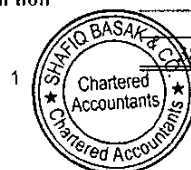


**AUDITOR'S REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
OF  
SOCIAL ISLAMI BANK LIMITED (SIBL) AND ITS  
SUBSIDIARIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**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
<b>PROPERTY AND ASSETS</b>			
<b>Cash in hand</b>			
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
		<b>33,374,036,240</b>	<b>31,898,532,410</b>
<b>Balance with other Banks and Financial Institutions</b>			
In Bangladesh	4(a)	3,889,054,019	2,288,375,533
Outside Bangladesh	4.2	611,795,207	1,084,292,499
		<b>4,500,849,226</b>	<b>3,372,668,032</b>
<b>Placement with Banks and other Financial Institutions</b>			
	5	<b>6,200,795,494</b>	<b>6,826,069,299</b>
<b>Investments in shares and securities</b>			
	6(a)		
Government		14,462,160,000	13,692,300,000
Others		4,275,574,273	4,170,415,304
		<b>18,737,734,273</b>	<b>17,862,715,304</b>
<b>Investments</b>			
	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
		<b>299,717,943,566</b>	<b>263,468,589,649</b>
<b>Fixed assets including premises</b>			
	8(a)	4,446,983,032	3,613,716,895
<b>Other assets</b>			
	9(a)	18,231,614,894	18,143,066,838
<b>Non Banking assets</b>			
		-	-
<b>Total assets</b>		<b>385,209,956,725</b>	<b>345,185,358,427</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placement from Banks &amp; other Financial Institutions</b>			
	10	-	-
<b>Deposits and other accounts</b>			
	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
		<b>321,882,450,559</b>	<b>287,472,894,270</b>
<b>Bond</b>			
SIBL mudaraba subordinated bond	12	8,000,000,000	9,400,000,000
SIBL mudaraba perpetual bond	13	1,500,000,000	-
		<b>9,500,000,000</b>	<b>9,400,000,000</b>
<b>Other liabilities</b>			
	14(a)	<b>35,292,055,497</b>	<b>30,905,629,453</b>
<b>Deferred tax liabilities/ (assets)</b>			
	15 (a)	<b>439,019,598</b>	<b>94,704,927</b>
<b>Total liabilities</b>		<b>367,113,525,654</b>	<b>327,873,228,650</b>
<b>Capital/shareholders' equity</b>			
	16.2	9,380,084,230	8,933,413,560
Paid-up capital		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	931,379,264
Retained earnings	19(a)	1,103,498,067	1,015,230,517
		<b>18,096,429,231</b>	<b>17,312,127,963</b>
<b>Total shareholders' equity of parent Company, SIBL</b>			
<b>Non controlling interest</b>			
	19(b)	1,840	1,814
<b>Total shareholders' equity of parent Company, SIBL with non controlling interest</b>			
		<b>18,096,431,071</b>	<b>17,312,129,777</b>
<b>Total liabilities and shareholders' equity of the group</b>		<b>385,209,956,725</b>	<b>345,185,358,427</b>



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<u>Particulars</u>	<u>Note(s)</u>	31.12.2020 <u>Taka</u>	31.12.2019 <u>Taka</u>
<b>CONTINGENT LIABILITIES</b>			
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	-	-
<b>Total</b>		<b>52,439,934,267</b>	<b>53,594,806,020</b>

**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	-	-	
<b>Total</b>	-	-	
<b>Total off balance sheet items including Contingent liabilities</b>		<b>52,439,934,267</b>	<b>53,594,806,020</b>

<b>Consolidated Net Asset Value per share (CNAV/share)</b> (Prior year restated)	39(i)	19.29	18.46
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Annexed notes (1 to 51) form an integral part of these financial statements

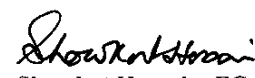
  
Director

  
Director

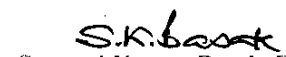
  
Director

  
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



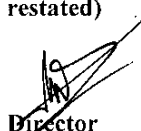
  
Sampad Kumar Basak, FCA  
Enrollment no. 0625  
Partner  
Shafiq Basak & Co.  
Chartered Accountants  
DVC No. 2105030625AS496690

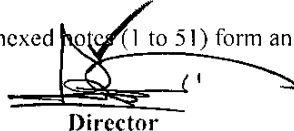


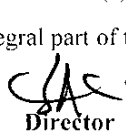
**SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<u>Particulars</u>	<u>Note(s)</u>	31.12.2020 <u>Taka</u>	31.12.2019 <u>Taka</u>
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
<b>Net investment income</b>		<b>7,557,257,427</b>	<b>9,371,390,819</b>
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
		<b>2,897,801,516</b>	<b>2,989,317,995</b>
<b>Total operating income</b>		<b>10,455,058,943</b>	<b>12,360,708,815</b>
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
<b>Total operating expenses</b>		<b>6,073,221,416</b>	<b>5,993,716,149</b>
<b>Profit/(Loss) before provision</b>		<b>4,381,837,527</b>	<b>6,366,992,666</b>
Provision for investments		1,272,053,993	3,184,444,138
Other provisions	36(a)	36,011,634	31,542,301
<b>Total provision</b>	37(a)	<b>1,308,065,627</b>	<b>3,215,986,439</b>
<b>Total profit/(loss) before income taxes</b>		<b>3,073,771,900</b>	<b>3,151,006,227</b>
<b>Provision for taxation</b>	38(a)	<b>1,506,500,770</b>	<b>1,625,326,874</b>
Current tax		1,499,394,282	1,606,058,965
Deferred tax		7,106,488	19,267,908
<b>Net profit/(loss) after taxation</b>		<b>1,567,271,131</b>	<b>1,525,679,354</b>
<b>Appropriations</b>			
Statutory reserve		608,129,552	626,805,871
<b>Retained surplus</b>		<b>959,141,578</b>	<b>898,873,482</b>
<b>Attributable to:</b>			
Equity holders' of the Bank		959,141,552	898,873,480
Non controlling interest		26	2
		<b>959,141,578</b>	<b>898,873,482</b>
<b>Consolidated Earning Per Share (CEPS) (Prior year restated)</b>	39(a)	<b>1.67</b>	<b>1.63</b>

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

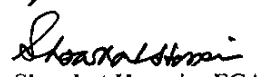
  
Director

  
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 CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

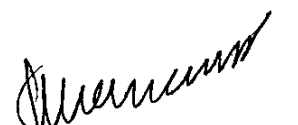
<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2020</u> <u>Taka</u>	<u>31.12.2019</u> <u>Taka</u>
<b>Cash Flow from operating activities</b>			
Investment Income receipt	40(a)	27,251,621,057	27,679,327,604
Profit paid on deposits		(18,550,348,689)	(16,756,600,941)
Dividend receipts		778,358,729	773,998,540
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)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>43(a)</b>	<b>4,478,584,514</b>	<b>6,850,236,475</b>
<b>Increase/Decrease in operating assets and liabilities</b>			
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
<b>Sub Total</b>		<b>(851,166,342)</b>	<b>11,472,146,853</b>
<b>A. Net Cash flow from operating activities</b>		<b>3,627,418,172</b>	<b>18,322,383,329</b>
<b>Cash flows from investing activities</b>			
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>B. Net Cash flows from investing activities</b>		<b>(1,339,587,820)</b>	<b>(354,087,403)</b>
<b>Cash flows from financing activities</b>			
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)	-
<b>C. Net Cash flow from financing activities</b>		<b>(346,670,678)</b>	<b>(9,400,000,000)</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>1,941,159,675</b>	<b>8,568,295,925</b>
<b>E. Effects of exchange rate changes on cash &amp; cash equivalents</b>		<b>37,251,544</b>	<b>54,445,609</b>
<b>F. Cash and cash equivalents at the beginning of the year</b>		<b>42,097,269,741</b>	<b>33,474,528,207</b>
<b>G. Cash and cash equivalents at the end of the year (D+E+F)</b>	<b>46(a)</b>	<b>44,075,680,961</b>	<b>42,097,269,741</b>
<b>Consolidated Net Operating Cash Flow Per Share (NOCFPS)</b> (prior year restated)	<b>39(ii)</b>	<b>3.87</b>	<b>19.53</b>

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

  
Director

  
Director

  
Director

  
Managing Director & CEO

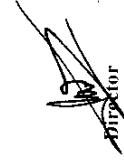
Dhaka, Bangladesh  
Date: 03.05.2021



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

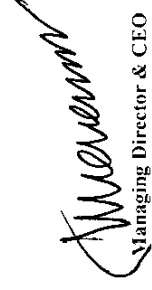
Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	9
<b>Balance as at 01 January 2020</b>		8,933,413,560		6,422,261,269	9,843,356	931,379,261	1,015,230,517	1,814	17,312,129,777
Changes in Accounting Policy									
Restated Balance									
Surplus / (Deficit) on account of Revaluation of Properties									
Surplus / (Deficit) on account of Revaluation of Investment						(337,208,183)			(337,208,183)
Currency translation Difference									
Net gain and losses not recognized in the Income Statement									
Net profit for the year							1,567,271,105		1,567,271,105
Appropriation made during the year				608,129,552	1,470,702		(608,129,552)		1,470,702
<b>Dividend:</b>									
Cash Dividend							(446,670,678)		(446,670,678)
Bonus shares		446,670,670					(446,670,670)		
Transferred to retained earnings							23,029,023		
Adjustment for implementation of IFRS 16							(561,678)		(561,678)
Non-controlling interest								26	26
<b>Total group shareholders' equity as on 31 December 2020</b>		9,380,084,230		7,030,390,821	11,314,058	571,142,055	1,103,498,067	1,840	18,096,431,071
<b>Eligible Capital Under Basel III:</b>		9,380,084,230		7,030,390,821	11,314,058		1,103,498,067		17,525,287,175
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
<b>Total eligible capital as on 31 December 2020</b>									30,426,942,077

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

  
Director

  
Director

  
Director

  
Managing Director & CEO



Dhaka, Bangladesh  
Date: 03.05.2021

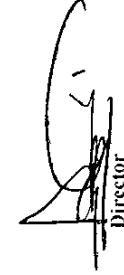


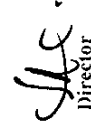
**SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

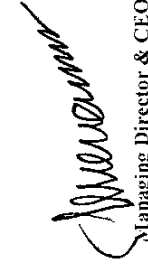
Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	9=(2 to 8)
<b>Balance as at 01 January 2019</b>		8,121,285,060		5,795,455,397	10,764,250	954,998,771	904,866,027	1,812	15,787,371,318
Changes in Accounting Policy									
Restated Balance									
Surplus / (Deficit) on account of Revaluation of Properties									
Surplus / (Deficit) on account of Revaluation of Investment									
Currency translation difference									
Net gain and losses not recognized in the Income Statement									
Net profit for the year							1,525,679,352		1,525,679,352
Appropriation made during the year				626,805,871	(920,894)		(626,805,871)		(920,894)
<b>Dividend:</b>									
Cash Dividend									
Bonus shares		812,128,500							
Transferred to retained earnings						(23,619,510)			
Non-controlling interest								2	
<b>Total group shareholders' equity as on 31 December 2019</b>		8,933,413,560		6,422,261,269	9,843,356	931,379,261	1,015,230,517	1,814	17,312,129,777
<b>Eligible Capital Under Basel III:</b>		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
<b>Total eligible capital as on 31 December 2019</b>									27,942,594,716

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

  
Director

  
Director

  
Director

  
Managing Director & CEO



Dhaka, Bangladesh  
Date: 03.05.2021

**SOCIAL ISLAMI BANK LIMITED**

**BALANCE SHEET**

As at 31 December 2020


<u>Particulars</u>	<u>Note(s)</u>	31.12.2020 <u>Taka</u>	31.12.2019 <u>Taka</u>
<b>PROPERTY AND ASSETS</b>			
<b>Cash in hand</b>			
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
		<b>33,373,482,438</b>	<b>31,898,442,122</b>
<b>Balance with other Banks and Financial Institutions</b>			
In Bangladesh		3,889,038,464	2,288,360,101
Outside Bangladesh		611,795,207	1,084,292,499
		<b>4,500,833,672</b>	<b>3,372,652,600</b>
<b>Placement with Banks &amp; other Financial Institutions</b>	5	6,200,795,494	6,826,069,299
<b>Investments in shares &amp; securities</b>			
Government	6	14,462,160,000	13,692,300,000
Others		4,025,207,661	3,946,685,081
		<b>18,487,367,661</b>	<b>17,638,985,081</b>
<b>Investments</b>			
General investments etc.		288,494,854,278	252,038,985,230
Bills purchased and discounted		12,123,089,288	12,229,604,419
		<b>300,617,943,566</b>	<b>264,268,589,649</b>
<b>Fixed assets including premises</b>	8	4,431,010,176	3,606,049,743
<b>Other assets</b>	9	17,388,277,852	17,445,443,133
<b>Non Banking assets</b>		-	-
<b>Total assets</b>		<b>384,999,710,859</b>	<b>345,056,231,627</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placement from Banks &amp; other Financial Institutions</b>	10	-	-
<b>Deposits and other accounts</b>			
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
		<b>322,383,510,566</b>	<b>287,936,655,109</b>
<b>Bond</b>			
SIBL mudaraba subordinated bond	12	8,000,000,000	9,400,000,000
SIBL mudaraba perpetual bond	13	1,500,000,000	-
		<b>9,500,000,000</b>	<b>9,400,000,000</b>
<b>Other liabilities</b>	14	34,639,606,343	30,354,428,531
<b>Deferred tax liabilities/ (assets)</b>	15	438,206,855	93,817,514
<b>Total liabilities</b>		<b>366,961,323,764</b>	<b>327,784,901,154</b>
<b>Capital/Shareholders' equity</b>			
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
<b>Total shareholders' equity</b>		<b>18,038,387,095</b>	<b>17,271,330,473</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>384,999,710,859</b>	<b>345,056,231,627</b>





<u>Particulars</u>	<u>Note(s)</u>	31.12.2020 <u>Taka</u>	31.12.2019 <u>Taka</u>
<b>CONTINGENT LIABILITIES</b>			
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	-	-
<b>Total</b>		<b>52,439,934,267</b>	<b>53,594,806,020</b>
<b>OTHER COMMITMENTS</b>			
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		-	-
<b>Total</b>		-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>		<b>52,439,934,267</b>	<b>53,594,806,020</b>

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

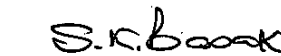
  
Director

   
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

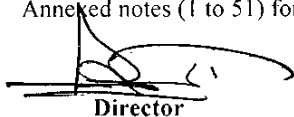
  
Sampad Kumar Basak, FCA  
Enrollment no. 0625  
Partner  
Shafiq Basak & Co.  
Chartered Accountants  
DVC No. 2105030625AS496690

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

<u>Particulars</u>	<u>Note(s)</u>	31.12.2020	31.12.2019
		<u>Taka</u>	<u>Taka</u>
Investment income	21	27,036,266,956	27,797,425,826
Profit paid on deposits	22	19,484,793,192	18,428,552,565
<b>Net investment income</b>		<b>7,551,473,764</b>	<b>9,368,873,261</b>
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
		<b>2,814,603,555</b>	<b>2,913,701,732</b>
<b>Total operating income</b>		<b>10,366,077,319</b>	<b>12,282,574,994</b>
<b>Operating expenses</b>			
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
<b>Total operating expenses</b>		<b>6,022,866,210</b>	<b>5,940,464,499</b>
<b>Profit/(loss) before provision</b>		<b>4,343,211,109</b>	<b>6,342,110,494</b>
Provision for investments		1,272,053,993	3,184,444,138
Other provisions	36	30,509,355	23,637,000
<b>Total provision</b>	37	<b>1,302,563,348</b>	<b>3,208,081,138</b>
<b>Total profit/(loss) before income taxes</b>		<b>3,040,647,761</b>	<b>3,134,029,357</b>
<b>Provision for taxation</b>	38	<b>1,489,712,278</b>	<b>1,612,578,681</b>
Current tax		1,482,531,120	1,593,092,009
Deferred tax		7,181,158	19,486,671
<b>Net profit/(loss) after taxation</b>		<b>1,550,935,483</b>	<b>1,521,450,676</b>
<b>Appropriations:</b>			
Statutory reserve		608,129,552	626,805,871
Retained surplus		942,805,931	894,644,805
		<b>1,550,935,483</b>	<b>1,521,450,676</b>
<b>Earning per share (EPS) (prior year restated)</b>	39	<b>1.65</b>	<b>1.62</b>

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**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<u>Particulars</u>	<u>Note(s)</u>	31.12.2020 <u>Taka</u>	31.12.2019 <u>Taka</u>
<b>Cash Flow from operating activities</b>			
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)
<b>Operating profit before changes in operating assets and liabilities</b>	43	<b>4,450,331,235</b>	<b>6,836,471,745</b>
<b>Increase/Decrease in operating assets and liabilities</b>			
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
<b>Sub Total</b>		<b>(837,504,975)</b>	<b>11,485,572,030</b>
<b>A. Net Cash flow from operating activities</b>		<b>3,612,826,261</b>	<b>18,322,043,775</b>
<b>Cash flows from investing activities</b>			
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>B. Net Cash flows from investing activities</b>		<b>(1,325,459,546)</b>	<b>(353,731,874)</b>
<b>Cash flows from financing activities</b>			
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)	-
<b>C. Net Cash flow from financing activities</b>		<b>(346,670,678)</b>	<b>(9,400,000,000)</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>1,940,696,037</b>	<b>8,568,311,900</b>
<b>E. Effects of exchange rate changes on cash &amp; cash equivalents</b>		<b>37,251,544</b>	<b>54,445,609</b>
<b>F. Cash and cash equivalents at the beginning of the year</b>		<b>42,097,164,021</b>	<b>33,474,406,512</b>
<b>G. Cash and cash equivalents at the end of the year (D+E+F)</b>	46	<b>44,075,111,603</b>	<b>42,097,164,021</b>
<b>Net Operating Cash Flow Per Share (NOCFPS) (prior year restated)</b>	39(ii)	<b>3.85</b>	<b>19.53</b>

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

  
Director

  
Director

  
Director

  
Managing Director & CEO

Dhaka, Bangladesh  
Date: 03.05.2021




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


(Amount in Taka)

Particulars	1	2	3	4	5	6	7	8=(2+3+4+5+6+7)
	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Total	
<b>Balance as at 01 January 2020</b>	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	-	-	-	-	-	-	-	
Surplus / (Deficit) on account of Revaluation of Investment	-	-	-	-	(337,208,183)	-	(337,208,183)	
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)	-	
<b>Dividend:</b>								
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	-	
<b>Total shareholders' equity as on 31 December 2020</b>	<b>9,380,084,230</b>	-	<b>7,030,390,821</b>	-	<b>571,142,055</b>	<b>1,056,769,989</b>	<b>18,038,387,095</b>	
<b>Eligible Capital Under Basel III:</b>	<b>9,380,084,230</b>	-	<b>7,030,390,821</b>	-	-	<b>1,056,769,989</b>	<b>17,467,245,040</b>	
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	
<b>Total eligible capital as on 31 December 2020</b>							<b>30,368,899,942</b>	

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

  
Director

  
Director

  
Managing Director & CEO



Dhaka, Bangladesh  
Date: 03.05.2021

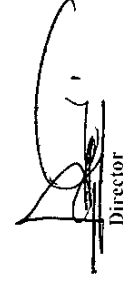
**SOCIAL ISLAMI BANK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

(Amount in Taka)

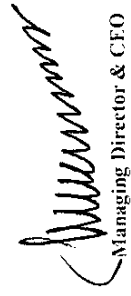
Particulars	1	2	3	4	5	6	7	Total
								8=(2+3+4+5+6+7)
Balance as at 01 January 2019		8,121,285,060	-	5,795,455,397	-	954,998,771	878,140,568	15,749,879,796
Changes in Accounting Policy		-	-	-	-	-	-	-
Restated Balance		-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Properties		-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Investment		-	-	-	-	-	-	-
Currency translation Difference		-	-	-	-	-	-	-
Net gain and losses not recognized in the Income Statement		-	-	-	-	-	-	-
Net profit for the year		-	-	-	-	-	1,521,450,676	1,521,450,676
Appropriation made during the year		-	-	626,805,871	-	-	(626,805,871)	-
Dividend:		-	-	-	-	-	-	-
Cash dividend		-	-	-	-	-	-	-
Bonus Shares		812,128,500	-	-	-	-	(812,128,500)	-
Transferred to retained earnings		-	-	-	-	(23,619,510)	23,619,510	-
<b>Total shareholders' equity as on 31 December 2019</b>		<b>8,933,413,560</b>	-	<b>6,422,261,268</b>	-	<b>931,379,261</b>	<b>984,276,383</b>	<b>17,271,330,473</b>
<b>Eligible Capital Under Basel III:</b>		<b>8,933,413,560</b>	-	<b>6,422,261,269</b>	-	-	<b>984,276,383</b>	<b>16,339,951,211</b>
Add: General provision for unclassified investment		-	-	-	-	-	-	4,401,846,015
Add: SIBL Mudaraba Subordinated Bond		-	-	-	-	-	-	7,160,000,000
<b>Total eligible capital as on 31 December 2019</b>								<b>27,901,797,226</b>

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

  
Director

  
Director

  
Director

  
Managing Director & CEO

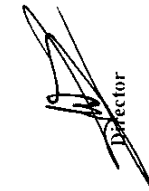
Dhaka, Bangladesh  
Date: 03.05.2021



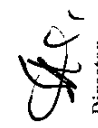
**SOCIAL ISLAMI BANK LIMITED**  
**LIQUIDITY STATEMENT**  
**ASSETS AND LIABILITIES ANALYSIS**  
**AS AT 31 DECEMBER 2020**

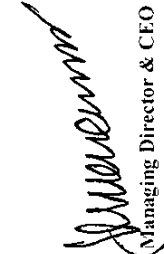
(amount in Taka)

Particulars	(amount in Taka)						
	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total Current Year	Total Previous Year
1	2	3	4	5	6	7(2+3+4+5+6)	8
<b>Assets</b>							
Cash in hand	21,459,001,438	-	-	-	-	11,914,481,000	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	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>66,569,264,859</b>	<b>70,858,273,031</b>	<b>134,841,912,500</b>	<b>75,223,360,264</b>	<b>37,506,900,206</b>	<b>384,999,710,859</b>	<b>345,056,231,627</b>
<b>Liabilities</b>							
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
<b>Total Liabilities</b>	<b>65,165,264,438</b>	<b>69,517,537,248</b>	<b>132,268,413,350</b>	<b>67,687,423,111</b>	<b>32,322,685,618</b>	<b>366,961,323,764</b>	<b>327,784,901,154</b>
<b>Net Liquidity Gap</b>	<b>1,404,000,421</b>	<b>1,340,735,783</b>	<b>2,573,499,151</b>	<b>7,535,937,153</b>	<b>5,184,214,588</b>	<b>18,038,387,095</b>	<b>17,271,330,473</b>

  
 Director

  
 Director

  
 Director

  
 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.

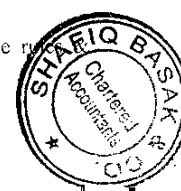
The principal objectives of the Company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealings, to underwrite, manage and distribute the issue of stocks etc. and other services as mentioned in the Memorandum and Articles of Association 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%	0.000320%
<b>Total capital</b>	<b>1,480,000,000</b>		

**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 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	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Assets	6	N/A
Financial Instruments: Disclosures	7	Applied to the extent of compliance with core risk management guideline of Bangladesh Bank.
Operating Segments	8	N/A
Financial Instruments	9	Applied to the extent of compliance with (Financial Instruments) which is mandatorily effective for periods beginning on or after 1 January 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 thereon, 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 in equity, 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 accreted.

As per BRPD circular no. 15 (09 November 2009), investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. However as per requirements of 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 generally fall either under 'at fair value through profit and loss account (FVTPL)' or under 'at fair value through other comprehensive income (FVTOCI)' (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively. SIBL recognises its 'Investment in Shares and Securities' as per IFRS-9 and accounted for the required profit/(loss) after adjustment of the value of shares and securities through profit and loss account.

#### Derivatives

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

#### 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:

<u>Particulars</u>	<u>Rate (%)</u>	<u>Estimated life(Years)</u>
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
<b>General provision for Off-balance sheet exposures</b>		
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 actuary 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 forwarded to establish a general framework to defeat the risk factors considering the laws of the land. Bangladesh Bank has also undertaken an overall core-risk management project under which every Bank shall be bounded to the authoritative covenants to install risk management system. Social Islami Bank Ltd. has established approved policies covering major areas such as (a) Investment Risk Management, (b) Foreign Exchange Risk Management. (c) Asset Liability Management Risk (d) Money Laundering Risk (e) Internal Control & Compliance Risk and (f) Information & Communication Technology Security Risk (g) Internal Audit (h) Fraud and Forgeries 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 committed to train all of its workforces regarding anti money laundering.



**(e) Internal control and compliance risk**

Internal controls ensure systematic and orderly flow of various operational activities within the organization. Now a day in the biggest and complex business environment, compliance becomes one of the major concern to the corporate being major risk involved in non-compliance of statutory requirements and operational procedures. To protect and safeguard the Bank from any means of fraud and error as well as loss - Social Islami Bank has introduced the "Internal control and Compliance guideline and also established a separate department called "Internal Control and Compliance Department (ICCD)" at Head Office staffed with some experienced senior Banker rest with the power and duties to train the employcees 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 coordinates 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 number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion 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

(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
		<u>Taka</u>	<u>Taka</u>
<b>3</b>	<b>Cash</b>		
	<i>In hand:</i>		
	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
		<u>2,972,709,048</u>	<u>2,949,269,520</u>
	<b>In Foreign Currencies</b>		
	<u>Foreign Currency</u>	<u>Amount in FC</u>	<u>Exchange Rate</u>
	USD	420,099	84.80
	EURO	119,965	104.14
	GBP	7,980	114.79
	S. Riyal	100	22.60
			2,260
			<u>49,036,144</u>
			<u>27,328,950</u>
<b>3(a)</b>	<b>Consolidated balance of cash in hand</b>		
	<b>Social Islami Bank Limited</b>	<b>2,972,709,048</b>	<b>2,949,269,520</b>
	<i>Cash in hand of Subsidiary companies</i>	<b>553,803</b>	<b>90,288</b>
	SIBL Securities Limited	528,602	85,087
	SIBL Investment Limited	25,201	5,201
		<u>2,973,262,850</u>	<u>2,949,359,808</u>
<b>3.1</b>	<b>Balance with Bangladesh Bank and its agent Bank (Sonali Bank)</b>		
	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
		<u>30,400,773,390</u>	<u>28,949,172,602</u>
<b>3.1.1</b>	<b>Balance with Bangladesh Bank (Including foreign currencies)</b>		
	In local currency	29,005,056,916	27,497,425,366
	In foreign currencies	851,474,606	984,393,082
		<u>29,856,531,522</u>	<u>28,481,818,448</u>
<b>3.1.2</b>	<b>Balance with Sonali Bank (as an agent of Bangladesh Bank)</b>		
	In local currency	<u>544,241,868</u>	<u>467,354,154</u>
<b>3.2</b>	<b>Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>		
	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:		
<b>3.3</b>	<b>Cash Reserve Requirement (CRR): 3.50% for DBO and 1.5% for OBO (on daily basis) of average Demand and Time Liabilities</b>		
	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	<u>18,581,734,916</u>	<u>14,652,509,366</u>
<b>3.4</b>	<b>Cash Reserve Requirement (CRR): 4.00% for DBO and 2.00% for OBO (on bi-weekly average basis) of average Demand and Time Liabilities</b>		
	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	<u>17,090,575,916</u>	<u>13,368,017,366</u>
<b>3.5</b>	<b>Statutory Liquidity Ratio (SLR)</b>		
	Required Reserve	16,402,749,000	14,129,408,000
	Actual Reserve held as per GL balance	35,069,686,832	30,476,941,040
	Surplus	<u>18,666,937,832</u>	<u>16,347,533,040</u>
<b>3.6</b>	<b>Held for Statutory Liquidity Ratio</b>		
	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
		<u>35,069,686,832</u>	<u>30,476,941,040</u>
<b>4</b>	<b>Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)</b>		
	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
		<u>4,500,833,672</u>	<u>3,372,652,600</u>



	31.12.2020	31.12.2019
	Taka	Taka
<b>4(a) Consolidated balance of other Banks and Financial Institutions</b>		
In Bangladesh		
<b>Social Islami Bank Limited</b>	<b>3,889,038,464</b>	<b>2,288,360,101</b>
<i>Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch</i>	<i>501,060,008</i>	<i>463,760,840</i>
SIBL Securities Limited (Current account and MTDR)	396,156,756	362,309,451
SIBL Investment Limited	104,903,252	101,451,389
	<b>4,390,098,473</b>	<b>2,752,120,941</b>
<i>Less: Inter Company balance eliminated</i>	<i>501,060,008</i>	<i>463,760,840</i>
SIBL Securities Limited (Current account and MTDR)	396,156,756	362,309,451
SIBL Investment Limited	104,903,252	101,451,389
<i>Add: Account Balance of subsidiaries of SIBL with other Banks and financial institutions</i>	<i>15,555</i>	<i>15,432</i>
SIBL Securities Limited	15,555	15,432
SIBL Investment Limited	-	-
<b>Consolidated balance with Banks and Financial Institutions</b>	<b>3,889,054,019</b>	<b>2,288,375,533</b>

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

**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
	<b>121,745,609</b>	<b>763,658,364</b>

**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 Bank Ltd.	1,028,573,976	-
Union Bank Ltd.	1,547,672,464	9,206,257
	<b>3,767,292,855</b>	<b>1,524,701,738</b>

**c) Mudaraba Savings Deposits**

<b>Total</b>	<b>3,889,038,464</b>	<b>2,288,360,101</b>
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31.12.2020

**4.2 Outside Bangladesh (NOSTRO Account)**

<u>Current Account with</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
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
				<b>558,622,602</b>

balance carried forward





31.12.2020

<u>Current Account with</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
		<i>balance brought forward</i>		<i>558,622,602</i>
16 KOREA EXCH. Bank, KOREA	USD	4,364.42	84.80	370,108
17 HABIB AMERJCAN 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
			<b>Total</b>	<b>611,795,207</b>

**Currency wise Distribution:**

<u>Foreign Currency</u>	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>Composition</u>	<u>Composition</u>	<u>Taka</u>	<u>Taka</u>
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
	<b>100%</b>	<b>100%</b>	<b>611,795,207</b>	<b>1,084,292,499</b>

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

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	-	-
	<b>4,500,833,672</b>	<b>3,372,652,600</b>

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
	<b>6,200,795,494</b>	<b>6,826,069,299</b>

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
	<b>1,986,395,494</b>	<b>1,986,469,299</b>

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
	<b>3,960,000,000</b>	<b>4,160,000,000</b>

5.3

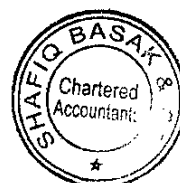
**FC Placement with Banks & other Financial Institutions**

National Bank Limited	-	169,900,000
NCC Bank Limited	-	509,700,000
Al-Arafah Islami Bank Ltd.	254,400,000	-
	<b>254,400,000</b>	<b>679,600,000</b>

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	-	-
	<b>6,200,795,494</b>	<b>6,826,069,299</b>



	31.12.2020	31.12.2019
	<u>Taka</u>	<u>Taka</u>
<b>6 Investment in Shares &amp; Securities</b>		
<b>Government</b>		
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	-
	<b>14,212,160,000</b>	<b>13,442,300,000</b>
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	<b>14,462,160,000</b>	<b>13,692,300,000</b>
<b>Others</b>		
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
	<b>3,983,039,830</b>	<b>4,069,200,900</b>
<b>Fair value adjustment through profit or loss (FVTPL) (note: 6.6)</b>	<b>42,167,831</b>	<b>(122,515,819)</b>
<b>Value of Investment in Shares and securities, Others</b>	<b>4,025,207,661</b>	<b>3,946,685,081</b>
<b>Grand Total</b>	<b>18,487,367,661</b>	<b>17,638,985,081</b>
<b>Maturity-wise Grouping of Investment in Securities:</b>		
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
	<b>18,487,367,661</b>	<b>19,118,983,481</b>
<b>6(a) Consolidated Investment in Shares and Securities</b>		
<b>Social Islami Bank Limited</b>		
<b>Government</b>		
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	-
	<b>14,142,860,000</b>	<b>13,373,000,000</b>
<b>Others sectors</b>	<b>4,025,207,661</b>	<b>3,946,685,081</b>
<b>Add: Investment in Shares and Securities by subsidiary companies</b>	<b>250,366,611</b>	<b>223,730,222</b>
SIBL Securities Limited	142,155,281	154,433,823
SIBL Investment Limited	108,211,330	69,296,400
	<b>4,275,574,273</b>	<b>4,170,415,304</b>
<b>Total consolidated balance of Investment in shares and securities</b>	<b>14,142,860,000</b>	<b>13,373,000,000</b>
<b>6.1</b>	<p>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.</p> <p>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.</p>	
<b>6.2 Investment (Cost) in Shares (Quoted)</b>		
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
	<b>232,844,756</b>	<b>191,423,409</b>
	<i>balance carried forward</i>	<i>191,423,409</i>



	31.12.2020	31.12.2019
	<u>Taka</u>	<u>Taka</u>
<i>balance brought forward</i>	<i>232,844,756</i>	<i>191,423,409</i>
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
	<b>510,980,387</b>	<b>641,262,505</b>

#### 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	-
	<b>144,121,048</b>	<b>-</b>

#### 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
	<b>927,938,395</b>	<b>927,938,395</b>

#### 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
	<b>2,400,000,000</b>	<b>2,500,000,000</b>
	<b>3,327,938,395</b>	<b>3,427,938,395</b>

#### Total Investment (Cost) in Shares (Unquoted)/Bond

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.



**Details of Shares & Securities in quoted and unquoted other than in subsidiaries**

<b>Particulars</b>	<b>No. of Shares/ Securities</b>	<b>Market price per Shares</b>	<b>Fair value/ Market value as on 31-12- 2020</b>	<b>31.12.2020</b>	
				<b>Taka</b>	
				<b>Cost price as on 31-12-2020</b>	<b>Fair value adjustment</b>
<b>Quoted Shares</b>					
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
Titans Gas Limited	2,100,000	30.80	64,680,000	65,569,565	(889,565)
<b>balance carried forward</b>			<b>252,771,800</b>	<b>232,844,756</b>	<b>19,927,044</b>

<b>Particulars</b>	<b>No. of Shares/ Securities</b>	<b>Market price per Shares</b>	<b>Fair value/ Market value as on 31-12- 2020</b>	<b>31.12.2020</b>	
				<b>Taka</b>	
				<b>Cost price as on 31-12-2020</b>	<b>Fair value adjustment</b>
<b>Quoted Shares</b>					
<b>balance brought forward</b>			<b>252,771,800</b>	<b>232,844,756</b>	<b>19,927,044</b>
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)
IFADA Auto 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
			<b>553,148,218</b>	<b>510,980,387</b>	<b>42,167,831</b>
<b>Preference Shares</b>					
Orion Infrastructure Ltd. (Cumulative)	50,000,000	-	500,000,000	500,000,000	-
Orion Infrastructure Ltd. (Redeemable)			169,900,000	169,900,000	-
			<b>669,900,000</b>	<b>669,900,000</b>	<b>-</b>
<b>Unquoted Shares/ Bond</b>					
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	-
			<b>2,658,038,395</b>	<b>2,658,038,395</b>	<b>-</b>
<b>Grand Total</b>			<b>3,881,086,613</b>	<b>3,838,918,782</b>	<b>42,167,831</b>

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

**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
	<b>510,980,387</b>	<b>641,262,505</b>

**6.8 Cost of shares and securities of quoted and unquoted, other than investment in subsidiaries**

Fair value adjustment {Profit/(Loss)} to be made through profit and loss account	3,838,918,782	4,069,200,900
	42,167,831	(122,515,819)
	<b>3,881,086,613</b>	<b>3,946,685,081</b>

**Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries**

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.



	31.12.2020 Taka	31.12.2019 Taka
<b>7 Investments</b>		
<b><u>In Bangladesh</u></b>		
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
<b><u>Outside Bangladesh</u></b>		
Bills purchased and discounted-net (Note- 7.2)	9,664,990,569	9,094,950,055
	<b>300,617,943,566</b>	<b>264,268,589,650</b>
<b>7 (a) Consolidated Investment</b>		
<b>General Investments etc.</b>	<b>288,494,854,278</b>	<b>252,038,985,230</b>
<b>Less: InterCompany balance eliminated</b>		
<b>SIBL Securities Limited</b>	<b>900,000,000</b>	<b>800,000,000</b>
Quard Investment with SIBL- Principal branch	-	-
<b>SIBL Investment Limited</b>	-	-
<b>Total consolidated general investment</b>	<b>287,594,854,278</b>	<b>251,238,985,230</b>
<b>Bills purchased and discounted-net</b>	<b>12,123,089,288</b>	<b>12,229,604,419</b>
<b>Grand total</b>	<b>299,717,943,566</b>	<b>263,468,589,649</b>
<b>Maturity wise Classification of Investments:</b>		
<b>With a residual maturity of</b>		
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
	<b>300,617,943,566</b>	<b>264,268,589,649</b>
<b>7.1 Mode-Wise Investment (General)</b>		
<b>a) In Bangladesh</b>		
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
	<b>288,494,854,278</b>	<b>252,038,985,230</b>
<b>Mode-Wise Investment (General)</b>		
<b>b) Outside Bangladesh</b>		
Musharaka	-	-
Murabaha	-	-
Bai-Muazzal	-	-
Hire-Purchase Sirkatul Meelk	-	-
Installment Investment Scheme	-	-
Quard	-	-
Bai-Salam	-	-
Others	-	-
	-	-
<b>7.2 Bills Purchased and discounted</b>		
<b>In land Bill Purchase</b>	<b>2,458,098,719</b>	<b>3,134,654,364</b>
<b><u>Outside Bangladesh</u></b>		
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
	<b>9,664,990,569</b>	<b>9,094,950,055</b>
<b>Grand total of net Bills Purchased and Discounted</b>	<b>12,123,089,288</b>	<b>12,229,604,419</b>
<b>7.2.1 Bills Purchased and Discounted</b>		
Payable in Bangladesh	4,096,589,743	4,698,133,914
Payable outside Bangladesh	8,343,893,127	8,137,099,405
<b>Gross Bills Purchased and Discounted</b>	<b>12,440,482,871</b>	<b>12,835,233,319</b>
Less: Profit receivable on Bills Purchased and Discounted	317,393,583	605,628,901
<b>Net Bills Purchased and Discounted</b>	<b>12,123,089,287</b>	<b>12,229,604,419</b>
<b>Maturity wise Classification of Bills Purchased and Discounted:</b>		
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	-	-
	<b>12,123,089,287</b>	<b>12,229,604,419</b>



			31.12.2020 Taka	31.12.2019 Taka
<b>7.3 Investments on the basis of significant concentration</b>	<b>31.12.2020</b>	<b>31.12.2019</b>		
Investments to allied concern of Directors	0.00%	0.00%	-	-
Investments to Executives & Staffs	0.78%	0.93%	2,333,636,172	2,460,432,039
Investments to Customer Groups	54.02%	57.28%	162,397,228,441	151,365,526,851
Industrial Investment	45.20%	41.79%	135,887,078,952	110,442,630,759
Others	0.00%	0.00%	-	-
	<b>100.00%</b>	<b>100.00%</b>	<b>300,617,943,566</b>	<b>264,268,589,649</b>

**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-funded 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**

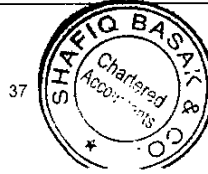
Sector	2020		2019	
	Amount	Composition	Amount	Composition
Commercial lending	63,085,991,368	20.99%	53,900,724,832	20.40%
Export Financing	7,421,291,294	2.47%	4,921,018,590	1.86%
House Building Investment	4,016,753,073	1.34%	3,743,143,723	1.42%
Investment against Scheme & MTDR	5,291,700,741	1.76%	3,991,981,577	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%
<b>Total</b>	<b>300,617,943,566</b>	<b>100.00%</b>	<b>264,268,589,649</b>	<b>100.00%</b>

**7.5 Geographical Location-wise Classification of Investments**

Sector	2020		2019	
	Amount	Composition	Amount	Composition
<b>i) Within Bangladesh</b>				
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%
<b>Sub-total (a+b)</b>	<b>300,617,943,566</b>	<b>100.00%</b>	<b>264,268,589,649</b>	<b>100.00%</b>
<b>ii) Outside Bangladesh</b>				
<b>Total (i+ii)</b>	<b>300,617,943,566</b>	<b>100.00%</b>	<b>264,268,589,649</b>	<b>100.00%</b>

**7.6 Division-wise Investments**

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%
<b>Total</b>	<b>300,617,943,566</b>	<b>100.00%</b>	<b>264,268,589,649</b>	<b>100.00%</b>



	31.12.2020	31.12.2019	
	<u>Taka</u>	<u>Taka</u>	
<b>7.7 Investments (Classification wise)</b>			
<b>Unclassified</b>			
Standard	264,989,783,318	235,404,417,478	
Special Mentioned Account	12,959,999,501	6,951,113,350	
<b>Classified</b>			
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	
	<b>296,081,762,367</b>	<b>259,790,474,170</b>	
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	
	<b>2,202,545,026</b>	<b>2,017,683,440</b>	
Staff Investment	2,333,636,172	2,460,432,039	
	<b>300,617,943,566</b>	<b>264,268,589,649</b>	
<b>7.8 Particulars of provision required for general investment</b>			
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	
	<b>13,253,743,075</b>	<b>11,997,403,200</b>	
<b>7.8.1 Detail Particulars of Provision for Investment</b>			
<b>Unclassified</b>	<b>Rate</b>	<b>Base for Provision</b>	<b>Provision Required</b>
Standard	1%	205,644,761,160	2,056,447,612
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
Small and Medium Enterprise	0.25%	56,746,711,320	141,866,778
Housing Finance (HF)	1%	2,006,322,368	20,063,224
Loan for Professionals (LP)	2%	4,806,701	96,134
Share	2%	1,508,104,365	30,162,087
SMA Investment (Same as UC i e 0.25%, 1%, 2%, to 5%)	5%	1,948,895,876	1,948,895,876
Unclassified Off Balance Sheet Items	1%	47,045,003,700	470,450,037
<b>Classified</b>			
Substandard	20%	472,977,731	94,595,546
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
Bad or Loss	100%	7,676,453,920	7,676,453,920
			<b>13,217,426,292</b>
<b>Provision Required (Short term Agricultural &amp; Micro Credit)</b>	<b>Rate</b>	<b>Base for Provision</b>	<b>Provision Required</b>
<b>Unclassified</b>			
Standard (short term agri /micro credit)	1.0%	2,133,360,697	21,333,607
<b>Classified</b>			
Substandard (short term agri ,micro credit & CMSME)	5%	3,661,131	183,057
Doubtful (short term agri /micro credit)	5%	121,971	6,099
Bad or Loss (Short term agri /micro credit)	100%	14,794,021	14,794,021
			<b>36,316,783</b>
<b>Required provision for Investments (Grand Total)</b>			<b>13,253,743,075</b>
<b>Total provision maintained</b>			<b>13,253,743,075</b>
<b>Provision Surplus/(Shortfall)</b>			<b>-</b>
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.			
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.			
<b>Provision Made: (Other than Short term Agricultural &amp; Micro Credit)</b>			
<b>Unclassified</b>			
Standard		3,471,425,418	4,326,514,668
SMA		1,948,895,876	56,172,929
<b>Classified</b>			
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
		<b>13,217,426,292</b>	<b>11,977,498,969</b>



		31.12.2020 Taka	31.12.2019 Taka
<b>Provision Made: (Short term Agricultural &amp; Micro Credit)</b>			
	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	-
		<b>36,316,783</b>	<b>19,904,232</b>
		<b>13,253,743,075</b>	<b>11,997,403,200</b>
		-	-
	<b>Grand Total</b>		
	<b>Required provision - Provision made = Surplus/ (Shortfall)</b>		
<b>7.8.2</b>	<b>Particulars of provision for Off-Balance Sheet items</b>		
	<b>Status</b>	<b>Rate</b>	<b>Basis for Provision</b>
	Off-Balance Sheet Items	1%	52,439,934,267
	Required provision for Investments		470,450,037
	Provision maintained {note # 14.1(c)}		470,450,037
	<b>Surplus Provision</b>		-
<b>7.9</b>	<b>Particulars of Investments:</b>		
(i)	Investment considered good in respect of which the Banking Company is fully secured		193,992,330,243
(ii)	Investment considered good for which the Banking Company holds no other security other than the debtor's personal security		99,759,553,524
(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
(iv)	Investment considered bad or doubtful not provided for		-
	<b>Total</b>		<b>300,617,943,566</b>
(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
(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
(viii)	Maximum total amount of Investments including temporary Investment granted during the period to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or in the case of private companies as members		Nil
(ix)	Investment due from other Banks		Nil
(x)	Classified Investment on which profit has not been charged		15,661,604,436
(xi)	Particulars of written off investments		16,550,769,927
	a) Cumulative amount of written off/Waiver of Investments since inception to 31 December last year		5,989,846,325
	b) Amount of written off/ waiver of Investment during the year		25,361,653
	<b>Total amount of written off (a+b)</b>		<b>6,015,207,978</b>
	c) Amount recovered against debts which are previously written off (cumulative balance)		463,647,741
	d) Amount of Investments written off/waiver against which cases have been filed for recovery		6,015,207,978
(xii)	e) Amount of compensation suspense as at year end.		3,579,826,001
<b>7.10</b>	<b>Large Investment Restructuring</b>		
	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.		
<b>8</b>	<b>Fixed Assets including Premises (Including Intangible Assets)</b>		
	<b>A. Cost</b>		
	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
		<b>6,927,420,539</b>	<b>5,601,960,993</b>
	<b>B. Accumulated Depreciation</b>		
	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
		<b>2,496,410,364</b>	<b>1,995,911,251</b>
	<b>Carrying value</b>	<b>4,431,010,176</b>	<b>3,606,049,743</b>





\* 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 Taka	31.12.2019 Taka
<b>8(a) Consolidated written down value of Fixed Assets including intangible assets</b>		
<b>Social Islami Bank Ltd.</b>	<b>4,431,010,176</b>	<b>3,606,049,743</b>
<i>Fixed assets of subsidiaries</i>	<b>15,972,856</b>	<b>7,667,152</b>
SIBL Securities Ltd.	15,972,856	7,667,152
SIBL Investment Ltd.	-	-
<b>Carrying value of Fixed assets of the Group</b>	<b>4,446,983,032</b>	<b>3,613,716,895</b>
<b>9 Others Assets</b>		
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
	<b>21,441,915,734</b>	<b>18,933,333,423</b>
<b>Less: Balance with OBU for elimination</b>		
Investment with Off-shore Banking Unit	4,053,637,881	1,487,890,290
<b>Grand total after elimination of balance with OBU</b>	<b>17,388,277,852</b>	<b>17,445,443,133</b>
<b>9(a) Consolidated other Assets</b>		
<b>Social Islami Bank Limited</b>	<b>17,388,277,852</b>	<b>17,445,443,133</b>
<i>Add: Other assets of subsidiary companies</i>		
<b>SIBL Securities Limited</b>	<b>2,351,445,232</b>	<b>2,169,894,251</b>
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 nikonjo, 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
	<b>45,843,081</b>	<b>81,611,544</b>
<b>SIBL Investment Limited</b>	<b>703,000</b>	<b>212,409</b>
Advance Income Tax	703,000	212,409
Accounts receivable	45,140,081	81,399,135
<b>Less: InterCompany balance eliminated</b>		
<b>Investments in Subsidiaries</b>	<b>1,479,998,400</b>	<b>1,479,998,400</b>
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
	<b>73,952,870</b>	<b>73,883,690</b>
<b>Less: Inter Company transactions eliminated:</b>		
Receivable from SIBL Securities Limited	72,049,180	72,000,000
Receivable from SIBL Investment Limited	1,903,690	1,883,690
	<b>18,231,614,894</b>	<b>18,143,066,838</b>



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

	Number of		Amount (in Tk) of	
	Unresponded entries		Unresponded 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	-
	<b>36</b>	<b>19</b>	<b>629,250,355</b>	<b>488,869,484</b>

- 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
	<b>37,425,491</b>	<b>10,969,426</b>

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	-	-

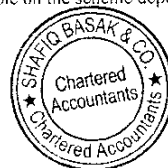
11 Deposits and Other Accounts

Mudaraba Savings Deposits (MSD)	33,622,114,210	25,739,179,658
Mudaraba Term Deposits (MTDR)	175,364,565,456	165,687,514,476
<b>Other Mudaraba Deposit</b>	<b>72,789,409,014</b>	<b>64,112,318,321</b>
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- Waddeeah 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
	<b>322,383,510,566</b>	<b>287,936,655,109</b>

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 PROTASHA(DOUBLE BE	1,952,627,052	1,740,379,712
	<b>55,394,832,551</b>	<b>46,893,652,900</b>

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



	31.12.2020	31.12.2019
	<u>Taka</u>	<u>Taka</u>
<b>11.2 AI-Wadeeah Current Deposit &amp; other A/c</b>		
AI 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
	<b>35,321,029,179</b>	<b>26,072,068,558</b>

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

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

	35,321,029,179	26,072,068,558
<b>11.2(a) Consolidated balance of AI-Wadeeah Current Deposit &amp; Other A/c</b>		
<b>Social Islami Bank Limited</b>	<b>35,321,029,179</b>	<b>26,072,068,558</b>
<i>Less: InterCompany balance eliminated</i>	<b>501,060,008</b>	<b>463,760,839</b>
SIBL Securities Limited	396,156,756	362,309,451
SIBL Investment Limited	104,903,252	101,451,389
<b>Consolidated balance of Current deposit and other accounts</b>	<b>34,819,969,171</b>	<b>25,608,307,719</b>

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.

<b>11.3 Bills Payable</b>		
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
	<b>4,909,336,453</b>	<b>5,982,863,785</b>

<b>11.4 Maturity wise classification of Deposits</b>		
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
	<b>322,383,510,566</b>	<b>287,936,655,109</b>

<b>11.5 Segregation of deposits &amp; other accounts</b>		
<b>i) Client Deposit</b>		
AI-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
	<b>299,504,239,480</b>	<b>267,828,576,558</b>
<b>ii) Bank Deposit</b>		
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
AI-Wadeeah Current deposit (AWCD)	447,735	15,800,680
Mudaraba Savings Deposit (MSD)	3,762,391,711	2,282,513,708
	<b>22,879,271,087</b>	<b>20,108,078,551</b>
<b>Grand Total of deposits and other accounts</b>	<b>322,383,510,566</b>	<b>287,936,655,109</b>

<b>12 SIBL Mudaraba Subordinated Bond</b>	<b>8,000,000,000</b>	<b>9,400,000,000</b>
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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 (BFIIS) 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:



	31.12.2020	31.12.2019
	<u>Taka</u>	<u>Taka</u>
<b>Investors of SIBL Mudaraba Subordinated Bond</b>		
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
	<b>600,000,000</b>	<b>1,200,000,000</b>

**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
	<b>2,400,000,000</b>	<b>3,200,000,000</b>

**SIBL 3rd Mudaraba Subordinated Bond of Tk.500**

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
	<b>5,000,000,000</b>	<b>5,000,000,000</b>

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	-
	<b>1,500,000,000</b>	<b>-</b>

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	-
	<b>34,639,606,343</b>	<b>30,354,428,531</b>



	31.12.2020	31.12.2019
	Taka	Taka
* 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%		
<b>14(a) Consolidated Other Liabilities</b>	<b>34,639,606,343</b>	<b>30,354,428,531</b>
<b>Social Islami Bank Limited</b>		
<i>Add: Other Liabilities of subsidiaries</i>		
<b>SIBL Securities Limited</b>	<b>1,550,538,240</b>	<b>1,347,839,260</b>
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
<b>SIBL Investment Limited</b>	<b>1,910,913</b>	<b>3,361,661</b>
Accrued Expenses	69,000	46,000
Other provisions	-	2,660,502
Provision for Income Tax	1,841,913	655,159
	<b>36,192,055,497</b>	<b>31,705,629,453</b>
<b>Less: InterCompany balance eliminated</b>		
<b>SIBL Securities Limited</b>		
Payable to SIBL-Term loan	900,000,000	800,000,000
<b>Grand total</b>	<b>35,292,055,497</b>	<b>30,905,629,453</b>
<b>14.1 Provision for Investment</b>		
<b>(a) Specific Provision on Investment</b>		
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
<b>Provision held at the end of the year</b>	<b>7,812,088,173</b>	<b>7,595,557,186</b>
<b>(b) General Provision on Investment</b>		
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	-
<b>Balance at the end of the year</b>	<b>4,971,204,865</b>	<b>3,911,552,438</b>
<b>Total Provision on Investments</b>	<b>12,783,293,038</b>	<b>11,507,109,623</b>
<b>(c) General Provision on Off-Balance Sheet items</b>		
Provision held at the beginning of the year	490,293,577	464,963,838
Addition during the year	(19,843,540)	25,329,739
<b>Balance at the end of the year</b>	<b>470,450,037</b>	<b>490,293,577</b>
<b>Total Provision for Investments &amp; Off-Balance Sheet items (a+b+c)</b>	<b>13,253,743,075</b>	<b>11,997,403,200</b>
<b>14.2 Provision for other Assets</b>		
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
<b>Balance at the end of the year</b>	<b>449,527,557</b>	<b>456,527,557</b>
<b>14.2.1 Provision for protested bills</b>		
Provision held at the beginning of the year	325,014,570	319,377,570
Provision during the year	-	5,637,000
	<b>325,014,570</b>	<b>325,014,570</b>
<b>14.2.2 Provision for suspense account</b>		
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	-	-
	<b>124,512,987</b>	<b>131,512,987</b>
<b>14.3 Compensation &amp; Rent Suspense A/C</b>		
<b>Compensation Receivable A/C</b>		
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
	<b>1,452,708,502</b>	<b>1,263,277,170</b>



	31.12.2020	31.12.2019
	<u>Taka</u>	<u>Taka</u>
<b>Compensation Suspense A/C</b>		
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
	<b>659,134,351</b>	<b>422,523,374</b>
<b>Rent Suspense A/C</b>	<b>1,467,983,149</b>	<b>1,184,856,788</b>
<b>Total Compensation &amp; Rent Suspense</b>	<b>3,579,826,001</b>	<b>2,870,657,332</b>
<b>14.3.1 Movement of Compensation and Rent Suspense A/C</b>		
Balance at the beginning of the year	2,870,657,332	1,874,740,496
Add: Amount transferred to suspense account during the year	1,131,458,797	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	-	-
<b>Balance at the end of the year</b>	<b>3,985,263,273</b>	<b>2,870,657,332</b>
<b>14.4 Provision for Taxation</b>		
<b>Provision for Current tax</b>		
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
	<b>16,370,918,424</b>	<b>14,826,251,926</b>
<b>Advance tax</b>		
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
	<b>11,981,335,696</b>	<b>10,685,152,854</b>
<b>Balance at the end of the year</b>	<b>4,389,582,728</b>	<b>4,141,099,073</b>
<b>14.4.1 Provision made during the year</b>		
<b>Operating Profit before provision &amp; tax</b>	<b>4,343,211,109</b>	<b>6,342,110,494</b>
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
<b>Add: Inadmissible expense</b>	<b>399,488,978</b>	<b>528,732,667</b>
<b>Less: Items to be deducted</b>		
Dividend Income receipt	566,096,045	753,500,134
Capital Gain from Shares & Securities	196,283,426	7,073,878
Written off 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
<b>Less: Inadmissible expense and for separate consideration</b>	<b>1,143,543,904</b>	<b>3,026,350,909</b>
<b>Total Taxable Income</b>	<b>3,599,156,182</b>	<b>3,844,492,253</b>
<b>Total Tax liability for current year</b>		
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
<b>Provision required</b>	<b>1,482,531,120</b>	<b>1,593,092,009</b>
<b>Provision made</b>	<b>1,482,531,120</b>	<b>1,593,092,009</b>
<b>14.4.2 Reconciliation of effective tax rate of the Bank</b>		
<b>Particulars</b>	<b>Effective Rate</b>	
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
<b>Factors affecting the tax charge for current year:</b>		
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)
<b>Total income Tax Expenses</b>	<b>34.13</b>	<b>1,482,531,120</b>
<b>14.5 Zakat fund</b>		
Opening Balance	149,522,749	129,665,548
<b>Addition this year</b>	<b>165,694,341</b>	<b>149,522,749</b>
To sadaka fund	103,558,963	93,451,718
To provision for tax	62,135,378	56,071,031
Less: Paid during the year	-	(161,000)
Less: Transferred to Provision for Taxation	(56,071,031)	(48,624,581)
Less: Transferred to Sadaka fund (Balance of Zakat Fund)	(93,451,718)	(80,879,968)
<b>Closing Balance at the end of the year</b>	<b>165,694,341</b>	<b>149,522,749</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>14.6 Mudaraba Profit Distribution</b>		
Opening Balance	-	-
Addition the year	5,000,000	15,000,000
Less: Paid during the year	-	-
<b>Closing Balance at the end of the year</b>	<b>5,000,000</b>	<b>15,000,000</b>
<b>14.7 Provision for good borrower</b>		
Opening balance	10,000,000	8,000,000
Addition during the year	-	2,000,000
Paid during the year	-	-
	<b>10,000,000</b>	<b>10,000,000</b>
<b>14.8 Provision for Climate Risk Fund</b>		
Opening balance	3,000,000	2,000,000
Addition during the year	17,000,000	1,000,000
Paid during the year	-	-
	<b>20,000,000</b>	<b>3,000,000</b>
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.		
<b>14.9 Provision for Start-Up Fund</b>		
Start-Up Fund	<b>15,509,355</b>	
Provision for Start-Up Fund has been maintained in accordance with Bangladesh bank SMESPD circular no: 04, dated: 29 March 2021.		
<b>15 Deferred Tax Liability/(Asset)</b>		
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	-
<b>Closing balance at the end of the year</b>	<b>438,206,855</b>	<b>93,817,514</b>
Deferred tax detailed calculation disclosed in annexure-G		
<b>15 (a) Consolidated Deferred Tax Liability/(Asset)</b>		
<b>Social Islami Bank Limited</b>	<b>438,206,855</b>	<b>93,817,514</b>
<b>SIBL Securities Limited</b>		
Balance at the beginning of the year	887,413	1,106,176
Add: Provision made during the year	(74,670)	(218,763)
<b>Closing balance at the end of the year</b>	<b>812,743</b>	<b>887,413</b>
<b>Grand total</b>	<b>439,019,598</b>	<b>94,704,927</b>
<b>16 Capital</b>		
<b>16.1 Authorized Capital</b>		
3,000,000,000 ordinary shares of Tk. 10 each	<b>30,000,000,000</b>	<b>10,000,000,000</b>
<b>16.2 Issued, Subscribed and Paid up Capital</b>		
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	<b>9,380,084,230</b>	<b>8,933,413,560</b>
<b>Break up of paid up capital is as follows</b>		
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	-
	<b>9,380,084,230</b>	<b>8,933,413,560</b>
Sponsor and Directors	2,819,069,460	2,683,909,620
General Shareholders	6,561,014,770	6,249,503,940
	<b>9,380,084,230</b>	<b>8,933,413,560</b>
<b>16.3 Classification of Shareholders by holding</b>		
<b>Year 2020</b>		
Less than 500 shares	12,383	0.21%
501 to 5,000 shares	12,683	2.43%
5,001 to 10,000 shares	1,706	1.27%
10,001 to 20,000 shares	794	1.19%
20,001 to 50,000 shares	417	1.36%
50,001 to 99,999 shares	364	93.54%
<b>Total</b>	<b>28,347</b>	<b>100.00%</b>



31.12.2019

**Year 2019**

Shareholding range
Less than 500 shares
501 to 5,000 shares
5,001 to 10,000 shares
10,001 to 20,000 shares
20,001 to 50,000 shares
50,001 to 99,999 shares
<b>Total</b>

No. of Shareholders	No. of shares	Percentage of holding of shares
13,072	2,095,017	0.23%
13,336	23,417,108	2.62%
1,697	11,698,548	1.31%
787	10,933,635	1.22%
409	12,580,029	1.41%
346	832,617,019	93.20%
<b>29,647</b>	<b>893,341,356</b>	<b>100.00%</b>

**16.4 Particulars of shareholding and Percentage Analysis****Particulars of shareholding:**

	Year 2020			
	Number of Share holders	Number of Shares		
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
	<b>28,347</b>	<b>938,008,423</b>	<b>9,380,084,230</b>	<b>8,933,413,560</b>

**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%
	<b>100%</b>	<b>100%</b>

**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: 16)	7,030,390,821	6,422,261,269
iii) Retained Earnings (Note: 17)	1,056,769,989	984,276,383
	<b>17,467,245,040</b>	<b>16,339,951,211</b>

**Additional Tier I (AT-1) Capital**

i) SIBLMudaraba Perpetual Bonds	1,500,000,000	-
	<b>18,967,245,040</b>	<b>16,339,951,211</b>

**b) Gone Concern Capital (Tier-II)**

i) General Provision (Note 13.2(b+c))	5,441,654,902	4,401,846,015
ii) SIBLMudaraba Subordinated Bonds	5,960,000,000	7,160,000,000
	<b>11,401,654,902</b>	<b>11,561,846,015</b>

**c) Total eligible capital (a + b)**

	<b>30,368,899,942</b>	<b>27,901,797,226</b>
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**d) Total Risk Weighted Assets**

	<b>225,020,617,500</b>	<b>202,485,885,000</b>
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**e) Minimum Required Capital (10% of Risk Weighted Assets)**

	<b>22,502,061,750</b>	<b>20,248,588,500</b>
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**f) Minimum Required Capital including conservation buffer (12.5% of Risk weighted assets)**

	<b>28,127,577,188</b>	<b>25,310,735,625</b>
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**g) Total Capital Surplus (c-e)**

	<b>7,866,838,192</b>	<b>7,653,208,726</b>
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**h) Total Capital Surplus considering conservation buffer(c-f)**

	<b>2,241,322,754</b>	<b>2,591,061,601</b>
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	31.12.2020	31.12.2019
	Taka	Taka
<b>Capital Adequacy (Consolidated basis)</b>		
Position of capital adequacy are given below:-		
<b>a) Going Concern Capital (Tier-I)</b>		
<b>Common Equity Tier I (CET-I) Capital</b>		
i) Paid-up Capital	9,380,084,230	8,933,413,560
ii) Statutory Reserve (Note: 16)	7,030,390,821	6,422,261,269
iii) General Reserve	11,314,058	9,843,356
iv) Retained Earnings (Note: 18(a))	1,103,498,067	1,015,230,517
	<b>17,525,287,175</b>	<b>16,380,748,701</b>
<b>Additional Tier I (AT-I) Capital</b>		
i) SIBLMudaraba Perpetual Bonds	1,500,000,000	-
	<b>19,025,287,175</b>	<b>16,380,748,701</b>
<b>b) Gone Concern Capital (Tier-II)</b>		
i) General Provision (Note 13.1(b+c))	5,441,654,902	4,401,846,015
ii) SIBLMudaraba Subordinated Bonds	5,960,000,000	7,160,000,000
	<b>11,401,654,902</b>	<b>11,561,846,015</b>
<b>c) Total eligible capital (a +b)</b>	<b>30,426,942,077</b>	<b>27,942,594,716</b>
<b>d) Total Risk Weighted Assets</b>	<b>224,298,667,500</b>	<b>201,385,860,000</b>
<b>e) Minimum Required Capital (10% of Risk Weighted Assets)</b>	<b>22,429,866,750</b>	<b>20,138,586,000</b>
<b>f) Minimum Required Capital including conservation buffer (12.5% of Risk Weighted Assets)</b>	<b>28,037,333,438</b>	<b>25,173,232,500</b>
<b>g) Total Capital Surplus (c-e)</b>	<b>7,997,075,327</b>	<b>7,804,008,716</b>
<b>h) Total Capital Surplus considering conservation buffer(c-f)</b>	<b>2,389,608,639</b>	<b>2,769,362,216</b>

**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-I)	4.50%	7.76%	4.50%	8.07%
CET-I Plus Conservation Buffer	7.00%	7.76%	7.00%	8.07%
Gone Concern Capital: (Tier-II)	0.00%	5.07%	0.00%	5.71%
Minimum CRAR	10.00%	13.50%	10.00%	13.78%
<b>Minimum CRAR Plus Conservation Buffer</b>	<b>12.50%</b>	<b>13.50%</b>	<b>12.50%</b>	<b>13.78%</b>

**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-I)	4.50%	7.81%	4.50%	8.13%
CET-I Plus Conservation Buffer	7.00%	7.81%	7.00%	8.13%
Gone Concern Capital: (Tier-II)	0.00%	5.08%	0.00%	5.74%
Minimum CRAR	10.00%	13.57%	10.00%	13.88%
<b>Minimum CRAR Plus Conservation Buffer</b>	<b>12.50%</b>	<b>13.57%</b>	<b>12.50%</b>	<b>13.88%</b>

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.

16.6

**Breakdown of gross Risk-Weighted Assets (RWA) in the various categories of risk-weights**

**Solo Basis**

**a) Risk Weights for Credit Risk**

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2020		31.12.2019	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	59,815,500,000	-	56,275,400,000	-
20%	32,450,100,000	6,490,020,000	30,841,900,000	6,168,380,000
40%	2,524,500,000	1,009,800,000	3,024,900,000	1,209,960,000
50%	135,867,800,000	67,933,900,000	109,584,900,000	54,792,450,000
60%	27,300,100,000	16,380,060,000	24,077,500,000	14,446,500,000
75%	25,167,550,000	18,875,662,500	24,691,400,000	18,518,550,000
80%	9,664,500,000	7,731,600,000	9,215,900,000	7,372,720,000
100%	59,903,000,000	59,903,000,000	55,324,400,000	55,324,400,000
120%				
125%	28,741,100,000	18,052,675,000	14,388,900,000	16,356,025,000
150%	4,453,500,000	6,680,250,000	5,658,800,000	8,488,200,000
<b>Total</b>	<b>385,887,650,000</b>	<b>203,056,967,500</b>	<b>333,084,000,000</b>	<b>182,677,185,000</b>

**b) Risk Weights for Operational Risk**

2,018,085,000      20,180,850,000      1,822,470,000      18,224,700,000

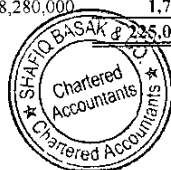
**c) Risk Weights for Market Risk**

178,280,000      1,782,800,000      158,400,000      1,584,000,000

Total Risk Weighted Assets

225,020,617,500

202,485,885,000



**Consolidate basis**

**a) Risk Weights for Credit Risk**

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2020		31.12.2019	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	59,921,700,000	-	56,365,200,000	-
20%	32,450,100,000	6,490,020,000	30,841,900,000	6,168,380,000
40%	2,524,500,000	1,009,800,000	3,024,900,000	1,209,960,000
50%	135,867,800,000	67,933,900,000	109,584,900,000	54,792,450,000
60%	27,300,100,000	16,380,060,000	24,077,500,000	14,446,500,000
75%	25,167,550,000	18,875,662,500	24,691,400,000	18,518,550,000
80%	9,664,500,000	7,731,600,000	9,215,900,000	7,372,720,000
100%	59,955,600,000	59,955,600,000	55,369,000,000	55,369,000,000
120%	-	-	-	-
125%	27,527,500,000	16,535,675,000	13,123,000,000	14,773,650,000
150%	4,453,500,000	6,680,250,000	5,658,800,000	8,488,200,000
<b>Total</b>	<b>384,832,850,000</b>	<b>201,592,567,500</b>	<b>331,952,500,000</b>	<b>181,139,410,000</b>

<b>b) Risk Weights for Operational Risk</b>	2,035,890,000	20,358,900,000	1,840,605,000	18,406,050,000
<b>c) Risk Weights for Market Risk</b>	234,720,000	2,347,200,000	184,040,000	1,840,400,000
<b>Total Risk Weighted Assets</b>		<b>224,298,667,500</b>		<b>201,385,860,000</b>

**17 Statutory Reserve**

Opening balance	6,422,261,269	5,795,455,397
Add: Addition during the year	608,129,552	626,805,871
	<b>7,030,390,821</b>	<b>6,422,261,269</b>

**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)
	<b>11,314,058</b>	<b>9,843,356</b>

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
<b>Balance of revaluation reserve</b>	<b>931,379,261</b>	<b>954,998,771</b>
Less: Adjustment made based on difference amount of depreciation	23,029,023	23,619,510
Less: Transferred to deferred tax	337,208,183	-
<b>Remaining balance of revaluation reserve</b>	<b>571,142,055</b>	<b>931,379,261</b>

Property class under the head 'Land and Building' have been revalued in the year 2011, in accordance with the applicable rules and regulations as per IAS-16, 'Property, Plant and Equipment' and as per Bangladesh Bank BCD circular letter no: 12 & 18, dated: 20 April 1993 & 15 June 1993 and BRPD circular no: 10, dated: 25 November 2002. The valuation firms have used the fair value model to revalue the class of property. The valuation was not reviewed after year 2011.

**a. The effective date of revaluation:**

The revaluation was completed by the valuers on 20.03.2011. And The revaluation effect on the assets have been accounted for on 30.03.2011.

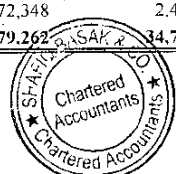
**b. Valuer:**

Two separate independent valuer firm 'Commodity Inspection Services (BD) Ltd.' and 'Royal Inspection International Ltd.' have been assigned to carry on the valuation job.

**c. Method used for determination of fair value:**

The valuer firms have used the market-based evidence to appraise the class of property 'Land and Building'. They have used current market prices as reference that has recently been observed for selling the land and buildings of same class of the same locality for appraising the fair value. Using the appraisal they have determined the amount of revaluation of the assets.

Location	Class of property	Cost less depreciation	Revaluation Surplus as on 31.01.2020	Depreciation on revalued amount	Depreciation on cost	(amounts in Taka) 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
		<b>469,662,529</b>	<b>931,379,261</b>	<b>34,717,796</b>	<b>11,688,773</b>	<b>23,029,023</b>



	31.12.2020	31.12.2019
	Taka	Taka
<b>19 Retained Earnings</b>		
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
	<b>1,056,769,989</b>	<b>984,276,383</b>
<b>19(a) Consolidated retained earnings</b>		
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)	-
	<b>1,103,498,067</b>	<b>1,015,230,517</b>

SIBL has invested amount of Taka- 1,229,998,800 and Taka- 249,999,200 in two of its subsidiaries 'SIBL Securities Ltd. (SIBL SL)' and 'SIBL Investment Ltd. (SIBL IL)' respectively. SIBL holds 99.999902% and 99.99968% of total shares of its subsidiaries 'SIBL SL' and 'SIBL IL' respectively while the other shareholders of the subsidiaries hold 0.000098% and 0.00032% of total shares respectively

Details of the shareholding position is as under:

Sl no.	Shareholders	No. Shares		Value of shares		Percentage of holding of shares	
		SIBL SL	SIBL IL	SIBL SL	SIBL IL	SIBL SL	SIBL IL
1	Social Islami Bank Limited	12,299,988	2,499,992	1,229,998,800	249,999,200	99.999902%	99.99968%
2	Alhaj Nasiruddin	1	1	100	100	0.000008%	0.00004%
3	Mr. Md. Sayedur Rahman	1	1	100	-	0.000008%	-
4	Major (Retd.) Dr. Md. Rezaul Haque	1	1	100	100	0.000008%	0.00004%
5	Alhaj Sultan Mahmood Chowdhury	1	1	100	100	0.000008%	0.00004%
6	Mr. Abdul Awal Patwary	1	1	100	100	0.000008%	0.00004%
7	Hamdard Laboratories (Waqf) Bangladesh, Represented by: Mr. Anisul Hoque	1	1	100	-	0.000008%	-
8	Mrs. Nargis Mannan	1	1	100	-	0.000008%	-
9	Mr. Kamaluddin Ahmed	1	1	100	100	0.000008%	0.00004%
10	Alhaj Sk. Mohammad Rabban Ali	1	1	100	100	0.000008%	0.00004%
11	Mr. A. Jabbar Mollah	1	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%
		<b>12,300,000</b>	<b>2,500,000</b>	<b>1,230,000,000</b>	<b>250,000,000</b>	<b>100.00%</b>	<b>100.00%</b>

**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
	<b>942,805,931</b>	<b>894,644,805</b>

**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
<b>Profit/(Loss) attributable to Group</b>	<b>942,805,931</b>	<b>894,644,805</b>

**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)
	<b>16,335,646</b>	<b>4,228,677</b>

**Less: Non controlling interests of profit/(loss) attributable for current year**

SIBL Securities Limited	7	4
SIBL Investment Limited	19	(2)
	<b>26</b>	<b>2</b>

**Less: Common income (Dividend) for elimination**

SIBL Securities Limited	-	-
<b>Profit/(Loss) attributable to parent</b>	<b>959,141,551</b>	<b>898,873,480</b>



19(b)	<b>Non-controlling interest</b>		
	<b>SIBL Securities Limited</b>		
	Paid up capital	1,230,000,000	1,230,000,000
	Retained earnings	41,560,062	33,835,172
	<b>Net Assets</b>	<b>1,271,560,062</b>	<b>1,263,835,172</b>
	<b>SIBL Investment Limited</b>		
	Paid up capital	250,000,000	250,000,000
	Retained earnings	5,168,260	(2,880,818)
	<b>Net Assets</b>	<b>255,168,260</b>	<b>247,119,182</b>
	<b>Non-controlling interests</b>		
	SIBL Securities Limited, @ 0.000098% of net assets	<b>1,226</b>	<b>1,219</b>
	SIBL Investment Limited, @0.00032% of net assets	<b>613</b>	<b>594</b>
	<b>Total non-controlling interest</b>	<b>1,840</b>	<b>1,814</b>
20	<b>Contingent liabilities</b>		
20.1	<b>Acceptances and Endorsements</b>		
	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
		<b>21,329,871,746</b>	<b>21,931,661,800</b>
20.2	<b>Letter of Credit</b>		
	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
		<b>15,362,950,636</b>	<b>15,775,047,149</b>
20.3	<b>Letters of guarantees</b>		
	Letters of guarantee	<b>10,352,181,319</b>	<b>11,322,648,716</b>
20.4	<b>Bills for collection</b>		
	In-ward bills for collection	-	-
	Out-ward Bills for Collection	5,394,930,566	4,565,448,355
		<b>5,394,930,566</b>	<b>4,565,448,355</b>
20.5	<b>Other Contingent Liabilities</b>	-	-
20.6	<b>Other Commitments</b>	-	-
	<b>Total Off-balance sheet items</b>	<b>52,439,934,267</b>	<b>53,594,806,020</b>

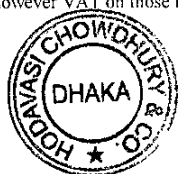


	31.12.2020 Taka	31.12.2019 Taka
<b>Income Statement (Note-21 to Note-39)</b>		
<b>Income:</b>		
Income from Investment (Note-21)	27,036,266,956	27,797,425,826
Income from Investment in Shares & Securities (Note-23)	762,379,471	760,574,012
Commission, Exchange and Brokerage Income (Note-24)	1,421,214,804	1,465,828,639
Other operating income (Note-25)	631,009,280	687,299,082
	<b>29,850,870,511</b>	<b>30,711,127,559</b>
<b>Expenses:</b>		
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
	<b>25,507,659,402</b>	<b>24,369,017,064</b>
	<b>4,343,211,109</b>	<b>6,342,110,494</b>
<b>Income over expenditure</b>		
<b>21 Income from Investment</b>		
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
	<b>27,036,266,956</b>	<b>27,797,425,826</b>
<b>21(a) Consolidated income from investment</b>		
<b>Social Islami Bank Ltd.</b>	<b>27,036,266,956</b>	<b>27,797,425,826</b>
<i>Add: Income from investment of subsidiaries of SIBL</i>	<b>78,569,068</b>	<b>74,611,249</b>
SIBL Securities Ltd.	75,475,009	73,001,249
SIBL Investment Ltd.	3,094,059	1,610,000
<b>Grand total of consolidated investment income</b>	<b>27,114,836,024</b>	<b>27,872,037,075</b>
<b>22 Profit paid on Deposits</b>		
<b>Profit paid on deposits</b>		
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
	<b>18,690,362,330</b>	<b>16,975,360,508</b>
<b>Profit paid on borrowings</b>	<b>64,957,714</b>	<b>409,273,968</b>
<b>SIBL Mudaraba Subordinate Bond</b>	<b>729,473,148</b>	<b>1,043,918,089</b>
<b>Total profit paid on deposits and borrowings</b>	<b>19,484,793,192</b>	<b>18,428,552,565</b>
<b>22(a) Consolidated Profit paid on Deposits</b>		
<b>Social Islami Bank Ltd.</b>	<b>19,484,793,192</b>	<b>18,428,552,565</b>
<i>Add: Income from investment of subsidiaries of SIBL</i>	<b>72,785,405</b>	<b>72,093,691</b>
SIBL Securities Ltd.	72,785,405	72,093,691
SIBL Investment Ltd.	-	-
<b>Grand total of consolidated Profit paid on Deposits</b>	<b>19,557,578,597</b>	<b>18,500,646,256</b>
<b>23 Income from Investment in Shares &amp; Securities</b>		
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
	<b>762,379,471</b>	<b>760,574,012</b>
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.		
<b>23(a) Consolidated income from Investment in Shares &amp; Securities</b>		
<b>Social Islami Bank Ltd.</b>	<b>762,379,471</b>	<b>760,574,012</b>
<i>Add: Income from Investment in Shares &amp; Securities of subsidiaries of SIBL</i>	<b>15,979,258</b>	<b>13,424,528</b>
SIBL Securities Ltd.	12,416,956	12,470,948
SIBL Investment Ltd.	3,562,302	953,580
<i>Less: Common income for elimination</i>		
SIBL Securities Ltd.	-	-
<b>Grand total of consolidated income from Investment in Shares &amp; Securities</b>	<b>778,358,729</b>	<b>773,998,540</b>



	31.12.2020	31.12.2019
	<u>Taka</u>	<u>Taka</u>
<b>24 Commission, Exchange &amp; Brokerage</b>		
Commission	646,370,203	682,433,291
Exchange income	774,844,601	783,395,348
	<u>1,421,214,804</u>	<u>1,465,828,639</u>
<b>24(a) Consolidated income from commission, exchange &amp; brokerage</b>		
<b>Social Islami Bank Ltd.</b>	<b>1,421,214,804</b>	<b>1,465,828,639</b>
<i>Add: Income from commission, exchange &amp; brokerage of subsidiaries of SIBL</i>	<b>65,443,481</b>	<b>60,411,796</b>
SIBL Securities Ltd.	65,443,481	60,411,796
SIBL Investment Ltd.	-	-
<b>Grand total of consolidated income from commission, exchange &amp; brokerage</b>	<u><b>1,486,658,285</b></u>	<u><b>1,526,240,435</b></u>
<b>25 Other Operating Income</b>		
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
	<u>631,009,280</u>	<u>687,299,082</u>
<b>25(a) Consolidated other operating income</b>		
<b>Social Islami Bank Ltd.</b>	<b>631,009,280</b>	<b>687,299,082</b>
<i>Add: Other operating Income of subsidiaries of SIBL</i>	<b>1,775,222</b>	<b>1,779,938</b>
SIBL Securities Ltd.	1,775,222	1,779,938
SIBL Investment Ltd.	-	-
<b>Grand total of consolidated income from other operating income</b>	<u><b>632,784,502</b></u>	<u><b>689,079,020</b></u>
<b>25.1 Other Charges</b>		
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
	<u>284,199,480</u>	<u>289,610,215</u>
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		
<b>26 Salary &amp; Allowances</b>		
Basic Salary	1,394,824,420	1,316,385,514
Allowances	1,410,617,250	1,234,183,389
Bonus	461,895,812	544,200,196
L/E Salary & Allowances	137,115,797	144,104,421
Bank's Contribution to Provident fund	132,001,355	127,084,546
Bank's Contribution to Social Insurance fund	13,174,850	12,694,694
SIBL Group life Insurance Premium	4,358,232	4,211,130
	<u>3,553,987,716</u>	<u>3,382,863,890</u>
<b>26(a) Consolidated expenses for Salary and Allowance</b>		
<b>Social Islami Bank Ltd.</b>	<b>3,553,987,716</b>	<b>3,382,863,890</b>
<i>Add: Salary and Allowance for subsidiaries</i>	<b>30,699,093</b>	<b>31,018,682</b>
SIBL Securities Ltd.	30,699,093	31,018,682
SIBL Investment Ltd.	-	-
	<u>3,584,686,809</u>	<u>3,413,882,572</u>
<b>27 Rent, Taxes, Insurance &amp; Electricity etc.</b>		
Rent, Rates & Taxes (note: 27.1)	182,655,810	332,865,298
Insurance (note: 27.2)	116,174,774	147,140,497
Electricity, Lighting & Water (note: 27.3)	91,170,155	93,005,865
	<u>390,000,739</u>	<u>573,011,660</u>
<b>27.1 Rent, Rates &amp; Taxes</b>		
Rent, Rates & Taxes	386,615,353	332,865,298
Less: rent expenses under IFRS-16 *	203,959,543	-
	<u>182,655,810</u>	<u>332,865,298</u>

\*While implementing IFRS 16 (leases), the bank recorded interested expenses on lease liability and depreciation on right of use assets (ROU) instead of charging rental expenses of Taka 203,959,543 (excluding VAT) in 2020 against those rental premises that have been treated as right of use assets (ROU) (lease assets) however VAT on those rent has been charged as rent.



	31.12.2020	31.12.2019
	Taka	Taka
<b>27(a) Consolidated expenses for rent, taxes, insurance &amp; electricity</b>		
<b>Social Islami Bank Ltd.</b>	390,000,739	573,011,660
<b>Add: Rent, Taxes, Insurance &amp; Electricity etc. of subsidiaries</b>	764,106	6,198,307
SIBL Securities Ltd.	764,106	6,198,307
SIBL Investment Ltd.	-	-
	<b>390,764,845</b>	<b>579,209,966</b>
<b>Rent, Rates &amp; Taxes</b>		
Office rent	5,094,024	6,198,307
Less: Adjustment due to execution of IFRS 16 for the first time	5,094,024	-
	<b>-</b>	<b>6,198,307</b>
VAT on office rent	764,106	6,198,307
<b>Total Rent, Rates &amp; Taxes</b>	<b>764,106</b>	<b>6,198,307</b>
<b>27.1 Rents, Rates, Taxes, Insurance &amp; Lighting etc.</b>		
<b>Rents</b>		
Rent (Office)	369,208,140	324,458,510
Rent (Garage)	338,580	300,980
Rent (Godown & others)	6,570,388	4,989,087
	<b>376,117,108</b>	<b>329,748,577</b>
<b>Rates and Taxes</b>	<b>10,498,246</b>	<b>3,116,720</b>
<b>Total Rents, Rates &amp; Taxes</b>	<b>386,615,353</b>	<b>332,865,298</b>
<b>27.2 Insurances</b>		
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
	<b>116,174,774</b>	<b>147,140,497</b>
<b>27.3 Lighting &amp; Electricity</b>		
Lighting & Electricity Bill (Office)	82,396,953	82,788,662
Lighting & Electricity Charges (Office)	4,915,332	5,760,829
<b>Sub Total</b>	<b>87,312,285</b>	<b>88,549,490</b>
<b>Water &amp; Sewerage</b>	<b>3,857,869</b>	<b>4,456,375</b>
	<b>91,170,155</b>	<b>93,005,865</b>
<b>28 Legal Expenses</b>		
Legal Fees & Charge	5,063,206	5,860,731
Stamp Duties	70,704	155,999
Other Legal Expenses	4,240,360	5,252,045
	<b>9,374,270</b>	<b>11,268,775</b>
<b>29 Postage, Stamps, Telecommunication etc.</b>		
Cable Network rent	467,202	325,203
Telephone charges	2,330,470	3,180,154
Mobile phone charges	3,561,603	3,244,988
	<b>6,359,275</b>	<b>6,750,345</b>
<b>29(a) Consolidated expenses for Postage, Stamps, Telecommunication etc.</b>		
<b>Social Islami Bank Limited</b>	6,359,275	6,750,345
<b>Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries</b>	974,494	2,026,095
SIBL Securities Ltd.	974,494	2,026,095
SIBL Investment Ltd.	-	-
	<b>7,333,769</b>	<b>8,776,440</b>
<b>30 Stationery, Printing, Advertisements etc.</b>		
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
	<b>122,607,574</b>	<b>160,996,133</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>30(a) Consolidated expense of Stationery, Printing, Advertisement etc.</b>		
<b>Social Islami Bank Ltd.</b>	122,607,574	160,996,133
<b>Stationery, Printing, Advertisement expense of Subsidiaries of SIBL</b>	301,991	477,675
SIBL Securities Limited.	301,991	477,675
SIBL Investment Limited.	-	-
	<b>122,909,565</b>	<b>161,473,808</b>
<b>31 Managing Director's salary and allowances</b>		
Basic Salary	8,056,113	7,381,000
Allowances	3,101,613	3,000,000
Festival & other Bonus	2,464,100	2,331,000
	<b>13,621,826</b>	<b>12,712,000</b>
<b>32 Directors' Fees &amp; Meeting Expenses</b>		
Directors Fee	2,014,200	2,349,881
Meeting Expenses	2,772,636	7,148,803
	<b>4,786,836</b>	<b>9,498,684</b>
<b>32(a) Consolidated Directors' fees &amp; Meeting Expenses:</b>		
<b>Social Islami Bank Limited</b>	4,786,836	9,498,684
<b>Directors' Fees &amp; Meeting Expenses of Subsidiaries of SIBL</b>	536,000	419,500
SIBL Securities Limited	536,000	419,500
SIBL Investment Limited	-	-
	<b>5,322,836</b>	<b>9,918,184</b>
<b>33 Shariah Supervisory Committee's Fees &amp; Expenses</b>		
Shariah Council Meeting Expenses	74,629	446,507
	<b>74,629</b>	<b>446,507</b>
<b>34 Depreciation and Repair of Bank's Assets</b>		
<b>a) Depreciation of Bank's Assets (Annexure A)</b>		
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
	<b>500,499,115</b>	<b>311,216,849</b>
<b>b) Repair on Bank's Assets</b>		
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
	<b>84,166,518</b>	<b>66,476,405</b>
<b>Total of Depreciation and repair of Bank's Assets</b>	<b>584,665,633</b>	<b>377,693,254</b>
<b>34(a) Consolidated balance of Depreciation</b>		
<b>Social Islami Bank Ltd.</b>	584,665,633	377,693,254
<b>Add: Depreciation on assets of subsidiaries</b>	5,822,570	1,406,763
SIBL Securities Ltd.	5,822,570	1,406,763
SIBL Investment Ltd.	-	-
<b>Add: Repairs &amp; Maintenance on assets of subsidiaries</b>	703,590	810,805
SIBL Securities Ltd.	703,590	810,805
SIBL Investment Ltd.	-	-
	<b>591,191,793</b>	<b>379,910,822</b>





	31.12.2020	31.12.2019
	Taka	Taka
<b>35 Other Expenses</b>		
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	180,009,000	79,000
Donation to Others	557,695	209,299
CSR Related 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	82,763,062	88,576,335
	<b>1,170,773,372</b>	<b>1,254,780,502</b>
<b>35(a) Consolidated Other Expenses</b>		
<b>Social Islami Bank Limited</b>	<b>1,170,773,372</b>	<b>1,254,780,502</b>
<i>Add: Other Expenses for SIBL Securities Limited</i>	<b>10,437,832</b>	<b>10,742,507</b>
License, fees, renewals and incorporation expenses	8,752,272	7,570,217
Entertainment	782,891	833,903
Others	902,669	2,338,387
<i>Other Expenses for SIBL Investment Limited</i>	<b>58,030</b>	<b>93,815</b>
Incorporation and Other Regulatory expenses	-	40,580
Bank charge and Excise duty	57,530	52,235
Others	500	1,000
	<b>1,181,269,234</b>	<b>1,265,616,824</b>
<b>36 Other Provision</b>		
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	-
	<b>30,509,355</b>	<b>23,637,000</b>
<b>36(a) Consolidated other provision</b>		
<b>Social Islami Bank Ltd.</b>	<b>30,509,355</b>	<b>23,637,000</b>
<i>Add: Provision for subsidiaries</i>		
<b>SIBL Securities Ltd.</b>		
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
	<b>8,162,781</b>	<b>5,244,799</b>
<b>SIBL Investment Ltd. (Provision for diminution in value of investment)</b>	<b>(2,660,502)</b>	<b>2,660,502</b>
	<b>36,011,634</b>	<b>31,542,301</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>37 Provision against Investment, Off-Balance Sheet items &amp; Others</b>		
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
	<b>1,302,563,348</b>	<b>3,208,081,138</b>
<b>37(a) Consolidated Provision against Investment, Off-Balance Sheet items &amp; Others</b>	<b>1,302,563,348</b>	<b>3,208,081,138</b>
<b>Social Islami Bank Ltd.</b>		
<i>Add: Provision for subsidiaries</i>	<b>5,502,279</b>	<b>7,905,301</b>
SIBL Securities Ltd.	8,162,781	5,244,799
SIBL Investment Ltd.	(2,660,502)	2,660,502
	<b>1,308,065,627</b>	<b>3,215,986,439</b>
<b>38 Provision for Income Tax</b>		
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
	<b>1,489,712,278</b>	<b>1,612,578,680</b>
<b>38(a) Consolidated Provision for Income Tax</b>	<b>1,489,712,278</b>	<b>1,612,578,680</b>
<b>Social Islami Bank Limited</b>	<b>15,601,738</b>	<b>12,093,034</b>
<b>SIBL Securities Limited</b>		
Current year provision	15,676,408	12,311,797
Deferred Tax expense/(income)	(74,670)	(218,763)
	<b>1,186,754</b>	<b>655,159</b>
<b>SIBL Investment Limited</b>	<b>1,506,500,770</b>	<b>1,625,326,873</b>
<b>38.1 Current Year Tax Provision</b>		
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.		
<b>38.2 Deferred Tax Expenses/(Income)</b>		
Deferred tax expense/(income) for liability/(asset) has been calculated as per Bangladesh Accounting Standard 12.		
<b>39 Earning Per Share (EPS)</b>		
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
<b>Earning Per Share (EPS) (Prior year Restated)</b>	<b>1.65</b>	<b>1.62</b>
<b>39(a) Consolidated Earning Per Share (CEPS)</b>		
Net Profit after Tax	1,567,271,105	1,525,679,352
Number of ordinary shares outstanding	938,008,423	938,008,423
<b>Consolidated Earning Per Share (CEPS) (Prior year Restated)</b>	<b>1.67</b>	<b>1.63</b>
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.		
<b>39 (i) Net Asset Value (NAV) Per Share:</b>		
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
<b>Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated)</b>	<b>19.29</b>	<b>18.46</b>
<b>Net Asset Value (NAV) Per Share (Solo) (Prior year Restated)</b>	<b>19.23</b>	<b>18.41</b>
<b>39 (ii) Net Operating Cash Flows per share (NOCFPS):</b>		
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
Number of ordinary shares outstanding	938,008,423	938,008,423
<b>Net Operating Cash Flow Per Share (NOCFPS)(Consolidated) (prior year restated)</b>	<b>3.87</b>	<b>19.53</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)(Solo) (prior year restated)</b>	<b>3.85</b>	<b>19.53</b>
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.		
<b>Notes for Cash Flow Statement (Note-40 to Note-45)</b>		
<b>40 Income from Investment</b>		
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)
	<b>27,173,051,989</b>	<b>27,604,716,354</b>



	31.12.2020	31.12.2019
	Taka	Taka
<b>40(a) Consolidated income from investment</b>		
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
<b>Grand total</b>	<b>27,251,621,057</b>	<b>27,679,327,604</b>
<b>41 Receipts from Other Operating Activities (Other than profit on sale of fixed assets)</b>		
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
	<b>1,368,602,337</b>	<b>1,416,248,821</b>
<b>41(a) Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)</b>		
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.	-	-
	<b>1,370,377,559</b>	<b>1,418,028,758</b>
<b>42 Payment to others</b>		
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
	<b>2,029,750,248</b>	<b>2,065,925,283</b>
<b>42(a) Consolidated payment to others</b>		
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
	<b>2,042,307,306</b>	<b>2,084,247,716</b>
<b>43 Reconciliation of Net Profit after Taxation &amp; Operating Profit before changes in operating assets &amp; liabilities</b>		
<b>Cash flows from operating activities</b>		
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)
<b>Operating Profit before changes in operating assets &amp; liabilities</b>	<b>4,450,331,235</b>	<b>6,836,471,746</b>



	31.12.2020	31.12.2019
	Taka	Taka
<b>43(a) Consolidated Cash flows from operating activities</b>		
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)
<b>Operating Profit before changes in operating assets &amp; liabilities</b>	<b>4,478,584,514</b>	<b>6,850,236,475</b>
<b>44 Cash Increase/ Decrease in Other Assets</b>		
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
	<b>15,379,469,188</b>	<b>15,299,849,435</b>
Difference between (2020, 2019)	(79,619,753)	2,753,923,163
Advance Income Tax	1,296,182,842	1,313,745,832
<b>Net change in Other Assets</b>	<b>1,216,563,089</b>	<b>4,067,668,995</b>
<b>44(a) Consolidated cash increase/decrease in other assets Social Islami Bank Limited</b>	15,379,469,188	15,299,849,435
<b>Cash Increase/ Decrease in Other Assets of subsidiaries</b>	<b>2,323,335,443</b>	<b>2,177,622,105</b>
	<b>17,702,804,631</b>	<b>17,477,471,540</b>
Difference between (2020, 2019)	(225,333,091)	2,802,523,316
Advance Income Tax	1,312,378,550	1,326,270,037
<b>Consolidated net change in Other Assets</b>	<b>1,087,045,459</b>	<b>4,128,793,353</b>
<b>45 Cash Increase/ Decrease in Other Liabilities</b>		
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
	<b>4,411,348,970</b>	<b>2,952,794,130</b>
<b>Cash Increase/ (Decrease) in Other Liabilities</b>	<b>1,458,554,840</b>	<b>1,004,266,256</b>
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
	<b>1,704,042,885</b>	<b>1,196,634,229</b>
<b>45(a) Consolidated cash increase/decrease in other liabilities</b>		
Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited	4,411,348,970	2,952,794,130
<b>Cash Increase/ Decrease in Other Liabilities of subsidiaries</b>	<b>408,558,265</b>	<b>328,766,448</b>
	<b>4,819,907,235</b>	<b>3,281,560,578</b>
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
<b>Net change in Other Liabilities-Social Islami Bank Limited</b>	<b>1,783,834,704</b>	<b>1,293,392,753</b>
<b>46 Cash and Cash Equivalent</b>		
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
	<b>44,075,111,603</b>	<b>42,097,164,021</b>



46(a) **Consolidated Cash and Cash Equivalent**  
**Social Islami Bank Limited**  
**Cash and Cash Equivalent of subsidiaries**  
SIBL Securities Limited.  
SIBL Investment Limited.

	31.12.2020 Taka	31.12.2019 Taka
	44,075,111,603	42,097,164,021
	569,357	105,720
	544,157	100,519
	25,201	5,201
	<b>44,075,680,961</b>	<b>42,097,269,741</b>

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

**Disclosure by Audit Committee:**

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 Hopital.

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.

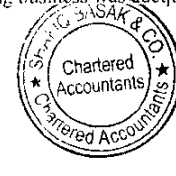
The Committee reviewed IC&CD Manual for the year 2020 and suggested appropriate actions where needed. The Internal Auditors were advised to carry out the instruction of the IC&CD Manual.

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.

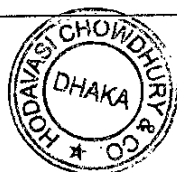


49  
49.1

**Related Party Disclosures**

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	<b>Professor Md. Anwarul Azim Arif</b> Chairman (Representative of Hasan Abasan (Pvt.) Ltd.)	Nil
2	<b>Mr. Belal Ahmed</b> Vice Chairman (Representative of Unitex Steel Mills Limited)	<b>Managing Director</b> 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	<b>Md. Sayedur Rahman</b> Vice Chairman (Representative of Prasad Paradise Resorts Limited)	<b>Managing Director</b> Lodestar Fashions Limited Mid Asia Fashions Limited
4	<b>Md. Kamal Uddin</b> Director (Representative of Lion Securities and Investment Limited)	<b>Managing Director</b> Chittagong Builders & Machinery Ltd. Merchant Securities Limited Sifang Securities Limited <b>Director</b> Human Resources Development Co., Ltd. Central Hospital (Pvt.) Ltd. ASM Chemical Industries Ltd. Universal Health Services & Research Ltd. <b>Chairman</b> Mercantile Insurance Company Ltd. <b>Proprietor</b> CBM Consortium
5	<b>Mrs. Nargis Mannan</b> Director	Nil
6	<b>Dr. Md. Jahangir Hossain</b> Director (Representative of Reliable Entrepreneurs Limited)	Nil
7	<b>Mr. Arshadul Alam</b> Director (Representative of Leader Business Enterprise Limited)	<b>Managing Director</b> MK Electronics Ctg. (Yunusco) Jesco Capital Management Ltd. Uni-Trade International Ltd. Nishat Traders Ltd. <b>Chairman</b> Jaba and Brothers C&F (Pvt.) Ltd. <b>Director</b> Metro Diagnostic Center Ltd Jesco Bangladesh Ltd. Bengal Corporation Ltd. Bengal Center (Topkhana) ABM Tower (Gulshan)
8	<b>Mr. Ali Hasan Md. Mahmud Ribon</b> Director (Representative of Dynamic Venture Limited)	<b>Chairman</b> M/S. Mahmud Ribon
9	<b>Mrs. Jebunnesa Akbar</b> Director (Representative of Unitex Cement Limited)	Nil
10	<b>Mr. Mahmudul Alam</b> Director (Representative of Global Trading Corporation Limited)	<b>Proprietor</b> Paragon Transport Carrying Contractor Amir Traders Commission Agents
11	<b>Professor A J M Shaiful Alam Bhuiyan</b> Independent Director	Nil
12	<b>Professor Mohammed Mizanur Rahman</b> Independent Director	Nil



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
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**Funded Liability**

SIBL Securities Ltd.	N/A	Subsidiary	Quard	9000.00 lac	UC
SIBL Foundation Hospital & Diagnostic Center	N/A	A concern of SIBL Foundation	Quard- E- Hasana	10900.17 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**

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 December 2020
	Balance as on 01 January 2020	Additions during the year	Disposal/ Transfer during the year		Balance at 31 December 2020	Balance as on 01 January 2020	Transfer/ Adjustment during the year	Charged during the year	
Land	12,330,000	-	-	12,330,000	-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	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 (Ro	-	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	-	5,601,960,933	-	1,684,694,401	311,216,849	1,995,911,251	3,606,049,743

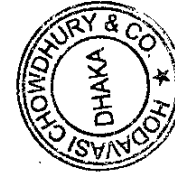
\* Details of revaluation of Fixed assets is shown in note:18.





**SOCIAL ISLAMI BANK LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**CONSOLIDATED SCHEDULE OF FIXED ASSETS**

Particulars	C O S T / R E V A L U E D				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2020
	Balance as on 01 January 2019	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2020		Balance as on 01 January 2019	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2020	
	(Amounts in Taka)	(Amounts in Taka)	(Amounts in Taka)	(Amounts in Taka)		(Amounts in Taka)	(Amounts in Taka)	(Amounts in Taka)	(Amounts in Taka)	
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	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	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	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	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	133,011,069	17,516,853
Right of use Assets (RoU)		1,024,437,539	-							
Books	1,739,550	24,729	-	1,764,279	10%	1,030,040	72,187	1,102,227	1,102,227	662,052
<b>31 December 2020</b>	<b>5,623,492,761</b>	<b>1,339,587,820</b>	<b>-</b>	<b>5,938,643,043</b>		<b>2,009,775,866</b>	<b>506,321,685</b>	<b>2,516,097,550</b>	<b>2,516,097,550</b>	<b>4,446,983,032</b>
<b>31 December 2019</b>	<b>5,269,405,357</b>	<b>354,087,403</b>	<b>-</b>	<b>5,623,492,761</b>		<b>1,697,152,254</b>	<b>312,623,611</b>	<b>2,009,775,866</b>	<b>2,009,775,866</b>	<b>3,613,716,895</b>



**SOCIAL ISLAMI BANK LIMITED**  
**BALANCE WITH OTHER BANKS IN FOREIGN CURRENCIES**

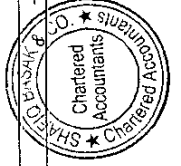
[Referred to Note 4.2 of these financial statements]

SL No.	Name of the Banks	Currency Name	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	MEIZAN 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	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			
	<b>Total</b>				<b>611,795,207</b>			<b>1,084,292,499</b>

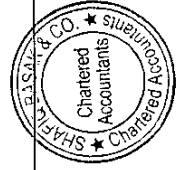


**SOCIAL ISLAMI BANK LIMITED**  
**Details information of Investment more than 10% of Bank's total capital**

Sl no.	Name of client	Taka in Crore		
		Funded	Non-funded	Total
1	1. PowerPac Mutiara Keranganj 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. 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	Infimia 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 Meghmaghat Ltd. iv. Belhasa Accom JV. Ltd. v. Pambo 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 Biričina 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
17	i. M/S. Rabiul Islam & its sister concerns- ii. M/s. Rhythim Trading iii. A R Cement Mills Ltd. iv. Ehsan Cement Industries Ltd. v. RMR Poultry & Hatchery Ltd. vi. A.R. Specialized Auto. Rec. 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. & its sister concerns ii. S. Alam Cold Rolled Steels Limited. iii. S. Alam Steels Limited iv. S. Alam Refined Sugar Industries Limited v. 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	Rongdhonu 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 Deums Ltd ix. JAMUNA SPINNING MILLS LTD. (Unit 02) x. Daily Jugantor.	69.57	36.62	106.19

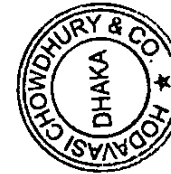


24	i. Abul Khair Steel Ltd. & its sister concerns- ii. Abul Khair Ltd. iii. A. K. CORPORATION LTD iv. Abul Khair Consumer v. Shah Cement Industries Ltd. vi. Abul Khair Ceramic Industries Ltd. vii. Abul Khair Steel Melting Ltd. viii. Abul Khair Strip Processing Ltd. ix. Abul Khair Ltd.	0.00	24.35	24.35
25	i. Thermax Textile Mills Ltd. & its sister concerns- ii. Thermax Knit Yarn Ltd. iii. Thermax Spinning Ltd. iv. Thermax Mclange Spinning Mills Ltd., v. Thermax Check Fabrics Limited vi. Adury Apparels Ltd. vii. Adury knit compsite.	239.04	86.06	325.10
26	i. Infinita Composite Textiles Limited ii. Infinita 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. Nutrilife Feed	346.55	88.30	434.85
31	TecTonics	345.04	-	345.04
32	Nitol Motors Ltd.	151.71	18.12	169.83
	<b>Grand Total</b>	<b>9,586.17</b>	<b>1,915.29</b>	<b>11,501.46</b>



Social Islami Bank Limited  
History of Paid-Up Capital

Years	Declaration	No. of Share	Face Value per Share (Taka)	Cumulative no. of Shares	Value of issued Capital for the year (Taka)	Cumulative value of Capital (Taka)
1995	Initial Capital	118,380	1,000	118,380	118,380,000	118,380,000
1996	No Dividend	-	-	118,380	-	118,380,000
1997	6.43% Bonus issue for the year 1996	7,620	1,000	126,000	7,620,000	126,000,000
1998	No Dividend	-	-	126,000	-	126,000,000
1999	Right Share Issued	74,000	1,000	200,000	74,000,000	200,000,000
2000	Placement	50,000	1,000	250,000	50,000,000	250,000,000
2001	Initial Public Offer	10,000	1,000	260,000	10,000,000	260,000,000
2002	20% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2003	25% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2004	50% Bonus Issue (Declared in the year 2004)	325,000	1,000	585,000	325,000,000	585,000,000
2005	Bonus Issue (For the years 2001, 2002, 2003)	-	-	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
2010	1:1 Right Share	12,508,587	100	26,917,259	1,250,858,700	2,691,725,900
2011	11% Bonus Issue for the year 2009	2,960,899	100	29,878,158	296,089,850	2,987,815,750
2012	14% Bonus Issue for the year 2010	41,829,420	10	340,610,995	418,294,200	3,406,109,950
2013	1:1 Right Share	298,781,575	10	639,392,570	2,987,815,750	6,393,925,700
2014	10% Bonus Issue for the year 2012	63,748,994	10	703,141,564	637,489,940	7,031,415,640
2015	12% Cash dividend for the year 2013	-	10	703,141,564	-	7,031,415,640
2016	18% Cash dividend for the year 2014	-	10	703,141,564	-	7,031,415,640
2017	5% Bonus Issue for the year 2015	35,157,078	10	738,298,642	351,570,780	7,382,986,420
2018	20% Cash dividend for the year 2016	-	10	738,298,642	-	7,382,986,420
2019	10% bonus issue for the year 2017	73,829,864	10	812,128,506	738,298,640	8,121,285,060
2020	10% bonus issue for the year 2018	81,212,850	10	893,341,356	812,128,500	8,933,413,560
	5% Bonus & 5% cash issue for the year 2019	44,667,067	10	938,008,423	446,670,670	9,380,084,230



## Annexure-F

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 Investment 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		37.50%	-
<b>Sub-total</b>	<b>1,693,503,764</b>	<b>2,690,014,641</b>	<b>1,020,834,424</b>		<b>382,812,909</b>

**DTL on revaluation surplus**

Land	-	10,218,377		4.00%	408,735
Building		898,131,861		37.50%	336,799,448
<b>Sub-total</b>					<b>337,208,183</b>

**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)
<b>Sub-total</b>	<b>-</b>	<b>751,504,632</b>	<b>(751,504,632)</b>	<b>(281,814,237)</b>

**Grand Total of deferred Tax Liability as on 31.12.2020****438,206,855**

Deferred tax (asset)/liability as on 01.01.2020	93,817,514
Deferred tax (asset)/liability as on 31.12.2020	100,998,672
Deferred Tax Expense/(Income) during this year	7,181,158





**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
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)		-	-	-	-
		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>	<b>3</b>				
In Bangladesh		-	-	-	-
Outside Bangladesh		815,963	69,194,558	1,291,507	109,648,944
		<b>815,963</b>	<b>69,194,558</b>	<b>1,291,507</b>	<b>109,648,944</b>
<b>Placement with Banks &amp; other Financial Institutions</b>		-	-	-	-
<b>Investments in Shares &amp; Securities</b>		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
<b>Investments</b>					
General Investment etc.	<b>4</b>	50,801,816	4,308,095,641	26,071,608	2,213,479,499
Bills Purchased and Discounted		-	-	-	-
		<b>50,801,816</b>	<b>4,308,095,641</b>	<b>26,071,608</b>	<b>2,213,479,499</b>
<b>Fixed Assets including Premises, Furnitures and Fixtures</b>	<b>5</b>	223	18,878	278	23,598
<b>Other Assets</b>	<b>6</b>	484,756	41,107,801	434,420	36,882,278
<b>Non Banking Assets</b>					
<b>Total Assets</b>		<b>52,102,758</b>	<b>4,418,416,878</b>	<b>27,797,813</b>	<b>2,360,034,320</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from Banks &amp; other Financial Institutions</b>	<b>7</b>	47,801,174	4,053,637,881	17,525,210	1,487,890,290
<b>Deposits and Other Accounts</b>	<b>8</b>	3,403,220	288,596,821	9,020,430	765,834,530
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits	<b>8.1</b>	3,000,000	254,403,300	8,948,438	759,722,389
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	<b>8.2</b>	403,220	34,193,521	71,992	6,112,141
Bills Payable		-	-	-	-
		<b>898,363</b>	<b>76,182,177</b>	<b>1,252,173</b>	<b>106,309,500</b>
<b>Other Liabilities</b>					
<b>Deffered Tax Liabilities/ (Assets)</b>					
<b>Total Liabilities</b>		<b>52,102,758</b>	<b>4,418,416,878</b>	<b>27,797,813</b>	<b>2,360,034,320</b>
<b>Capital/Shareholders' Equity</b>					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign currency translation gain/(Loss)		-	-	-	-
Retained Earnings		-	-	-	-
<b>Total Shareholders' Equity</b>					
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>52,102,758</b>	<b>4,418,416,878</b>	<b>27,797,813</b>	<b>2,360,034,320</b>



**Off-Balance Sheet Items**  
**CONTINGENT LIABILITIES**

	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
Acceptances and Endorsements	-	-	-	-
Irrevocable Letters of Credit (including Back to Back Bills)	-	-	-	-
Letters of Guarantee	-	-	-	-
Bills for Collection	-	-	-	-
Other Contingent Liabilities	-	-	-	-
<b>Total</b>	-	-	-	-

**OTHER COMMITMENTS**

Documentary credits and short term trade related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting  
Undrawn formal standby facilities, credit lines and other commitments  
**Total**  
**Total Off Balance Sheet Items including Contingent Liabilities**

Documentary credits and short term trade related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>	-	-	-	-



**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)
<b>Net Investment Income</b>	<b>887,389</b>	<b>75,251,596</b>	<b>1,236,428</b>	<b>104,972,708</b>
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	10,751	911,703	15,467	1,313,172
<b>Total Operating Income</b>	<b>898,140</b>	<b>76,163,298</b>	<b>1,251,895</b>	<b>106,285,880</b>
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	-	-	-	-
<b>Total Operating Expenses</b>	<b>87,107</b>	<b>7,386,743</b>	<b>66,664</b>	<b>5,659,760</b>
<b>Profit/(Loss) before Provision</b>				
Specific provisions for Investment	-	-	-	-
General Provisions for Investment	-	-	-	-
General Provisions for off-Balance Sheet exposure	-	-	-	-
<b>Total Provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Profit/(Loss) before Tax</b>	<b>811,034</b>	<b>68,776,555</b>	<b>1,185,231</b>	<b>100,626,121</b>
<b>Provision for Income Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit/(Loss) after Tax</b>	<b>811,034</b>	<b>68,776,555</b>	<b>1,185,231</b>	<b>100,626,121</b>



**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
<b>Cash Flow from operating activities</b>			
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	-	-	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>811,089</b>	<b>68,781,275</b>	<b>100,632,020</b>
<b>Changes in operating assets and liabilities</b>			
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)
<b>Sub Total</b>	<b>(1,286,689)</b>	<b>(109,240,381)</b>	<b>(265,905,629)</b>
<b>A. Net Cash flow from operating activities</b>	<b>(475,599)</b>	<b>(40,459,106)</b>	<b>(165,273,609)</b>
<b>Cash flows from investing activities</b>			
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>B. Net Cash flows from investing activities</b>	<b>56</b>	<b>4,720</b>	<b>5,900</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments	-	-	-
Payments for redemption of debt instruments	-	-	-
Receipts from issue of right shares/ordinary share	-	-	-
Dividend paid in cash	-	-	-
<b>C. Net Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(475,544)</b>	<b>(40,454,387)</b>	<b>(165,267,711)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>1,291,507</b>	<b>109,648,944</b>	<b>274,916,654</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>815,963</b>	<b>69,194,558</b>	<b>109,648,944</b>



**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

## 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 Bank, 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

