 9,698,659 | 9,698,659 |
| Book value of Shares | 989,770,683 | 989,770,683 |

| | | | Amount in Taka | |
|------------|--|------------|----------------------|----------------------|
| | | | 2020 | 2019 |
| 7 | Advances: | | | |
| | Advance income tax | Note - 7.1 | 104,889,269 | 89,184,152 |
| | Advance office rent | | - | 1,168,865 |
| | Advance for floor space at Nikunja, DSE Tower | | - | 850,000 |
| | Security deposit | Note - 7.2 | 220,000 | 214,000 |
| | | | 105,109,269 | 91,417,017 |
| 7.1 | Advance income tax: | | | |
| | Advance income tax-DSE | | 80,992,831 | 70,508,587 |
| | Advance income tax-CSE | | 3,921,587 | 3,519,809 |
| | Advance income tax-CSE dealer | | 49,023 | 45,663 |
| | Advance income tax-DSE dealer | | 595,158 | 573,085 |
| | 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. | | 4,289,113 | 3,056,574 |
| | Advance income tax on cash dividend-dealer | | 9,267,486 | 7,683,829 |
| | Income tax paid | | 4,054,897 | 2,077,431 |
| | | | 104,889,269 | 89,184,152 |
| 7.2 | Security deposit: | | | |
| | Security deposit with CDBL | | 200,000 | 200,000 |
| | Security deposit with BTCL | | 5,000 | 5,000 |
| | Security deposit with Duncan Products | | 15,000 | 9,000 |
| | Total | | 220,000 | 214,000 |
| 8 | Accounts Receivable | | | |
| | Receivable from client | | 1,129,885,060 | 984,335,485 |
| | Receivables from regulators | Note - 8.1 | 31,824,621 | 1,637,167 |
| | Receivable dividend income | | 1,624,281 | 2,705,665 |
| | Profit receivable Bai-Muajjel | | 93,231,319 | 100,028,236 |
| | | | 1,256,565,280 | 1,088,706,553 |
| 8.1 | Receivables from regulators: | | | |
| | Receivable from DSE | | 769,541 | 1,637,167 |
| | Receivable from CSE | | 31,055,079 | - |
| | | | 31,824,621 | 1,637,167 |
| 9 | Investment in stock dealer Activities | | | |
| | Investment in listed securities | | 107,145,781 | 124,433,823 |
| | Investment in unlisted companies | | 30,000,000 | 30,000,000 |
| | Investment in primary shares | | 5,009,500 | - |
| | | | 142,155,281 | 154,433,823 |
| 10 | Cash & bank balances: | | | |
| | Cash in hand | | 503,808 | 79,908 |
| | Petty cash account | | 24,794 | 5,179 |
| | Consolidated customer A/c. with AIBL -0021220003332 | | 8,365 | 7,768 |
| | SIBLSL operational Bank A/c (Exp) with SIBL-02-1330056882 | | 167,124 | 1,578,112 |
| | SIBLSL dealer operational Bank A/c . with OBL-001300000569 | | 7,190 | 7,664 |
| | SIBLSL -Public Issue ApplicationA/c. with SIBL - 02-1360001846 | | 13,326,239 | 256,825 |
| | SIBL Securities Employees PF Bank A/c. SIBL - 02-1360001993 | | 12,983,106 | 10,166,705 |
| | SiblsI Consolidated Customer A/c. SibI-0021360003049 | | 349,813,493 | 347,838,915 |
| | SiblsI Dealer Operation A/c.-SibI-0021360003051 | | 19,866,795 | 2,468,893 |
| | | | 396,700,913 | 362,409,969 |

| | | Amount in Taka | |
|-----------|--|----------------------|----------------------|
| | | 2020 | 2019 |
| 11 | Share capital: | | |
| | Authorized capital: | | |
| | 25,000,000 shares of Tk. 100 each | 2,500,000,000 | 2,500,000,000 |
| | Issued, subscribed and paid-up capital: | | |
| | 12,300,000 shares of Tk. 100 each | 1,230,000,000 | 1,230,000,000 |

11.1 Shareholding position:

| Shareholders | % of shareholdings | No. Shares | 2020 Amount | 2019 Amount |
|--|--------------------|-------------------|----------------------|----------------------|
| 1 Social Islami Bank Limited | 99.999902% | 12,299,988 | 1,229,998,800 | 1,229,998,800 |
| 2 Alhaj Nasiruddin | 0.000008% | 1 | 100 | 100 |
| 3 Mr. Md. Sayedur Rahman | 0.000008% | 1 | 100 | 100 |
| 4 Major (Retd.) Dr. Md. Rezaul Haque | 0.000008% | 1 | 100 | 100 |
| 5 Alhaj Sultan Mahmood Chowdhury | 0.000008% | 1 | 100 | 100 |
| 6 Mr. Abdul Awal Patwary | 0.000008% | 1 | 100 | 100 |
| 7 Hamdard Laboratories (Waqf) Bangladesh Repres. by: Mr. Anisul Hoque | 0.000008% | 1 | 100 | 100 |
| 8 Mrs. Nargis Mannan | 0.000008% | 1 | 100 | 100 |
| 9 Mr. Kamaluddin Ahmed | 0.000008% | 1 | 100 | 100 |
| 10 Alhaj Sk. Mohammad Rabban Ali | 0.000008% | 1 | 100 | 100 |
| 11 Mr. A. Jabbar Mollah | 0.000008% | 1 | 100 | 100 |
| 12 Mr. Md. Kamal Uddin | 0.000008% | 1 | 100 | 100 |
| 13 Mr. Belal Ahmed | 0.000008% | 1 | 100 | 100 |
| | 100.000% | 12,300,000 | 1,230,000,000 | 1,230,000,000 |

| | | | |
|-----------|---|-------------------|------------------|
| 12 | General reserve | 11,314,057 | 9,843,355 |
| | Opening balance | 9,843,355 | 10,764,249 |
| | Add: Addition during the year | 1,470,702 | - |
| | | 11,314,057 | 10,764,249 |
| | Less: Adjustment during the year | - | (920,894) |
| | Closing balance | 11,314,057 | 9,843,355 |

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.

| | | | |
|-----------|--|--------------------|--------------------|
| 13 | Retained Earnings | 41,560,062 | 33,835,172 |
| | Opening balance | 33,835,172 | 28,737,598 |
| | Add: Profit/(loss) during the year | 8,286,568 | 5,097,574 |
| | Add: Adjustment for implementation of IFRS 16 (International Financial Reporting Standard 16 : Lease) | (561,678) | - |
| | | 41,560,062 | 33,835,172 |
| | Less: Interim dividend | - | - |
| | Closing balance | 41,560,062 | 33,835,172 |
| 14 | HPSM investment loan from SIBL: | | |
| | Opening balance | 800,000,000 | 800,000,000 |
| | Addition during the year | 100,000,000 | - |
| | Adjustment made during the year | - | - |
| | Closing balance | 900,000,000 | 800,000,000 |

| | | Amount in Taka | | |
|---------------|--|-------------------|--------------------|--------------------|
| | | 2020 | 2019 | |
| 15 | Deferred Tax Liability / (Assets) | | | |
| | Opening Balance | 887,413 | 1,106,176 | |
| | Add: Addition during the year | (74,670) | (218,763) | |
| | | 812,743 | 887,413 | |
| 16 | Lease Liability | 12,618,123 | - | |
| | Add: Finance Cost | 623,041 | - | |
| | Less: Adjustment | 4,450,296 | - | |
| | | 8,790,868 | - | |
| | Less: Current Portion | 3,720,086 | - | |
| | | 5,070,782 | - | |
| | During the year under report the company has implemented IFRS 16: LEASE and hence lease liability has been arisen due to result of actions of the same IFRS 16 | | | |
| 17 | Accounts Payables | | | |
| | Payable to regulators | Note - 17.1 | 9,692,149 | 6,655,006 |
| | Payable to client | | 359,987,025 | 305,701,236 |
| | Other provisions | Note - 17.2 | 239,280,266 | 218,322,313 |
| | | | 608,959,440 | 530,678,554 |
| 17.1 | Payable to regulators: | | | |
| | Payable to DSE | | 6,307,436 | 4,353,844 |
| | Payable to CSE | | 14,939 | 495,895 |
| | Payable to CDBL | | 3,369,774 | 1,805,267 |
| | Total | | 9,692,149 | 6,655,006 |
| 17.2 | Others provisions: | | | |
| | Provision for impairment of margin loan | Note 17.2.A | 109,865,897 | 105,672,564 |
| | Provision for diminution in value of investment in shares | Note 17.2.B | 26,779,290 | 24,280,544 |
| | Accrued expenses | Note 17.2.C | 16,411,024 | 15,179,147 |
| | Payable to service providers | | 85,328 | 543,518 |
| | Payable to suppliers | | 15,249 | 15,050 |
| | Profit payable to SIBL on Quard amount | | 72,049,180 | 72,000,000 |
| | Liabilities for payment to the issuer | | 13,107,400 | - |
| | Liabilities for unidentified cash dividend receipt | | 12,824 | 12,824 |
| | Liabilities for EMP. PF Bank A/c. profit income | | 954,074 | 618,665 |
| | Total | | 239,280,266 | 218,322,312 |
| 17.2.A | Provision for Impairment of Margin loan | | | |
| | Opening Balance | | 105,672,564 | 102,582,068 |
| | Add: Addition / (Adjustment) during the year | | 4,193,333 | 3,090,496 |
| | Closing Balance | | 109,865,897 | 105,672,564 |
| 17.2.B | Provision for diminution in value of investment in shares | | | |
| | Opening Balance | | 24,280,544 | 21,205,347 |
| | Add: Addition / (Adjustment) during the year | | 2,498,746 | 3,075,197 |
| | Closing Balance | | 26,779,290 | 24,280,544 |

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/CMRCCDD/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. That is, end of the year 2020. In this connection, as on 30th September, 2019 the provisions have been created @ 31% on Impairment of Margin Loan on negative equity balance of 31st December, 2018 and @32.5% Diminution in value of investment on unrealized loss amount of 30th September, 2019 separately.

| | | Amount in Taka | |
|---------------|---|--------------------|-------------------|
| | | 2020 | 2019 |
| 17.2.C | Accrued expenses: | | |
| | Audit fees | 60,000 | 30,000 |
| | Provision for office rent | 241,504 | 1,207,520 |
| | Provision for PF contribution by company | 5,930,623 | 4,693,625 |
| | Provision for PF contribution by employee | 5,930,623 | 4,693,625 |
| | Provision for employees Gratuity Fund | 4,068,550 | 4,068,550 |
| | Adjustment A/c. to forfeit PF contribution by Company | - | 179,326 |
| | Payable to DSE for non trading activities | 31,720 | 31,720 |
| | VAT payable on Directors meeting attendance fees | - | 8,000 |
| | VAT payable on suppliers | 3,832 | 16,663 |
| | VAT payable on office rent | 93,215 | 205,608 |
| | Tax payable on office rent | 19,096 | 8,259 |
| | Tax payable on suppliers | 160 | 700 |
| | Tax payable on salary | 22,700 | 31,050 |
| | VAT payable on legal & professional fees | 9,000 | 4,500 |
| | Total | 16,411,024 | 15,179,147 |
| 18 | Provision for tax: | | |
| | Opening balance | 89,160,703 | 76,848,906 |
| | Add: Current year tax | 15,676,408 | 12,311,797 |
| | Short / (excess) Provision of preceding years Tax | - | - |
| | | 15,676,408 | 12,311,797 |
| | Less: Tax Paid / Adjust of preceding years Tax | - | - |
| | | 15,676,408 | 12,311,797 |
| | Closing balance | 104,837,111 | 89,160,703 |
| 19 | Brokerage commission: | | |
| | Brokerage commission-DSE | 62,963,730 | 58,981,317 |
| | Brokerage commission-CSE | 2,479,751 | 1,430,479 |
| | Total | 65,443,481 | 60,411,796 |
| 20 | Profit earned on bank account: | | |
| | Profit on A/c.0021220003332 (Al Arafah) | 663 | 1,321 |
| | Profit on A/c. 13000000569 (One Bank) | 240 | 292 |
| | Profit on CCA A/c. 0021360003049 (SIBL) | 12,254,276 | 9,246,868 |
| | Profit on Dealer A/c. 0021360003051 (SIBL) | 154,219 | 202,983 |
| | Profit on A/c. 0021360001846 (SIBL) | 16,994 | 523,677 |
| | Total | 12,426,392 | 9,975,141 |
| 21 | Other income: | | |
| | Loan processing fees | 6,500 | 1,000 |
| | B.O. opening charges | 516,000 | 98,000 |
| | B.O. maintenance charges | 394,950 | 438,450 |
| | Income from IPO application process | 50,670 | 71,990 |
| | Other income | 807,102 | 1,170,498 |
| | Total | 1,775,222 | 1,779,938 |

| | | Amount in Taka | |
|-------------|---|-------------------|-------------------|
| | | 2020 | 2019 |
| 22 | Operating expenses: | | |
| | Salary & allowances (Note 22.1) | 30,699,093 | 31,018,682 |
| | License, fees & renewals (Note 22.2) | 8,752,272 | 7,570,217 |
| | Directors Board meeting attendance fees (Note 22.3) | 536,000 | 419,500 |
| | Rent, rates & taxes (Note 22.4) | 764,106 | 808,475 |
| | Communications expenses (Note 22.5) | 974,494 | 2,026,095 |
| | Printing & stationery (Note 22.6) | 301,991 | 477,675 |
| | Entertainment & public relation | 782,891 | 833,903 |
| | Repair & maintenances (Note 22.7) | 703,590 | 810,805 |
| | Office expenses (Note 22.8) | 664,669 | 788,024 |
| | Legal & professional fees (Note 22.9) | 69,500 | 39,500 |
| | Business promotional expenses | 200,000 | 1,291,493 |
| | Branding and business development exp. | - | 163,370 |
| | Training Expenses | 3,000 | 90,500 |
| | Depreciation | 1,051,361 | 1,089,399 |
| | Depreciation: Office rent transferred for IFRS 16 execution | 4,453,845 | - |
| | Amortization | 317,364 | 317,364 |
| | Total | 50,274,176 | 47,745,002 |
| 22.1 | Salary & allowances: | | |
| | Salary & allowances | 27,309,451 | 27,581,910 |
| | Contribution to employees provident fund by Company | 1,057,672 | 1,212,607 |
| | Festival bonus | 2,331,970 | 2,224,165 |
| | Total | 30,699,093 | 31,018,682 |
| 22.2 | License, fees & renewal: | | |
| | Stock broker license renewal fees | 20,000 | 20,000 |
| | Stock dealer license renewal fees | 20,000 | 20,000 |
| | Renewal fees | 4,000 | 4,000 |
| | TREC license renewal fees-DSE | 50,000 | 50,000 |
| | TREC license renewal fees-CSE | 50,000 | 50,000 |
| | Membership subscription to DBA | 12,500 | 12,500 |
| | Bidding fee paid to DSE | 29,000 | 15,000 |
| | Regulatory expenses with RJSC | 14,605 | - |
| | Non-Judicial stamp | 5,425 | 4,360 |
| | Trade license fees & expenses | 13,250 | 13,200 |
| | VAT on Registration & Renewal fees | 8,580 | 7,980 |
| | Tax on Registration & Renewal fees | 3,000 | 3,000 |
| | TWS shifting fees to DSE | 4,500 | - |
| | Authorized representative license and renewal fees | 171,000 | 200,000 |
| | CDBL connection Fees | 5,500 | 5,500 |
| | CDBL settlement transfer fees | 2,636,585 | 2,201,299 |
| | Howla charges-DSE | 150 | 900 |
| | Laga charges-DSE | 5,222,748 | 4,850,572 |
| | Laga charges-CSE | 468,436 | 102,179 |
| | Laga charges-CSE dealer | 1,546 | 475 |
| | Laga charges-DSE dealer | 11,036 | 8,686 |
| | Investor protection fund-CSE & DLR | 411 | 566 |
| | Total | 8,752,272 | 7,570,217 |

| | | Amount in Taka | |
|-------------|--|------------------|------------------|
| | | 2020 | 2019 |
| 22.3 | Directors Board Meeting attendance fees: | | |
| | Directors Board meeting attendance fees | 320,000 | 330,000 |
| | VAT on Directors meeting attendance fees | 44,000 | 41,500 |
| | Tax on Directors meeting attendance fees | 172,000 | 48,000 |
| | Total | 536,000 | 419,500 |
| 22.4 | Rent, rates & taxes: | | |
| | Office rent | 3,260,304 | 3,619,832 |
| | Office rent- Extension of HO | 1,833,720 | 1,770,000 |
| | | 5,094,024 | 5,389,832 |
| | Less: Adjsutment due to execution of IFRS 16 for the first time | 5,094,024 | 5,389,832 |
| | | - | - |
| | VAT on office rent | 764,106 | 808,475 |
| | Total | 764,106 | 808,475 |
| 22.5 | Communications expenses: | | |
| | Telephone & mobile bill | 174,408 | 150,181 |
| | Internet expenses | 195,476 | 366,758 |
| | Courier & postage | 6,460 | 4,270 |
| | Conveyance & travel expenses | 70,383 | 352,613 |
| | Network connectivity & installation charges | 527,767 | 1,152,273 |
| | SMS bill | - | - |
| | Total | 974,494 | 2,026,095 |
| 22.6 | Printing & stationery: | | |
| | Printing | 83,424 | 154,523 |
| | Tax on printing exp. | 160 | 20,217 |
| | stationery | 158,670 | 241,754 |
| | VAT on stationery | 787 | - |
| | Toner/cartridge | 58,950 | 61,181 |
| | Total | 301,991 | 477,675 |
| 22.7 | Repair & maintenances: | | |
| | Repair & maintenances | 63,472 | 170,136 |
| | VAT on Repair & maintenances | 235 | 650 |
| | Computer maintenances | 17,607 | 85,123 |
| | Software maintenances | 262,500 | 306,700 |
| | VAT on software maintenance | - | 12,500 |
| | Office maintenances | 359,776 | 235,696 |
| | Total | 703,590 | 810,805 |

| | | Amount in Taka | |
|-------------|---|-------------------|-------------------|
| | | 2020 | 2019 |
| 22.8 | Office expenses: | | |
| | Office inauguration exp. | 8,085 | - |
| | VAT on suppliers bill | 7,208 | 600 |
| | Advertisement | 20,700 | 40,250 |
| | Water & Sewerage bill | 54,269 | 53,153 |
| | Newspaper & periodicals | 11,740 | 22,005 |
| | Electrical goods | - | 72,975 |
| | Misc. Expenses | 40,000 | 45,000 |
| | Plant Bill | - | 20,000 |
| | Cleaner bill | 20,400 | - |
| | VAT on supplier payment | - | 10,882 |
| | Ex-gratia | 27,500 | 7,000 |
| | Electricity & generator bill | 474,767 | 516,159 |
| | Total | 664,669 | 788,024 |
| 22.9 | Legal & professional fees: | | |
| | Advisory & Consultancy | 35,000 | 5,000 |
| | Audit Fees | 30,000 | 30,000 |
| | VAT on Audit Fees | 4,500 | 4,500 |
| | Total | 69,500 | 39,500 |
| 23 | Financial expenses: | | |
| | Profit paid on loan | 72,049,180 | 72,000,000 |
| | Bank charges | 113,184 | 93,691 |
| | Finance cost arises from execution of IFRS 16 | 623,041 | - |
| | Total | 72,785,405 | 72,093,691 |
| 24 | Off-Balance Sheet Assets and Liabilities | | |
| | In compliance with the TREC Holder's Margin Regulations, 2013 to enhance the buy limit of the Company upto 40.00 Crore the company submitted two Bank Guarantee for the amount of Tk.30.00 Crore (BG No.002BG000117 dated 04.01.2017 for Tk.20.00 cr. and BG No. 002BG000316 dated 31.03.2016 for Tk.10.00 cr.) valid upto 31st December, 2020 to Dhaka Stock Exchange Ltd. which issued by Social Islami Bank Ltd., Principal Branch, Dhaka. | | |
| 25 | 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. | | |
| 26 | 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 DECEMBER 31, 2020

ANNEXURE - A

| Particulars | Cost | | | | | | Accumulated Depreciation | | | | Written Down | |
|--|---------------------------------------|---------------------------------|---|---------------------------------------|-----------------------|---------------------------------------|--------------------------------|---|--|-------------------------------------|--------------|--|
| | Balance as on 01-01-2020 5 = 2+3-4 | Addition during the period 3 | Disposal/ adjustment during the period 4 | Balance as on 31-12-2020 5 = 2+3-4 | Rate of Dep. (%) 6 | Opening balance as on 01-01-2020 7 | Charged during the period 8 | Disposal/ adjustment during the period 9 | Balance as on 31-12-2020 10 = 7+8+9 | Value as on 31-12-2020 11 = 5-10 | | |
| Property, plant & equipment | | | | | | | | | | | | |
| Office equipment | 11,215,381 | 814,892 | - | 12,030,273 | 20 | 8,566,924 | 622,585 | - | 9,189,509 | 2,840,764 | | |
| Office decoration | 5,682,557 | 119,877 | - | 5,702,434 | 10 | 2,438,508 | 316,503 | - | 2,755,010 | 2,947,424 | | |
| Furniture & fixture | 1,560,188 | 81,400 | - | 1,641,588 | 10 | 495,557 | 112,273 | - | 607,831 | 1,033,757 | | |
| Total | 18,358,126 | 1,016,169 | - | 19,374,295 | | 11,500,989 | 1,051,361 | - | 12,552,350 | 6,821,945 | | |
| Right of use assets | 13,112,105 | - | - | 13,112,105 | | | 4,453,845 | | 4,453,845 | 8,658,260 | | |
| Intangible assets | | | | | | | | | | | | |
| Software | 3,173,640 | - | - | 3,173,640 | 10 | 2,363,625 | 317,364 | - | 2,680,989 | 492,651 | | |
| Total | 3,173,640 | - | - | 3,173,640 | | 2,363,625 | 317,364 | - | 2,680,989 | 492,651 | | |

SIBL INVESTMENT LIMITED
FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SIBL INVESTMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of SIBL Investment Limited (the "company") which comprise the financial position as at 31 December 2020, and the 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other regulatory requirements.

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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 CONTROL

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as explained in note # 01, 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. The companies Act, 1994, require the management to ensure effective internal audit, internal control and risk management functions of the company.

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.

AUDITOR'S 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 Group and 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 entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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 and the Securities and Exchange Rules 1987, we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. 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 these books; and
- c. the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.



Md. Shafiqul Islam FCA
Enrolment # 595
Partner

SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 210305059AS754171

Place, Dhaka
May 02, 2021

SIBL INVESTMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

| Particulars | Note | Taka | Taka |
|---|------|--------------------|--------------------|
| | | 2020 | 2019 |
| ASSETS | | | |
| Non-current assets | | - | - |
| | | - | - |
| Current assets | | | |
| Advance Deposit & Prepayments | 1 | 703,000 | 212,409 |
| Investment in Shares | 2 | 108,211,330 | 69,296,400 |
| Accounts receivable | 3 | 45,140,081 | 81,399,135 |
| Cash & cash equivalents | 4 | 104,928,453 | 101,456,590 |
| | | 258,982,863 | 252,364,533 |
| TOTAL ASSETS | | 258,982,863 | 252,364,533 |
| EQUITY AND LIABILITIES | | | |
| Capital & reserve | | | |
| Share capital | 5 | 250,000,000 | 250,000,000 |
| Retained earnings | | 5,168,260 | (2,880,818) |
| | | 255,168,260 | 247,119,182 |
| Current liabilities | | | |
| Payable to Social Islami Bank Limited | | 1,903,690 | 1,883,690 |
| Accrued expenses | 6 | 69,000 | 46,000 |
| Provision for diminution in value of investment | 7 | - | 2,660,502 |
| Provision for tax | 8 | 1,841,913 | 655,159 |
| | | 3,814,603 | 5,245,351 |
| Total equity & liabilities | | 258,982,863 | 252,364,533 |

The annexed notes 1 to 11 form an integral part of these financial statements.


Director


Director


Director

Signed as per our report of even date.

Place, Dhaka

May 02, 2021



Md. Shafiqul Islam FCA
Enrolment # 595
Partner
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 210305059AS754171

SIBL INVESTMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2020

| Particulars | Notes | Taka | Taka |
|--|-----------|------------------|------------------|
| | | 2020 | 2019 |
| Operating Income | | | |
| Brokerage commission less howla & laga charges | | - | - |
| Profit received from Bank | | 3,094,059 | 1,610,000 |
| Profit / (Loss) on Investment in share | | 1,783,052 | 696,535 |
| Dividend income | | 1,779,249 | 257,045 |
| Other income | | - | - |
| | | 6,656,361 | 2,563,580 |
| Less: Expenses | 9 | 23,500 | 64,580 |
| Less: Financial expenses | 10 | 57,530 | 52,235 |
| | | 81,030 | 116,815 |
| Profit/(loss) before provision & reseve | | 6,575,331 | 2,446,765 |
| Provision for diminution in value of investment | | 2,660,502 | (2,660,502) |
| Profit/(loss) before tax | | 9,235,833 | (213,737) |
| Provision for taxation: | | | |
| Provision for tax | | 1,186,754 | 655,159 |
| Deferred tax | | - | - |
| | | (1,186,754) | 655,159 |
| Profit/(Loss) after tax | | 8,049,079 | (868,896) |

The annexed notes 1 to 11 form an integral part of these financial statements.


Director


Director


Director

Signed as per our report of even date.

Place, Dhaka

May 02, 2021



Md. Shafiqul Islam FCA
Enrolment # 595
Partner
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 210305059AS754171

SIBL INVESTMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2020

| Particulars | Share capital | Retained earnings | Total |
|--|--------------------|-------------------|--------------------|
| Opening Balance at 01 January, 2020 | 250,000,000 | (2,880,818) | 247,119,182 |
| Add: Net profit/(loss) during the year | - | 8,049,079 | 8,049,079 |
| Balance as at 31 December, 2020 | 250,000,000 | 5,168,260 | 255,168,260 |

| Particulars | Share capital | Retained earnings | Total |
|--|--------------------|--------------------|--------------------|
| Opening Balance at 01 January, 2019 | 250,000,000 | (2,011,922) | 247,988,078 |
| Add: Net profit/(loss) during the year | - | (868,896) | (868,896) |
| Balance as at 31 December, 2019 | 250,000,000 | (2,880,818) | 247,119,182 |

The accounting policies and other notes form an integral part of the financial statements.


Director


Director


Director

Signed as per our report of even date.

Place, Dhaka

May 02, 2021



Md. Shafiqul Islam FCA
Enrolment # 595
Partner
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 210305059AS754171

SIBL INVESTMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | Taka | Taka |
|---|--------------------|----------------------|
| | 2020 | 2019 |
| Cash flows from operating activities: | | |
| Net profit/(loss) before tax | 6,575,331 | 2,446,765 |
| Net cash inflow/(outflow) from operating activities (A) | 6,575,331 | 2,446,765 |
| Cash flows from investing activities: | | |
| Increase in current assets | (490,591) | (212,409) |
| Increase in investment | (38,914,930) | (69,296,400) |
| Increase in receivables | 36,259,054 | (81,399,134) |
| Increase in payables | 23,000 | - |
| Increase in liabilities | - | - |
| Net cash used in investing activities (B) | (3,123,467) | (150,907,943) |
| Cash flows from financing activities: | | |
| Received from Social Islami Bank Ltd. | 20,000 | 63,630 |
| Paid Investment account charges | - | - |
| Net cash from financing activities (C) | 20,000 | 63,630 |
| Net cash inflow for the year D=(A+B+C) | 3,471,863 | (148,397,548) |
| Opening cash & cash equivalents (E) | 101,456,590 | 249,854,138 |
| Closing cash & cash equivalents (D+E) | 104,928,453 | 101,456,590 |

The accounting policies and other notes form an integral part of the financial statements.


Chief Executive Officer


Director


Director

Signed as per our report of even date.

Place, Dhaka

May 02, 2021

SIBL INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2020

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 received 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 (7th Floor), 68 Dilkusha C/A, Dhaka-1000.

1.3 Nature of business activities:

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

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 2020;
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020;
- c) Statement of Changes in Equity for the year ended 31 December 2020;
- d) Statement of Cash Flows for the year ended 31 December 2020; 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.....

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 Standard (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 2020 to 31 December 2020.

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, 2020 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 2019 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 IAS-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.

| | | Taka | Taka |
|----------|---|----------------|----------------|
| | | 2020 | 2019 |
| 1 | Advance Deposit & Prepayments | | |
| | Advance income tax on cash dividend | 232,594 | 51,409 |
| | Advance income tax on profit of Bank A/c. | 470,406 | 161,000 |
| | | 703,000 | 212,409 |

2 Investment in shares
Disclosure about the investment

| Particulars | Cost Value | Market Value | Unrealized gain / (Loss) |
|----------------------------------|--------------------|--------------------|--------------------------|
| Investment in listed securities | 108,211,330 | 108,773,214 | 561,884 |
| Investment in unlisted companies | - | - | - |
| Investment in primary shares | - | - | - |
| Total | 108,211,330 | 108,773,214 | 561,884 |

| | | | |
|----------|-----------------------------------|----------|-------------------|
| 3 | Accounts receivable | | |
| | Balance with SIBL Securities Ltd. | Note-3.1 | 44,266,757 |
| | Receivable dividend income | Note-3.2 | 873,323 |
| | Total | | 45,140,081 |
| | | | 81,399,135 |

SIBL Investment Ltd. has been maintaining a BO Account No. 1205200068012743 which trading code # 4286 and investment in capital market through the account with SIBL Securities Ltd.

| | | | |
|------------|---|--------------------|--------------------|
| 3.1 | Balance transfer to BO Account with SIBL Securities Ltd. | 150,695,535 | 150,000,000 |
| | Add: Income from investment in shares | 1,783,052 | 696,535 |
| | Total investment | 152,478,587 | 150,696,535 |
| | Investment in listed securities | (108,211,330) | (69,296,400) |
| | B.O. Opening Charge | - | (500) |
| | B.O. maintenance Charge | (500) | (500) |
| | | (108,211,830) | (69,297,400) |
| | Balance with SIBL Securities Ltd. | 44,266,757 | 81,399,135 |

| | | | |
|------------|--|-------------------|---|
| 3.2 | Receivable dividend income | | |
| | Opening balance | - | - |
| | Add: Receivable during the year | 873,323 | - |
| | | 873,323 | - |
| | Less: Received/ adjusted during the year | - | - |
| | | 873,323.40 | - |

| | | | |
|----------|-------------------------------------|--------------------|--------------------|
| 4 | Cash & cash equivalents: | | |
| | Cash in hand | 25,201 | 5,201 |
| | Cash at bank-A/c. 002-1330057058 | 10,736,669 | 10,028,309 |
| | Cash at bank-A/c. 002-1360003826 | 94,166,583 | 91,423,080 |
| | | 104,928,453 | 101,456,590 |

SIBL Investment Limited has been maintaining 02 bank account no. 0002-1330057058 and account no. 0021360003826 with Social Islami Bank Limited, Principal Branch, Dilkusha, Dhaka.

| | | Taka | Taka |
|----------|--|----------------------|----------------------|
| | | 2020 | 2019 |
| 5 | Share capital: | | |
| | Authorized capital: | | |
| | 25,000,000 shares of Tk. 100 each | 2,500,000,000 | 2,500,000,000 |
| | Issued, subscribed & paid-up capital: | | |
| | 2,500,000 shares of Tk. 100 each | 250,000,000 | 250,000,000 |

5.1 Shareholding position:

| Shareholders | | % of shareholdings | No. Shares | No. Shares |
|--------------|------------------------------------|--------------------|------------------|------------------|
| 1 | Social Islami Bank Limited | 99.9997% | 2,499,992 | 2,499,992 |
| 2 | Mr. Md. Kamal Uddin | 0.00004% | 1 | 1 |
| 3 | Mr. Belal Ahmed | 0.00004% | 1 | 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 |

6 Accrued expenses:

| | | |
|--|---------------|---------------|
| Audit fees | 69,000 | 46,000 |
| VAT on directors Meeting Attendance fees | - | - |
| | 69,000 | 46,000 |

7 Provision for diminution in value of investment

| | | |
|--|------------------|------------------|
| Opening Balance | 2,660,502 | - |
| Add: Addition / (Adjustment) during the year | (2,660,502) | 2,660,502 |
| Closing Balance | - | 2,660,502 |

8 Provision for tax

| | | |
|---------------------------------|------------------|----------------|
| Opening balance | 655,159 | - |
| Less: Paid during the year | - | - |
| | 655,159 | - |
| Add: Current year tax provision | 1,186,754 | 655,159 |
| Closing balance | 1,841,913 | 655,159 |

9 Expenses

| | | |
|-----------------------------|---------------|---------------|
| Registration & renewals | - | 40,580 |
| Entertainment | - | - |
| Conveyance & other expenses | - | - |
| BO Account opening fee | - | 500 |
| BO maintenance fee | 500 | 500 |
| Audit fees | 20,000 | 20,000 |
| VAT on Audit fees | 3,000 | 3,000 |
| | 23,500 | 64,580 |

(Note 9.1)

| | | Taka | Taka |
|------------|-------------------------------------|---------------|---------------|
| | | 2020 | 2019 |
| 9.1 | Registration & renewals: | | |
| | RJSC fees | - | - |
| | Trade license fees & Exp. | - | 25,610 |
| | VAT on license fees | - | 3,840 |
| | Tax on license fees | - | 3,500 |
| | Expenses for licenses formalities | - | 7,630 |
| | | - | 40,580 |
| 10 | Financial expenses | | |
| | Bank Charges | 2,530 | 2,235 |
| | Excise duty | 55,000 | 50,000 |
| | | 57,530 | 52,235 |

11 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.

BRANCH
NETWORK



DHAKA DIVISION

| | |
|--|--|
| <p>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.</p> | <p>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.</p> |
| <p>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</p> | <p>13 Fatulla Branch (Opening Date-23-12-2003) Fatulla Bazar, Fatulla, Narayangonj. Phone-02-7602144, 7670393, fax-02-7672144, IP Phone-72501, 72502.</p> |
| <p>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.</p> | <p>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</p> |
| <p>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, Chawkbazar, Dist- Dhaka. Phone-02-7316225, 7315323, 7312911, Fax: 7312911, IP Phone-71001, 71002</p> | <p>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.</p> |
| <p>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</p> | <p>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.</p> |
| <p>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</p> | <p>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</p> |
| <p>7 Sonargaon Branch (Opening Date-09-06-2001) Haji Jalal Tower (1st floor), Mogra Para Sonargaon, Narayangonj. IP Phone-71701,71702</p> | <p>18 Dania Rasulpur Branch (Opening Date-28-05-2009) 308, Dania Rasulpur (1st floor), Jatrabari, Dhaka. Phone-02-7541659, 7541650 IP Phone-73201,73202</p> |
| <p>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</p> | <p>19 Gopaldi Branch (Opening Date-11-08-2009) Gopaldi Bazar, P.S- Araihasar, District-Narayangonj Phone-02-7651016,7651017 IP Phone-73601, 73602.</p> |
| <p>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,</p> | <p>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,</p> |
| <p>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</p> | <p>21 Keranigonj Branch (Opening Date-13.12.2009) Masjid Madrasa Complex, Shuvadda PS- Keranigonj, Keranigonj, Dhaka Phone-02-7763253, 7763765 IP Phone-74401, 74402</p> |
| <p>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.</p> | <p>22 Madhabdi SME/Krishi Branch (Opening Date-15-07-2010) Madhabdi Plaza, Madhabdi, Narsingdi, Narsingdi. Phone-9446883, 9446882, fax-9446884 IP Phone-74501,74502</p> |

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| <p>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</p> | <p>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</p> |
| <p>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</p> | <p>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</p> |
| <p>25 Bhulta SME/Agri Branch (Opening Date-05-09-2010) Salam Mansion Market (1st Floor) P.O- Bhulta, P.S- Ruppogj, Dist.- Narayangonj. IP Phone-75601, 75602</p> | <p>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</p> |
| <p>26 Galimpur SME/Krishi Branch (opening Date-10-10-2010) Khan Super Market (1st Floor) Galimpur Bazar, Nababgonj, Dhaka. IP Phone-75901 ,75902</p> | <p>36 Garib-E-Newaz Avenue 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</p> |
| <p>27 Dhamrai SME/Krishi 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</p> | <p>37 Kawran Bazar Branch (Opening date-27.11.2012) Khan Sons Centre 37, Kawran Bazar, Dhaka, Phone- 8180206, 8180207 IP Phone-78701,78702</p> |
| <p>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</p> | <p>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.</p> |
| <p>29 Mohakhali Branch (Opening date-20.09.2011) 99, Mohakhali C/A, 16 (sixteen) storied building Dhaka. Phone: 9888943 ,9888367 IP Phone-77001 ,77002</p> | <p>39 Gausia Branch (Opening date-12.11.2014) Yeakub Super Market 2-B, Elephant Road, New Market, Dhaka-1205 IP Phone-79801,79802</p> |
| <p>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</p> | <p>40 Panchdona Branch (Opening date-30.09.2014) Isfar Tower, Panchdona, Narsingdi Sadar, Narsingdi IP Phone-79701,79702</p> |
| <p>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</p> | <p>41 Mawna Branch (Opening date-24.12.2014) Razzak Plaza, Mawna Chowrasta, P.O.-Maona, P.S-Sreepur, Gazipur IP Phone-79901,79902</p> |
| <p>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</p> | <p>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.</p> |

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| <p>43 Kakrail Branch (Opening Date-02.06.2015) 89/3, kakrail, Ishakha Shopping Complex, PS-Ramna, Dhaka-1000. IP Phone-80301, 80302.</p> | <p>54 Muksudpur Branch (Opening Date: 21/06/2017) "Khan Market" Fultala Bazar, Vill+PO- Muksudpur PS- Dohar, Dist.- Dhaka Mob: 01918790029 IP: 83601, 83602</p> |
| <p>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.</p> | <p>55 Shyamoli Branch (Opening Date: 21/06/2017) "Bridge Momtaj Heights" Holding no.15/2, Shyamoli, Mirpur Road Mohammadpur, Dhaka 1207. IP: 83701, 83702</p> |
| <p>45 Shariatpur Branch [Opening Date -14/ 06/2015] (Shifting Date- 29/01/2017 KB Plaza, Holding no. 276, Palong Moddhobazar Road, Ward no. 04, Paurasava –Shariatpur, PS-Sariatpur Sadar, Dist: Shariatpur. IP-80901, 80902.</p> | <p>56 Dakkhin Khan Branch (Opening Date: 26/12/2017) "Mozaffar Tower", 595, Prembagan, Dakkhinkhan Model Union Parishad Dakkhinkhan, Dhaka 1230. Phone: 8999279,8999280</p> |
| <p>46 Vatara branch (Opening Date - 12-11-2015) 10/1, Madani Avenue, Natun Bazar, PS- Vatara, Dhaka-1212 IP Phone-81101, 81102.</p> | <p>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</p> |
| <p>47 Bangabandhu Shamadhi Soudha Branch (Opening Date - 15-12-2015) Layek Biswas Plaza Holding No-159, Bangabandhu Samadhi Saudha Sarak, Tungipara, Gopalgonj , IP Phone-81201, 81202.</p> | <p>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.</p> |
| <p>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.</p> | <p>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</p> |
| <p>49 Narsingdi Branch (Opening Date: 01-12-2016) 360, Rajlaxmi Plaza, Patilbari Road, Narsingdi Bazar, Dist- Narsingdi. IP Phone-82501, 82502.</p> | <p>60 Basila Road Branch (Opening Date: 27.12.2018) Al-Imdad Market Complex, Basila Road, Thana-Keranigonj, Dist-Dhaka IP Phone: 85701; 85702.</p> |
| <p>50 Sreenagar Branch (08/12/2016) Pilot School Market (1st floor), Sreenagar Bazar, Munshigonj. IP Phone-82601, 82602.</p> | <p>61 Dhanmondi Model Branch (Opening Date: 25/11/2019) "Mir Onyx Yakub Tower" Holding No.17 (New), Road No.6, Mirpur Road Dhanmondi R/A, Thana- Dhanmondi Dist- Dhaka. IP: 86201, 86202</p> |
| <p>51 Corporate Branch (29/12/2016) City Centre 90/1, Motijheel C/A, Dhaka 1000. IP Phone- 82701, 82702.</p> | <p>62 Bhanga Branch (opening Date: 24/11/2020) Ali Market, Holding No-363, Ward No-08,Bhanga Bazar, PS/Upazilla-Bhanga, Pouroshova-Bhanga, Dist.-Faridpur. IP: 86401, 86402</p> |
| <p>52 Tangail Branch (Opening date-26/04/2017). "Shayama Tower" Boro Kalibari Road, Adalotpara, Dist-Tangail. IP: 82801, 82802</p> | <p>63 PRAGATI SARANI BRANCH GA-25/5/1, Road Name- Pragati Sharani Road, Ward No.-18, Shahjadpur, Dhaka North City Corporation, P.S.-Gulshan, Dhaka. IP : 86801</p> |
| <p>53 Bhairab Bazar Branch (21/05/2017) "Omar Faruq Tower" Holding no.169, Ward no.1 Paurasava- Bhairab, PS- Bhairab Dist.: Kishoregonj. Mob: 01819152611 IP: 83001, 83002</p> | |

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| 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 | 10 Lohagara Branch (Opening Date-18-06-2009) Ice Park (1st Floor), Main Road (Near Lohagara Central Mosjid), P.O & P.S- Lohagara, Dist.- Chattogram. Phone-0303456518, 0303456517, 01815-065948 IP Phone-73301, 73302. |
| 2 Halishahar Branch (Opening Date-09-02-2002) Holding no.-3, Port Connecting Road, Halishahar Housing Estate, Ward No.-26, Chattogram City Corporation, PS- Halishahar, Dist.- Chattogram. Phone-031-717201, 2525702, 815702, IP Phone-71901, 71902 | 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 |
| 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 | 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 |
| 4 Elliotganj Branch (Opening Date-30-10-2008) Elliotganj Bazar, P.O-Elliotganj, P.S-Dawudkandi, Dist-Cumilla. IP Phone-72801, 72802 | 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 |
| 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 | 14 Jubilee Road Branch (Opening Date-30-07-2003) Haque Tower(1st Floor) 880/923, Jubilee Road, Dist: Chattogram. Phone-031-628288, 627155, 840897, fax-031-628288 IP Phone-72301, 72302, 72303 |
| 6 Hathazari Branch (Opening Date-16-08-2010) Hazi M. Siddique 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 | 15 Cumilla Branch (Opening Date-30-07-2009) 95/96 Chalk Bazar (2nd Floor) PO- Chawk Bazar, P.S- Kotowali, Dist.- Cumilla. Phone-081-61363, 081-61364, IP Phone-73501, 73502 |
| 7 Baryarhat Branch (Opening Date-17-08-2010) Al-Amin Shopping Center (1st Floor) Holding No. 161, 161/1, Paurasova- Baryarhat Upazila & P.S- Mirsharai, Dist- Chattogram IP Phone-75101, 75102 | 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 |
| 8 Khatungonj Branch (Opening Date-12-12-1999) M. Rahman Chamber Holding # 276-277, Main Road, Khatungonj, Ward # 35, Chattogram City Corporation PS- Kotowali, Dist.- Chattogram. Phone-031-636358, 624682, 624683, fax: 031-639014, IP Phone-71401, 71402 | 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 |
| 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 | 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 |

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| <p>19 Chawk Bazar Branch (opening Date-15-12-2010) Mannan Tower (1st & 2nd floor) 174/A, Chatteshari Road, Chawkbazar, Chattogram Phone-031-2867367, 2867368, 2867369 IP Phone-76301, 76302</p> | <p>29 Maijdee Branch (Opening date-18-08-2013) Bismillah Tower, Holding No-428/B Main Road, Maijdee Bazar P.S- Sudaram (Sadar), Noakhali Phone-0321-71814, 71815 IP Phone- 79501,79502</p> |
| <p>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</p> | <p>30 Laxmipur Branch (Opening Date 13-12-2014 & Shifted on 30/07/2017) "ADHUNIK POURO BIPONI BITAN" (2nd Floor), Holding no. 1428, Laxmipur Bazar Main Road, Laxmipur Mob: 01716-224206, IP- 80001, 80002</p> |
| <p>21 Cox's Bazar Branch (Opening Date-20.08.2009) Evan Plaza (in front of Cox's Bazar Pourasava) Thana Road, Dist: Cox's Bazar. Phone- 0341-51822, 0341-51968 IP Phone-73901, 73902</p> | <p>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</p> |
| <p>22 Feni Branch (Opening date-18.09.2011) Grand Huq Tower (2nd & 3rd Floor) Holding No-547 & 548, Mizan Road, Feni Phone-0331-74104,74103 Fax-0331-74117 IP Phone-76901, 76902</p> | <p>32 Azadi Bazar Branch (Opening Date-07-06-2015) Social Islami Bank Ltd. Jameya Complex(1st Floor) Dharmapur, Azadi Bazar, Fatikchari. Dist: Chattogram IP Phone -80401, 80402.</p> |
| <p>23 Dewanhat Branch(Opening date-04.10.2012) 700/B, DT Road (1st Floor), Dewanhat P.O.+P.S.-Double Mooring, Chattogram. Phone-031-2515260, 2515261, 2515262 IP Phone-78001, 78002</p> | <p>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.</p> |
| <p>24 Homna Branch (Opening date-29.12.2011) Faisal Plaza, Holding No. 08, Homna, Cumilla. Phone-08025-54640, 54641 IP Phone-77801, 77802</p> | <p>34 Poddar Bazar Branch (Opening Date-30.05.2016) Bhai Bhai Shopping Complex (1st Floor) Poddar Bazar, Ward-04, Union- 7 no. Bashikpur, PS- Laxmipur Sadar, Dist: Laxmipur IP Phone-81901, 81902.</p> |
| <p>25 Shah Mohsen Aowlia Branch (Opening date-03.10.2012) Hajee Imam Shopping Complex Building-3, Battali, Anowara, Chattogram Phone-01849-842400, 01967-786765 IP Phone-77901,77902</p> | <p>35 Zamidarhat Branch (Opening Date- 12-05-2016) Social Islami Bank Ltd. Haque Mansion (1st floor), PO- Zamiderhat, PS-Begumgonj, Dist.- Noakhali. IP Phone-81701,81702</p> |
| <p>26 Muradpur Branch (Former Aturar Depo Br.) (Opening date-26-06-2013 shifted to present address on 29/10/2017) S.N. Mim City Holding No-83/86, Hathazari Road P.S- Panchlaish, Dist: Chattogram . IP- 79201, 79202</p> | <p>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.</p> |
| <p>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</p> | <p>37 Sonapur Branch (Opening Date:18/05/2017) Social Islami Bank Ltd. "Aziz Bhaban" Holding No. 420, Sonapur Chor Jobbor Road PS/Upazilla- Noakhali Sadar, Dist:- Noakhali Mob: 01717192968 ; IP: 82901, 82902</p> |
| <p>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</p> | <p>38 Boalkhali Branch (Opening date: 04-06-2017) Social Islami Bank Ltd. "Hamim Plaza" Holding no. BA/161, Ward no.06 Paurasava- Boalkhali , PS- Boalkhali, Dist.: Chattogram. Mob: 01818976773 IP: 83201, 83202</p> |

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| <p>39 Nayergaon Bazar Branch (Opening Date: 19/06/2017) Social Islami Bank Ltd. "Mahdi Tower" Nayergaon Bazar, Matlab Dakkin, Dist: Chandpur. Mob: 01721912102, IP: 83401, 83402</p> | <p>48 Sheikh Mujib Road Branch Social Islami Bank Limited A K Tower 225/225-A, Sheikh Mujib Road, Chowmuhani Moore, PS- Double Mooring, Dist- Chattogram. Mob: , IP: 85901; 85902</p> |
| <p>40 Kazirhat Branch (Opening Date: 27/12/2017) "Mir A. Hossain Plaza", Kazirhat Bazar, Bhuzpur, Fatickchari, Dist- Chattogram</p> | <p>49 Fulgazi Branch (Opening Date: 17/10/2019) Social Islami Bank Limited Bhuiyan Tower, Fulgazi Bazar, Kapor Patti Goli PS- Fulgazi, Dist.- Feni. IP: 86001; 86002.</p> |
| <p>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.</p> | <p>50 Eidgaon Branch (opening Date: 21/11/2019) Social Islami Bank Limited "Nurul Huda Mansion" Eidgaon Bus Station, Arakan Road (Highway Road) Thana- Cox's Bazar, Dist.- Cox's Bazar. IP: 86101, 86102</p> |
| <p>42 Shantirhat Branch (Opening Date: 07/06/2018) Hajee Sobhan Plaza Shantirhat, Union- 6 no. Kusumpura PS- Patia, Dist- Chattogram IP Phone: 84201; 84202</p> | <p>51 Patiya Branch (opening Date: 27/11/2019) Social Islami Bank Limited "N. Islam Tower" Komol Munshir Hat, Arakan Road, Upazilla/Thana: Patiya, Dist.- Chattogram IP: 86301, 86302</p> |
| <p>43 Anderkilla Branch (Opening Date: 24/06/2018) Arunalay, Holding no.06, Momin Road, Road No. 06, Ward no. 32 , Chattogram City Corporation, PS- Kotowali, Dist.-Chattogram. IP Phone: 84401; 84402</p> | <p>52 Muradnagar Branch (opening Date: 24/11/2020) Social Islami Bank Limited Noman Ahmed Market (1st Floor), Ward No-01, Muradnagar, PS-Muradnagar, Dist-Cumilla IP: 86501, 86502</p> |
| <p>44 Banskhali Branch (Opening Date: 02/08/2018) RFT Saheb Miah City Center Ward No. 01, Union: 5 no. Kalipur, PS-Banskhali Dist: Chattogram. IP : 85101; 85102</p> | <p>53 Chayani Bazar Branch (opening Date: 24/11/2020) Social Islami Bank Limited M. Haque Plaza, Chayani Bazar, Ward no-07, P.O.-Bhobani Jibon Pur, Upozila-Begumgonj, Dist.-Noakhali. IP: 86601, 86602</p> |
| <p>45 Nazu Miah Hat Branch (Opening Date: 19.12.2018) Social Islami Bank Limited Khaled Manson Nazu Miah Hat, 15 no. Burischar Union, Ward no.04, PO- Nur Ali Bari-4337, PS- Hathazari, Dist: Chattogram IP Phone: 85301; 85302.</p> | <p>54 Bakalia Branch (opening Date: 10-Dec-2020) Social Islami Bank Limited Epic Noor Landmark (1st Floor), Holding No-204, Ward No- 18, Kalamia Bazar, Bakalia, Thana- Bakalia, Chattogram City Corporation, Dist- Chattogram. IP: 86701, 86702</p> |
| <p>46 Brahmanbaria Branch (Opening Date: 26.12.2018) Social Islami Bank Limited Shuveccha Square, Holding No-1309, Sarak Bazar, Thana+ Dist- Brahmanbaria IP Phone: 85601; 85602</p> | <p>55 BORO DAROGAR HAT BRANCH Nobi Plaza, Boro Darogar Hat Bazar (Uttar Goli), Ward no.-08, Union-15 no. Wahedpur, PS.-Mirsharai, Dist.-Chattogram. IP: 86901</p> |
| <p>47 Rangunia Branch (Opening Date: 27/06/2019) Social Islami Bank Limited Hafez Chowdhury Tower Gochora Bazar, PS- Rangunia, Dist: Chattogram. Mob: 01721912102, IP: 85801; 85802</p> | <p>56 SALIMGONJ BRANCH Salimgonj Bazar Sadar Road, Union-Salimgonj, Ward no.-07, Thana-Nabinagar, Dist-Chattogram. IP: 87001</p> |

BARISHAL DIVISION

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| 1 Barishal Branch (Opening date-25.09.2011) Mokka Bhaban Holding No-1, Katpatty Road, Kotwali Model Thana, Ward No-9, Barishal City Corporation, 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 Bondar, Mothbaria, Dist- Pirojpur IP Phone-82201, 82202 |
| 3 Charfassion Branch (Opening Date-02.06.2016) Al-Haj Habibur Rahman Faraji Market 952 DC Road, Sharif Para, Charfassion Paurasova Charfassion, Dist.- Bhola. IP Phone-82101, 82102 |
| 4 Bhola Branch (Opening Date: 19/06/2017) "B.T. Square" Holding No. 899, Mahajan Patty, Sadar Road, Bhola IP: 83501, 83502 |
| 5 Jhalakati Branch (Opening Date: 20.12.2018) Social Islami Bank Limited 03, Doctorpatti Road, PS- Jhalakati Sadar, Dist: Jhalakati IP Phone: 85401; 85402. |

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| 6 Dupchanchia Branch (opening Date-25-11-2010) Jobeda Shopping Center (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 Potti, 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 |

RAJSHAHI DIVISION

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| 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) Vandar 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 Rajjak 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 Center (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 Potti, 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 |

SYLHET DIVISION

1 Sylhet Branch (Opening Date-27-06-1996)
781, Karima Mansion, Dargah Gate, Sylhet-3100.
Phone-0821-711282, 0821-710485,
fax-0821-711282
IP Phone-70601, 70602

2 South Surma Branch(Opening Date-23-07-2009)
Chandipool Baipass Road
(Opposite of South surma Thana),
P.O-Sylhet Sadar, P.S- South Surma, Sylhet.
Phone- 0821-2833431, 0821-2833432,
IP Phone-73401 ,73402

3 Moulvibazar Branch(Opening date-10.10.2012)
183 Shamsheer Nagar Road
Chowmohana, Dist.- Moulvibazar
Phone- 0861-63906, 63907
IP Phone-78201,78202

4 Fenchugonj Branch (Opening date-11.10.2012)
Akul Shah Shopping City
General Osmani Road (Thana road point)
P.O. & P.S.- Fenchugonj, Sylhet
Mobile: 01711-040403
IP Phone-78301,78302

5 Beanibazar Branch (Opening Date- 24.05.2016)
Azir Market (1st Floor), Main Road
BeaniBazar, Dist.- Sylhet
IP Phone-81801,81802

6 Barlekha Branch
(Opening Date-20-11-2016)
Hazi Karim Mansion, Dakkhin Bazar, Baralekha, Moulvibazar
IP Phone-82401, 82402

7 Industrial Park Branch (Opening date: 14/06/2017)
"Sattar Plaza"
Olipur Bazar, Shahjibazar, Sayestagonj, Habigonj
IP: 83301, 83302

8 Sreemongal Branch (Opening Date:12/07/2018)
"Razzak Tower"
Holding no.62, Sreemongal
Dist: Moulvibazar
IP Phone: 84501; 84502

9 Dhakadakshin Branch (Opening Date: 25/07/2018)
Latif Mansion
Dhakadakshin Bazar, Golapgonj, Sylhet.
IP:84701; 84702

10 Tukur Bazar Branch (Opening Date: 26/07/2018)
Anwar Complex
Temukhi, Sonamgonj Road, Tukur Bazar, Jalalabad, Sylhet
IP: 84801; 84802

RANGPUR DIVISION

1 Gobindagonj SME/Krishi Branch
(Opening Date-22-08-2010)
Goleza Super Market (Rangpur-Bogura Highway Road)
Holding No-318, Gaibandha
Phone-05423-75396, 05423-75397, IP Phone-75201 ,75202

2 Dinajpur Branch (Opening Date-23-08-2010)
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)
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)
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

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| 1 Khulna Branch (Opening Date-20-06-1996) 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 | 10 Chowgacha Branch (Opening date-30-06-2013) Dhoni Plaza, Chowgacha Bus Stand Ward No-01 P.O & P.S.- Chougacha, Dist.- Jashore IP Phone- 79301,79302 |
| 2 Paikgacha Branch (Opening Date-06.12.2009) Main Road, Paikgacha Khulna. Phone- 04027-56678, IP Phone-74301,74302 | 11 Dumuria Branch (Opening Date - 15-12-2015) Zakaria Super Market Dumuria Bazar, Dumuria, Dist: Khulna IP Phone-81301, 81302. |
| 3 Monirampur SME/Krishi Branch (Opening Date-08-08-2010) Shibu Tower, Holding No-2145, Monirampur Bazar, Ward No-03, Paurasova- Monirampur, PS/Upazila- Monirampur, Dist.- Jashore. Phone-0422778400, IP Phone-74701 ,74702 | 12 Kushtia Branch (Opening Date - 15-06-2015) Holding no. 297/1, N.S. Road, Ward no.- 8, P.S- Kushtia Sadar, PO-Kushtia, Pourosova-Kushtia. Dist.- Kushtia. IP Phone-81001; 81002 |
| 4 Noapara Branch (Opening Date-08-08-2010) Noorbag Moor, P.O- Noapara, P.S.-Abhoynagar, Dist.-Jashore. Phone-04222-72300 IP Phone-74801 ,74802 | 13 Navaran Branch (Opening Date-05-05-2016) Afzal Supper Market (1st Floor), Navaran Rail Bazar, Jashore – Benapole Highway, PO- Zadabpur, PS- Sharsha, Dist- Jashore. IP Phone-81601,81602 |
| 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 | 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 |
| 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 | 15 Boyra Branch (Opening Date: 29/07/2018) Khokon 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 |
| 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 | |

MYMENSINGH DIVISION

- 1 Mymensingh Branch** (Opening date-09-10-2013)
Ali Plaza (2nd Floor), Muktijudda 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

SUB-BRANCHES

Chottagram Division

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| 01 Brindabonhat Sub Branch (Under Bibirhat Branch) Address: Haji Md. Siddikur Rahman market, Vill-South Payendong, Fatikchari Opening Date: 16-Jun-2019 IP Phone: 76050 | 02 Datmara Sub Branch (Under Kazirhat Branch) Address: Kazi Market, Shantirhat Bazar, Vill-Shadinagar, Upazilla- Fatikchari Opening Date: 16-Jun-2019 IP Phone: 83950 |
| 03 Chunati Sub Branch (Under Lohagara Branch) Address: Haji Shopping Complex, Main Road, Chunoti Bazar, Chunoti, Thana-Lohagara, Dist-Chattogram. Opening Date: 29-Jul-2019 IP Phone: 73350 | 04 Dhamairhat Sub Branch (Under Roazarhat Branch) Address: Kazi Abdur Rahman Market (Guddu Plaza), Dhamairhat, Thana-Rangunia, Dist-Chattogram. Opening Date: 25-Aug-2019 IP Phone: 78550 |
| 05 EPZ Sub Branch (Under Cumilla Branch) Address: Monowara Ali Tower, 141, EPZ & Medical Road, Ward no-21, PS-Sadar Dakshin, Dist-Cumilla. Opening Date: 16-Oct-2019 IP Phone: 73550 | 06 Bakila Bazar Sub Branch (Under Hajiganj Branch) Address: Sheikh Market, Bakila Bazar, Thana-Hajigonj, Dist-Chandpur. Opening Date: 16-Oct-2019 IP Phone: 75750 |

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| <p>07 S. Club Mour Sub Branch (Under Haliashahar Branch) Address: House no-01, Road no-02, Block-B, Ward no-12, Haliashahar Housing Estate, PS-Haliashahar, Chattogram. Opening Date: 19-Dec-2019 IP Phone: 71950</p> | <p>08 Haliashahar Bus Stand Sub Branch (Under Haliashahar Branch) Address: Chowdhury Plaza, Holding-968/2069, Haliashahar Road, Ward no-11 South Kattali, PS-Pahartoli, Dist-Chattogram. Opening Date: 19-Dec-2019 IP Phone: 71970</p> |
| <p>09 Mugrabazar Sub Branch (Under Akhaura Branch) Address: Master Plaza, Mugrabazar, Thana-Akhaura, Dist-Brahmanbaria. Opening Date: 22-Dec-2019 IP Phone: 78950</p> | <p>10 Amirhat Sub Branch (Under Azadi Bazar Branch) Address: Didarul Alam Market, Union-Holodia, Thana-Raozan, Dist-Chattogram. Opening Date: 24-Dec-2019 IP Phone: 80450</p> |
| <p>11 Kotbari Sub Branch (Under Laksam Road Branch) Address: Ayat Plaza, 53, 55 Kotbari Road, Ward no-24, Thana- Sadar Dakkhin, Dist-Cumilla. Opening Date: 24-Dec-2019 IP Phone: 80550</p> | <p>12 Lamburhat Sub Branch (Under Patherhat Branch) Address: L.F. Plaza, Lamburhat, Vill-Bagowan, PS-Raozan, Dist-Chattogram. Opening Date: 26-Dec-2019 IP Phone: 73850</p> |
| <p>13 Munsirhat Sub Branch (Under Chandpur Branch) Address: 114, Master Tower, Madrasa Road, Ward No-9, Thana-Matlab (South), Dist-Chandpur. Opening Date: 21-Jan-2020 IP Phone: 73750</p> | <p>14 D.T Road Sub Branch (Under Dewanhat Branch) Address: Abid Complex, Holding no-506, Ward no-25, D.T. Road, Thana-Haliashahar, Dist-Chattogram. Opening Date: 26-Jan-2020 IP Phone: 78050</p> |
| <p>15 Karnafuli Sub Branch (Under Shantirhat Branch) Address: Samiur Rahman Building, Fakirnir Hat Raster Matha, Ward no-4, Karnafuli, Dist-Chattogram. Opening Date: 26-Jan-2020 IP Phone: 84250</p> | <p>16 Ramdoyal Sub Branch (Under Sonapur Branch) Address: Hazi Abdul Ohab Bhaban, Ramdoyal Bazar, Ramgati, Laxmipur. Opening Date: 28-Jan-2020 IP Phone: 82950</p> |
| <p>17 Bhor Bazar Sub Branch (Under Feni Branch) Address: Madrasa Market (Unit-02), Vill- Bhor Bazar, Ward no-05, Thana-Sonagazi, Dist-Feni. Opening Date: 18-Feb-2020 IP Phone: 76950</p> | <p>18 CEPZ Sub Branch (Under Agrabad Branch) Address: Hossain Complex, 1st floor, 1956A/2098, Airport Road, South Haliashahar, Bandar, Dist- Chattogram. Opening Date: 03-Mar-2020 IP Phone: 70450</p> |
| <p>19 Kanchannagor Sub Branch (Under Bibirhat Branch) Address: R.K. Tower, Temohany Bazar, Manikpur, Fatickchari, Chattogram Opening Date: 18-Aug-2020 IP Phone: 76070</p> | <p>20 Ranir Bazar Sub Branch (Under Cumilla Branch) Address: Khilzi Villa, Holding no-281(Old), 325(New), 2nd Kandirpar, Ranir Bazar, Ward no-08, Cumilla-3500 Opening Date: 26-Aug-2020 IP Phone: 73570</p> |
| <p>21 Bazalia Sub Branch (Under Lohagara Branch) Address: Monsur Plaza (1st Floor), Bazalia, P.O.-Bazalia, P.S.-Satkania, Dist-Chattogram Opening Date: 27-Aug-2020 IP Phone: 73370</p> | <p>22 Bou Bazar Sub Branch (Under Khatungonj Branch) Address: Bou Bazar, D.C. Road, Opposite site of Sarder Bari, P.O: Chawkbazar, P.S: Bakalia, Chattogram. Opening Date: 03-Sep-2020 IP Phone: 71450</p> |

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| <p>23 Birasher Sub Branch (Under Brahmanbaria Branch) Address: 759-20, Bir Muktizudda R A M Obaidul Muktedir Chowdhury Road, Birashar Bus Stand (East Side), West Medda, Brahmanbaria Opening Date: 21-Sep-2020 IP Phone: 85650</p> | <p>24 Batakandi Sub Branch (Under Homna Branch) Address: Amir Complex, Batakandi Bazar, Union-Jogotpur, Thana-Titas, Dist-Cumilla. Opening Date: 27-Sep-2020 IP Phone: 77850</p> |
| <p>25 Akbarshah Sub Branch (Under Alankar Moor Branch) Address: Plot no 65&66, Block-D, Grade-2H, Kobolodham, Urban Dev. Project, North Pahartoli, P.O- Ferozshah-4207, P.S- Akbarshah, Dist.-Chattogram. Opening Date: 22-Oct-2020 IP Phone: 77650</p> | <p>26 Sebarhat Sub Branch (Under Zamidarhat Branch) Address: Barik Plaza, Sebarhat, Rajarampur, Senbagh, Noakhali. Opening Date: 28-Oct-2020 IP Phone: 81750</p> |
| <p>27 Mithachara Sub Branch (Under Baryarhat Branch) Address: Mithachara Plaza (1st floor), Mithachara Bazar, Mirsharai, Chattogram. Opening Date: 28-Oct-2020 IP Phone: 75150</p> | <p>28 Marichcha Bazar Sub Branch (Under Cox's Bazar Branch) Address : Fazal Market, Marichcha Bazar, Ukhiya, Cox's Bazar. Opening Date: 27-Dec-2020 IP Phone: 73970</p> |
| <p>29 Jhumchari Bazar (Under Cox's Bazar Branch) Address : New Hajee Market, Jhumchari Bazar, P.M. Khali, Cox's Bazar. Opening Date: 27-Dec-2020 IP Phone: 73950</p> | <p>30 B Ed. College Road Sub Branch (Under Chawkbazar Branch) Address: House:1264/1983/2867, K.B. Aman Ali Road, Ward no.17, Chawkbazar, Thana: Bakalia, Dist: Chattogram. Opening Date: 29-Dec-2020 IP Phone: 76350</p> |
| <p>31 Saltgola Sub Branch (Under Sheikh Mujib Road Branch) Address: Ishan Mistirir Hat, Saltgola Road, Holding-2660/4274 Ward no.-38, Halishahor, Bandor, Chattogram. Opening Date: 29-Dec-2020 IP Phone: 85950</p> | <p>32 Bazra Bazar Sub Branch (Under Chowmuhani Branch) Address: Harun-ur-Rashid Super Market East Chandpur, Bazra Union, Begumganj, Noakhali Opening Date: 01.02.2021 IP Phone: 72950</p> |
| <p>33 Katghar Sub Branch (Under Agrabad Branch) Address: Saira Shiraj Complex (1st Floor) North Patenga, Katgor, Chattogram. Opening Date: 01.02.2021 IP Phone: 70470</p> | <p>34 Nayarhat Sub Branch (Under Baluchara Branch) Address: Monaf Market Nayarhat Bazar, Bayazid Bostami, Chattogram. Opening Date: 25.02.2021 IP Phone:84050</p> |
| <p>35 Samitirhat Sub Branch (Under Nanupur Branch) Rahman Market Nichintapur, , Samitirhat, Fatikchari, Chattogram. Opening Date: 25.02.2021 IP Phone: 74050</p> | <p>36 Bakhtiar Para Sub Branch (Under Shah Mohsen Aowlia Branch) Bakhtiar Shopping Complex Bakhtiar Para, Minnat Ali Hat, Anowara, Chattogram Opening Date: 25.02.2021 IP Phone: 77950</p> |
| <p>37 Brahmanpara Sub Branch (Under Burichang Branch) Haji Market Brahmanpara, Cumilla IP Phone: 82050</p> | <p>38 Shahrasti Sub Branch (Under Hajigonj Branch) Mojibur Rahman Super Market (1st floor) Shahrasti Gate (Doavanga), House # 02, Road Name: Cumilla Chanpur Main Road, Shahrasti, Chandpur IP Phone: 75770</p> |

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| <p>39 Muktijoddha Complex Sub Branch (Under Feni Branch) Feni Zilla Muktijoddha Complex Bhaban Feni Sadar, Feni. IP Phone: 76970</p> | <p>40 Bogarbil Bakalia Sub Branch (Under Anderkilla Branch) Jafar Mansion, Santinagor Bazar, Bogar bil Road Name: Younus Road, Chattogram City Corporation Bakalia, Chattogram. IP Phone: 84450</p> |
| <p>41 Amzad Hat Sub Branch (Under Fulgazi Branch) Hazi Nurul Islam Company Market (1st floor) Holding no-213, Amzad Hat, Fulgazi, Feni IP Phone: 86050</p> | <p>42 Rahmania Bazar Sub Branch (Under Nazu Miah Hat Branch) Noor Salma Tower, Rahmania Bazar, Madari Pool, Middle Madarsha, South Madarsha, Somitir Hat-4336 P.S.- Hat Hazari, Chattogram IP Phone: 85350</p> |

Dhaka Division

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| <p>01 Gabtoli Sub Branch (Under Narayanganj Branch) Address: Gabtoli, Enayetnagar, Fatullah Opening Date: 29-May-2019 IP Phone: 76650</p> | <p>02 Shiachar Sub Branch (Under Fatulla Branch) Address: Shiachar, Union-Kutubpur, PS-Fatullah, Dist-Narayanganj Opening Date: 20-Jun-2019 IP Phone: 72550</p> |
| <p>03 Kalma Sub Branch (Under Savar Branch) Address: Kalma, Ward no-07, PS-Savar, Dist - Dhaka. Opening Date: 04-Sep-2019 IP Phone: 73050</p> | <p>04 College Gate Sub Branch (Under Tongi Branch) Address: Ovijan 54/A, College Road, College Gate, Tongi, Gazipur. Opening Date: 11-Sep-2019 IP Phone: 77450</p> |
| <p>05 Uttar Kutubkhali Sub Branch (Under Dania Branch) Address: Khan Super Market at 14, Uttar Kutubkhali, Main Road, Ward no-62, Thana Jatrabari, Dist-Dhaka. Opening Date: 23-Sep-2019 IP Phone: 73250</p> | <p>06 Goran Sub Branch (Under Banasree Branch) Address: 395, South Goran (Goran Tampoo Stand) Khilgaon, Dhaka. Opening Date: 29-Oct-2019 IP Phone: 77250</p> |
| <p>07 Matikata Bazar Sub Branch (Under Mirpur Branch) Address: 108, Matikata Bazar, PS- Dhaka Cantonment, Dhaka Opening Date: 26-Dec-2019 IP Phone: 72650</p> | <p>08 Maniknagar Sub Branch (Under Principal Branch) Address: Ajimunnesa Tower, 67, Uttar Maniknagar (Pukurpar), Ward no-07, PS-Mugda, Dist-Dhaka. Opening Date: 29-Dec-2019 IP Phone: 70250</p> |
| <p>09 Pিরer bag Sub Branch (Under Agargaon Branch) Address: 276/4, Moddho Pিরer Bag, Mirpur, Ward no-13, Thana-Mirpur, Dist-Dhaka. Opening Date: 22-Jan-2020 IP Phone: 71350</p> | <p>10 Karimgonj Sub Branch (Under Kishoregonj Branch) Address: 679/A, Saleha Bhaban, Karimganj Pourashova, Thaka- Karimganj, Dist- Kishoreganj. Opening Date: 28-Jan-2020 IP Phone: 80770</p> |
| <p>11 Hossainpur Sub Branch (Under Kishoregonj Branch) Address: Bacchu Miah Super Market, Holding no-98, Hossainpur Pourosova, Ward no-08, Thana-Hossainpur, Dist-Kishoreganj. Opening Date: 28-Jan-2020 IP Phone: 80750</p> | <p>12 Kashimpur Sub Branch (Under Ashulia Branch) Address: Jitar Moor, Kashimpur Bazar, Ward no-06, Thana-Kashimpur, Dist-Gazipur Opening Date: 03-Mar-2020 IP Phone: 80850</p> |

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| <p>13 Basila Sub Branch (Under Basila Road Branch) Address: Haji Mohiuddin Complex, 742/15, Basila Road, Mohammadpur, Dhaka. Opening Date: 04-Mar-2020 IP Phone: 85750</p> | <p>14 Badamtoli Sub Branch (Under Babu Bazar Branch) Address: Madina Plaza, Holding no-15, Iswar Chandra Ghosh Street, Badamtoli, Thana-Kotowali, Dist-Dhaka. Opening Date: 10-Mar-2020 IP Phone: 70950</p> |
| <p>15 Doyagonj Sub Branch (Under Islampur Branch) Address: 47/1, Sharagupta Road, Dayagonj Natun Rasta, Ward no-40, PS-Shutrapur, Dist-Dhaka 1100. Opening Date: 16-Mar-2020 IP Phone: 75450</p> | <p>16 Nazimuddin Road Sub Branch (Under Moulvibazar Branch) Address: S.H. Plaza, 90/91, Sir Nazimuddin Road, Dhaka-1211. Opening Date: 19-Mar-2020 IP Phone: 71050</p> |
| <p>17 Kawlipara Sub Branch (Under Dhamrai Branch) Address: Madina Market, 1st Floor, East Side, Nobogram Bazar, Nobogram, Dhamrai, Dhaka. Opening Date: 28-Jun-2020 IP Phone: 76150</p> | <p>18 Shaheprotap Sub Branch (Under Panchdona Branch) Address: Late Haji Shafi Uddin Munshi Plaza, Shaheprotap More, Ward no-06, Union-Shilmandi, PS-Narsingdi Sadar, Dist-Narsingdi. Opening Date: 29-Jun-2020 IP Phone: 79750</p> |
| <p>19 Godnail Sub Branch (Under Fatulla Branch) Address: 2 no. Dhakeshore Bus Stand, Godnail, Shiddirganj, Narayanganj Opening Date: 01-Sep-2020 IP Phone: 72570</p> | <p>20 Raipura Bazar Sub Branch (Under Narsingdi Branch) Address: Raipura Trade Center, 234, Thana Sadar Road, Ward no-01, Thana-Raipura, Dist-Narsingdi Opening Date: 28-Sep-2020 IP Phone: 82550</p> |
| <p>21 Satarkul Bazar Sub Branch (Under Uttar Badda Branch) Address: Riyaz Super Market, Ward no-41, Satarkul Uttar Para, Satarkul Bazar, Badda, Dhaka-1212 Opening Date: 29-Sep-2020 IP Phone: 78450</p> | <p>22 DSE Tower Sub Branch (Under Principal Branch) Address: DSE Tower, Plot-46, Road-21, Nikunja-2, Dhaka-1229. Opening Date: 15-Dec-2020 IP Phone: 70270</p> |
| <p>23 Badda Sub Branch (Under Rampura Branch) Holding no.-Cha-63/6, North Badda, Road name: Pragati Sarani Road, Ward no.-21, Dhaka North City Corporation, P.S.-Badda, Dis.-Dhaka-1212. IP Phone: 74150</p> | <p>24 Mugda Sub Branch (Under Foreign Exchange Branch) Building Name: Khadiza Palace Holding no.-145 Road name: North Mugda Para, Modina Bag (Ground Floor) Ward no.- 71, Dhaka North City Corporation P.S.- Mugda Dist.- Dhaka. IP Phone: 71850</p> |
| <p>25 Narisha Bazar Sub Branch (Under Muksudpur Branch) Building Name: Mobarok Hossain Market Vill- Narisha Bazar Ward no.- 07 Union no.- 06 P.S.-Dohar Dis.-Dhaka. IP Phone: 83650</p> | <p>26 Chondrer Bari Sub Branch (Under Sreenagar Branch) Building Name: Bazlur Rahman Super Market (1st Floor) Vill/Area: Chondrer Bari Ward no.- 06 Union- Holdia P.S.- Lohajong Dist.- Munshigonj IP Phone: 82650</p> |

Khulna Division

01 Tala Sub Branch

(Under Patkhelghata Branch)
Address:
Sheikh Plaza, Vill-Tala, PO+Upazilla-Tala
Ward no-08, Dist-Satkhira
Opening Date: 20-Sep-2020
IP Phone: 79050

02 Budhata Sub Branch

(Under Satkhira Branch)
Address:
Budhata Bazar, Budhata, Assasuni, Satkhira.
Opening Date: 02-Dec-2020
IP Phone: 76550

03 Churamon Kati Sub Branch

(Under Jashore Branch)
Address:
Jamir Gazi Complex (1st floor)
Vill+Post.-Churamon Kati,
Jashore Sadar, Jashore.
Opening Date: 29-Dec-2020
IP Phone: 76450

Mymensingh Division

01 Balijuri Bazar Sub Branch

(Under Koyrabazar Branch)
Address:
Talukder Market, Holding no-65, Ward no-04, Jamalpur Road,
Balijuri Bazar, Thana-Madargonj, Dist-Jamalpur.
Opening Date: 19-Feb-2020
IP Phone: 80650

02 Nandina Sub Branch

(Under Jamalpur Branch)
Address:
Nandina Moddho Bazar, Nandina, Jamalpur
Opening Date: 25-Oct-2020
IP Phone: 81450

03 Nakla Sub Branch

(Under Sherpur Branch)
Address:
Holding#096300, Road-Feeder Road, Ward no.-5, Nakla
Pouroshova,
P.S.-Nakla, Dist-Sherpur.
Opening Date: 15-Dec-2020
IP Phone: 84650

04 Mohanganj Sub Branch

(Under Netrokona Branch)
Address:
Station Road, Mohongonj,
Netrokona.
Opening Date: 30-Dec-2020
IP Phone: 81550

Barishal Division

01 Barishal University Sub Branch

(Under Barishal Branch)
Building Name: Khan Market
Vill/Area: Karnakathi
Ward no.-09
Union- 7 no. Charkawa, Barishal Sadar,
P.O.- Karnakathi, Bandar, Barishal.
IP Phone: 77350

Rajshahi Division

01 Uposhohor Sub Branch

(Under Bogura Branch)
Address:
R.C. Tower, Puraton Dinajpur Road, Bogura Pourosova, Ward
no-01, Thana-Bogura, Dist-Bogura.
Opening Date: 08-Mar-2020
IP Phone: 71150

Sylhet Division

01 Tilagor Sub Branch

(Under Sylhet Branch)
Address:
Deen Centre, 07, Batatkar, Tilagor, Sylhet.
Opening Date: 22-Mar-2020
IP Phone: 70650

02 Bhadeshwar Sub Branch

(Under Dhakadakshin Branch)
Address:
Mukham Bazar, Bhadeshwar, Golapgonj, Sylhet.
Opening Date: 02-Sep-2020
IP Phone: 84750



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