

**Auditor's Report and
Consolidated Financial Statements
of
Social Islami Bank Limited (SIBL)
for the year ended 31 December 2016**

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2016</u> <u>Taka</u>	<u>31.12.2015</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including Foreign Currencies)	3(a)	1,816,338,179	1,145,970,455
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	16,131,320,942	13,535,893,678
		17,947,659,121	14,681,864,133
Balance with other Banks and Financial Institutions			
	4(a)		
In Bangladesh		842,645,333	3,504,739,496
Outside Bangladesh		423,996,755	355,321,944
		1,266,642,088	3,860,061,440
Placement with Banks & other Financial Institutions			
	5	7,196,666,624	6,586,715,074
Investments in Shares & Securities			
	6(a)		
Government		9,150,000,000	6,040,000,000
Others		1,680,581,919	1,702,395,236
		10,830,581,919	7,742,395,236
Investments			
	7 (a)		
General Investment etc.		166,581,331,180	123,370,222,992
Bills Purchased and Discounted		7,194,802,194	10,486,626,911
		173,776,133,374	133,856,849,903
Fixed Assets including Premises, Furniture's and Fixtures			
	8(a)	3,268,326,670	3,082,507,826
Other Assets			
	9(a)	13,529,293,052	10,198,251,397
Non Banking Assets			
		-	-
Total Assets		227,815,302,848	180,008,645,008
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
	10	3,000,000,000	1,000,000,000
Deposits and Other Accounts			
	11		
Mudaraba Savings Deposits		13,899,504,009	14,273,504,098
Mudaraba Term Deposits		111,657,941,041	88,616,744,207
Other Mudaraba Deposits		40,060,818,730	29,983,914,560
Al-Wadeeah Current & Other Deposit Accounts	11.2(a)	19,406,875,568	15,206,974,110
Bills Payable	11.3	5,031,314,320	1,251,915,364
Cash Waqf Fund		236,879,638	178,828,552
		190,293,333,306	149,511,880,891
SIBL Mudaraba Subordinated Bond			
	12	3,000,000,000	3,000,000,000
Other Liabilities			
	13(a)	17,306,863,759	13,531,999,349
Deferred Tax Liabilities/ (Assets)			
	14 (a)	21,775,365	9,648,241
Total Liabilities		213,621,972,430	167,053,528,481
Shareholders' Equity			
Paid-up Capital			
	15.2	7,382,986,420	7,031,415,640
Statutory Reserve			
	16	4,318,771,137	3,480,332,295
General reserve			
	16(a)	6,154,312	4,275,913
Revaluation reserve on Fixed Assets			
	17	1,004,065,009	1,029,545,693
Retained Earnings			
	18(a)	1,481,351,830	1,409,545,341
Total Shareholders' Equity of Parent Company, SIBL		14,193,328,708	12,955,114,882
Non controlling Interest			
	18(b)	1,710	1,645
Total Liabilities & Shareholders' Equity of the Group		227,815,302,848	180,008,645,008

<u>Particulars</u>	<u>Note(s)</u>	31.12.2016 <u>Taka</u>	31.12.2015 <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	23,002,645,081	18,431,674,020
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	21,928,766,660	14,467,256,620
Letters of Guarantee	19.3	11,485,872,882	7,379,609,632
Bills for Collection	19.4	3,434,061,967	2,818,276,011
Other Contingent Liabilities	19.5	-	-
Total		59,851,346,590	43,096,816,283
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total Off Balance Sheet Items including Contingent Liabilities		59,851,346,590	43,096,816,283

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

Chairman

Director

Director

Managing Director & CEO (CC)

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 February 2017

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2016</u> <u>Taka</u>	<u>31.12.2015</u> <u>Taka</u>
Investment Income	20(a)	16,966,286,841	15,346,595,154
Less: Profit paid on Deposits	21(a)	9,576,406,736	9,067,760,966
Net Investment Income		7,389,880,105	6,278,834,188
Income from Investment in Shares/securities	22(a)	237,611,204	301,153,885
Commission, Exchange and Brokerage	23(a)	1,641,246,704	1,300,540,403
Other Operating Income	24(a)	445,679,505	399,346,519
		2,324,537,414	2,001,040,807
Total Operating Income		9,714,417,519	8,279,874,995
Salaries and Allowances	25(a)	2,461,778,605	2,218,639,509
Rent, Taxes, Insurances, Electricity etc.	26(a)	390,701,451	297,293,202
Legal Expenses	27	9,915,955	8,210,584
Postage, Stamps, Telecommunication etc.	28(a)	10,361,856	9,603,439
Stationery, Printings, Advertisements etc.	29(a)	117,718,811	101,872,850
Managing Director's Salary and Allowances	30	11,634,356	9,320,000
Directors' Fees & Expenses	31(a)	7,637,982	7,380,684
Shariah Supervisory Committee's Fees & Expenses	32	746,775	549,512
Auditors' Fees		1,235,500	494,500
Charges on Investment Losses		-	-
Depreciation & Repair of Bank's Assets	33(a)	261,971,531	230,838,766
Zakat Expenses		89,792,573	71,840,046
Other Expenses	34(a)	623,310,434	479,207,800
Total Operating Expenses		3,986,805,828	3,435,250,892
Profit/(Loss) before Provision		5,727,611,690	4,844,624,103
Provisions for Investments		1,482,889,673	1,350,649,113
Other Provisions	35(a)	39,508,157	34,815,046
Total Provision	36(a)	1,522,397,830	1,385,464,159
Total Profit/(Loss) before Tax		4,205,213,860	3,459,159,944
Provision for Income Tax	37(a)	1,914,165,959	1,412,861,138
Net Profit/(Loss) after Tax attributable to equity holders of the group		2,291,047,901	2,046,298,804
Non-controlling Interest		64	28
Net Profit/(Loss) after Tax attributable to equity holders of the parent		2,291,047,837	2,046,298,776
Appropriation			
Statutory Reserve		838,438,842	695,834,378
Retained Earnings		1,452,608,995	1,350,464,398
		2,291,047,837	2,046,298,776
Earning Per Share (CEPS, Restated)	38(a)	3.10	2.77
Net Asset Value Per Share (NAV/Share)		19.22	18.42
Net Operating Cash Flow Per Share (NOCFPS)		1.02	6.59

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

Chairman	Director	Director	Managing Director & CEO (CC)
Signed as per our report of same date			

Dhaka, Bangladesh
Date: 26 February 2017

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2016</u> <u>Taka</u>	<u>31.12.2015</u> <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	39(a)	16,966,286,841	15,346,595,154
Profit paid on deposits		(6,944,662,524)	(7,398,708,019)
Dividend receipts		237,611,204	301,153,885
Fees & commission receipt		885,417,558	705,299,642
Cash payments to employees		(2,473,412,961)	(2,227,959,509)
Cash payments to suppliers		(128,080,666)	(111,476,289)
Income tax paid		(1,007,764,289)	(1,170,469,382)
Receipts from other operating activities	40(a)	1,201,508,651	994,587,279
Payments for other operating activities	41(a)	(1,156,829,476)	(913,362,103)
Operating profit before changes in operating assets and liabilities		7,580,074,338	5,525,660,657
Changes in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(3,088,186,683)	(1,398,667,950)
Investments to other banks		-	-
Investment to customers		(39,919,283,472)	(26,056,890,592)
Other assets	42(a)	(2,323,277,367)	3,224,226,961
Deposits from other banks		482,081,512	(4,258,078,568)
Deposits received Auditor's Report and		37,667,626,692	27,847,879,405
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	43(a)	352,306,146	(252,440,657)
Sub Total		(6,828,733,172)	(893,971,401)
A. Net Cash flow from operating activities		751,341,165	4,631,689,256
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(414,301,569)	(593,315,131)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(414,301,569)	(593,315,131)
Cash flows from financing activities			
Receipts from issue of debt instruments		2,000,000,000	(5,150,000,000)
SIBL Mudaraba Subordinated Bond		-	3,000,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(1,054,712,411)	(1,265,654,865)
C. Net Cash flow from financing activities		945,287,589	(3,415,654,865)
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		1,282,327,185	622,719,260
E. Cash and cash equivalents at the beginning of the year		25,128,640,648	24,505,921,387
F. Cash and cash equivalents at the end of the year (D+E)	44(a)	26,410,967,833	25,128,640,647

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

Chairman

Director

Director

Managing Director & CEO (CC)

Dhaka, Bangladesh

Date: 26 February 2017

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Non-Controlling Interest	Total
1	2	3	4	5	6	7	8	9=(2 to 8)
Balance as at 01 January 2016	7,031,415,640	-	3,480,332,295	4,275,913	1,029,545,693	1,409,545,341	1,645	12,955,116,527
Changes in Accounting Policy	-	-	-	-	-	-	-	-
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	-	-	-	-	-	2,291,047,773	-	2,291,047,773
Appropriation made during the year	-	-	838,438,842	1,878,399	-	(838,438,842)	-	1,878,399
Dividend:								
Cash Dividend	-	-	-	-	-	(1,054,712,346)	-	(1,054,712,346)
Bonus shares	351,570,780	-	-	-	-	(351,570,780)	-	-
Transferred to retained earnings	-	-	-	-	(25,480,685)	25,480,685	-	-
Non-controlling interest	-	-	-	-	-	-	64	64
Total group shareholders' equity as on 31 December 2016	7,382,986,420	-	4,318,771,137	6,154,312	1,004,065,009	1,481,351,830	1,710	14,193,330,418
Eligible Capital Under Basel III:	7,382,986,420		4,318,771,137	6,154,312	316,703,918	1,481,351,830		13,505,967,618
Add: General provision for unclassified investment								2,694,608,903
Add: SIBL Mudaraba Subordinated Bond								3,000,000,000
Total eligible capital as on 31 December 2016								19,200,576,520

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

Chairman

Director

Director

Managing Director & CEO (CC)

Dhaka, Bangladesh
Date: 26 February 2017

SOCIAL ISLAMI BANK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2016

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2016</u> <u>Taka</u>	<u>31.12.2015</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including Foreign Currencies)	3	1,815,513,100	1,145,358,436
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	16,131,320,942	13,535,893,678
		17,946,834,042	14,681,252,114
Balance with other Banks and Financial Institutions			
	4		
In Bangladesh		675,742,843	3,423,599,612
Outside Bangladesh		423,996,755	355,321,944
		1,099,739,598	3,778,921,556
Placement with Banks & other Financial Institutions			
	5	7,196,666,624	6,586,715,074
Investments in Shares & Securities			
	6		
Government		9,150,000,000	6,040,000,000
Auditor's Report and		3,160,580,319	3,182,393,636
		12,310,580,319	9,222,393,636
Investments			
	7		
General Investment etc.		167,001,331,180	123,630,222,992
Bills Purchased and Discounted		7,194,802,194	10,486,626,911
		174,196,133,374	134,116,849,903
Fixed Assets including Premises, Furniture's and Fixtures	8	3,257,521,001	3,072,036,083
Other Assets	9	11,696,703,612	8,653,940,498
Non Banking Assets		-	-
Total Assets		227,704,178,571	180,112,108,864
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
	10	3,000,000,000	1,000,000,000
Deposits and Other Accounts			
	11		
Mudaraba Savings Deposits		13,899,504,009	14,273,504,098
Mudaraba Term Deposits		111,657,941,041	88,616,744,207
Other Mudaraba Deposits		40,060,818,730	29,983,914,560
Al-Wadeeah Current & Other Deposit Accounts	11.2	19,678,057,596	15,468,710,445
Bills Payable	11.3	5,031,314,320	1,251,915,364
Cash Waqf Fund		236,879,638	178,828,552
		190,564,515,334	149,773,617,225
SIBL Mudaraba Subordinated Bond			
	12	3,000,000,000	3,000,000,000
Other Liabilities			
	13	16,931,081,825	13,379,727,523
Deferred Tax Liabilities/ (Assets)			
	14	20,784,787	8,442,137
Total Liabilities		213,516,381,946	167,161,786,885
Capital/Shareholders' Equity			
	15.2		
Paid-up Capital		7,382,986,420	7,031,415,640
Statutory Reserve	16	4,318,771,137	3,480,332,295
Revaluation reserve on Fixed Assets	17	1,004,065,009	1,029,545,693
Retained Earnings	18	1,481,974,061	1,409,028,351
Total Shareholders' Equity		14,187,796,627	12,950,321,979
Total Liabilities & Shareholders' Equity		227,704,178,572	180,112,108,864

<u>Particulars</u>	<u>Note(s)</u>	31.12.2016 <u>Taka</u>	31.12.2015 <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	23,002,645,081	18,431,674,020
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	21,928,766,660	14,467,256,620
Letters of Guarantee	19.3	11,485,872,882	7,379,609,632
Bills for Collection	19.4	3,434,061,967	2,818,276,011
Other Contingent Liabilities	19.5	-	-
Total		59,851,346,590	43,096,816,283
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total Off Balance Sheet Items including Contingent Liabilities		59,851,346,590	43,096,816,283

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

Chairman

Director

Director

Managing Director & CEO (CC)

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 February 2017

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2016</u> <u>Taka</u>	<u>31.12.2015</u> <u>Taka</u>
Investment Income	20	16,883,378,239	15,288,872,420
Less: Profit paid on Deposits	21	9,544,341,782	9,055,715,100
Net Investment Income		7,339,036,457	6,233,157,320
Income from Investment in Shares and Securities	22	293,823,613	362,240,663
Commission, Exchange and Brokerage	23	1,552,385,033	1,255,969,372
Other Operating Income	24	444,753,870	398,528,816
		2,290,962,516	2,016,738,851
Total Operating Income		9,629,998,973	8,249,896,171
Salaries and Allowances	25	2,439,722,509	2,202,912,214
Rent, Taxes, Insurances, Electricity etc.	26	385,494,529	293,890,908
Legal Expenses	27	9,915,955	8,210,584
Postage, Stamps, Telecommunication etc.	28	8,818,186	8,458,439
Stationery, Printings, Advertisements etc.	29	117,415,513	101,021,087
Managing Director's Salary and Allowances	30	11,634,356	9,320,000
Directors' Fees & Expenses	31	6,970,982	6,828,684
Shariah Supervisory Committee's Fees & Expenses	32	746,775	549,512
Auditors' Fees		1,212,500	460,000
Charges on Investment Losses		-	-
Depreciation & Repair of Bank's Assets	33	258,459,532	228,709,954
Zakat Expenses		89,792,573	71,840,046
Other Expenses	34	601,731,679	467,873,738
Total Operating Expenses		3,931,915,088	3,400,075,166
Profit/(Loss) before Provision		5,698,083,884	4,849,821,003
Provisions for Investments		1,482,889,673	1,350,649,113
Other Provisions	35	23,000,000	20,000,000
Total Provision	36	1,505,889,673	1,370,649,113
Total Profit/(Loss) before Tax		4,192,194,211	3,479,171,890
Provision for Income Tax	37	1,900,007,218	1,406,578,491
Net Profit/(Loss) after Tax		2,292,186,993	2,072,593,400
Appropriation			
Statutory Reserve		838,438,842	695,834,378
Retained Earnings		1,453,748,151	1,376,759,022
		2,292,186,993	2,072,593,400
Earning Per Share (EPS, Restated)	38	3.10	2.81
Net Asset Value Per Share (NAV/Share)		19.22	18.42
Net Operating Cash Flow Per Share (NOCFPS)		0.90	6.56

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

Chairman

Director

Director

Managing Director & CEO (CC)

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 February 2017

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2016</u> <u>Taka</u>	<u>31.12.2015</u> <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	39	16,883,378,239	15,288,872,420
Profit paid on deposits		(6,912,597,571)	(7,398,708,019)
Dividend receipts		293,823,613	362,240,663
Fees & commission receipt		796,555,887	660,728,611
Cash payments to employees		(2,451,356,865)	(2,212,232,214)
Cash payments to suppliers		(126,233,698)	(109,479,526)
Income tax paid		(993,085,088)	(1,162,412,143)
Receipts from other operating activities	40	1,200,583,016	993,769,576
Payments for other operating activities	41	(1,128,725,879)	(885,993,382)
Operating profit before changes in operating assets and liabilities		7,562,341,655	5,536,785,986
Changes in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(3,088,186,683)	(1,398,667,950)
Investments to other banks		-	-
Investment to customers		(40,079,283,472)	(26,216,890,592)
Other assets	42	(2,049,678,027)	3,407,271,842
Deposits from other banks		482,081,512	(4,258,078,568)
Deposits received from customers		37,677,072,385	27,839,679,198
Other liabilities Auditor's Report and		-	-
Trading liabilities		-	-
Other liabilities	43	157,800,061	(298,132,360)
Sub Total		(6,900,194,224)	(924,818,431)
A. Net Cash flow from operating activities		662,147,431	4,611,967,555
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(411,083,566)	(588,547,329)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(411,083,566)	(588,547,329)
Cash flows from financing activities			
Receipts from issue of debt instruments		2,000,000,000	(5,150,000,000)
SIBL Mudaraba Subordinated Bond		-	3,000,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(1,054,712,346)	(1,265,654,815)
C. Net Cash flow from financing activities		945,287,654	(3,415,654,815)
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		1,196,351,519	607,765,411
E. Cash and cash equivalents at the beginning of the year		25,046,888,745	24,439,123,334
F. Cash and cash equivalents at the end of the year (D+E)	44	26,243,240,264	25,046,888,745

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

Chairman

Director

Director

Managing Director & CEO (CC)

Dhaka, Bangladesh
Date: 26 February 2017

SOCIAL ISLAMI BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Total
1	2	3	4	5	6	7	8=(2+3+4+5+6+ 7)
Balance as at 01 January 2016	7,031,415,640	-	3,480,332,295	-	1,029,545,693	1,409,028,351	12,950,321,979
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	-	-	-	-	-	2,292,186,993	2,292,186,993
Appropriation made during the year			838,438,842	-	-	(838,438,842)	-
Dividend:							
Cash dividend	-	-	-	-	-	(1,054,712,346)	(1,054,712,346)
Bonus Shares	351,570,780	-	-	-	-	(351,570,780)	-
Transferred to retained earnings	-	-	-	-	(25,480,685)	25,480,685	-
Total shareholders' equity as on 31 December 2016	7,382,986,420	-	4,318,771,137	-	1,004,065,009	1,481,974,061	14,187,796,627
Eligible Capital Under Basel III:	7,382,986,420		4,318,771,137		316,703,918	1,481,974,061	13,500,435,536
Add: General provision for unclassified investment							2,694,608,903
Add: SIBL Mudaraba Subordinated Bond							3,000,000,000
Total eligible capital as on 31 December 2016							19,195,044,439

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

Chairman

Director

Director

Managing Director & CEO (CC)

Dhaka, Bangladesh
Date: 26 February 2017

SOCIAL ISLAMI BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES ANALYSIS
AS AT 31 DECEMBER 2016

(amount in Taka)

Particulars	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total Current Year	Total Previous Year
1	2	3	4	5	6	7(2+3+4+5+6)	8
Assets							
Cash in hand	7,611,157,422	-	-	-	10,335,676,620	17,946,834,042	14,681,252,114
Balance with other Banks and Financial Institutions	540,413,787	559,325,810	-	-	-	1,099,739,598	3,778,921,557
Placement with Banks & other Financial Institutions	100,000,000	4,100,000,000	2,996,666,624	-	-	7,196,666,624	6,586,715,074
Investment (in Shares & Securities)	3,446,935,757	2,750,000,000	3,650,000,000	893,646,162	1,569,998,400	12,310,580,319	9,222,393,636
Investments	26,319,589,650	24,539,160,066	89,911,437,658	31,024,290,000	2,401,656,000	174,196,133,375	134,116,849,902
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	1,628,760,501	1,628,760,501	3,257,521,001	3,072,036,083
Other Assets	-	-	-	5,848,351,806	5,848,351,806	11,696,703,612	8,653,940,498
Non-Banking Assets	-	-	-	-	-	-	-
Total Assets	38,018,096,616	31,948,485,877	96,558,104,282	39,395,048,469	21,784,443,327	227,704,178,571	180,112,108,864
Liabilities							
Placement from Banks & other financial institutions	3,000,000,000	-	-	-	-	3,000,000,000	1,000,000,000
Deposits and other accounts	33,870,141,008	30,724,996,409	93,507,580,404	24,443,541,795	8,018,255,717	190,564,515,334	149,773,617,226
Provision and other liabilities	-	-	-	12,231,427,093	7,699,654,732	19,931,081,825	16,379,727,522
Deferred tax liability	-	-	-	20,784,787	-	20,784,787	8,442,137
Total Liabilities	36,870,141,008	30,724,996,409	93,507,580,404	36,695,753,674	15,717,910,449	213,516,381,946	167,161,786,885
Net Liquidity Gap	1,147,955,608	1,223,489,468	3,050,523,878	2,699,294,795	6,066,532,877	14,187,796,626	12,950,321,979

Chairman

Director

Director

Managing Director & CEO (CC)

Dhaka, Bangladesh
Date: 26 February 2017

SOCIAL ISLAMI BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2016

1 The Bank and its activities

1.1 Status of the Bank

The Bank was incorporated as a Public Limited Company in Bangladesh in the year 1995 under Companies Act, 1994. The Bank is one of the interest-free Shariah based banks in the country and its modus- operandi are substantially different from other conventional Banks. The Bank within the stipulations laid down by Bank Companies Act, 1991 (as amended in 2013) and directives as received from time to time from Bangladesh Bank, provides all types of commercial Banking services. Besides as a matter of policy the Bank conducts its business on the principles of Mudaraba, Musharaka, Murabaha, Bai-Muazzal & Hire Purchase transaction approved by Bangladesh Bank. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company. The Bank carries its Banking activities through one hundred twenty five (125) branches operating as per Islamic Shariah prevailing in the country.

The Registered Office of the bank is located at its own premises at 'City Center', 90/1 Motijheel Commercial Area, Dhaka-1000.

1.2 Enlistment with the Stock Exchanges

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

Subsidiaries of SIBL:

1.3 SIBL Securities Limited

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

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

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

1.4 SIBL Investment Limited

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

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

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

1.5 Off-Shore Banking Unit (OBU)

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

1.6 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting standards (BFRS):

In compliance with	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates	28	N/A
Interests In Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied to the context of compliance with BRPD circular no. 15, Dated: 09.11.2009, DOS circular no. 5, Dated: 28.01.2009.
Earnings Per Share	33	Applied
Interim Financial Reporting*	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied to the context of compliance with BRPD circular no. 5, Dated: 05.06.2006 and BRPD circular no. 14, Dated: 14.09.2012.
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied to the context of compliance with BRPD circular no. 15, Dated: 09.11.2009, DOS circular no. 5, Dated: 26.05.2008 and DOS circular no. 5, Dated:28.01.2009.
Investment Property	40	N/A
Agriculture	41	N/A

In compliance with	BFRS No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Assets	6	N/A
Financial Instruments: Disclosures	7	Applied to the extent of compliance with core risk management guideline of Bangladesh Bank.
Operating Segments	8	N/A
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied

(*) Complied while the quarterly and half-yearly interim financial reports were prepared during the year as per regulations of Bangladesh Securities and Exchange Commission (BSEC).

2 Basis of Presentation of Financial Statements and Significant Accounting Policies

2.1 Basis of Preparation of the Financial Statements

Going Concern Estimation

The Financial Statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statements, Statement of Changes in Equity, Statement of Liquidity Analysis and relevant notes to the financial statements and disclosures thereto, of the Bank are prepared under historical cost convention on a going concern basis. Management of the bank has made an estimation that there are no possibility to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

2.1.1 Statement of Compliance

The financial statements of the bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), and the requirements of Bank Companies Act 1991(as amended in 2013), BRPD Circular No: 15 dated 09.11.2009 along with other rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRSs, the requirement of the Bank Companies Act 1991 (as amended in 2013), and provisions and circulars issued by Bangladesh Bank shall prevail. Material and partial departures from the requirements of BFRSs as well as the compliance with the Bangladesh Bank circulars are as follows:

i) Investment in Shares and Securities

The Bank investment in different securities has been valued on 31.12.2016 as under:

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

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

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

Derivatives

Typical examples of derivatives are futures and forward, swap and option contracts. As a shariah based Islami bank, SIBL can not take part in issuing or purchasing any derivatives.

ii) Revaluation gains/losses on Government securities

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

iii) Investments and Provisions

As per BAS-39 impairment assessment should be done by considering whether any objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

However, Provision for classified and unclassified investment is made on the basis of year end review by the management and of instructions contained in Bangladesh Bank BCD Circular No.34 dated 16 November 1989, BCD Circular No.20 (27 December 1994), BCD Circular No. 12 (04 September 1995), BRPD Circular No. 16 (06 December 1998), BRPD Circular No. 9 (14 May 2001), BRPD Circular Letter No. 10 (20 August 2005), BRPD Circular Letter No. 10 (18 September 2007), BRPD Circular No. 5 (29 April 2008), BRPD circular Letter no: 32 (10 October 2010), BRPD Circular no: 14 (23 September 2012), BRPD circular no:19 (27 December 2012), and BRPD circular no: 05 (29 May 2013) at the following rates:

Particulars	Rate
General Provision on Contingent Liability/ Non Funded Business	1%
General Provision on Unclassified Investment	1%

General Provision on Investment for Small and Medium Enterprise	0.25%
General Provision on Investment for Professionals	2%
General Provision on Investment for House Financing	2%
General Provision on Investment for Consumer Financing	5%
General Provision on Investment for Short term Agri/ Micro credit	5%
General Provision on Special Mention Account	5%
Specific Provision on Substandard Investment	20%
Specific Provision on Doubtful Investment	50%
Specific Provision on Bad / Loss Investment	100%

As per BRPD Circular No.: 14 (23 September 2012), BRPD Circular No.: 19 (27 December 2012), and BRPD Circular No.: 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment.

As per same circulars mentioned above SIBL has to maintain provision @ 20%, 50% and 100% for investments classified as sub-standard, doubtful and bad & loss category respectively depending on the duration of overdue.

As per BRPD Circular No.: 10 (18 September 2007) and BRPD Circular No.: 14 (23 September 2012), a general provision at 1% is required to be provided for all off-balance sheet risk exposures.

However, such general provision on general investment & off-balance sheet exposures and specific provisions on classified investments cannot satisfy the conditions of provision as per Bangladesh Accounting Standard (BAS)-39.

iv) Recognition of profit in suspense

Profit / Rent / Compensation Suspense account and Doubtful Income

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

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

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

v) Other comprehensive income

As per BAS-1 (Presentation of Financial Statements), other comprehensive income (OCI) or components of OCI, as a part of financial statements are to be included in a single Other Comprehensive Income Statement.

However, as per BRPD circular no. 15 (09 November 2009), there are no statement of OCI and we follow the template for reporting as per the circular. If there is any component of OCI, it is shown in Statement of Changes in Equity.

vi) Financial instruments-presentation and disclosure

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

vii) Financial guarantees

Financial guarantees such as letter of credit, letter of guarantee etc. are treated as off-balance sheet items as per relevant Bangladesh Bank Circular, BRPD 15 (09 November 2009) whereas as per BAS 39, these should be treated as 'Other Liability'. No liability is recognised for the guarantee except the cash margin.

SIBL accounts for the financial guarantees as per BRPD 15 (09 November 2009) and liability for financial guarantees are not recognised initially at their fair value and the fair value amortisation of the same liability is not done either as per BAS 39. So that the financial guarantees are not also carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable.

viii) Cash and cash equivalent

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

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

ix) Non-banking asset

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

x) Cash Flow Statement

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

xi) Balance with Bangladesh Bank (Cash Reserve Requirement, CRR)

BAS 7 requires balance with Bangladesh Bank to be treated as other assets. However, as per BRPD Circular No.: 15, SIBL treats balance with Bangladesh Bank as cash and cash equivalent though the amount is restricted for CRR purpose and can not be used in our day to day operation requirement.

xii) Presentation of intangible asset

As per BAS 38, intangible assets are accounted for and amortized. Related necessary disclosures for the intangible asset; i.e computer software is given in **note 8.1**.

There is no restriction or recommendation for accounting for the intangible assets as per any Bangladesh Bank circular.

xiii) Off-balance sheet items

Contingent Liabilities

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

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

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

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated. Contingent assets are not recognised in the financial statements as this may results 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 BFRS.

xiv) Investments net off provisions

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

2.2 Consolidation Procedures (BAS-27)

The consolidated financial statements include the financial statements of Social Islami Bank Limited and its two (2) subsidiaries SIBL Securities Limited and SIBL Investment Limited, made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with **Bangladesh Accounting Standard (BAS) 27: Consolidated and Separate Financial Statements**, Bangladesh Financial Reporting Standards (BFRS):3- Business Combinations and Bangladesh Financial Reporting Standards (BFRS):10- Consolidated Financial Statements. The consolidated financial statements are prepared to a common financial period ended 31 December 2016.

2.3 Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary company is consolidated using the purchase method of accounting.

2.4 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (Tk) which is the Bank's functional currency. Except as indicated, figures have been rounded off to the nearest Taka.

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with BFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6 Foreign Currency Transactions /Translation

Foreign currency transactions are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transaction(s).

Assets and liabilities in foreign currencies as on 31 December 2016 have been converted into Taka currency at the weighted average of the prevailing buying and selling rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US dollar are translated into equivalent US dollar at buying rates of New York closing of the previous day. Differences arising through buying and selling transactions of foreign currencies on different dates during the period from January to December 2016 have been adjusted by debiting or crediting to the Profit and Loss Account.

2.7 Reporting Period

These financial statements cover twelve months from 01 January to 31 December 2016.

2.8 Statement of Changes in Equity

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

2.9 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term which has been given in the statement.

2.10 Fixed Assets, Depreciation and Revaluation (BAS-16)

Assets have been shown at cost less depreciation as per paragraph 43 of **Bangladesh Accounting Standard (BAS)-16 "Property, Plant & Equipments"**. Depreciation has been charged on reducing balance method except motor vehicle; which has been charged on straight-line method. Depreciation on addition of assets has been charged from the date of purchase. Rate of depreciation are as under:

<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 Bangladesh Accounting Standard (BAS)-16, 'Property, Plant and Equipment' as well as Bangladesh Bank BCD circular letter no. 12 & 18, dated: 20 April 1993 & 15 June 1993, respectively and BRPD circular no. 10 and 09, Dated: 25 November 2002 and 31 December 2008.

The Bank revalued its fixed assets on 20.03.2011 by two separate valuers, namely- 'Commodity Inspection Services (BD) Ltd.' and 'Royal Inspection International Ltd.' But the effects on assets have been accounted for as on 30.03.2011.

Reserve is created by the sum of revaluation surplus and depreciation is charged on the revalued assets except land as per the respective rate of depreciation.

Leases (BAS-17)

No assets of Social Islami Bank Ltd. has been identified/classified as Operating or Finance lease as per BAS-17.

2.11 Impairment of Assets (BAS-36)

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to profit & loss account. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired.

2.12 Capital/Shareholders' Equity**Authorised capital**

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

Paid up Capital

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. **Details are shown in Note-15.2.**

Statutory Reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 (as amended 2013) until such reserve equal to its paid up capital together with the share premium.

2.13 Revenue Recognition (BAS-18)**(i) Investment income & Revenue Recognition**

Profit on investments and deposits are recognized against the investment of fund under Mudaraba, Musharaka, Murabaha, Bai-Muazzal and Hire Purchase etc. in line with related approved policy of the Board. Profit on investment ceases to be taken into income when such investment accounts are classified. It is then kept in compensation/rent suspense account and the same is accounted for on cash basis as and when recovered or de-classified as per related BRPD circular.

Fees and commission income are recognized when it is earned.

Income from investment in shares and securities is recognized on actual basis except Bangladesh Govt. Mudaraba Bond income which is recognized on accrual basis.

Sharing of Investment Income

In case of Investment, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba Fund is shared by Bank and the Mudaraba Depositors at the predetermined ratio fixed by the Bank.

(ii) Profit Paid on Deposits and Other Expenses

Profit paid on deposits and other expenses are recognized on accrual basis.

As per Mudaraba principle of Islamic Shari'ah, the Mudaraba Depositors are entitled to get minimum 75% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba Deposit. Moreover, in some Mudaraba deposits, additional rate was allowed over the rate as per weightage. Mudaraba Depositors do not share any income derived from various banking services where the use of fund is not involved and any income derived from Investing Bank's Equity and other Cost Free Fund. Al-Wadeeah Depositors do not share any income of the Bank.

Profit is paid/provided to Mudaraba Deposit accounts at provisional rate on half yearly/anniversary basis considering overall growth, performance, and profitability of the Bank during the year. Final rates of profit of any accounting year are declared after finalization of Shari'ah Inspection Report and certifying the Investment Income of the Bank by the Statutory Auditors.

2.14 Provision for Taxation (BAS-12)

(a) Current Tax

Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2016 considering all applicable allowances and disallowances.

(b) Deferred Tax

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

2.15 Zakat Fund

The Bank has created a Zakat Fund @ 2.58% for the period ended 31 December 2016 on reserve retained through out the year. Hizri Calendar has been considered to calculate 2.5% of Zakat Fund. Since Hizri Calendar counts 11 days less than the English Calendar, the percentage 2.5% represents equivalent to 2.58% of English Calendar. It is to be noted here that shareholders should pay their individual Zakat based on face value (Taka- 10.00 per share) of their individual shareholding along with their other zakatable assets.

2.16 Retirement Benefits (BAS-19)

Defined contribution plans:

(a) Provident Fund

The Bank operates a contributory provident fund duly approved by the Income Tax Authority. Both the employer and all eligible employees contribute @ 10% of basic salary to this fund. Trustee board administers this fund.

b) Superannuation fund

The fund under the caption "Social Islami Bank Limited (SIBL) Employees' Superannuation Fund" came into force from 01 July 1999. It was established to benefit the employees in several ways which includes death benefit, scholarship etc. All employees contribute @1% of basic salary every month along with the same amount contribution by the bank.

Defined benefit plans:

(a) Gratuity

As per service rules of the Bank, employee who has completed five years regular service, are eligible for yearly gratuity @ 1 (one) month basic salary for every full year of regular service and employee who has completed seven years regular service are eligible for yearly gratuity @ 2 months basic salary for full year regular service. The Bank has complied with **Bangladesh Accounting Standard (BAS) -19, "Employee Benefits"** and necessary provision i.e @ 11.20% of basic salary of the regular employees have been made as per actuary valuation of Z. Halim & Associates, Actuarial & Pension Consultants for the period ended 31 December 2016.

2.17 Reconciliation of Inter Bank / Branch Transactions

Books of accounts with regard to inter bank/branch transactions (In Bangladesh and outside Bangladesh) are reconciled and there are no material differences that may affect the financial statements significantly.

2.18 Risk Management

Today's most risky nature of Banking business has caused the Central Banks of every country much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Banks have come forwarded to establish a general framework to defeat the risk factors considering the laws of the land. Bangladesh Bank has also undertaken an overall core-risk management project under which every bank shall be bounded to the authoritative covenants to install risk management system. Social Islami Bank Ltd. has established approved policies covering major areas such as (a) Investment Risk Management, (b) Foreign Exchange Risk Management, (c) Asset Liability Management Risk (d) Money Laundering Risk (e) Internal Control & Compliance Risk and (f) Information & Communication Technology Security Risk (g) Internal Audit (h) Fraud and Forgeries to the DOS circular no: 02 (15 February 2012) regarding 'Risk Management Guidelines' for Banks, Bank Companies Act 1991 (as amended upto 2013) and other guidelines. of Bangladesh Bank.

In addition, the bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, stress testing and managing the banking risks in other core risk areas.

The bank has established an independent Risk Management Unit (RMU) as per DOS circular no:02 (15 February 2012). The RMU conducts stress testing as per DOS circular no: 01 (23 February 2011), for examining the Bank's capacity of handling futur shocks, as well as deals with all potential risks that might occur in future.

The prime objective of the risk management is that the bank takes well calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks. In this context, the bank took steps to implement the guidelines of Bangladesh Bank as under:

(a) Investment Risk Management

Investment risk is one of the major risks faced by the bank. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the bank. The failure may results from unwillingness of the counter party or decline of financial condition. Therefore, the Bank's investment risk management activities have been designed to address all these issues.

The Bank has segregated duties of the Officers / Executives involved in investment related activities. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. Moreover, investment approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Division. These are (a) Investment Risk Management Unit, (b) Investment Administration Unit and (c) Investment Monitoring & Recovery Unit. Investment Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation etc.

A thorough assessment is done before sanctioning of investment facility at Investment Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility etc. The assessment process starts at Corporate Division by the Relationship Manager/ Officer and ends at Investment Risk Management Unit when individual executives. Proposal beyond their delegation are approved / declined by the Executive Committee and / or the Management.

In determining single borrower / large investment limit, the Bangladesh Bank instructions are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and regulatory policies. Investments are classified as per Bangladesh Bank's guidelines.

(b) Foreign Exchange Risk Management

Foreign Exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance of single borrower limit shown in note.

International Department independently conducts the transactions relating to foreign exchange and is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-market rate as determined by Bangladesh Bank at the month end. All NOSTRO Accounts are reconciled on monthly basis and the management for its settlement reviews outstanding entry beyond 30 days.

(c) Asset Liability Management Risk

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

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

(d) Money Laundering Risk

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

As per Money Laundering Prevention Act, 2002 and Money Laundering Prevention circular, a Central Compliance Unit (CCU) has been formed at Head Office in SIBL and a designated person has been nominated to supply any information if required and report any abnormal and suspicious transactions to Bangladesh Bank through CCU. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at head office and Branch Anti Money Laundering Compliance Officers (BAMALCO) has been nominated at branches. The second man of the sixty-four branches of SIBL has been complying the responsibility for their respective branches as Branch Anti Money Laundering Compliance Officers (BAMALCO) as per the direction of Bangladesh Bank.

Know Your Customer (KYC) profile, Risk Rating and Assessment (RRA) profile and Transaction Profile (TP) have been introduced as per the direction of Bangladesh Bank. These profiles facilitate and ease the KYC procedures, risk categorization, transaction monitoring process, suspicious activity reporting process, self-assessment process, independent procedures testing system etc. Proper record keeping procedure has been established also.

The action plan regarding the KYC procedures of those accounts, which opened before 30-04-2002 already has been sent to the Bangladesh Bank. The branches, which are liable to act in accordance with this action plan, has been complying it properly and vigorously.

Various types of statements such as Quarterly STR, Quarterly KYC statement for legacy accounts, Bi-monthly statements etc has been sent to the Bangladesh Bank properly. " FIU Reporting System " Version-1.0.3 Software has been installed all of the branches as per the direction of central bank. As a result, the soft copy of Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) has been sent to Bangladesh Bank properly in due time.

The training procedure has been conforming as per the action plan, which was given to Bangladesh Bank. It provides significant role to develop and to aware the staffs of SIBL about Anti Money Laundering. The management of the Bank is committed to train all of its workforces regarding anti money laundering.

(e) Internal Control and Compliance Risk

Internal controls ensure systematic and orderly flow of various operational activities within the organization. Now a day in the biggest and complex business environment, compliance becomes one of the major concern to the corporate being major risk involved in non-compliance of statutory requirements and operational procedures. To protect and safeguard the Bank from any means of fraud and error as well as loss - Social Islami Bank has introduced the "Internal control and Compliance guideline and also established a separate department called "Internal Control and Compliance Department (ICCD)" at Head Office staffed with some experienced senior Banker rest with the power and duties to train the employees of the bank, give direction, monitor, audit and establish control on day to day operational procedures and statutory and non-statutory compliances.

ICCD collects different periodical reports, departmental control function check list etc. for documentation and also undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirements and the Board Audit Committee reviews the reports.

(f) Information and Communication Technology Security Risk

According to the latest requirement of the Bangladesh Bank on Core Risk Management, ICT policy guideline has been newly introduced at Social Islami Bank. The prime objective of such guideline is to protect data properties of the Banks from any means of loss, unauthorized use, forgery and destruction as well as documentation of all ICT related tasks to reduce man dependency and increase process dependency. According to this guideline, ICT department responses, monitors, trains and co-ordinates the total IT matter with other departments and branches so that man and machine could effectively co-opt on timely fashion. The ICT department ensures necessary guidelines / instructions to the Departments / Branches and monitors status of implementation strictly.

g) Internal Audit

The bank initiates internal audit of the branches and head office divisions on a periodical basis, concurrent basis and surprise inspection is also done to check the compliance status of the cost centers of the bank. The internal audit is supervised under ICCD and a separate division named 'Board Audit Cell (BAC)' also conducts internal audit under supervision and direct authority of Board Audit Committee. This BAC directly reports to the Chairman of Board Audit Committee. This way a strong internal audit of the cost centers as well as of Head Office Divisions are conducted to ensure all related compliance.

h) Fraud and Forgeries

Fraud and Forgeries are a critical dimension, the banking industry is facing now a days. In order to safeguard the bank from all probable fraud and forgeries that may occur in any respect, the bank has taken all possible safety security measures that are undertaken under direct supervision of ICCD. Concurrent audit, internal audit, Board audit etc. are done periodically along with surprise audit from time to time. Moreover, there are a lot of safety measures initiated at the branch level also. The core banking solution Ababil is designed to prevent IT related fraud and forgeries.

2.19 Earnings Per Share (BAS-33)

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

				31.12.2016	31.12.2015
				<u>Taka</u>	<u>Taka</u>
3	Cash				
	<i>In hand:</i>				
	In local currency			1,550,016,878	1,098,051,421
	In foreign currencies			7,487,038	6,613,015
	ATM balance			258,009,185	40,694,000
				<u>1,815,513,100</u>	<u>1,145,358,436</u>
	In Foreign Currencies				
		<u>Foreign Currency</u>	<u>Amount in FC</u>	<u>Exchange Rate</u>	
		USD	78,954	78.70	6,213,841
		EURO	15,000	82.17	1,232,476
		S. Rial	1,940	20.99	40,720
				<u>7,487,038</u>	<u>6,613,015</u>
3(a)	Consolidated balance of cash in hand				
	Social Islami Bank Limited			1,815,513,100	1,145,358,436
	Cash in hand of Subsidiary companies			825,079	612,019
	SIBL Securities Limited			819,878	606,818
	SIBL Investment Limited			5,201	5,201
				<u>1,816,338,179</u>	<u>1,145,970,455</u>
3.1	Balance with Bangladesh Bank and its agent bank (Sonali Bank)				
	Balance with Bangladesh Bank (Note-3.1.1)			15,976,826,908	13,384,301,943
	Balance with Sonali Bank (as agent of BB) (Note-3.1.2)			154,494,034	151,591,735
				<u>16,131,320,942</u>	<u>13,535,893,678</u>
3.1.1	Balance with Bangladesh Bank (Including foreign currencies)				
	In local currency			15,173,299,981	13,091,917,706
	In foreign currencies			803,526,927	292,384,237
				<u>15,976,826,908</u>	<u>13,384,301,943</u>
3.1.2	Balance with Sonali Bank (as agent of Bangladesh Bank)				
	In local currency			<u>154,494,034</u>	<u>151,591,735</u>
3.2	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)				
	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the clause (1) of Article 36 of Bangladesh Bank Order, 1972 (as amended upto 2003) and clause (1) of Section 33 of the Bank Companies Act, 1991 (as amended upto 2013) respectively and subsequent DOS circular no: 05/2008, DOS circular letter no.05/2009, DOS circular letter no.21/2009 DOS circular letter no.01/2014 and MPD Circular no. 01, dated 23/06/2014.				
	According to latest DOS circular no.01/2014, dated:19/01/2014, i.e from 01 February 2014, the statutory cash reserve requirement (CRR) on bank's time and demand liabilities @6.00% on daily basis and @6.50% on Bi-weekly basis has been calculated and maintained with Bangladesh Bank (BB) in current account and @5.5% statutory liquidity ratio (SLR) on the same liabilities has also been maintained in the form of BD Govt. Islamic Bond including FC (Foreign Currency) balances with Bangladesh Bank used in BDT, Cash in vault and transit, balance with Sonali Bank as agent of BB, balance with Islamic Refinance Fund A/C and daily excess reserve of CRR maintained on a Bi-weekly average requirement. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:				
3.3	Cash Reserve Requirement (CRR): 6.00% of average Demand and Time Liabilities				
	Required Reserve			10,335,676,620	7,721,626,030
	Actual Reserve held (in local currency)			15,173,299,981	13,091,917,706
	Surplus			<u>4,837,623,361</u>	<u>5,370,291,676</u>
3.4	Statutory Liquidity Ratio (SLR)				
	Required Reserve			9,474,370,240	7,078,157,200
	Actual Reserve held (Note- 3.5)			15,957,630,495	12,707,241,847
	Surplus			<u>6,483,260,255</u>	<u>5,629,084,647</u>
3.5	Held for Statutory Liquidity Ratio				
	Cash in hand (Note- 3)			1,815,513,100	1,145,358,436
	Balance with Bangladesh Bank and its agent banks (Note-3.1)			-	-
	Taka			154,494,034	151,591,735
	Excess reserve of CRR (Note-3.3)			4,837,623,361	5,370,291,676
	Balance with Islamic Refinance Fund (Note-6)			250,000,000	250,000,000
	Bangladesh Govt. Islamic Bond (Note- 6.4)			8,900,000,000	5,790,000,000

	<u>15,957,630,495</u>	<u>12,707,241,847</u>
	<u>31.12.2016</u>	<u>31.12.2015</u>
	<u>Taka</u>	<u>Taka</u>
4 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)		
In Bangladesh (Note - 4.1)	675,742,843	3,423,599,612
Outside Bangladesh (Note- 4.2)	423,996,755	355,321,944
	<u>1,099,739,598</u>	<u>3,778,921,556</u>
4(a) Consolidated balance of other Banks and Financial Institutions		
In Bangladesh		
Social Islami Bank Limited	675,742,843	3,423,599,612
Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch	271,182,028	261,736,335
SIBL Securities Limited (Current account and MTDR)	21,280,791	11,818,947
SIBL Investment Limited	249,901,237	249,917,387
	<u>946,924,871</u>	<u>3,685,335,947</u>
Less: Inter company balance eliminated	271,182,028	261,736,335
SIBL Securities Limited (Current account and MTDR)	21,280,791	11,818,947
SIBL Investment Limited	249,901,237	249,917,387
Add: Account Balance of subsidiaries of SIBL with other banks and financial institutions	166,902,490	81,139,884
SIBL Securities Limited	166,902,490	81,139,884
SIBL Investment Limited	-	-
Consolidated balance with Banks and Financial Institutions	842,645,333	3,504,739,496
The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively.		
4.1 Inside Bangladesh		
Current Account		
Islami Bank Bangladesh Limited	20,268	1,508,324
Sonali Bank Limited	69,781,883	52,305,461
Agrani Bank Limited	9,000,000	9,004,425
Pubali Bank Limited	7,279	3,611
Brac Bank Limited (Remittance settlement Account)	8,169,402	5,716,690
Trust Bank Limited (ATM settlement Account)	17,706,988	8,519,805
Standard Chartered Bank (ATM settlement Account)	11,731,212	4,390,142
	<u>116,417,033</u>	<u>81,448,457</u>
4.2 Mudaraba Short Notice Deposits		
Al- Arafah Islami Bank Limited	380,428,382	593,417
ICB Islami Bank Limited	10,682	10,912
Shahjalal Islami Bank Limited	16,235,329	3,786,779
Prime Bank Limited (Islami Banking Branch)	6,747	6,659
Bank Asia Limited (Islami Banking Branch)	539,628	528,779
Islami Bank Bangladesh Limited	27,805,015	85,577,342
Jamuna Bank Limited (Islami Banking Branch)	4,400,661	5,390,362
Pubali Bank Limited (Islami Banking Branch)	46,958,256	96,547,609
Exim Bank Ltd.	62,051,176	270,626,625
Janata Bank Limited	16,040,619	5,071,320
Southeast Bank Ltd.	3,165,642	-
AB Bank Ltd.	1,671,595	-
The City Bank Ltd.	12,078	-
	<u>559,325,810</u>	<u>468,139,805</u>
4.3 Mudaraba Saving Deposit		
Al- Arafah Islami Bank Limited	-	1,907,078,154
ICB Islami Bank Limited	-	80,039
Dhaka Bank Limited (Islami Banking Branch)	-	713,978,656
AB Bank Limited (Islami Banking Branch)	-	614,553
Exim Bank Limited	-	3,072,321
Prime Bank Limited (Islami Banking Branch)	-	10,054
Shahjalal Islami Bank Limited	-	10,402,507
The City Bank Limited (Islami Banking Branch)	-	5,494
Southeast Bank Limited (Islami Banking Branch)	-	238,752,198
First Security Islami Bank Limited	-	17,375
	<u>-</u>	<u>2,874,011,350</u>

				<u>675,742,843</u>	<u>3,423,599,612</u>
				31.12.2016	
Total					
4.4	Outside Bangladesh (NOSTRO Account)				
	Current Account with	Currency	F.C. Amount	Rate	Taka
1	SCB, MUMBAI	ACUD	(37,090.71)	78.70	(2,919,120)
2	SUMMIT BANK, KARACHI	ACUD	618.86	78.70	48,706
3	SONALI BANK, KOLKATA	ACUD	3,843.26	78.70	302,473
4	MASHREQ BANK, MUMBAI	ACUD	23,942.42	78.70	1,884,321
5	NEPAL BANGLADESH BANK	ACUD	826.36	78.70	65,036
6	BANK OF BHUTAN, PHUENTSHOLING	ACUD	1,366.83	78.70	107,573
7	UNITED BANK OF INDIA	ACUD	35,028.00	78.70	2,756,781
8	AB BANK, MUMBAI	ACUD	97,859.36	78.70	7,701,747
9	HABIB BANK LIMITED, KARACHI	ACUD	76,556.26	78.70	6,025,146
10	MASHREQ BANK, NEW YORK, (OBU)	USD	3,386,214.78	78.70	266,502,553
11	MASHREQ BANK PSC, NEW YORK, USA	USD	1,422,635.29	78.70	111,964,527
12	SONALI BANK (UK) LTD. UK	USD	781.03	78.70	61,469
13	KOREA EXCH. BANK, KOREA	USD	920.62	78.70	72,455
14	MASHREQ BANK, NEW YORK, (ACTUAL)	USD	331,813.41	78.70	26,114,445
15	COMMERZ BANK AG, FRANKFURT	EURO	5,128.80	82.17	421,408
16	MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	82.17	35,160
17	SCB, FRANKFURT	EURO	2,625.55	82.17	215,729
18	SONALI BANK (UK) LTD. UK	EURO	271.07	82.17	22,272
19	SCB, LONDON, UK	GBP	7,174.01	96.36	691,309
20	UNITED NATIONAL BANK, LONDON, UK	GBP	4,230.62	96.36	407,675
21	SONALI BANK (UK) LTD. UK	GBP	122.14	96.36	11,770
22	SCB, TOKYO	JPY	687,565.00	0.67	463,692
23	SAUDI HOLLANDI BANK RIYADH SA	RIYAL	49,530.00	20.99	1,039,629
Sub total					423,996,755
	Currency wise Distribution:	31.12.2016	2015	31.12.2016	31.12.2015
	Foreign Currency	Composition	Composition	Taka	Taka
	USD/ACU	99.22%	99.53%	420,688,111	353,643,056
	GBP	0.26%	0.12%	1,110,754	426,871
	EUR	0.16%	0.22%	694,570	797,176
	YEN	0.11%	0.07%	463,692	246,109
	RIYAL	0.25%	0.06%	1,039,629	208,732
		100%	100%	423,996,755	355,321,944
Please see 'Annexure-C' for details comparative statement of 31.12.2016 & 2015 of foreign currency amount and rate.					
4.5	Maturity-wise groupings of balance with other Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh)				
	On Demand			540,413,787	1,192,311,342
	Not more than 3 months			559,325,810	1,293,305,107
	Over 3 months but not more than 1 year				1,293,305,107
	Over 1 year but not more than 5 years			-	-
	More than 5 years			-	-
				1,099,739,598	3,778,921,557
5	Placement with Banks & other Financial Institutions				
	Placement with Banks (Note-5.1)			196,666,624	216,715,074
	Placement with other Financial Institutions (Note-5.2)			7,000,000,000	6,370,000,000
				7,196,666,624	6,586,715,074
5.1	Mudaraba Term Deposits with Banks				
	ICB Islamic Bank Limited			196,666,624	216,715,074
				196,666,624	216,715,074
5.2	Mudaraba Term Deposits with Other Financial Institutions				
	IIDFC			900,000,000	820,000,000
	Bangladesh Finance & Investment Limited			200,000,000	-
	IPDC			400,000,000	-
	MIDAS Financing Limited			400,000,000	-
	Prime Finance & Investment Limited			300,000,000	900,000,000
	IDLC Finance Limited			900,000,000	1,200,000,000
	Union Capital Limited			1,100,000,000	600,000,000
	Lanka Bangla Finance Limited			950,000,000	650,000,000
	Fareast Finance and Investment Limited			150,000,000	150,000,000
	Hajj Finance Company Limited			400,000,000	200,000,000
	Fas Finance and Investment Limited			800,000,000	300,000,000
	First Finance Limited			100,000,000	500,000,000
	Premier Leasing & Finance Limited			100,000,000	300,000,000
	United Finance Limited			-	750,000,000

	GSP Finance Company Ltd.	200,000,000	-
	Meridian Finance & Investment Ltd.	100,000,000	-
		7,000,000,000	6,370,000,000
		31.12.2016	31.12.2015
		Taka	Taka
5.3	Maturity-wise groupings of placement with Banks and other Financial Institutions		
	On Demand	100,000,000	1,200,000,000
	Not more than 3 months	4,100,000,000	3,650,000,000
	More than 3 months but less than 1 year	2,800,000,000	1,520,000,000
	More than 1 year but less than 5 years	196,666,624	216,715,074
	More than 5 years	-	-
		7,196,666,624	6,586,715,074
6	Investment in Shares & Securities		
	Government		
	Government Bond (Islamic Investment Bond) (Note 6.1)	8,900,000,000	5,790,000,000
	BD Government Islamic Refinance Fund	250,000,000	250,000,000
		9,150,000,000	6,040,000,000
	Others		
	Investment in Shares, Quoted (Note 6.2)	696,935,757	710,453,712
	Investment in Shares, Unquoted (Note 6.3)	2,463,644,562	2,493,644,562
		3,160,580,319	3,204,098,274
	Fair value adjustment through profit or loss (FVTPL) (note: 6.5)	-	(21,704,638)
	Value of Investment in Shares and securities, Others	3,160,580,319	3,182,393,636
	Grand Total	12,310,580,319	9,222,393,636
	Maturity-wise Grouping of Investment in Securities:		
	Upto one month	3,446,935,757	2,438,749,074
	Not more than 3 months	2,750,000,000	2,140,000,000
	Over 3 months but not more than 1 year	3,650,000,000	2,150,000,000
	Over 1 year but not more than 5 years	893,646,162	893,646,162
	More than 5 years	1,569,998,400	1,599,998,400
		12,310,580,319	9,222,393,636
6(a)	Consolidated Investment in Shares and Securities		
	Social Islami Bank Limited		
	Government		
	Investment in Government Islamic Bond	8,900,000,000	5,790,000,000
	BD Government Islamic	250,000,000	250,000,000
		9,150,000,000	6,040,000,000
	Others sectors	3,160,580,319	3,182,393,636
	Less: Intercompany balance eliminated		
	Investments in Subsidiaries	1,479,998,400	1,479,998,400
	Investment in SIBL Securities Limited	1,229,999,000	1,229,999,000
	Investment in SIBL Investment Limited	249,999,400	249,999,400
	Consolidated Investment in others sectors	1,680,581,919	1,702,395,236
	Total consolidated balance of Investment in shares and securities	10,830,581,919	7,742,395,236
6.1	Bangladesh Bank introduced a new type of investment opportunity solely for the purpose of Shariah Banks in the year 2005 being inherent limitation on the part of Shariah Compliant Banks to take part in buying and selling of treasury bill etc as a very common form of treasury management. The fund has been operated under Mudaraba Principle and are being used as a part of SLR (Statutory Liquidity Requirement) vide Bangladesh Bank Circular Letter ref. no: AMA/AUSOBI/SANCHAY/S-03/2004/262 dated September 2, 2004.		
	The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed amongst the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenure of the bond. So, the rate of return from Islamic Bond is not prefixed rather dependent on fund deployment by Bangladesh Bank.		
6.2	Investment (Cost) in Shares (Quoted)		
	ICB 1st Mutual Fund	4,438,695	4,285,291
	ICB 3rd Mutual Fund	6,159,588	5,562,371
	ICB 4th Mutual Fund	16,657,062	11,371,726
	ICB 5th Mutual Fund	5,472,152	5,040,979
	ICB 7th Mutual Fund	9,898,510	9,083,340
	ICB 8th Mutual Fund	4,837,839	21,082,281
	National Life Insurance Ist Mutual Fund	13,095,000	12,103,284
	Popular Ist Mutual Fund	1,990,104	3,250,000
	ICB Sonali Mutual Fund	2,350,484	1,379,200
	NCC Bank Mutual Fund	3,278,868	-
	ICB AMCL 2nd Mutual Fund	3,053,317	-
	ICB 3rd NRB Mutual Fund	2,703,678	-

SEBL 1st Mutual Fund	9,189,509	7,823,059
IFIL Islamic Mutual Fund	3,150,000	3,460,093
AB 1st Mutual Fund	3,417,947	5,023,187
balance carried forward	89,692,753	89,464,810
	31.12.2016	31.12.2015
	Taka	Taka
balance brought forward	89,692,753	89,464,810
KPCL	-	5,157,418
Al-Arafah Islami Bank Limited	54,647,434	43,947,029
AB Bank Limited	-	29,911,571
Exim Bank Limited	18,487,988	20,524,544
Bank Asia Limited	-	14,441,759
Dhaka Bank Limited	24,271,671	20,571,359
Titas Gas Limited	76,903,225	81,053,986
City Bank Limited	-	4,360,000
Beximco Limited	9,088,511	-
GSP Finance	-	8,443,521
Desco	11,633,114	11,106,264
Lafarge Surma Cement	-	3,313,833
BSRM Steel	-	9,698,520
Appollo Ispat	1,606,075	9,171,896
Jamuna Oil	19,606,628	13,566,925
Shahjalal Islami Bank Limited	31,072,306	25,942,850
Orion Pharma Limited	273,000,000	273,000,000
Square Pharmaceuticals	13,146,268	11,530,946
Linde Bangladesh Ltd.	22,672,269	-
Square Textile	-	4,485,014
Heidelberg Cement Ltd.	8,713,660	-
BSRM Ltd.	30,179,636	-
Beximco Pharmaceutical	12,214,219	-
Orion Pharma Limited	-	30,761,467
	696,935,757	710,453,712

6.3 Investment (Cost) in Shares (Unquoted)

CDBL Share	1,569,450	1,569,450
Orion Infrastructure Ltd.	500,000,000	500,000,000
Orion Infrastructure Ltd.	392,076,712	392,076,712
Investment in subsidiary: SIBL Securities Limited	1,229,999,000	1,229,999,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
FSIBL Mudaraba Subordinate Bond	90,000,000	120,000,000
	2,463,644,562	2,493,644,562

Investment in Subsidiaries represents the amount invested in 'SIBL Securities Limited' and 'SIBL Investment Limited' that were incorporated on 20 July 2010 and 30 August 2010 respectively vide certificate of incorporation no: C-85876/10 and C-86726/10. SIBL holds 12,299,990 and 2,499,994 nos. shares of 'SIBL Securities Limited' and 'SIBL Investment Limited' respectively with a face value of Tk. 100 each and also representing holding of 99.99% shares in both the subsidiaries.

6.4 Government Bond (BD Govt. Islamic Bond)

8,900,000,000	5,790,000,000
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6.5 Details of Shares & Securities in quoted and unquoted other than in subsidiaries

Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12- 2016	31.12.2016	
				Cost price as on 31-12-2016	Fair value adjustment
Quoted Shares					
ICB 1st Mutual Fund	558,106	10.00	5,581,060	4,438,695	1,142,365
ICB 3rd Mutual Fund	760,477	10.00	7,604,770	6,159,588	1,445,182
ICB 4th Mutual Fund	2,185,007	10.00	21,850,070	16,657,062	5,193,008
ICB 5th Mutual Fund	783,304	10.00	7,833,040	5,472,152	2,360,888
ICB 7th Mutual Fund	1,183,844	10.00	11,838,440	9,898,510	1,939,930
ICB 8th Mutual Fund	80,986	60.00	4,859,160	4,837,839	21,321
National Life Insurance Ist Mutual Fund	1,350,000	13.10	17,685,000	13,095,000	4,590,000
Popular Ist Mutual Fund	500,000	5.40	2,700,000	1,990,104	709,896
ICB Sonali Mutual Fund	399,300	6.40	2,555,520	2,350,484	205,036
NCC Bank Mutual Fund	500,000	7.30	3,650,000	3,278,868	371,132
ICB AMCL 2nd Mutual Fund	620,000	6.00	3,720,000	3,053,317	666,683
ICB 3rd NRB Mutual Fund	600,000	5.60	3,360,000	2,703,678	656,322
SEBL 1st Mutual Fund	1,000,000	12.20	12,200,000	9,189,509	3,010,491
IFIL Islamic Mutual Fund	500,000	7.10	3,550,000	3,150,000	400,000
AB 1st Mutual Fund	800,000	5.90	4,720,000	3,417,947	1,302,053
Al-Arafah Islami Bank Limited	3,800,000	15.90	60,420,000	54,647,434	5,772,566
Exim Bank Limited	2,068,532	11.70	24,201,824	18,487,988	5,713,836
Dhaka Bank Limited	1,360,181	17.90	24,347,240	24,271,671	75,569

Titas Gas Limited	1,600,000	49.40	79,040,000	76,903,225	2,136,775
Beximco Limited	348,450	26.00	9,059,700	9,088,511	(28,811)
Shahjalal Islami Bank Limited	2,307,178	15.00	34,607,670	31,072,306	3,535,364
Square Pharmaceuticals	53,500	249.10	13,326,850	13,146,268	180,582
balance carried forward			358,710,344	317,310,156	41,400,188
				31.12.2016	
				Taka	
Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12-2016	Cost price as on 31-12-2016	Fair value adjustment
	balance brought forward		358,710,344	317,310,156	41,400,188
Beximco Pharmaceutical	150,000	80.80	12,120,000	12,214,219	(94,219)
Desco	220,000	46.30	10,186,000	11,633,114	(1,447,114)
Appollo Ispat	100,000	20.50	2,050,000	1,606,075	443,925
Jamuna Oil	110,000	181.60	19,976,000	19,606,628	369,372
BSRM Ltd.	194,000	127.60	24,754,400	30,179,636	(5,425,236)
Orion Pharma Limited	6,000,000	42.10	252,600,000	273,000,000	(20,400,000)
Linde Bangladesh Ltd.	16,000	1,296.00	20,736,000	22,672,269	(1,936,269)
Heidelberg Cement Ltd.	16,000	552.30	8,836,800	8,713,660	123,140
			709,969,544	696,935,757	13,033,787
Preference Shares					
Orion Infrastructure Ltd.	50,000,000	-	500,000,000	500,000,000	-
Orion Infrastructure Ltd.			392,076,712	392,076,712	-
			892,076,712	892,076,712.33	-
Unquoted Shares/ Bond					
CDBL Share	456,945	-	1,569,450	1,569,450	-
FSIBL Mudaraba Subordinate Bond	180	-	90,000,000	90,000,000	-
			91,569,450	91,569,450	-
Grand Total			1,693,615,707	1,680,581,919	13,033,787
				31.12.2016	31.12.2015
				Taka	Taka
6.6 Industry wise classification of shares at market price					
Quoted shares					
Banks				128,479,399	159,164,755
Mutual Funds				89,692,753	96,336,729
Others				478,763,605	433,247,590
				696,935,757	688,749,074
6.7 Cost of shares and securities under the head quoted and unquoted other than investment in subsidiaries				1,680,581,919	1,724,099,874
Fair value adjustment {Profit/(Loss)} to be made through profit and loss account				-	(21,704,638)
Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries				1,680,581,919	1,702,395,236
Investments in Shares and Securities' other than investments in subsidiaries under the category 'Financial Assets at fair value through profit or loss (FVTPL)' has been recognised at fair value and the unrealized profit or loss i.e. difference between fair value and cost has been charged to profit and loss account and value of the investment has been reduced by the same amount as per requirements of Bangladesh Accounting Standard (BAS)-39, Financial Instruments: Recognition and Measurement.					
7 Investments					
In Bangladesh					
General Investments etc. (Note-7.1)				167,001,331,180	123,630,222,992
Bills purchased and discounted-net (Note- 7.2)				2,659,746,787	2,301,419,620
Outside Bangladesh					
Bills purchased and discounted-net (Note- 7.2)				4,535,055,407	8,185,207,291
				174,196,133,374	134,116,849,903
7 (a) Consolidated Investment					
General Investments etc.				167,001,331,180	123,630,222,992
Less: Intercompany balance eliminated					
SIBL Securities Limited					
Quard Investment with SIBL- Principal branch				420,000,000	260,000,000
SIBL Investment Limited					
				-	-
Total consolidated general investment				166,581,331,180	123,370,222,992
Bills purchased and discounted-net				7,194,802,194	10,486,626,911
Grand total				173,776,133,374	133,856,849,903
Maturity wise Classification of Investments:					
With a residual maturity of					

	Re-payable on Demand	26,319,589,650	17,036,716,747
	Not more than 3 months	24,539,160,066	25,610,279,934
	Over 3 months but not more than 1 year	89,911,437,658	71,138,983,242
	Over 1 year but not more than 5 years	31,024,290,000	18,678,334,180
	Over 5 years	2,401,656,000	1,652,535,800
		174,196,133,375	134,116,849,902
		31.12.2016	31.12.2015
		Taka	Taka
7.1	Mode-Wise Investment (General)		
	a) In Bangladesh		
	Musharaka	394,014,125	493,698,920
	Murabaha	3,923,518,808	3,929,937,139
	Mudaraba	6,890,919,882	4,525,723,316
	Bai-Muazzal	103,157,036,645	77,429,002,878
	Hire-Purchase Sirkatul Meelk	39,236,072,051	28,685,850,999
	Installment Investment Scheme	-	94,841
	Quard	9,867,948,969	6,044,230,063
	Bai-Salam	499,755,394	340,927,788
	Staff Loan	2,222,858,996	1,758,314,744
	Ijarah	327,654,954	146,666,764
	Visa Card	481,551,356	275,775,541
		167,001,331,180	123,630,222,992
	Mode-Wise Investment (General)		
	b) Outside Bangladesh		
	Musharaka	-	-
	Murabaha	-	-
	Bai-Muazzal	-	-
	Hire-Purchase Sirkatul Meelk	-	-
	Installment Investment Scheme	-	-
	Quard	-	-
	Bai-Salam	-	-
	Others	-	-
		-	-
7.2	Bills Purchased and discounted		
	Inside Bangladesh		
	In land Bill Purchase	2,659,746,787	2,301,419,620
	Bills Purchased and discounted		
	Outside Bangladesh		
	Foreign Bill Purchased	81,641,978	104,750,392
	Murabaha Bill of Exchange	1,914,903,128	1,431,888,015
	Murabaha Wes Bills L/C	32,988,623	1,898,604,644
	Baim-Wes bills	2,505,521,678	4,749,964,240
		4,535,055,407	8,185,207,291
	Grand total of net Bills Purchased and Discounted	7,194,802,194	10,486,626,911
7.2.1	Bills Purchased and Discounted		
	Payable inside Bangladesh	2,659,746,787	2,301,419,620
	Payable outside Bangladesh	4,845,060,193	8,609,612,877
	Gross Bills Purchased and Discounted	7,504,806,979	10,911,032,497
	Less: Profit receivable on Bills Purchased and Discounted	310,004,785	424,405,586
	Net Bills Purchased and Discounted	7,194,802,194	10,486,626,911
	Maturity wise Classification of Bills Purchased and Discounted:		
	On demand	1,582,856,483	2,307,057,920
	Over 1 month but less than 3 months	3,453,505,053	5,033,580,917
	Over 3 months but less than 1 year	2,158,440,658	3,145,988,073
	1 year or more	-	-
		7,194,802,194	10,486,626,911
7.3	Investments on the basis of significant concentration	31.12.2016	2015
	Investments to allied concern of Directors	0.07%	0.10%
	Investments to Executives & Staffs	1.38%	1.47%
	Investments to Customer Groups	53.83%	49.66%
	Industrial Investment	44.72%	48.76%
	Others	0.00%	0.00%
		100.00%	100.00%
		174,196,133,375	134,116,849,903

Investments allowed to individual customer exceeding 15% of Bank's total capital:

Number of Client with amount of outstanding Investment to whom Investments sanctioned exceeds 15% of total capital of the bank is reported hereunder. Total capital of the Bank was Tk. 1,919.50 Crore as on 31.12.2016 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 287.93 crore (1,919.50 crore x 15%) till 31.12.2016. It is mentioned here that as per Bank Companies Act, 1991, single party exposure limit has been fixed at 15% for funded and 20% non-funded investment based on capital maintained for non export oriented clients whereas 15% funded and 35% non-fundend limit for 100% export oriented clients.

	31.12.2016 Taka	31.12.2015 Taka
Total outstanding amount to such customers at end of the year (Funded)	Nil	Nil
Number of such types of customers	Nil	Nil
Amount of Classified Investments thereon	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

Details information of Investment more than 10% of Bank's total capital

(Figure in Crore Taka)

Sl no.	Name of client	Outstanding as on 31 December 2016	Outstanding as on 31 December 2015
		Total (Funded and Non funded)	Total (Funded and Non funded)
1	M/s. Nuruzzaman Khan, NZ Fabrics Ltd. & NZ. Ltd.	358.83	203.47
2	Dong Bang Textile Limited	242.85	241.75
3	Mars Textile Limited	239.23	-
4	Cross Line Factory Ltd. & Cross Line Knit Fabrics	-	142.44
5	Dong Bang Dyeing Limited	293.65	277.17
6	Badsha Textile	282.71	125.16
7	Nitol Motors	-	117.24
8	Rabiul Islam, M/s Rhythm Trading, AR Center	287.15	209.31
9	Bashundhara Group	387.75	300.13
10	M/s. Western Dresses Ltd. MNC Apparels Ltd.	220.73	217.39
11	M/s. Agrani Traders & its sister concern M/s. OVI	337.27	-
12	M/s. Partex Denim Mills Ltd. & Partex Denim Limited.	-	199.54
13	Abul Khair Steal, Abul Khair Consumer, Shah Cement	194.39	-
14	M/S. Islam Brothers & Co, Anwara Mannan Textile Mills	240.89	-
15	Orion Group	296.50	-
16	Thermax Group	286.79	-
17	Base Textiles Ltd., Base Fashion Limited, Zayantex	285.72	-
18	Ibrahim Consortium Ltd. & Opal Trading House	239.01	-
19	Mahbub Brothers(Pvt.) Ltd.	184.73	-
20	1. Mascotex Ltd., 2. Masco Coottons & Industries	180.70	-

7.4 Customer group and industry wise classification of Investment

(Amount in Taka)

Sector	2016		2015	
	Amount	Composition	Amount	Composition
Commercial lending	38,199,348,556	21.93%	27,708,185,927	20.66%
Export Financing	7,441,142,312	4.27%	3,516,624,793	2.62%
House Building Investment	2,116,043,046	1.21%	948,563,905	0.71%
Consumer Investment Scheme	1,213,929,535	0.70%	514,686,476	0.38%
Small and Medium Enterprises	37,431,770,874	21.49%	27,193,887,455	20.28%
Micro Investment	98,594,753	0.06%	14,044,166	0.01%
Other Investments	372,384,336	0.21%	2,186,526,686	1.63%
Off-shore Banking Unit	6,890,919,882	3.96%	4,525,723,316	3.37%
Allied concern of Directors of SIBL	123,421,372	0.07%	133,602,553	0.10%
Executives & Staffs of SIBL	2,401,124,910	1.38%	1,976,804,627	1.47%
Agricultural Industries	2,936,124,363	1.69%	3,053,500,000	2.28%
Textile Industries	24,919,308,115	14.31%	20,840,623,176	15.54%
Food & Allied Industries	4,781,810,393	2.75%	2,324,406,566	1.73%
Pharmaceutical Industries	1,018,224,915	0.58%	617,533,527	0.46%
Leather, Chemical, Cosmetic etc.	992,810,153	0.57%	755,402,745	0.56%
Construction Industries	6,539,599,879	3.75%	4,380,308,097	3.27%
Cement and Ceramic Industries	2,177,310,897	1.25%	2,531,782,388	1.89%
Service Industries	6,725,117,979	3.86%	4,265,627,203	3.18%
Transport and Communication Industries	2,466,795,441	1.42%	2,036,271,404	1.52%
Other Industries	25,350,351,664	14.55%	24,592,744,894	18.34%
Total	174,196,133,375	100.00%	134,116,849,903	100.00%

7.5 Geographical Location-wise Classification of Investments

(Amount in Taka)

Sector	2016	2015
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	Amount	Composition	Amount	Composition
i) Within Bangladesh				
a) In Rural Areas	20,915,582,300	12.01%	15,189,005,149	11.33%
b) In Urban Areas	153,280,358,450	87.99%	118,927,844,754	88.67%
Sub-total (a+b)	174,195,940,750	100.00%	134,116,849,903	100.00%
ii) Outside Bangladesh	-	-	-	-
Total (i+ii)	174,195,940,750	100.00%	134,116,849,903	100.00%

7.6 Division-wise Investments

Division	(Amount in Taka)			
	As at 31 December 2016		As at 31 December 2015	
	Amount	Composition	Amount	Composition
Dhaka	131,962,858,270	75.76%	98,746,174,100	73.63%
Chittagong	25,620,387,616	14.71%	23,476,912,735	17.50%
Sylhet	918,373,983	0.53%	891,940,422	0.67%
Rajshahi	6,363,450,180	3.65%	4,891,145,996	3.65%
Khulna	6,642,465,602	3.81%	4,286,886,661	3.20%
Rangpur	1,948,774,929	1.12%	1,437,498,461	1.07%
Barisal	739,822,795	0.42%	386,291,528	0.29%
Total	174,196,133,375	100.00%	134,116,849,903	100.00%

7.7 Investments (Classification wise)

Unclassified

Standard

Special Mentioned Account

Classified

Substandard

Doubtful

Bad or Loss

Standard (short term agri / micro inv.)

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

Substandard (short term agri / micro inv.)

Doubtful (short term agri / micro inv.)

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

Staff Investment

162,372,638,187	125,789,167,319
272,640,642	1,040,979,789
313,868,973	640,782,370
1,354,330,130	92,800,278
6,016,169,119	4,415,162,975
170,329,647,051	131,978,892,732
1,408,886,277	160,285,580
2,647,358	35,166
555,027	-
9,146,870	-
44,125,881	831,798
1,465,361,413	161,152,544
2,401,124,910	1,976,804,627
174,196,133,375	134,116,849,903

7.8 Particulars of provision required for general investment

Unclassified (Excluding Off-balance sheet exposures)

Classified

Unclassified- Off-balance sheet exposures

2,096,095,437	1,390,018,709
1,764,697,631	1,673,417,498
598,513,466	430,968,163
4,459,306,534	3,494,404,370

7.8.1 Detail Particulars of Provision for Investment

	Rate	Base for Provision	Provision Required	
			31.12.2016	31.12.2015
			Taka	Taka
Unclassified				
Standard	1%	119,857,030,581	1,807,392,460	1,253,440,066
Staff Investment	0%	-	-	-
Consumer Finance (Other than HF and LP)	5%	1,206,707,131	60,335,357	25,330,504
Small and Medium Enterprise	0.25%	36,559,904,596	91,399,761	65,997,662
Housing Finance (HF)	2%	2,105,642,221	42,112,844	18,891,457
Loan for Professionals (LP)	2%	616,206	12,324	10,103
Share	2%	2,191,415,556	43,828,311	5,200,000
SMA Investment	5%	315,844,436	15,792,222	17,141,777
Unclassified Off Balance Sheet Items	1%	59,851,346,590	598,513,466	430,968,163
Classified				
Substandard	20%	19,371,987	3,874,397	69,010,308
Doubtful	50%	54,604,557	27,302,278	25,712,619
Bad or Loss	100%	1,733,520,955	1,733,520,955	1,578,694,571
			4,424,084,377	3,490,397,231
Provision Required (Short term Agricultural & Micro Credit)				
Unclassified				
Standard (short term agri /micro credit)	2.5%	1,408,886,277	35,222,157	4,007,139
Classified				
Substandard (short term agri /micro credit)	5%	-	-	-
Doubtful (short term agri /micro credit)	5%	-	-	-
Bad or Loss (Short term agri /micro credit)	100%	-	-	-
			35,222,157	4,007,139

Required provision for Investments (Grand Total)	4,459,306,534	3,494,404,370
Total provision maintained	4,459,306,534	3,494,404,370
Provision Surplus/(Shortfall)	-	-
Provision Made for funded exposures only: (Other than Short term Agricultural & Micro Credit)		
<u>Unclassified</u>		
Standard	2,643,594,524	1,799,837,955
SMA	15,792,222	17,141,777
	31.12.2016	31.12.2015
	Taka	Taka
<u>Classified</u>		
Substandard	3,874,397	69,010,308
Doubtful	27,302,278	25,712,619
Bad or Loss	1,733,520,955	1,578,694,571
	4,424,084,377	3,490,397,231
Provision Made: (Short term Agricultural & Micro Credit)		
Standard (short term agri credit)	35,222,157	4,007,139
Substandard (short term agri credit)	-	-
Doubtful (short term agri credit)	-	-
Bad or Loss (Short term agri credit)	-	-
	35,222,157	4,007,139
Grand Total	4,459,306,534	3,494,404,370

7.8.2 Particulars of provision for Off-Balance Sheet items

<u>Status</u>	<u>Rate</u>	<u>Basis for Provision</u>		
Off-Balance Sheet Items	1%	59,851,346,590	598,513,466	430,968,163
Required provision for Investments			598,513,466	430,968,163
Provision maintained {note # 13.1(c)}			598,513,466	430,968,163
Surplus Provision			-	-

7.9 Particulars of Investments:

(i)	Investment considered good in respect of which the banking company is fully secured	157,071,592,964	118,299,118,218
(ii)	Investment considered good for which the banking company holds no other security other than the debtor's personal security	11,350,287,133	10,318,442,848
(iii)	Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	5,774,253,278	5,499,288,836
(iv)	Investment considered bad or doubtful not provided for	-	-
	Total	174,196,133,375	134,116,849,903
(v)	Investment due by directors or officers of the banking company or any of them either severally or jointly with any other person	2,524,546,282	2,110,407,180
(vi)	Investment due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies as members.	123,421,372	134,789,553
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	12,958,061	13,291,825
(viii)	Maximum total amount of Investments including temporary Investment granted during the period to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members	Nil	Nil
(ix)	Investment due from other Banks	Nil	Nil
(x)	Classified Investment on which profit has not been charged	7,738,196,000	5,149,577,421
(xi)	Particulars of written off investments		
	a) Cumulative amount of written off Investments since inception to 31 December last year	4,131,373,382	2,940,386,182
	b) Amount of written off / waiver of Investment during the year	885,880,485	1,190,987,200
	Total amount of written off (a+b)	5,017,253,868	4,131,373,382
	c) Amount recovered against debts which are previously written off (cumulative balance)	333,575,397	273,993,000
	d) Amount of Investments written off against which cases have been filed for recovery	5,017,253,868	4,131,373,382
xii)	e) Amount of compensation suspense as at year end.	1,264,313,910	1,036,673,381

7.10 Large Investment Restructuring

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

- Investments of a particular borrower or group in a bank, singly or in clubbed together form, shall be eligible for restructuring. Borrower having exposure in multiple banks may also approach by forming a consortium.
- Minimum outstanding investment amount for restructuring shall be Taka-500.00 crore or above in aggregate.
- Restructuring facility will be provided to a particular investment only once.

Total outstanding amount of such restructured investment for the year 2016 amounts to Taka- 48.80 crore.

8 Fixed Assets including Premises, Furnitures and Fixtures (Including Intangible Assets)

A. Cost		
Land	12,330,000	12,330,000
Building	2,320,220,714	2,320,220,714
Furniture & Fixtures	776,701,478	629,266,434
Office Equipment	1,044,156,902	814,572,284
Software	139,559,446	112,685,685
Vehicles	100,991,337	94,031,299
Books	1,394,499	1,164,395
	4,395,354,376	3,984,270,810
	31.12.2016	31.12.2015
	Taka	Taka
B. Accumulated Depreciation		
Land	-	-
Building	252,941,996	199,897,128
Furniture & Fixtures	261,357,250	213,542,305
Office Equipment	524,392,171	421,655,297
Software	25,706,660	14,330,136
Vehicles	72,622,045	62,050,371
Books	813,253	759,491
	1,137,833,375	912,234,727
Carrying value	3,257,521,001	3,072,036,083

8.1 Intangible assets

Core banking solution 'ABABIL' is used in SIBL which was incorporated in the year 2010. The value of all the softwares under the head 'Intangible Assets' is Taka-139,559,446.10 and being amortized @ 10% following the same method of reducing balancing method as applied for fixed assets. Written down value of the software as on 31.12.2016 is Taka -113,852,785.89.

For details please refer to Annexure-A

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

Social Islami Bank Ltd.	3,257,521,001	3,072,036,083
Fixed assets of subsidiaries	10,805,668	10,471,743
SIBL Securities Ltd.	10,805,668	10,471,743
SIBL Investment Ltd.	-	-
Carrying value of Fixed assets of the Group	3,268,326,670	3,082,507,826

9 Others Assets

Stock of stationery, stamps and printing materials etc. (valued at cost)	28,343,402	16,951,714
Advance rent and advertisement	189,109,289	173,045,137
Security Deposit	2,998,351	2,979,571
Branch Adjustments (SIBG) (Note: 9.1)	1,977,063,521	355,465,788
Suspense Accounts (Note: 9.2)	293,646,443	243,428,671
Other Prepayments	64,209,171	256,280
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	53,881,354	12,245,968
Advance Income Tax	6,695,398,826	5,702,313,738
Receivable from SIBL Securities Limited	-	1,377,245
Receivable from SIBL Investment Limited	1,758,805	1,689,510
Protested Bills against Investment	313,407,280	357,148,000
Profit Receivable from Banks, NBFi and BD Govt.	242,508,711	273,429,060
Investment with Off-shore Banking Unit	1,936,578,574	3,899,276,819
Receivable from Off-shore Banking Unit	103,309,420	54,791,819
Others (Note: 9.3)	1,731,069,040	1,386,827,019
	13,633,282,186	12,481,226,340
Less: Balance with OBU for elimination		
Investment with Off-shore Banking Unit	1,936,578,574	3,827,285,842
Grand total after elimination of balance with OBU	11,696,703,612	8,653,940,498

9(a) Consolidated other Assets

Social Islami Bank Limited	11,696,703,612	8,653,940,498
Add: Other assets of subsidiary companies		
SIBL Securities Limited	1,834,348,245	1,547,377,654
Membership of Chittagong Stock Exchange	307,000,000	307,000,000
Membership of Dhaka Stock Exchange	720,650,000	720,650,000
Advance Income Tax	34,836,700	20,157,498
Advance Office Rent	735,826	268,279
Advance to interior decorator	-	1,700,000
Advance to IT Service provider	200,000	-
Advance for floor space at nikunjo, DSE Tower	850,000	850,000

Investment in stock dealer activities	54,980,369	28,523,108
Receivable from Regulators	31,991,934	2,174,023
Receivable from client	615,431,298	428,311,409
Receivable from others	67,467,118	37,538,337
Security Deposit to CDBL, DSE	200,000	200,000
Security Deposit to BTCL	5,000	5,000
Less: Inter Company transactions eliminated:	1,758,805	3,066,755
Receivable from SIBL Securities Limited	-	1,377,245
Receivable from SIBL Investment Limited	1,758,805	1,689,510
	13,529,293,052	10,198,251,397

9.1 The balance of Branch adjustment (SIBG) represents unresponded Inter branch and head office transactions at balance sheet date. The balance of Debit and Credit unrespondent entries as on 23 February 2017 were Taka-164,309,792.00 Details of which are as follows:

	Number of Unrespondent entries		Amount (in Tk) of Unrespondent entries	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Upto 3 months	147	20	160,138,973	30,000,129
Over 3 months but within 6 months	6	-	4,170,819	-
Over 6 months but within 9 months	-	1	-	16,000
Over 9 months	-	1	-	4,194,296
	153	22	164,309,792	34,210,425

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

	31.12.2016 Taka	31.12.2015 Taka
9.3 Others		
Wes fund purchased	1,089	1,089
Adjusting A/c debit balance (Note: 9.3.1)	227,248,410	125,013,088
Advance VAT paid	3,815,178	3,815,178
BEFTN adjustment A/c	33,323	64,195
Balance with Principal Branch (PF)	962,694,479	819,174,479
Balance with Principal Branch (SIBL Employees' Superannuation Fund)	90,138,442	74,188,442
Balance with Principal Branch (SIBL/ Gratuity Fund)	447,138,118	364,570,548
	1,731,069,040	1,386,827,019
9.3.1 Adjusting A/c debit balance	227,248,410	125,013,088

Adjusting account debit balance represents Income Receivable from Bangladesh Govt. Islamic Bond on Tk. 300.00 crore, MTDR's with Other Banks as on 31.12.2016 and profit from preference shares etc.

10 Placement from Banks & Other Financial Institutions
Bangladesh Govt. Islamic Bond.

	3,000,000,000	1,000,000,000
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The Bank has an outstanding balance of borrowing Tk. 300.00 crore as on 31.12.2016 taken from Bangladesh Govt. Islamic Bond Fund having different maturity dates. Profit rate of such borrowings is determined under Mudaraba Principle. Term Deposit Receipts allowed favouring different Banks and Financial Institutions for Tk 300.00 crore have been pledged as security to Bangladesh Bank against the borrowings.

Maturity Grouping of Borrowings

Up to 1 month	3,000,000,000	1,000,000,000
More than 1 month but less than 3 months	-	-
More than 3 months but less than 6 months	-	-
6 months and above	-	-
	3,000,000,000	1,000,000,000

11 Deposits and Other Accounts

Mudaraba Savings Deposits (MSD)	13,899,504,009	14,273,504,098
Mudaraba Term Deposits (MTDR)	111,657,941,041	88,616,744,207
Other Mudaraba Deposit	40,060,818,730	29,983,914,560
Mudaraba Short Notice Deposits (MSND)	12,968,519,770	6,337,768,745
Mudaraba Scheme Deposits (Note-11.1)	27,092,298,960	23,646,145,815
Al- Wadeeah Current Deposit and other accounts (AWCD) (Note- 11.2)	19,678,057,596	15,468,710,445
Bills payable (Note-11.3)	5,031,314,320	1,251,915,364
Cash Waqf Fund	236,879,638	178,828,552
	190,564,515,335	149,773,617,226

11.1 Mudaraba Scheme Deposits

Mudaraba Hajj Savings Deposit	48,597,151	40,811,767
Mudaraba Pension Savings Deposit	2,665,656,550	3,130,604,190
Mudaraba Education Deposit	39,387,149	39,995,965
Mudaraba Monthly Savings Deposit	88,652,462	119,500,713
Mudaraba Monthly Profit Deposit	2,527,024,777	2,053,902,196
Mudaraba Bashanstan Savings Deposit	632,305,189	565,048,531

Mudaraba Millionaire Savings Deposit	847,968,938	694,210,270
Mudaraba Lakhopoti Deposit Scheme	119,875,823	341,727,595
Mudaraba Double Benefit Deposit	2,761,006,839	2,536,313,806
Mudaraba Marriage Savings Deposit	156,601,557	149,339,900
Mudaraba Moharana Savings Deposit	31,705,198	27,939,635
Subarnalata Special Deposit (Women)	37,388,111	49,108,857
Subarnalata Rekha Special Deposit (Women)	1,181,162,198	1,005,473,880
Sabuj Chayanna Special Deposit	524,402,501	507,140,533
Sabuj Chaya Pension Deposit	106,223,946	200,173,820
Sanchita Special Deposit	235,338,350	153,683,608
Shonali Din Pension Deposit	7,129,018,123	4,798,004,240
	31.12.2016	31.12.2015
	Taka	Taka
Shukher Thikana Savings Deposit	8,895,713	6,893,993
Sachchandeey Protidin Monthly Profit Deposit	2,188,637,421	2,054,364,343
Shamriddhir Shopan Deposit	4,983,186,961	4,605,545,840
Shopner Shiri Deposit	155,814,764	156,201,494
Sharner Shikhar	622,266,062	409,440,645
Proshanti (Mudaraba Zakat savings scheme)	1,183,178	719,996
	27,092,298,960	23,646,145,815

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

11.2 Al-Wadeeah Current Deposit & other A/c

Al Wadeeah current deposit	8,956,153,751	7,287,961,620
Sundry deposit	4,658,259,805	2,800,452,441
Social fund deposit	23,575	23,575
Supervision charge	1,027,563	987,753
Risk fund deposit	1,906,409	474,084
FC deposit	3,278,028,193	2,783,520,490
Convertible Taka A/c	160,689,257	65,377,921
F. C. held against B.B. L/C	1,564,331,046	1,424,004,345
Profit payable A/c	1,037,092,160	1,065,862,476
Compensation Realized	20,545,837	40,045,738
	19,678,057,596	15,468,710,445

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

11.2(a) Consolidated balance of Al-Wadeeah Current Deposit & Other A/c

Social Islami Bank Limited	19,678,057,596	15,468,710,445
Less: Intercompany balance eliminated	271,182,028	261,736,335
SIBL Securities Limited	21,280,791	11,818,947
SIBL Investment Limited	249,901,237	249,917,387
Consolidated balance of Current deposit and other accounts	19,406,875,568	15,206,974,110

The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively. For consolidation purpose the balances have been eliminated.

11.3 Bills Payable

Payment Order (PO)	4,536,765,039	1,178,972,580
Demand Draft (DD)	2,577,202	3,498,391
B/P awaiting remittance	491,972,078	69,444,394
	5,031,314,320	1,251,915,364

11.4 Maturity wise classification of Deposits

Payable on demand	5,441,785,728	9,560,536,025
Up to 1 month	28,428,355,280	16,792,584,705
More than 1 month but up to 6 months	38,406,245,511	44,239,874,517
More than 6 months but up to 1 year	85,826,331,302	61,181,957,438
More than 1 year but up to 5 years	24,443,541,795	10,664,112,039
More than 5 years but up to 10 years	8,018,255,717	7,334,552,501
	190,564,515,334	149,773,617,225

11.5 Segregation of deposits & other accounts

i) Client Deposit

Al-Wadeeah Current deposit & other accounts	19,674,154,336	15,468,710,445
Bills Payable	5,031,314,320	1,251,915,364
Mudaraba Savings Deposits	13,416,060,717	9,898,009,163
Mudaraba Short Notice Deposits	8,137,488,855	6,326,967,726

Mudaraba Term Deposit	105,257,941,041	81,766,744,207
Mudaraba Scheme Deposits	27,092,298,960	23,646,145,815
Cash Waqf Fund	236,879,638	178,828,552
	178,846,137,869	138,537,321,272

ii) Bank Deposit

Mudaraba Term Deposit Receipt (MTDR)	6,400,000,000	6,850,000,000
Mudaraba Short Notice Deposit (MSND)	4,831,030,914	10,801,019
Al-Wadeeah Current deposit (AWCD)	3,903,260	-
Mudaraba Savings Deposit (MSD)	483,443,291	4,375,494,935
	11,718,377,466	11,236,295,954

Grand Total of deposits and other accounts

	190,564,515,334	149,773,617,225
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12

SIBL Mudaraba Subordinated Bond

	3,000,000,000	3,000,000,000
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SIBL issued Taka-300.00 crore sub-ordinated bond under the caption "SIBL Mudaraba Sub-ordinated Bond". The bond was mainly issued to support and strengthen the capital base of the bank under Tier-II, supplementary capital of Basel-3. Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/598 & BRPD (BFIS) 661/14 B(P)/2014-6027, Dated: 26 August 2014 & 16 September 2014 respectively gave consent to issue the said bond. The features of the bond is enumerated below:

Features of SIBL Mudaraba Sub-ordinated Bond

Name of the Instrument	SIBL Mudaraba Sub-Ordinated Bond			
Issuer	Social Islami Bank Limited (SIBL)			
Issue Manager	AAA Finance & Investment Limited			
Trustee	Shandhani Life Insurance Co. Ltd (SLICL)			
Issued on	March 31, 2015			
Purpose	To Consider as Supplementary Capital (Tier II)			
Amount of Issue	BDT. 3000,000,000 (Three Hundred Crore)			
Subscription Status	Fully Subscribed by 14 No. of Corporate Parties.			
Nature of the Debt Instrument	Mudaraba Sub-Ordinated Debt			
Tenure of Bond	6 (Six) Years			
Value Per Unit	BDT. 500,000 (Five Lac)			
Number of Issuing Unit	6,000 (Six Thousand) Units			
Market Lot	20 (Twenty) Units			
Minimum Application	BDT.10,000,000 (One Crore)			
Rate of Return/Profit Rate	120% of 1 (One) year of Mudaraba Term Deposit Profit Rate for the Preceding 180			
Calculation of Profit	Total Profit is calculated in two stages. First is the Basic Profit which is further enhanced to determine Total Profit considering the contribution from the Bank's "Profit before tax"			
Profit Payment Schedule	Semi Annually not later than 60 Days from Expiry of 6 (Six) Months and 12 (Twelve) Months of each year from Issuance			
Repayment Schedule / Redemption Policy	20% of the Total Bond Value to be Redeemed at the end of each year Starting from year 2 (Two) at Face Value. Repayment Schedule of the Mudaraba Sub-Ordinated Bond is as under:			
	Issue Size (BDT)	3,000,000,000		
		Repayment (BDT)	Balance (BDT)	
	Repayment	End of 2nd Year	600,000,000	2,400,000,000
		End of 3rd Year	600,000,000	1,800,000,000
End of 4th Year		600,000,000	1,200,000,000	
End of 5th Year		600,000,000	600,000,000	
	End of 6th Year	600,000,000	-	
Redeemable Option	Redeemable on Maturity of Face Value			
Late Redemption	2% more than existing rate			
Offering Style	Private Placement			
Principal Payment	Bullet Payment on Maturity			
Transferability	Easily Transferable			
Listing Status	Non-Listed			
Convertibility	Non-Convertible			
Prepayment, Call of Refunding	The option of Prepayment, Call of Refunding may be at Discretion of the Issuer			
Rating Agency	Emerging Credit Rating Limited (ECRL)			
Rating Status of the Issue	Entity Rating	: AA-		
	Issue Rating	: A+		

List of Investors

	31.12.2016	31.12.2015
	Taka	Taka
Al-Arafah Islami Bank Limited	500,000,000	500,000,000
Bank Asia Limited	200,000,000	200,000,000
Bank Asia Limited Employees' Gratuity Fund	70,000,000	70,000,000

	Islami Bank Bangladesh Limited	500,000,000	500,000,000
	Padma Islami Life Insurance Limited	50,000,000	50,000,000
	Prime Islami Life Insurance Limited	50,000,000	50,000,000
	Pubali Bank Limited	200,000,000	200,000,000
	Reliance Insurance Limited	50,000,000	50,000,000
	Rupali Bank Limited	500,000,000	500,000,000
	Shahjalal Islami Bank Limited	100,000,000	100,000,000
	Sonali Bank Limited	500,000,000	500,000,000
	Fund	50,000,000	50,000,000
	United Finance Limited	130,000,000	130,000,000
	Uttara Bank Limited	100,000,000	100,000,000
		3,000,000,000	3,000,000,000
		31.12.2016	31.12.2015
		Taka	Taka
13	Other Liabilities		
	Adjusting A/C (Cr.) Balance	9,562,781	11,095,197
	Other Payable	3,275,077	2,496,220
	SIBL Employees' PF	962,694,479	819,174,479
	SIBL Employees' Gratuity fund (note: 13.1)	553,123,795	467,946,041
	SIBL Employees' Superannuation Fund	90,138,442	74,188,442
	BEFTN Adjustment Account	30,504,326	13,707,722
	ATM Settlement for Q-Cash	246,022,822	25,778,386
	Provision for Investments (note: 13.2)	4,459,306,534	3,494,404,370
	Provision for other Assets (note: 13.3)	370,077,572	405,818,292
	Compensation and Rent Suspense (note: 13.4)	1,264,313,910	1,036,673,381
	Provision for Taxation (note: 13.5)	8,837,269,513	6,949,604,945
	Zakat Fund (note: 13.6)	89,792,573	71,840,046
	Mudaraba Profit Distribution (note: 13.7)	-	7,000,000
	Provision for good borrower (note: 13.8)	15,000,000	-
		16,931,081,825	13,379,727,523
13(a)	Consolidated Other Liabilities		
	Social Islami Bank Limited	16,931,081,825	13,379,727,523
	Add: Other Liabilities of subsidiaries		
	SIBL Securities Limited	795,758,933	412,254,576
	Payable to SIBL-Term loan	420,000,000	260,000,000
	Payable to regulators	7,440,840	23,216,037
	Payable to clients	171,228,792	54,579,276
	Other provisions	154,764,376	46,508,604
	Provision for Income Tax	42,324,926	27,950,660
	SIBL Investment Limited	23,000	17,250
	Accrued Expenses	23,000	17,250
	Provision for Income Tax	-	-
		17,726,863,759	13,791,999,349
	Less: Intercompany balance eliminated		
	SIBL Securities Limited		
	Payable to SIBL-Term loan	420,000,000	260,000,000
		17,306,863,759	13,531,999,349
13.1	SIBL Employees' Gratuity fund (balance with principal branch) (note:9.3)	447,138,118	364,570,548
	Opening balance (current year balance of gratuity provision account at year end)	103,375,493	82,714,607
	Current year required expenditure for gratuity fund	105,236,824	103,167,570
	Add: Profit charged and other transfers made during the year	-	-
		208,612,317	185,882,178
	Less: Paid during the year to the employees	(20,059,070)	(10,823,049)
	Add: Transferred from gratuity fund account to provision, during the year	20,600,000	10,800,000
	Less: Transferred to gratuity fund during the year	(103,167,570)	(82,483,635)
	Current year balance of gratuity provision account at year end	105,985,677	103,375,493
	Grand total of gratuity fund balance	553,123,795	467,946,041
13.2	Provision for Investment		
	(a) Specific Provision on Investment		
	Provision held at the beginning of the year	1,673,417,498	1,578,585,257
	Fully provided Investment written off	(726,310,626)	(1,059,907,213)
	Transferred from doubtful income/compensation realized/recovery	164,582,397	162,358,258
	Transferred from provision for protested bills	43,740,720	-
	Provision made during this year	609,267,642	992,381,197
	Provision held at the end of the year	1,764,697,631	1,673,417,498

(b) General Provision on Investment

Provision held at the beginning of the year	1,390,018,709	1,141,100,364
Addition during the year	706,076,728	248,918,344
Balance at the end of the year	2,096,095,437	1,390,018,709
Total Provision on Investments	3,860,793,068	3,063,436,207

(c) General Provision on Off-Balance Sheet items

Provision held at the beginning of the year	430,968,163	321,618,591
Addition during the year	167,545,303	109,349,572
Balance at the end of the year	598,513,466	430,968,163
Total Provision for Investments & Off-Balance Sheet items (a+b+c)	4,459,306,534	3,494,404,370

Total provision includes Taka-33.00 crore provided as additional provision as instructed by Bangladesh Bank vide its letter: DBI-4/42(2)/2016-645, dated: 03.04.2016.

	31.12.2016	31.12.2015
	Taka	Taka
13.3 Provision for other Assets		
Provision held at the beginning of the year	405,818,292	386,655,792
Provision written back during the year (due to recovery)	(43,740,720)	-
Adjustment regarding payment	-	(837,500)
Addition during the year	8,000,000	20,000,000
Balance at the end of the year	370,077,572	405,818,292
13.3.1 Provision for protested bills		
Provision held at the beginning of the year	357,148,000	357,148,000
Provision written back during the year (due to recovery)	(43,740,720)	-
Waiver/written off during the year	-	-
	313,407,280	357,148,000
13.3.2 Provision for suspense account		
Provision held at the beginning of the year	48,670,292	29,507,792
Adjustment during the year	-	(837,500)
Addition during the year	8,000,000	20,000,000
	56,670,292	48,670,292
13.4 Compensation & Rent Suspense A/C		
Compensation Receivable A/C		
Murabaha (General)	46,875,697	32,728,215
Murabaha (Post Import)	928,493	2,080,254
Musharaka (Preshipment)	1,366,611	1,879,201
Bai-Muazzal	227,521,689	139,730,058
Bai-Muazzal Trust Receipt	91,144,406	54,839,158
Baim Wes bills	27,123,422	17,879,171
Bai-Muazzal (ME)	73,340,965	29,439,365
	468,301,283	278,575,422
Compensation Suspense A/C		
Murabaha (General)	15,362,509	16,229,379
Murabaha (Post Import)	19,489,872	20,346,395
Bai-Muazzal	154,349,041	154,424,462
Bai-Muazzal- House hold	14,611	14,611
Bai-Muazzal Trust Receipt	57,091,298	43,840,257
Musharaka (Preshipment)	-	7,442,971
Others	33,361,526	22,493,678
	279,668,858	264,791,755
Rent Suspense A/C	516,343,768	493,306,204
Total Compensation & Rent Suspense	1,264,313,910	1,036,673,381
13.4.1 Movement of Compensation and Rent Suspense A/C		
Balance at the beginning of the year	1,036,673,381	751,102,267
Add: Amount transferred to suspense account during the year	443,503,229	427,412,349
Less: Amount recovered from suspense account during the year	(60,424,696)	(10,761,248)
Less: Amount written off/waived during the year	(155,438,004)	(131,079,987)
Balance at the end of the year	1,264,313,910	1,036,673,381
13.5 Provision for Taxation		
Provision for Current tax		
Balance at the beginning of the year	6,949,604,945	5,546,544,564
Add: Provision made during the year (Note:13.5.1)	1,887,664,569	1,403,060,382
	8,837,269,513	6,949,604,945
Advance tax		
Balance at the beginning of the year	5,702,313,738	4,539,901,595
Paid during the year	993,085,088	1,162,412,143
	6,695,398,826	5,702,313,738

	Balance at the end of the year	2,141,870,688	1,247,291,208
13.5.1	Provision made during the year		
	Operating Profit before provision & tax	5,698,083,884	4,849,821,004
	Add: amount to be deducted for separate consideration	370,391,220	319,210,089
	Less: amount to be deducted for separate consideration	1,488,767,625	1,826,158,832
	Total Taxable Income	4,579,707,479	3,342,872,262
	Total Tax liability for current year		
	Business Tax @ 40.00%	1,831,882,992	1,337,148,905
	Dividend Tax @ 20%	52,798,431	59,374,821
	Tax on gain on shares & securities @ 10%	2,983,146	6,536,656
	Provision required	1,887,664,569	1,403,060,382
	Provision made	1,887,664,569	1,403,060,382
		31.12.2016	31.12.2015
		Taka	Taka
13.6	Zakat fund		
	Opening Balance	71,840,046	63,582,948
	Addition this year	89,792,573	71,840,046
	Less: Paid during the year	(84,897,438)	(43,883,925)
	Less: Transferred to Sadaka fund (Balance of Zakat Fund)	13,057,392	(19,699,023)
	Closing Balance at the end of the year	89,792,573	71,840,046
13.7	Mudaraba Profit Distribution		
	Opening Balance	7,000,000	10,000,000
	Addition the year	-	7,000,000
	Less: Paid during the year	(7,000,000)	(10,000,000)
	Closing Balance at the end of the year	-	7,000,000
13.8	Provision for good borrower		
	Opening balance	-	-
	Addition during the year	15,000,000	-
	Paid during the year	-	-
		15,000,000	-
	Provision for good borrower has been maintained to pay the good borrowers as defined and instructed by the BRPD Circular letters 06, 16 and 03 dated respectively 19.03.2015, 30.12.2015 and 16.02.2016.		
14	Deferred Tax Liability/(Asset)		
	Balance at the beginning of the year	8,442,137	4,924,028
	Add: Provision made during the year	12,342,649	3,518,109
	Closing balance at the end of the year	20,784,787	8,442,137
14 (a)	Consolidated Deferred Tax Liability/(Asset)		
	Social Islami Bank Limited	20,784,787	8,442,137
	SIBL Securities Limited		
	Balance at the beginning of the year	1,206,103	1,071,351
	Add: Provision made during the year	(215,525)	134,752
	Closing balance at the end of the year	990,578	1,206,103
	Grand total	21,775,365	9,648,241
15	Capital		
15.1	Authorized Capital		
	1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000
15.2	Issued, Subscribed and Paid up Capital		
	The Paid-up Capital of the Bank is currently Tk. 7,382,986,420 divided into 738,298,642 Ordinary Shares of Tk 10 each	7,382,986,420	7,031,415,640
	Break up of paid up capital is as follows		
	26,000,000 no. Ordinary shares of Tk.10 issued for cash	260,000,000	260,000,000
	477,322,945 no. Ordinary shares of Tk. 10 each for cash as right share	4,773,229,450	4,773,229,450
	234,975,697 no.ordinary shares of Tk 10 each issued as bonus shares	2,349,756,970	1,998,186,190
		7,382,986,420	7,031,415,640
	Sponsor Shareholders Group	2,492,774,260	2,393,668,130

General Shareholders Group	4,890,212,160	4,637,747,510
	7,382,986,420	7,031,415,640

31.12.2016

15.3 Classification of Shareholders by holding

Half Year 2016

	No. of Shareholders	No. of shares	Percentage of holding of shares
Less than 500 shares	19,638	2,985,334	0.40%
501 to 5,000 shares	23,684	39,974,893	5.41%
5,001 to 10,000 shares	2,314	16,232,133	2.20%
10,001 to 20,000 shares	1,149	15,516,283	2.10%
20,001 to 50,000 shares	613	18,339,859	2.48%
50,001 to 99,999 shares	491	645,250,140	87.40%
Total	47,889	738,298,642	100.00%

31.12.2015

Year 2015

Shareholding range

	No. of Shareholders	No. of shares	Percentage of holding of shares
Less than 500 shares	23,309	3,637,503	0.52%
501 to 5,000 shares	28,591	47,690,773	6.78%
5,001 to 10,000 shares	2,700	18,967,641	2.70%
10,001 to 20,000 shares	1,351	18,265,000	2.60%
20,001 to 50,000 shares	693	20,968,785	2.98%
50,001 to 99,999 shares	502	593,611,862	84.42%
Total	57,146	703,141,564	100.00%

15.4 Particulars of shareholding and Percentage Analysis

Particulars of shareholding:

	Year 2016		31.12.2016	31.12.2015
	Number of Share holders	Number of Shares	Taka	Taka
Sponsors & Placement	30	170,947,006	1,709,470,060	1,750,902,020
Sponsors Foreign	6	923,807	9,238,070	8,798,190
Sponsors & Placement Company	6	77,406,613	774,066,130	633,967,920
General Public	46,738	239,134,930	2,391,349,300	3,089,301,060
Institutions (Bank & Insurance)	54	15,233,315	152,333,150	186,799,110
Institution (Others)	994	225,316,977	2,253,169,770	1,129,469,610
ICB Account Holders	37	493,799	4,937,990	6,050,800
ICB	1	2,112,295	21,122,950	135,068,520
ICB Unit Fund	2	2,403	24,030	27,350,250
ICB Mutual Fund	1	214,294	2,142,940	1,240,140
Employee	3	2,901,970	29,019,700	28,033,050
Non-Resident Bangladeshi	17	3,611,233	36,112,330	34,434,970
	47,889	738,298,642	7,382,986,420	7,031,415,640

Percentage of shareholding Analysis:

	31.12.2016	31.12.2015
	Percentage	Percentage
Sponsors & Placement	23.15%	24.90%
Sponsors Foreign	0.13%	0.13%
Sponsors & Placement Company	10.48%	9.02%
General Public	32.39%	43.94%
Institutions (Bank & Insurance)	2.06%	2.66%
Institution (Others)	30.52%	16.06%
ICB Account Holders	0.07%	0.09%
ICB	0.29%	1.92%
ICB Unit Fund	0.00%	0.39%
ICB Mutual Fund	0.03%	0.02%
Employee	0.39%	0.40%
Non-Resident Bangladeshi	0.49%	0.49%
	100%	100%

15.5 Capital Adequacy (Solo Basis)

Position of capital adequacy are given below:-

a) Going Concern Capital (Tier -I)

Common Equity Tier I (CET-1) Capital

i) Paid-up Capital	7,382,986,420	7,031,415,640
ii) Statutory Reserve (Note: 16)	4,318,771,137	3,480,332,295
iii) Retained Earnings (Note: 17)	1,481,974,061	1,409,028,351
	13,183,731,618	11,920,776,286

Additional Tier I (AT-1) Capital

	-	-
	13,183,731,618	11,920,776,286

b) Going Concern Capital (Tier-II)

i) General Provision {Note 13.2(b+c)}	2,694,608,903	1,573,036,125
ii) Assets Revaluation Reserve (eligible)	316,703,918	422,271,891
(As per Basel-III Guideline of Bangladesh Bank 40% Revaluation Reserve is Adjusted in 2016)		
iii) SIBLMudaraba Subordinated Bond	3,000,000,000	3,000,000,000
	6,011,312,821	4,995,308,016
c) Total eligible capital (a + b)	19,195,044,439	16,916,084,302
d) Total Risk Weighted Assets	166,172,670,000	137,155,240,000
e) Minimum Required Capital (10% of Risk Weighted Assets)	16,617,267,000	13,715,524,000
f) Minimum Required Capital (10.625% of Risk Weighted Assets) including conservation buffer	17,655,846,188	13,715,524,000
g) Total Capital Surplus (c-e)	2,577,777,439	3,200,560,302
h) Total Capital Surplus considering conservation buffer(c-f)	1,539,198,251	3,200,560,302
	31.12.2016	31.12.2015
	Taka	Taka

Capital Adequacy (Consolidated basis)

Position of capital adequacy are given below:-

a) Going Concern Capital (Tier-I)**Common Equity Tier I (CET-1) Capital**

i) Paid-up Capital	7,382,986,420	7,031,415,640
ii) Statutory Reserve (Note: 16)	4,318,771,137	3,480,332,295
iii) General Reserve	6,154,312	4,275,913
iv) Retained Earnings {Note: 18(a)}	1,481,351,830	1,409,545,341
	13,189,263,700	11,925,569,189
Additional Tier I (AT-1) Capital	-	-
	13,189,263,700	11,925,569,189

b) Going Concern Capital (Tier-II)

i) General Provision {Note 13.1(b+c)}	2,694,608,903	1,573,147,313
ii) Assets Revaluation Reserve (eligible)	316,703,918	422,271,891
(As per Basel-III Guideline of Bangladesh Bank 40% Revaluation Reserve is Adjusted in 2016)		
iii) SIBLMudaraba Subordinated Bond	3,000,000,000	3,000,000,000
	6,011,312,821	4,995,419,203
c) Total eligible capital (a + b)	19,200,576,520	16,920,988,392
d) Total Risk Weighted Assets	165,928,850,000	137,389,285,000
e) Minimum Required Capital (10% of Risk Weighted Assets)	16,592,885,000	13,738,928,500
f) Minimum Required Capital (10.625% of Risk Weighted Assets) including conservation buffer	17,629,940,313	13,738,928,500
g) Total Capital Surplus (c-e)	2,607,691,520	3,182,059,892
h) Total Capital Surplus considering conservation buffer(c-f)	1,570,636,208	3,182,059,892

Capital to Risk Weighted Asset Ratio (Solo basis)

Particulars	31.12.2016		31.12.2015	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	5.50%	7.93%	5.50%	8.69%
Common Equity Tier I Capital: (CET-1)	4.50%	7.93%	4.50%	8.69%
CET-1 Plus Conservation Buffer	5.125%	7.93%	4.50%	8.69%
Going Concern Capital: (Tier-II)	0.000%	3.62%	0.00%	3.64%
Minimum CRAR	10.00%	11.55%	10.00%	12.33%
Minimum CRAR including Conservation Buffer	10.625%	11.55%	10.00%	12.33%

Capital Adequacy Ratio (Consolidated basis)

Particulars	31.12.2016		31.12.2015	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	5.50%	7.95%	5.50%	8.68%
Common Equity Tier I Capital: (CET-1)	4.50%	7.95%	4.50%	8.68%
CET-1 Plus Conservation Buffer	5.125%	7.95%	4.50%	8.68%
Going Concern Capital: (Tier-II)	0.000%	3.62%	0.00%	3.64%
Minimum CRAR	10.00%	11.57%	10.00%	12.32%
Minimum CRAR including Conservation Buffer	10.625%	11.57%	10.00%	12.32%

15.6

Breakdown of gross Risk-Weighted Assets (RWA) in the various categories of risk-weights**Solo Basis****a) Risk Weights for Credit Risk**

(Amount in Taka)

Risk Weights	31.12.2016	31.12.2015
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(Both B/S & Off-B/S)	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	33,792,300,000	-	20,721,300,000	-
20%	20,740,900,000	4,148,180,000	23,547,700,000	4,709,540,000
40%	1,079,000,000	431,600,000	795,200,000	318,080,000
50%	40,594,200,000	20,297,100,000	36,693,400,000	18,346,700,000
60%	11,450,400,000	6,870,240,000	4,312,300,000	2,587,380,000
75%	27,844,000,000	20,883,000,000	20,181,000,000	15,135,750,000
80%	9,327,000,000	7,461,600,000	4,986,300,000	3,989,040,000
100%	66,498,100,000	66,498,100,000	61,849,000,000	61,849,000,000
120%	-	-	-	-
125%	16,675,400,000	18,448,050,000	13,903,900,000	16,759,100,000
150%	4,307,500,000	6,461,250,000	1,432,200,000	2,148,300,000
Total	232,308,800,000	151,499,120,000	188,422,300,000	125,842,890,000

b) Risk Weights for Operational Risk	1,114,755,000	11,147,550,000	942,195,000	9,421,950,000
c) Risk Weights for Market Risk	352,600,000	3,526,000,000	189,040,000	1,890,400,000
Total Risk Weighted Assets		166,172,670,000		137,155,240,000

Consolidate basis

a) Risk Weights for Credit Risk (Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2016		31.12.2015	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	33,827,900,000	-	20,721,900,000	-
20%	20,907,800,000	4,181,560,000	23,628,800,000	4,725,760,000
40%	1,079,000,000	431,600,000	795,200,000	318,080,000
50%	40,594,200,000	20,297,100,000	36,693,400,000	18,346,700,000
60%	11,450,400,000	6,870,240,000	4,312,300,000	2,587,380,000
75%	27,844,000,000	20,883,000,000	20,181,000,000	15,135,750,000
80%	9,327,000,000	7,461,600,000	4,986,300,000	3,989,040,000
100%	66,564,100,000	66,564,100,000	61,871,800,000	61,871,800,000
120%	-	-	-	-
125%	16,217,600,000	17,875,800,000	13,879,800,000	16,728,975,000
150%	4,307,500,000	6,461,250,000	1,432,200,000	2,148,300,000
Total	232,119,500,000	151,026,250,000	188,502,700,000	125,851,785,000

b) Risk Weights for Operational Risk	1,137,660,000	11,376,600,000	964,710,000	9,647,100,000
c) Risk Weights for Market Risk	352,600,000	3,526,000,000	189,040,000	1,890,400,000
Total Risk Weighted Assets		165,928,850,000		137,389,285,000

31.12.2016

A) Credit Risk (Amounts in crore Taka)

1. Balance Sheet Exposure

Sl.	Exposure Type	BB's Rating	Risk Weight	Solo		Consolidated	
				Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6 = (4x5)	7	8 = (4x7)
a)	Cash and Cash Equivalents		0%	181.56	-	181.64	-
b)	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank (denominated in domestic and foreign currency)		0%	2,528.13	-	2,528.13	-
c)	Claims on other Sovereigns & Central Banks		0%	-	-	-	-
d)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0%	-	-	-	-
e)	Claims on Multilateral Development Banks (MDBs):						

	i) IBRD , IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0%		-		-
	ii) Other MDBs	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
f)	Claims on Public Sector Entities (excluding equity exposure) in Bangladesh	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
g)	Claims on Banks and NBFIs:						
	i) Original maturity over 3 months	1	20%	317.04	63.41	317.04	63.41
		2,3	50%	214.78	107.39	214.78	107.39
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	100%	19.67	19.67	19.67	19.67
	ii) Original maturity less than 3 months		20%	718.16	143.63	734.85	146.97
h)	Claims on Corporate (excluding equity exposure)	1	20%	655.05	131.01	655.05	131.01
		2	50%	2,653.79	1,326.90	2,653.79	1,326.90
		3,4	100%	4,245.38	4,245.38	4,245.38	4,245.38
		5,6	150%	-	-	-	-
		Unrated	125%	475.00	593.75	475.00	593.75
h.1		SME-1	20%	-	-	-	-
		SME-2	40%	49.75	19.90	49.75	19.90
		SME-3	60%	1,076.12	645.67	1,076.12	645.67
		SME-4	80%	898.74	718.99	898.74	718.99
		SME-5	120%	-	-	-	-
		SME-6	150%	-	-	-	-
		Unrated (small enterprise & <BDT 3.00 m)	75%	1,676.30	1,257.23	1,676.30	1,257.23
		Unrated (small enterprise having ≥BDT 3.00 m & Medium enterprise)	100%	564.95	564.95	564.95	564.95
i)	Claims under investment risk mitigation						
	a) Corporate	Corporate	-	548.99	454.00	548.99	454.00
	b) Retail & Small	Retail and Small		34.89	36.23	34.89	36.23
j)	Claims categorized as retail portfolio		75%	364.98	273.74	364.98	273.74
k)	Consumer Loan		100%	78.15	78.15	78.15	78.15
l)	Claims fully secured by residential property		50%	526.29	263.15	526.29	263.15
m)	Claims fully secured by commercial real estate		100%	370.40	370.40	370.40	370.40
n)	1. Past Due Claims						
	- Where specific provisions are less than 20 per cent of the outstanding amount of the past due claim ;		150%	430.75	646.13	430.75	646.13
	- Where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.		100%	36.67	36.67	36.67	36.67

	- Where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.		50%	23.45	11.73	23.45	11.73
	2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired specific provision held there-against is less than 20% of outstanding amount		100%	57.27	57.27	57.27	57.27
	3. Loans and claims fully secured against residential property that are past due by 60 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount		75%	49.12	36.84	49.12	36.84
o)	Capital Market Exposure		125%	50.00	62.50	152.22	190.28
p)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book		125%	246.36	307.95	98.36	122.95
q)	Investments in venture capital		150%	-	-	-	-
r)	Investments in premises, plant and equipment and all other fixed assets		100%	325.84	325.84	326.92	326.92
s)	Claims on all fixed assets under operating lease		100%	-	-	-	-
t)	All other assets						
	i) Claims on GOB & BB		0%	669.54	-	673.02	-
	ii) Staff loan/Investment		20%	240.11	48.02	240.11	48.02
	iii) Cash items in process for collection		20%	-	-	-	-
	iv) claims on Off-shore Banking Units (OBU)		100%	193.52	193.52	193.52	193.52
	iv) Other assets (net off specific provisions)		100%	0.38	0.38	5.90	5.90
Total				20,521.13	13,040.40	20,502.23	12,993.11

2. Off-Balance Sheet Exposure

31.12.2016

(Amounts in crore Taka)

Sl.	Exposure Type	BB's Rating	Risk Weight	Solo		Consolidated	
				Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6 = (4×5)	7	8 = (4×7)
a)	Claims on Bangladesh Government and Bangladesh Bank		0%				
b)	Claims on other Sovereigns & Central Banks		0%				

c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0%					
d)	Claims on Multilateral Development Banks (MDBs):							
	i) IBRD , IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0%					
	ii) Other MDBs	1	20%					
		2,3	50%					
		4,5	100%					
		6	150%					
		Unrated	50%					
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	20%					
		2,3	50%					
		4,5	100%					
		6	150%					
		Unrated	50%					
f)	Claims on Banks and Fis:							
	i) Maturity over 3 months	1	20%	-	-	-	-	
			2,3	50%	-	-	-	-
			4,5	100%	-	-	-	-
		6	150%	-	-	-	-	
		Unrated	100%	-	-	-	-	
	ii) Maturity less than 3 months		20%	-	-	-	-	
g)	Claims on Corporate (excluding equity exposure)	1	20%	140.94	28.19	140.94	28.19	
		2	50%	641.11	320.56	641.11	320.56	
		3,4	100%	375.88	375.88	375.88	375.88	
		5,6	150%	-	-	-	-	
		Unrated	125%	312.30	390.38	312.30	390.38	
h)	Against retail portfolio & Small Enterprise (excluding consumer loan)		75%	360.88	270.66	360.88	270.66	
h.1		SME-1	20%	2.79	0.56	2.79	0.56	
		SME-2	40%	58.15	23.26	58.15	23.26	
		SME-3	60%	68.92	41.35	68.92	41.35	
		SME-4	80%	33.96	27.17	33.96	27.17	
		SME-5	120%	-	-	-	-	
		SME-6	150%	-	-	-	-	
		Unrated (small enterprise & <BDT 3.00 m)	75%	333.12	249.84	333.12	249.84	
	Unrated (small enterprise having ≥BDT 3.00 m & Medium enterprise)	100%	381.70	381.70	381.70	381.70		
i)	Consumer Loan		100%	-	-	-	-	
j)	Claims fully secured by residential property		50%	-	-	-	-	

k)	Claims fully secured by commercial real estate		100%	-	-	-	-
l)	Investment in venture capital		150%	-	-	-	-
m)	All other assets		100%	-	-	-	-
				2,709.74	2,109.53	2,709.74	2,109.53

				31.12.2016 (amounts in crore Taka)			
				Solo		Consolidated	
Sl no.	Details	Capital Charge for General Market Risk	Total Capital Charge for Specific Market Risk	Total Capital Charge for General & Specific Market Risk	Total Capital Charge for General & Specific Market Risk	Total Capital Charge for General & Specific Market Risk	Total Capital Charge for General & Specific Market Risk
A.	Interest Rate Related instruments	-	-	-	-	-	-
B.	Equities	7.10	7.10	14.20	14.20	14.20	14.20
C.	Foreign Exchange Position	-	21.06	21.06	21.06	21.06	21.06
	Total (A+B+C):	7.10	28.16	35.26	35.26	35.26	35.26

				31.12.2016 (amounts in crore Taka)			
				Solo		Consolidated	
Year	Average Gross Income	Capital Charge (15% of Average Gross Income)	Average Gross Income	Capital Charge (15% of Average Gross Income)	Average Gross Income	Capital Charge (15% of Average Gross Income)	Capital Charge (15% of Average Gross Income)
2015							
2014	743.17	111.48	758.44	113.77			
2013							

		31.12.2016 Taka	31.12.2015 Taka
16	Statutory Reserve		
	Opening balance	3,480,332,295	2,784,497,917
	Add: Addition during the year	838,438,842	695,834,378
		4,318,771,137	3,480,332,295
16(a)	General Reserve		
	Opening balance	4,275,913	2,790,194
	Add: Addition during the year	1,878,399	1,485,719
		6,154,312	4,275,913

The Board of SIBL Securities Ltd. has decided to create a general reserve @1% on total receivable from clients at the end of each year and add or adjustment with general reserve will depend on size of unrealized loss against outstanding margin loan and realization for the respective year. During the year, the adjustment made for creating provisions separately for impairment of margin loan and diminution in value of investment in shares.

17	Revaluation Reserve on fixed assets		
	Revalued amount of fixed assets	1,549,038,275	1,588,438,486
	Book Value of fixed assets	519,492,581	532,758,759
	Balance of revaluation reserve	1,029,545,694	1,055,679,727
	Less: Adjustment made based on difference amount of depreciation	25,480,685	26,134,034
	Remaining balance of revaluation reserve	1,004,065,009	1,029,545,693

Property class under the head 'Land and Building' have been revalued in the year 2011, in accordance with the applicable rules and regulations as per BAS-16, 'Property, Plant and Equipment' and as per Bangladesh Bank BCD circular letter no: 12 & 18, dated: 20 April 1993 & 15 June 1993 and BRPD circular no: 10, dated: 25 November 2002. The valuation firms have used the fair value model to revalue the class of property. The valuation was not reviewed in the year 2015.

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	Book Value	Revaluation Surplus	Depreciation on book value	Depreciation on revalued amount	(amounts in Taka)
						Amount of adjustment
City Center, Head Office	Building	354,413,567	846,406,902	8,860,339	30,020,512	21,160,173
Chandaikona Branch	Land	2,111,623	10,218,377		-	-
	Building	1,043,925	1,165,978	26,098	55,248	29,150
Savar Branch	Building	28,455,454	25,793,701	711,386	1,353,729	642,343
Panthapath Branch	Building	23,675,711	47,810,567	591,893	1,787,157	1,195,264
Rampura Branch	Building	35,240,607	33,532,281	881,015	1,719,322	838,307
Khulna Branch	Building	16,603,179	13,082,012	415,079	742,130	327,051
Nawabpur Road Branch	Building	57,948,514	51,535,877	1,448,713	2,737,110	1,288,397
		519,492,581	1,029,545,693	12,934,523	38,415,208	25,480,685

		31.12.2016	31.12.2015
		Taka	Taka
18	Retained Earnings		
	Opening balance	1,409,028,351	1,271,790,110
	Less: Issue of cash dividend 15%	(1,054,712,346)	(1,265,654,815)
	Less: Issue of Stock dividend 5%	(351,570,780)	-
	Add: Transferred from Profit & Loss Account	1,453,748,151	1,376,759,022
	Add: Transferred from Revaluation Reserve for Fixed Assets	25,480,685	26,134,034
		1,481,974,061	1,409,028,351
18(a)	Consolidated retained earnings		
	Opening Balance	1,409,545,341	1,298,601,774
	Less: Issue of cash dividend for SIBL shareholders	(1,054,712,346)	(1,265,654,815)
	Less: Issue of Stock dividend 5%	(351,570,780)	-
	Add: Transferred from current year retained earnings of SIBL & its subsidiaries {note 18.1(a)}	1,452,608,995	1,350,464,398
	Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL	25,480,685	26,134,034
		1,481,351,895	1,409,545,391
	Less: Dividend paid to other shareholders		
	SIBL Securities Limited	65	50
		1,481,351,830	1,409,545,341

SIBL has invested amount of Taka- 1,229,999,000 and Taka- 249,999,400 in two of its subsidiaries 'SIBL Securities Ltd. (SIBL SL)' and 'SIBL Investment Ltd. (SIBL IL)' respectively. SIBL holds 99.9999187% and 99.99976% of total shares of its subsidiaries 'SIBL SL.' and 'SIBL IL.' respectively while the other shareholders of the subsidiaries hold 0.00008130081% and 0.00024% of total shares respectively.

Details of the shareholding position is as under:

Sl no.	Shareholders	No. Shares		Value of shares		Percentage of holding of shares	
		SIBL SL	SIBL IL	SIBL SL	SIBL IL	SIBL SL	SIBL IL
1	Social Islami Bank Limited	12,299,990	2,499,994	1,229,999,000	249,999,400	99.999919%	99.99976%
2	Alhaj Nasiruddin	1	1	100	100	0.000008%	0.00004%
3	Mr. Md. Sayedur Rahman	1	-	100	-	0.000008%	-
4	Major (Retd.) Dr. Md. Rezaul Haque	1	1	100	100	0.000008%	0.00004%
5	Alhaj Sultan Mahmood Chowdhury	1	1	100	100	0.000008%	0.00004%
6	Mr. Abdul Awal Patwary	1	1	100	100	0.000008%	0.00004%
7	Hamdard Laboratories (Waqf) Bangladesh, Represented by: Mr. Anisul Hoque	1	-	100	-	0.000008%	-
8	Mrs. Nargis Mannan	1	-	100	-	0.000008%	-
9	Mr. Kamaluddin Ahmed	1	1	100	100	0.000008%	0.00004%
10	Alhaj Sk. Mohammad Rabban Ali	1	1	100	100	0.000008%	0.00004%
11	Mr. A. Jabbar Mollah	1	-	100	-	0.000008%	-
		12,300,000	2,500,000	1,230,000,000	250,000,000	100.00%	100.00%

18.1	Current year retained earnings		
	Social Islami Bank Limited		
	Profit after tax	2,292,186,993	2,072,593,400
	Less : Statutory Reserve	838,438,842	695,834,378
		1,453,748,151	1,376,759,022
18.1.(a)	Consolidated Current year retained earnings		
	Profit after tax of SIBL	2,292,186,993	2,072,593,400
	Less :Statutory Reserve	838,438,842	695,834,378
	Profit/(Loss) attributable to Group	1,453,748,151	1,376,759,022
	Add: Profit/(loss) of subsidiaries		
	Add: Current year profit/(loss) of subsidiaries		
	SIBL Securities Limited	78,902,038	35,285,482
	SIBL Investment Limited	(91,195)	(80,127)
		78,810,843	35,205,355
	Less: Non controlling interests of profit/(loss) attributable for current year		
	SIBL Securities Limited	64	28
	SIBL Investment Limited	-	-
		64	28
	Less: Common income (Dividend) for elimination		
	SIBL Securities Limited	79,949,935	61,499,950
	Profit/(Loss) attributable to parent	1,452,608,995	1,350,464,398
18(b)	Non-controlling interest	31.12.2016	31.12.2015
	SIBL Securities Limited	Taka	Taka
	Paid up capital	1,230,000,000	1,230,000,000
	Retained earnings	1,253,248	2,301,210
	Net Assets	1,231,253,248	1,232,301,210
	SIBL Investment Limited		
	Paid up capital	250,000,000	250,000,000
	Retained earnings	(1,875,367)	(1,784,172)
	Net Assets	248,124,633	248,215,828
	Non-controlling interests		
	SIBL Securities Limited, @ 0.00008% of net assets	1,112	1,048
	SIBL Investment Limited, @0.00024% of net assets	596	596
	Total non-controlling interest	1,710	1,645
19	Contingent liabilities		
19.1	Acceptances and Endorsements		
	Bill bankers' liabilities (DP)	18,157,167,303	12,863,608,360
	Bill bankers' liabilities (BB/FO)	829,993,999	1,614,565,278
	Bill bankers' liabilities (BB/LO)	3,544,305,579	3,517,756,382
	Bill bankers' liabilities (EPZ)	204,609,000	241,914,000
	Bill bankers' liabilities Others	266,569,200	193,830,000
		23,002,645,081	18,431,674,020
19.2	Letter of Credit		
	L/C bankers' liabilities (DP)	8,083,188,139	4,981,899,800
	L/C bankers' liabilities (BB/FO)	1,832,416,000	939,531,000
	L/C bankers' liabilities (BB/LO)	1,886,541,660	1,596,159,000
	L/C bankers' liabilities (Cash)	9,113,943,561	6,069,537,146
	L/C bankers' liabilities (EPZ)	182,384,000	99,224,000
	L/C bankers' liabilities (Others)	830,293,300	780,905,674
		21,928,766,660	14,467,256,620
19.3	Letters of guarantees		
	Letters of guarantee	11,485,872,882	7,379,609,632
19.4	Bills for collection		
	In-ward bills for collection	264,095,000	77,961,010
	Out-ward Bills for Collection	3,169,966,967	2,740,315,001
		3,434,061,967	2,818,276,011
19.5	Other Contingent Liabilities	-	-
19.6	Other Commitments	-	-
	Total Off-balance sheet items	59,851,346,590	43,096,816,283
	Income Statement (Note-20 to Note-39)		
	Income:		
	Income from Investment (Note-20)	16,883,378,239	15,288,872,420
	Income from Investment in Shares & Securities (Note-22)	293,823,613	362,240,663
	Commission, Exchange and Brokerage Income (Note-23)	1,552,385,033	1,255,969,372

	Other operating income (Note-24)	444,753,870	398,528,816
		19,174,340,755	17,305,611,271
	Expenses:		
	Profit paid on Deposits (Note-21)	9,544,341,782	9,055,715,100
	Administrative expenses	2,451,356,865	2,212,232,214
	Other operating expenses	1,132,306,118	886,832,952
	Depreciation on Banking assets	258,459,532	228,709,954
		13,386,464,298	12,383,490,220
	Income over expenditure	5,787,876,457	4,922,121,051
20	Income from Investment		
	Profit on Murabaha	119,856,776	195,234,022
	Profit on Bai-Muazzal	10,118,432,978	8,828,927,980
	Profit on Hire-Purchase	3,876,454,757	2,692,872,981
	Profit on Musharka	38,936,919	51,146,151
	Profit on Bai-Salam	40,656,117	13,628,479
	Profit on Quard against MTDR, Scheme and others	557,890,653	766,351,758
	Profit on Inland Document Bill Purchased	358,855,646	288,049,240
	Profit on Foreign Document Bill Purchased	691,117,400	1,306,432,948
	Profit on Ijarah	27,307,606	16,338,353
	Profit on Investment against Mudaraba Deposit with other banks and NBFIs	599,157,616	737,628,173
	Profit on other investments (Card, Wakalat fee etc.)	217,775,075	153,281,291
	Profit on Mudaraba	236,936,696	238,981,045
		16,883,378,239	15,288,872,420
		31.12.2016	31.12.2015
		Taka	Taka
20(a)	Consolidated income from investment		
	Social Islami Bank Ltd.	16,883,378,239	15,288,872,420
	Add: Income from investment of subsidiaries of SIBL	82,908,601	57,722,734
	SIBL Securities Ltd.	82,908,601	57,722,734
	SIBL Investment Ltd.	-	-
		16,966,286,841	15,346,595,154
21	Profit paid on Deposits		
	Profit paid on deposits		
	Mudaraba Savings Deposits (MSD)	327,415,900	377,469,747
	Mudaraba short notice deposit (MSND)	91,880,450	72,655,090
	Mudaraba term deposit (MTDR)	6,703,446,067	6,166,425,984
	Cash waqf fund deposit	20,647,456	14,190,968
	Profit paid on Scheme Deposits & others	2,073,397,664	2,058,806,201
		9,216,787,536	8,689,547,989
	Profit paid on borrowings & SIBL Mudaraba Subordinate Bond	327,554,247	366,167,111
	Total profit paid on deposits and borrowings	9,544,341,782	9,055,715,100
21(a)	Consolidated Profit paid on Deposits		
	Social Islami Bank Ltd.	9,544,341,782	9,055,715,100
	Add: Income from investment of subsidiaries of SIBL	32,064,954	12,045,866
	SIBL Securities Ltd.	32,064,954	12,045,866
	SIBL Investment Ltd.	-	-
	Grand total of consolidated Profit paid on Deposits	9,576,406,736	9,067,760,966
22	Income from Investment in Shares & Securities		
	Income from Investment in Islamic Bond	42,890,379	12,556,008
	Income from Investment in Shares	29,831,458	65,366,556
	Belhasha Preference share	107,406,070	172,836,301
	Dividend Income	113,695,705	111,481,798
		293,823,613	362,240,663
	Social Islami Bank Ltd. has investment of Tk. 915.00 crore in Bangladesh Govt. Islamic Investment Bond for which 3.00% average rate of income has been provided for January-December 2016. The nature of the Fund is to generate profit according to Mudaraba Principle.		
22(a)	Consolidated income from Investment in Shares & Securities		
	Social Islami Bank Ltd.	293,823,613	362,240,663
	Add: Income from Investment in Shares & Securities of subsidiaries of SIBL	23,737,526	413,172
	SIBL Securities Ltd.	23,737,526	413,172
	SIBL Investment Ltd.	-	-
	Less: Common income for elimination		
	SIBL Securities Ltd.	79,949,935	61,499,950
	Grand total of consolidated income from Investment in Shares & Securities	237,611,204	301,153,885
23	Commission, Exchange & Brokerage		

	Commission	796,555,887	660,728,611
	Exchange income	755,829,146	595,240,760
		1,552,385,033	1,255,969,372
23(a)	Consolidated income from commission, exchange & brokerage		
	Social Islami Bank Ltd.	1,552,385,033	1,255,969,372
	Add: Income from commission, exchange & brokerage of subsidiaries of SIBL	88,861,672	44,571,031
	SIBL Securities Ltd.	88,861,672	44,571,031
	SIBL Investment Ltd.	-	-
	Grand total of consolidated income from commission, exchange & brokerage	1,641,246,704	1,300,540,403
24	Other Operating Income		
	P & T charge recovered	1,650,969	2,321,824
	Courier Charges Recovery & Others	2,622,760	5,430,747
	Services & charges	298,805,949	251,464,939
	SWIFT/ Return charge recovered	48,011,758	58,445,698
	Other charges (Note: 24.1)	93,662,433	80,865,608
		444,753,870	398,528,816
24(a)	Consolidated other operating income		
	Social Islami Bank Ltd.	444,753,870	398,528,816
	Add: Other operating Income of subsidiaries of SIBL	925,635	817,703
	SIBL Securities Ltd.	925,635	817,703
	SIBL Investment Ltd.	-	-
	Grand total of consolidated income from other operating income	445,679,505	399,346,519
		31.12.2016	31.12.2015
		Taka	Taka
24.1	Other Charges		
	Rent receipts	1,794,066	1,703,750
	Income from sale of forms	345,700	839,357
	Service charge on SIBL Cards	38,938,190	22,398,048
	Notice pay earnings	1,828,012	920,976
	Miscellaneous income	50,756,465	55,003,477
		93,662,433	80,865,608
25	Salary & Allowances		
	Basic Salary	939,614,497	827,163,370
	Allowances	928,965,808	826,171,866
	Bonus	460,636,141	452,454,314
	L/E Salary & Allowances	14,728,894	10,351,490
	Bank's Contribution to Provident fund	86,448,701	78,538,486
	Bank's Contribution to Social Insurance fund	9,328,467	8,232,688
		2,439,722,509	2,202,912,214
25(a)	Consolidated expenses for Salary and Allowance		
	Social Islami Bank Ltd.	2,439,722,509	2,202,912,214
	Add: Salary and Allowance for subsidiaries	22,056,096	15,727,295
	SIBL Securities Ltd.	22,056,096	15,727,295
	SIBL Investment Ltd.	-	-
		2,461,778,605	2,218,639,509
26	Rent, Taxes, Insurance & Electricity etc.		
	Rent, Rates & Taxes (note: 26.1)	221,213,035	163,672,143
	Insurance (note: 26.2)	93,031,592	72,539,582
	Electricity, Lighting & Water (note: 26.3)	71,249,903	57,679,183
		385,494,529	293,890,908
26(a)	Consolidated expenses for rent, taxes, insurance & electricity		
	Social Islami Bank Ltd.	385,494,529	293,890,908
	Add: Rent, Taxes, Insurance & Electricity etc. of subsidiaries	5,206,922	3,402,294
	SIBL Securities Ltd.	5,206,922	3,402,294
	SIBL Investment Ltd.	-	-
		390,701,451	297,293,202
26.1	Rents, Rates, Taxes, Insurance & Lighting etc.		
	Rents		
	Rent (Office)	216,622,355	159,158,551
	Rent (Garage)	392,048	389,328
	Rent (Godown & others)	2,976,285	2,317,338
		219,990,688	161,865,217
	Rates and Taxes	1,222,347	1,806,926
	Total Rents, Rates & Taxes	221,213,035	163,672,143
26.2	Insurances		

	Insurance Premium in Counter	583,280	562,371
	Insurance Premium in Transit	5,361,469	4,778,597
	Insurance Premium Safe/Vault	3,978,010	3,810,544
	Insurance Premium on deposit	80,504,592	61,335,899
	Insurance Premium on Vehicle	1,626,252	1,423,753
	Other Insurance	977,989	628,418
		93,031,592	72,539,582
26.3	Lighting & Electricity		
	Lighting & Electricity Bill (Office)	61,586,636	50,400,369
	Lighting & Electricity Charges (Office)	5,733,312	4,197,495
	Sub Total	67,319,948	54,597,864
	Water & Sewerage	3,929,955	3,081,319
		71,249,903	57,679,183
27	Legal Expenses		
	Legal Fees & Charge	7,901,229	6,709,756
	Stamp Duties	59,061	230
	Other Legal Expenses	1,955,666	1,500,598
		9,915,955	8,210,584
28	Postage, Stamps, Telecommunication etc.		
	Cable Network rent	218,660	221,548
	Telegram, Fax, Telex & other charges	278,310	6,300
	Telephone charges	4,701,733	4,828,862
	Mobile phone charges	3,619,483	3,401,729
		8,818,186	8,458,439
		31.12.2016	31.12.2015
		Taka	Taka
28(a)	Consolidated expenses for Postage, Stamps, Telecommunication etc.		
	Social Islami Bank Limited	8,818,186	8,458,439
	Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries	1,543,670	1,145,000
	SIBL Securities Ltd.	1,543,670	1,145,000
	SIBL Investment Ltd.	-	-
		10,361,856	9,603,439
29	Stationery, Printing, Advertisements etc.		
	Table Stationery	12,973,944	9,818,312
	Printing Stationery	38,114,111	39,812,375
	News Paper & Magazine	33,965,130	26,387,808
	Television & Radio	16,246,100	16,943,250
	Neon Sign, Banner etc.	564,518	416,281
	Other Publicity	15,551,710	7,643,060
		117,415,513	101,021,087
29(a)	Consolidated expense of Stationery, Printing, Advertisement etc.		
	Social Islami Bank Ltd.	117,415,513	101,021,087
	Stationery, Printing, Advertisement expense of Subsidiaries of SIBL	303,298	851,763
	SIBL Securities Limited.	303,298	851,763
	SIBL Investment Limited.	-	-
		117,718,811	101,872,850
30	Managing Director's Salary and Allowances		
	Basic Salary	5,694,194	4,550,000
	Allowances	3,895,162	3,000,000
	Festival & other Bonus	2,045,000	1,770,000
		11,634,356	9,320,000
31	Directors' Fees & Meeting Expenses		
	Directors Fee	4,385,200	2,979,650
	Meeting Expenses	2,585,782	3,849,034
		6,970,982	6,828,684
31(a)	Consolidated Directors' fees & Meeting Expenses:		
	Social Islami Bank Limited	6,970,982	6,828,684
	Directors' Fees & Meeting Expenses of Subsidiaries of SIBL	667,000	552,000
	SIBL Securities Limited	667,000	552,000
	SIBL Investment Limited	-	-
		7,637,982	7,380,684
32	Shariah Supervisory Committee's Fees & Expenses		

	Shariah Council Meeting Expenses	746,775	549,512
		746,775	549,512
33	Depreciation and Repair of Bank's Assets		
	a) Depreciation of Bank's Assets (Annexure A)		
	Land	-	-
	Building	53,044,868	51,525,979
	Furniture & Fixtures	47,814,945	41,470,191
	Office Appliance & Equipment	102,736,874	79,252,987
	Computer Software	11,376,524	9,224,515
	Vehicles	10,571,674	10,851,503
	Books	53,762	44,869
		225,598,647	192,370,043
	b) Repair on Bank's Assets		
	Building	456,065	2,753,207
	Motor Car/ Vehicle	3,998,022	3,030,420
	Furniture Fixture	1,975,078	1,107,207
	Mechanical Appliances	13,370,537	10,421,766
	Software Maintenance fee	8,875,160	16,346,681
	Hardware Maintenance fee	1,764,730	2,680,629
	IT Enable Service Charges	2,421,293	-
		32,860,885	36,339,910
	Total of Depreciation and repair of Bank's Assets	258,459,532	228,709,954
		31.12.2016	31.12.2015
		Taka	Taka
33(a)	Consolidated balance of Depreciation		
	Social Islami Bank Ltd.	258,459,532	228,709,954
	<i>Add: Depreciation on assets of subsidiaries</i>	2,884,078	2,128,812
	SIBL Securities Ltd.	2,884,078	2,128,812
	SIBL Investment Ltd.	-	-
	<i>Add: Repairs & Maintainance on assets of subsidiaries</i>	627,921	-
	SIBL Securities Ltd.	627,921	-
	SIBL Investment Ltd.	-	-
		261,971,531	230,838,766
34	Other Expenses		
	Local conveyance	15,685,954	13,461,136
	Petroleum, oil & lubricants	14,163,358	11,629,389
	Entertainment expenses	75,140,427	51,480,552
	Traveling allowances	16,611,323	11,521,724
	Travelling Foreign	2,497,868	1,000,996
	Bank charges	2,086,748	2,419,395
	Uniform charges	809,790	974,670
	Subscriptions to Institutions	3,202,182	5,329,743
	Banks' clearing house charges	78,419	119,719
	CIB Charges	1,993,560	1,362,074
	Transportation charges	5,605,933	3,155,306
	News paper, Journal & periodicals	624,027	331,894
	Washing charges	479,891	349,198
	Training expenses Academy/ Internal	42,827	720,499
	Training expenses at outside Banks	3,660,729	2,298,849
	Meeting expenses	76,465	949,333
	Direct expenses on investment	214,978	6,788
	Up keep of branches/office premises	6,218,728	5,223,439
	Excise duty	2,180,950	1,217,905
	Computer charges	15,388,437	13,138,646
	Security Services	128,228,370	96,821,447
	Cleaner Services	4,684,240	3,562,065
	Others wages	88,844,602	59,989,724
	Photocopy expenses	1,352,871	1,269,046
	Photography expenses	96,687	59,524
	Cash & Bank remittance charges	4,004,995	1,865,066
	Honorarium	3,591,250	2,412,918
	On-Line Expenses	24,215,710	21,419,809
	ATM Rent Hardware	2,594,550	1,633,238
	Credit Rating Fees	6,212,029	3,971,867

	Other Utility	1,812,968	1,953,814
	Bond issue related Expense	2,616,000	5,481,890
	Fair value adjustment for shares and securities	-	21,704,638
	Gratuity expense	105,236,824	103,167,570
	Miscellaneous expenses	61,477,991	15,869,866
		601,731,679	467,873,738
34(a)	Consolidated Other Expenses		
	Social Islami Bank Limited	601,731,679	467,873,738
	Add:Other Expenses for SIBL Securities Limited	21,510,560	11,271,185
	License, fees, renewals and incorporation expenses	10,595,772	5,827,768
	Entertainment	1,118,686	746,606
	Bank charge and Excise duty	-	74,914
	Others	9,796,102	4,621,897
		68,195	62,877
	Other Expenses for SIBL Investment Limited		
	Incorporation and Other Regulatory expenses	29,453	43,377
	Bank charge and Excise duty	16,000	16,000
	Others	22,742	3,500
		623,310,434	479,207,800
35	Other Provision		
	Provision for other assets (note: 13.3)	8,000,000	20,000,000
	Provision for good borrower (note: 13.8)	15,000,000	-
		23,000,000	20,000,000
		31.12.2016	31.12.2015
		Taka	Taka
35(a)	Consolidated other provision		
	Social Islami Bank Ltd.	23,000,000	20,000,000
	Add:Provision for subsidiaries		
	SIBL Securities Ltd.		
	Provision for general reserve	1,878,399	1,485,719
	Provision for impairment of margin loan	15,744,321	10,979,184
	Provision for diminution in value of investment	(1,114,563)	2,350,143
		16,508,157	14,815,046
	SIBL Investment Ltd.	-	-
		39,508,157	34,815,046
36	Provision against Investment, Off-Balance Sheet items & Others		
	Provision on classified investment	609,267,642	992,381,197
	Provision on unclassified investment	706,076,728	248,918,344
	Provision on Off-Balance Sheet items	167,545,303	109,349,572
	Other provisions (note: 35)	23,000,000	20,000,000
		1,505,889,673	1,370,649,113
36(a)	Consolidated Provision against Investment, Off-Balance Sheet items & Others		
	Social Islami Bank Ltd.	1,505,889,673	1,370,649,113
	Add:Provision for subsidiaries	16,508,157	14,815,046
	SIBL Securities Ltd.	16,508,157	14,815,046
	SIBL Investment Ltd.	-	-
		1,522,397,830	1,385,464,159
37	Provision for Income Tax		
	Current year provision (Note: 37.1)	1,887,664,569	1,403,060,382
	Deferred Tax expense/(income) (Note: 37.2)	12,342,649	3,518,109
		1,900,007,218	1,406,578,491
37(a)	Consolidated Provision for Income Tax		
	Social Islami Bank Limited	1,900,007,218	1,406,578,491
	SIBL Securities Limited	14,158,741	6,282,648
	Current year provision	14,374,266	6,147,896
	Deferred Tax expense/(income)	(215,525)	134,752
	SIBL Investment Limited	-	-
		1,914,165,959	1,412,861,138
37.1	Current Year Tax Provision		
	Provision on tax has been calculated based on Income Tax Ordinance,1984 as amended upto 2016 by the Finance Act, considering the allowances and disallowances.		

37.2 Deferred Tax Expenses/(Income)

Deferred tax expense/(income) for liability/(asset) has been calculated as per Bangladesh Accounting Standard 12.

38 Earning Per Share (EPS)

SIBL has issued 1:1 right share for an amount of Taka- 2,987,815,750 as approved in its 242nd Board Meeting held on 02 March 2011 by the Directors of the Board. Before right issue SIBL had a total capital of Taka- 2,987,815,750 as on 31.12.2010. The paid up capital was further enhanced by an amount of Taka- 418,294,200, Taka-637,489,940 and Taka-351,570,780 issued as bonus share for the years ended 31 December 2010, 2012 and 2015. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 7,382,986,420 with a total no. of 738,298,642 shares having face value @ Taka- 10/share.

Net Profit after Tax	2,292,186,993	2,072,593,400
Number of ordinary shares outstanding	738,298,642	738,298,642
Earning Per Share (EPS) (Previous year's EPS restated)	3.10	2.81

38(a) Consolidated Earning Per Share (CEPS)

Net Profit after Tax	2,291,047,837	2,046,298,776
Number of ordinary shares outstanding	738,298,642	738,298,642
Consolidated Earning Per Share (CEPS) (Previous year's CEPS restated)	3.10	2.77

Notes for Cash Flow Statement (Note-39 to Note-44)

39 Income from Investment

Investment profit receipt	16,883,378,239	15,288,872,420
Add: Opening profit receivable	-	-
Less: Closing profit receivable	-	-
16,883,378,239	15,288,872,420	
31.12.2016	31.12.2015	

Taka Taka

39(a) Consolidated income from investment

Income from investment of SIBL	16,883,378,239	15,288,872,420
Income from investment of Subsidiaries of SIBL	82,908,601	57,722,734
SIBL Securities Ltd.	82,908,601	57,722,734
SIBL Investment Ltd.	-	-
Grand total	16,966,286,841	15,346,595,154

40 Receipts from Other Operating Activities (Other than profit on sale of fixed assets)

Exchange income	755,829,146	595,240,760
Rent receipts	1,794,066	1,703,750
P & T charge recovered	1,650,969	2,321,824
Courier Charges Recovery & Others	2,622,760	5,430,747
Notice pay earnings	1,828,012	920,976
Miscellaneous income	50,756,465	55,003,477
Services & charges	298,805,949	251,464,939
SWIFT/ Return charge recovered	48,011,758	58,445,698
Service charge on SIBL Cards	38,938,190	22,398,048
Income from sale of forms	345,700	839,357
1,200,583,016	993,769,576	

40(a) Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)

Receipts from Other Operating Activities of SIBL	1,200,583,016	993,769,576
Receipts from other operating activities of Subsidiaries of SIBL	925,635	817,703
SIBL Securities Ltd.	925,635	817,703
SIBL Investment Ltd.	-	-
1,201,508,651	994,587,279	

41 Payment to others

Rent (Office)	216,622,355	159,158,551
Rent (Garage)	392,048	389,328
Rent (Godown)	2,976,285	2,317,338
Rates and Taxes	1,222,347	1,806,926
Insurance Premium for cash in counter	583,280	562,371
Insurance Premium for cash in transit	5,361,469	4,778,597
Insurance Premium for cash in safe/ vault	3,978,010	3,810,544
Insurance Premium on deposit	80,504,592	61,335,899
Insurance Premium for vehicle	1,626,252	1,423,753
Other Insurance	977,989	628,418
Lighting and Electricity Bill (Office)	61,586,636	50,400,369
Lighting and Electricity Charges (Office)	5,733,312	4,197,495
Water and Sewerage	3,929,955	3,081,319
Legal Expenses	9,915,955	8,210,584
Directors Fees and Meeting Expenses	6,970,982	6,828,684
Shariah Supervisory Fees & Expenses	746,775	549,512

	Audit Fees	1,212,500	460,000
	Repairs and Maintenance	32,860,885	36,339,910
	Zakat Expenses	89,792,573	71,840,046
	Other Expenses (note: 34)	601,731,679	467,873,738
		1,128,725,879	885,993,382
41(a)	Consolidated payment to others		
	Social Islami Bank Limited	1,128,725,879	885,993,382
	Payment to others- Subsidiaries	28,103,597	27,368,721
	SIBL Securities Limited	28,012,402	27,288,594
	SIBL Investment Limited	91,195	80,127
		1,156,829,476	913,362,103
42	Cash Increase/ Decrease in Other Assets		
	Stock of stationery, stamps and printing materials etc. (valued at cost)	28,343,402	16,951,714
	Advance rent and advertisement	189,109,289	173,045,137
	Security Deposit	2,998,351	2,979,571
	Branch Adjustments (SIBG) (Note: 9.1)	1,977,063,521	355,465,788
	Suspense Accounts (Note: 9.2)	293,646,443	243,428,671
	Other Prepayments	64,209,171	256,280
	Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	53,881,354	12,245,968
	Advance Income Tax	6,695,398,826	5,702,313,738
	Receivable from SIBL Securities Limited	-	1,377,245
	Receivable from SIBL Investment Limited	1,758,805	1,689,510
	Protested Bills against Investment	313,407,280	357,148,000
	Profit Receivable from Banks, NBF and BD Govt.	242,508,711	273,429,060
	Receivable from Off-shore Banking Unit	103,309,420	54,791,819
	Others (Note: 9.3)	1,731,069,040	1,458,817,996
		11,696,703,613	8,653,940,498
		31.12.2016	31.12.2015
		Taka	Taka
	Difference between (2016, 2015)	(3,042,763,115)	2,244,859,699
	Advance Income Tax	993,085,088	1,162,412,143
	Net change in Other Assets	(2,049,678,027)	3,407,271,842
42(a)	Consolidated cash increase/decrease in other assets		
	Social Islami Bank Limited	11,696,703,613	8,653,940,498
	Cash Increase/ Decrease in Other Assets of subsidiaries	1,832,589,440	1,544,310,899
		13,529,293,053	10,198,251,397
	Difference between (2016, 2015)	(3,331,041,656)	2,053,757,579
	Advance Income Tax	1,007,764,289	1,170,469,382
	Consolidated net change in Other Assets	(2,323,277,367)	3,224,226,961
43	Cash Increase/ Decrease in Other Liabilities		
	Adjusting A/C (Cr.) Balance	9,562,781	11,095,197
	Other Payable	3,275,077	2,496,220
	SIBL Employees' PF	962,694,479	819,174,479
	SIBL Employees' Superannuation Fund	90,138,442	74,188,442
	Compensation and Rent Suspense (note: 13.4)	1,264,313,910	1,036,673,381
	Gratuity Fund Balance with SIBL Principal Br.	552,374,941	467,738,117
	BEFTN Adjustment Account	30,504,326	13,707,722
	ATM Settlement for Q-Cash	246,022,822	25,778,386
	Mudaraba Profit Distribution (note: 13.7)	-	7,000,000
		3,158,886,778	2,457,851,945
	Cash Increase/ (Decrease) in Other Liabilities	701,034,833	592,020,047
	Difference between (2016 & 2015)	701,034,833	592,020,047
	Add: Transfer to Provision for Investment from Compensation (In Yrs. 2016 & 2015)	164,582,397	162,358,258
	Add: Zakat expense transferred to Sadaka Fund	89,792,573	71,840,046
	Less: Zakat distributed during the year	71,840,046	63,582,948
	Less: Gratuity transferred & Paid during the year	(540,930)	23,049
	Less: Adjustment of other provision made during the year	-	837,500
	Less: Written off/ Waiver of investment during the year	726,310,626	1,059,907,213
		157,800,061	(298,132,359)
43(a)	Consolidated cash increase/decrease in other liabilities		
	Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited	3,158,886,778	2,457,851,945
	Cash Increase/ Decrease in Other Liabilities of subsidiaries	287,737,301	93,231,216
		3,446,624,079	2,551,083,161
	Difference between (2016, 2015)	895,540,918	637,711,752
	Other changes in other liabilities of Social Islami Bank Limited	(543,234,772)	(890,152,407)
	Net change in Other Liabilities-Social Islami Bank Limited	352,306,146	(252,440,655)

44	Cash and Cash Equivalent		
	Cash in Hand	1,815,513,100	1,145,358,436
	Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank)	16,131,320,942	13,535,893,678
	Balance with Other Banks & Financial Institutions-in Bangladesh	7,872,409,467	10,010,314,686
	Balance with Other Banks & Financial Institutions-outside Bangladesh	423,996,755	355,321,944
		26,243,240,264	25,046,888,745
44(a)	Consolidated Cash and Cash Equivalent		
	Social Islami Bank Limited.	26,243,240,264	25,046,888,745
	Cash and Cash Equivalent of subsidiaries	167,727,569	81,751,903
	SIBL Securities Limited.	167,722,368	81,746,702
	SIBL Investment Limited.	5,201	5,201
		26,410,967,833	25,128,640,648

45 Number of Employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a or above were 2362.

46 Audit Committee

The Board of Directors in its 343rd meeting (Emergency) held on 28.06.2015 reconstituted the Board Audit Committee comprising with the following:

Sl. No.	Name	Status with the Bank	Status with the Committee
1	Mr. Md. Abdur Rahman	Independent Director	Chairman
2	Mr. Muinul Hasan	Independent Director	Co-Chairman
3	Mr. Abdul Mohit	Independent Director	Member
4	Hakim Md. Yousuf Harun Bhuiyan	Director	Member
5	Md. Abdur Razaque	Director	Member

The Board Audit Committee conducted 119 (One hundred nineteen) meetings in the previous years since inception in the year 2003 out of which 12 (twelve) meetings were held in the year ended 31 December 2016.

The Board Audit Committee evaluates the activities of the Bank as per guidelines laid down in the Bangladesh Bank BRPD Circular # 11 dated 27.10.2013. The Audit Committee reviews the internal control system, compliance of audit activities, developing adequate risk management & information technology.

The Audit Committee makes recommendation on the control, compliance and reporting aspects to achieve excellence in the areas, enhancing the effectiveness and reducing the risk of the business.

The Committee examines the Annual Financial Statements before submission in the meeting of Board of Directors. The Committee extends all necessary cooperation in implementing the decisions of the Board of Directors and initiates steps to strengthen the audit activities as per working plan set out under section 7.3.a of Internal Control & Compliance Manual.

The Audit Committee also reviews the inspection reports submitted by the officials of Board Audit Cell on the assets position of the branches considered to be risky in nature in the meeting of the Board Audit Committee and advises the management to take necessary action and adhere to compliance position with a view to the interest of the Bank.

47 Related Party Disclosures

47.1 Name of the Firms / Business Organizations where the Directors of the Social Islami Bank Limited have got interest:

Sl No	Name	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
1	Major (Retd.)Dr. Md. Rezaul Haque Chairman	Chairman Little House Limited Active Builders Limited Sponsor Director United Hospital Limited
2	Md. Sayedur Rahman Vice Chairman	Managing Director M/s Lodestar Fashions Limited M/s Mid Asia Fashions Limited
3	Alhaj Sk. Mohammad Rabban Ali Vice Chairman	Managing Director Rabbani Trading Company Limited Shamlon Industries Limited Shama Poly Yarn Industries Limited Proprietor S.R. Impex Co.
4	Abdul Awal Patwary Director	Chairman Patwary Cold Storage Ltd. Patwary Potato Flakes Ltd. Greentech Greenhouse Bangladesh Ltd.

		Managing Director Faysal Shopping Complex Ltd. Proprietor Faysal Traders
5	<i>Md. Anisul Haque</i> Director <i>Representative of: Hamdard Laboratories</i> <i>(WAQF) Bangladesh. 291/1, Sonargaon Road, Dhaka</i>	Director, Finance & Accounts Hamdard Laboratories (WAQF) Bangladesh Limited
6	<i>Abdul Jabbar Mollah</i> Director	Managing Director Jahanabad Sea Foods Limited Jalalabad Frozen Foods Limited Jabbar & Co. Limited
7	<i>Md. Abdur Razzaque</i> Director	<i>Nil</i>
8	<i>Mr. Mohammad Amin Uddin</i> Director	<i>Nil</i>
9	<i>Md. Kamal Uddin</i> Director <i>(Representative of Sifang Securities Limited)</i>	Managing Director Chittagong Builders & Machinery Ltd. Merchant securities Limited Sifang securities Limited Director Human Resources Development Co., Ltd. Central Hospital (Pvt.) Ltd. ASM Chemical Industries Ltd. Universal Health Services & Research Ltd. Chairman Mercantile Insurance Company Ltd. Proprietor CBM Consortium
10	<i>Hakim Md. Yousuf Harun Bhuiyan</i> Director <i>(Representative of Hamdard Foundation Bangladesh)</i>	Managing Director Hamdard Laboratoies (WAQF), Bangladesh Secretary General Hamdard Foundation, Bangladesh
11	<i>Mrs. Afia Begum</i> Director	<i>Nil</i>
SL No	Name	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
12	<i>Mr. Mohammad Nabi Ullah</i> Director	Managing Director United Leather Industries (Pvt.) Ltd. United Melamine Industries (Pvt.) Ltd. United Plastic Wood Industries (Pvt.) Ltd. M. Hossain Spining Mills (Pvt.) Ltd. M. Hossain Cotton Spining Mills (Pvt.) Ltd. Director Mercantile Insurance Co. Ltd.
13	<i>Mrs. Dr. Lily Amin</i> <i>(Representative of SIBL Foundation)</i>	SIBL Foundation
14	<i>Mr. Md. Abdur Rahman</i> Independent Director	<i>Nil</i>
15	<i>Mr. Abdul Mohit</i> Independent Director	<i>Nil</i>
16	<i>Mr. Muinul Hasan</i> Independent Director	<i>Nil</i>

47.2 Significant contracts where Bank is a party and where in Directors have interest: **Nil**

47.3 **Lending Policies to Related Parties:**

Lending to related parties is effected as per requirements of Section 27(1) of the Bank Companies Act, 1991.

A Related Party Transaction

Name of Party	Name of the Director	Relationship	Nature of Investment	Outstanding Amount (Taka)	Status
Funded Liability					
Active Builders Ltd	Md. Rezaul Haque	Chairman	WC (Bai Muazzel)	475.72 lac	UC
Hakim Golzar Ahmed Bhuiyan	Mr. Hakim Md. Yousuf Harun Bhuiyan	Director's Son	HPSM(Consumer Finance) Auto Finance	18.49 lac	UC

M/S Jalalabad Frozen Food Ltd	Md. Abdul Jabbar Mollah	Chairman & Managing Director	WC (Bai Muazzel)	740.00 lac	UC
SIBL Securities Ltd.	N/A	Subsidiary	Quard	4200.00 lac	UC
SIBL Foundation Hospital & Diagnostic Center	N/A	A concern of SIBL Foundation	Quard- E- Hasana	5727.94 lac	UC

Non-Funded Liability

M/S Foyisal Traders	Mr. Abdul Awal Patwary	Father's Firm	Bank Guarantee	11.87 lac	-
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B Investment Policies to Related Parties

Lending to related parties is effected as per requirements of section 27 (1) of Bank Companies Act,1991

C Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Companies Act, 1991: **Nil**

D Investments in the securities of Directors and their related concern: **Nil**

E Shares issued to Directors and Executives without consideration or exercisable at discount: **Nil**

48 Post Balance Sheet events (BAS-10)

No material events occurring after balance sheet date came to our notice, which could affect the values reported in the financial statements significantly.

But it is to be reported here that:

the Board of Directors of SIBL in its 368th meeting held on 12 June 2016 approved issuance of 6(Six) years redeemable Mudaraba Sub-ordinated Bond in the name and style "SIBL 2nd Mudaraba Sub-ordinated Bond" for a total amount of Taka-400.00 crore through private placement subject to approval of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) under the following features:

Features of SIBL Mudaraba Sub-ordinated Bond

Name of the Instrument	SIBL 2nd Mudaraba Sub-Ordinated Bond
Issuer	Social Islami Bank Limited (SIBL)
Purpose	To Consider as Supplementary Capital (Tier II)
Amount of Issue	BDT. 4,000,000,000 (Four Hundred Crore)
Nature of the Debt Instrument	Mudaraba Sub-Ordinated Debt
Tenure of Bond	6 (Six) Years

49 General

(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. This year the bank provided Tk. 8.98 corer for CSR activities through zakat.

(vi) As per Bangladesh Labour Act, 2006 as amended in 2013 all companies which fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit to the fund. The Bank has not made any provision for WPPF in line with letter no. 53.00.0000.311.22.002.17.130 dated 14 February 2017 issued by The Ministry of Finance, Bank & Financial Institution Division .

**SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2016
SCHEDULE OF FIXED ASSETS**

(Amounts in Taka)

Particulars	C O S T / R E V A L U E D *				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2016
	Balance as on 01 January 2016	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2016		Balance as on 01 January 2016	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2016	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	199,897,128	-	53,044,868	252,941,996	2,067,278,718
Furniture & Fixtures	629,266,434	147,435,044	-	776,701,478	10%	213,542,305	-	47,814,945	261,357,250	515,344,228
Office Equipment	814,572,284	229,584,618	-	1,044,156,902	20%	421,655,297	-	102,736,874	524,392,171	519,764,731
Software	112,685,685	26,873,761	-	139,559,446	10%	14,330,136	-	11,376,524	25,706,660	113,852,786
Vehicles	94,031,299	6,960,039	1	100,991,337	20%	62,050,371	-	10,571,674	72,622,045	28,369,291
Books	1,164,395	230,105	-	1,394,499	10%	759,491	-	53,762	813,253	581,246
31 December 2016	3,984,270,810	411,083,567	1	4,395,354,376		912,234,727	-	225,598,647	1,137,833,375	3,257,521,002
31 December 2015	3,395,723,481	589,894,880	1,347,551	3,984,270,810		719,864,684	-	192,370,043	912,234,727	3,072,036,084

* Details of revaluation of Fixed assets is shown in note:17.

SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2016
CONSOLIDATED SCHEDULE OF FIXED ASSETS

(Amounts in Taka)

Particulars	C O S T / R E V A L U E D				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2016
	Balance as on 01 January 2016	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2016		Balance as on 01 January 2016	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2016	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	199,897,128	-	53,044,868	252,941,996	2,067,278,718
Furniture & Fixtures	633,102,158	150,167,198		783,269,356	10%	214,137,274	-	48,383,828	262,521,102	520,748,255
Office Equipment	824,365,486	230,025,467		1,054,390,953	20%	426,248,732	-	104,737,955	530,986,687	523,404,266
Software	115,814,325	26,918,761		142,733,086	10%	15,427,555	-	11,690,638	27,118,193	115,614,893
Vehicles	94,031,299	6,960,039	1	100,991,337	20%	62,050,371	-	10,571,674	72,622,045	28,369,292
Books	1,164,395	230,105	-	1,394,500	10%	759,492	-	53,762	813,254	581,246
31 December 2016	4,001,028,377	414,301,570	1	4,415,329,946		918,520,552	-	228,482,724	1,147,003,276	3,268,326,670
31 December 2015	3,407,713,245	594,662,682	1,347,551	4,001,028,376		724,021,696	-	194,498,855	918,520,551	3,082,507,826

SOCIAL ISLAMI BANK LIMITED
BALANCE WITH OTHER BANKS IN FOREIGN CURRENCIES

[Referred to Note 4.2 of these financial statements]

SL No.	Name of the Banks	Currency Name	31.12.2016			31.12.2015		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
1	SCB, MUMBAI	ACUD	(37,090.71)	78.70	(2,919,120)	6,726.66	78.50	528,045
2	SUMMIT BANK, KARACHI	ACUD	618.86	78.70	48,706	1,448.77	78.50	113,729
3	SONALI BANK, KOLKATA	ACUD	3,843.26	78.70	302,473	640.68	78.50	50,294
4	MASHREQ BANK, MUMBAI	ACUD	23,942.42	78.70	1,884,321	4,305.09	78.50	337,951
5	NEPAL BANGLADESH BANK	ACUD	826.36	78.70	65,036	10,741.36	78.50	843,200
6	BANK OF BHUTAN, PHUENTSHOLING	ACUD	1,366.83	78.70	107,573	486.05	78.50	38,155
7	HABIB BANK LIMITED, KARACHI	ACUD	76,556.26	78.70	6,025,146	829.18	78.50	65,091
8	UNITED BANK OF INDIA	ACUD	35,028.00	78.70	2,756,781	740.28	78.50	58,112
9	AB BANK, MUMBAI	ACUD	97,859.36	78.70	7,701,747	122,127.41	78.50	9,587,038
10	SONALI BANK (UK) LTD. UK	USD	781.03	78.70	61,469	34,920.17	78.50	2,741,244
11	MASHREQ BANK , NEW YORK, (OBU)	USD	3,386,214.78	78.70	266,502,553	765,050.50	78.50	60,056,698
12	MASHREQ BANK PSC, NEW YORK, USA	USD	1,422,635.29	78.70	111,964,527	3,543,873.99	78.50	278,195,171
13	KOREA EXCH. BANK, KOREA	USD	920.62	78.70	72,455	13,099.67	78.50	1,028,328
14	MASHREQ BANK , NEW YORK, (ACTUAL)	USD	331,813.41	78.70	26,114,445	-	-	-
15	COMMERZ BANK AG, FRANKFURT	EURO	5,128.80	82.17	421,408	7,685.52	85.79	659,364
16	MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	82.17	35,160	62.92	85.79	5,398
17	SCB, FRANKFURT	EURO	2,625.55	82.17	215,729	1,103.09	85.79	94,637
18	SONALI BANK (UK) LTD. UK	EURO	271.07	82.17	22,272	440.33	85.79	37,777
19	SCB, LONDON, UK	GBP	7,174.01	96.36	691,309	943.37	116.38	109,786
20	UNITED NATIONAL BANK, LONDON, UK	GBP	4,230.62	96.36	407,675	2,623.16	116.38	305,275
21	SONALI BANK (UK) LTD. UK	GBP	122.14	96.36	11,770	101.48	116.38	11,810
22	SCB, TOKYO	JPY	687,565.00	0.67	463,692	377,470.00	0.65	246,109
23	SAUDI HOLLANDI BANK RIYADH SA	ACU	49,530.00	20.99	1,039,629	10,000.00	20.87	208,732
	Total				423,996,755			355,321,944

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

(Funded & Non-funded)
(Amounts in corer Taka)

Sl no.	Name of client	Outstanding as on 31 December 2016			Outstanding as on 31 December 2015		
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	M/s. Nuruzzaman Khan, NZ Fabrics Ltd. & NZ. Ltd.	215.77	143.06	358.83	126.46	77.01	203.47
2	Dong Bang Textile Limited	240.57	2.28	242.85	221.32	20.43	241.75
3	Mars Textile Limited	171.18	68.05	239.23	-	-	-
4	Cross Line Factory Ltd. & Cross Line Knit Fabrics	-	-	-	59.02	83.42	142.44
5	Dong Bang Dyeing Limited	251.92	41.73	293.65	222.89	54.28	277.17
6	Badsha Textile	118.99	163.72	282.71	40.61	84.55	125.16
7	Nitol Motors	-	-	-	117.24	-	117.24
8	Rabiul Islam, M/s Rhythm Trading, AR Center	195.82	91.33	287.15	165.52	43.79	209.31
9	Bashundhara Group	226.52	161.23	387.75	176.43	123.70	300.13
10	M/s. Western Dresses Ltd. MNC Apparels Ltd.	124.04	96.69	220.73	124.43	92.96	217.39
11	M/s. Agrani Traders & its sister concern M/s. OVI Traders, M/s. A M Trading & M/s. Md. Aynul Haque	119.41	217.86	337.27	-	-	-
12	M/s. Partex Denim Mills Ltd. & Partex Denim Limited.	-	-	-	92.59	106.95	199.54
13	Abul Khair Steal, Abul Khair Consumer, Shah Cement Industries Ltd., Abul Khair Ceramic Industries Ltd., Abul Khair Steel Melting Ltd., Abul Khair Strip Processing Ltd.	62.02	132.37	194.39	-	-	-
14	M/S. Islam Brothers & Co, Anwara Mannan Textile Mills Ltd., Aman Poultry & Hatchery Ltd.	196.37	44.52	240.89	-	-	-
15	Orion Group	224.25	72.25	296.50			
16	Thermax Group	248.97	37.82	286.79			
17	Base Textiles Ltd., Base Fashion Limited, Zayantex Limited, Base Technologies Limited, Base Paper Ltd.	211.40	74.32	285.72			
18	Ibrahim Consortium Ltd. & Opal Trading House	237.25	1.76	239.01			
19	Mahbub Brothers(Pvt.) Ltd.	155.54	29.19	184.73			
20	1. Mascotex Ltd., 2. Masco Coottons & Industries Limited. 3. Masco Exports 4. Masco Overseas Limited.	92.41	88.29	180.70			
	Grand Total	3,092.43	1,466.47	4,558.90	1,346.51	687.09	2,033.60

Social Islami Bank Limited
History of Paid-Up Capital

Years	Declaration	No. of Share	Face Value per Share (Taka)	Cumulative no. of Shares	Value of issued Capital for the year (Taka)	Cumulative value of Capital (Taka)
1995	Initial Capital	118,380	1,000	118,380	118,380,000	118,380,000
1996	No Dividend	-	-	118,380	-	118,380,000
1997	6.43% Bonus issue for the year 1996	7,620	1,000	126,000	7,620,000	126,000,000
1998	No Dividend	-	-	126,000	-	126,000,000
1999	Right Share Issued	74,000	1,000	200,000	74,000,000	200,000,000
2000	Placement	50,000	1,000	250,000	50,000,000	250,000,000
	Initial Public Offer	10,000	1,000	260,000	10,000,000	260,000,000
2001	20% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2002	25% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2003	50% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2004	Bonus Issue (For the years 2001, 2002, 2003)	325,000	1,000	585,000	325,000,000	585,000,000
2005	No dividend	-	-	585,000	-	585,000,000
2006	No dividend	-	-	585,000	-	585,000,000
2007	1:1 Right Share	5,345,550	100	11,195,550	534,555,000	1,119,555,000
2008	17% Bonus Issue for the year 2007	1,903,243	100	13,098,793	190,324,300	1,309,879,300
2009	10% Bonus Issue for the year 2008	1,309,879	100	14,408,672	130,987,900	1,440,867,200
	1:1 Right Share	12,508,587	100	26,917,259	1,250,858,700	2,691,725,900
2010	11% Bonus Issue for the year 2009	2,960,899	100	29,878,158	296,089,850	2,987,815,750
2011	14% Bonus Issue for the year 2010	41,829,420	10	340,610,995	418,294,200	3,406,109,950
	1:1 Right Share	298,781,575	10	639,392,570	2,987,815,750	6,393,925,700
2013	10% Bonus Issue for the year 2012	63,748,994	10	703,141,564	637,489,940	7,031,415,640
2014	12% Cash dividend for the year 2013	-	10	703,141,564	-	7,031,415,640
2015	18% Cash dividend for the year 2014	-	10	703,141,564	-	7,031,415,640
2016	5% Bonus Issue for the year 2015	35,157,078	10	738,298,640	351,570,780	7,382,986,420

Annexure-F

Social Islami Bank Limited
Statement of Corporate Income Tax status
as at 31 December 2016

(Amount in Taka)

Accounting Year	Assessment Year	Tax Provision as per accounts	Advance Tax/TDS /Settlement fee/Appeal fee	Tax as per assessment Order	Present Status
2004	2005-2006	68,610,851	81,410,851	139,584,498	Pending at High Court Division of Supreme Court
2005	2006-2007	24,391,126	42,284,321	42,101,314	Completed
2006	2007-2008	59,825,178	85,135,927	85,135,927	Completed
2007	2008-2009	128,000,000	134,490,189	168,503,748	Pending at High Court Division of Supreme Court
2008	2009-2010	150,300,000	157,333,015	175,548,021	Pending at High Court Division of Supreme Court
2009	2010-2011	278,914,968	281,454,389	298,644,511	Pending at High Court Division of Supreme Court
2010	2011-2012	515,149,014	523,404,506	498,853,789	Pending at High Court Division of Supreme Court
2011	2012-2013	816,364,597	820,951,354	819,889,378	Pending at High Court Division of Supreme Court
2012	2013-2014	1,301,591,387	1,322,274,194	1,487,341,480	Pending at High Court Division of Supreme Court
2013	2014-2015	802,951,284	799,591,025	1,223,045,189	Pending at High Court Division of Supreme Court
2014	2015-2016	1,400,446,160	1,033,328,218	-	Assessment under process
2015	2016-2017	1,403,060,382	948,891,465	-	Return Submitted

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
BALANCE SHEET
AS AT 31 DECEMBER 2016

	31.12.2016		31.12.2015	
	<u>USD</u>	<u>Taka</u>	<u>USD</u>	<u>Taka</u>
PROPERTY AND ASSETS				
Cash				
Cash in hand (Including Foreign Currencies)	-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	-	-	-	-
	-	-	-	-
Balance with other Banks and Financial Institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh	5,780,291	454,921,648	3,728,679	292,702,412
	5,780,291	454,921,648	3,728,679	292,702,412
Placement with Banks & other Financial Institutions				
	-	-	-	-
Investments in Shares & Securities				
	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Investments				
General Investment etc.	87,556,890	6,890,919,882	57,652,306	4,525,723,316
Bills Purchased and Discounted	-	-	-	-
	87,556,890	6,890,919,882	57,652,306	4,525,723,316
Fixed Assets including Premises, Furnitures and Fixtures				
	586	46,090	734	57,612
Other Assets				
	1,312,662	103,309,420	697,982	54,791,819
Non Banking Assets				
Total Assets	94,650,430	7,449,197,040	62,079,701	4,873,275,159
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Banks & other Financial Institutions				
	24,606,410	1,936,578,574	49,672,126	3,899,276,819
Deposits and Other Accounts				
	66,328,848	5,220,226,285	8,897,259	698,437,474
Mudaraba Savings Deposits	-	-	-	-
Mudaraba Term Deposits	65,464,785	5,152,222,626	8,000,000	628,002,400
Other Mudaraba Deposits	-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	864,063	68,003,659	897,259	70,435,074
Bills Payable	-	-	-	-
Other Liabilities	3,715,172	292,392,181	3,510,316	275,560,866
Deferred Tax Liabilities/ (Assets)				
	-	-	-	-
Total Liabilities	94,650,430	7,449,197,040	62,079,701	4,873,275,159
Capital/Shareholders' Equity				
	-	-	-	-
Paid-up Capital	-	-	-	-
Statutory Reserve	-	-	-	-
Foreign currency translation gain/(Loss)	-	-	-	-
Retained Earnings	-	-	-	-
Total Shareholders' Equity	-	-	-	-
Total Liabilities & Shareholders' Equity	94,650,430	7,449,197,040	62,079,701	4,873,275,159

31.12.2016		31.12.2015	
<u>USD</u>	<u>Taka</u>	<u>USD</u>	<u>Taka</u>

Off-Balance Sheet Items
CONTINGENT LIABILITIES

Acceptances and Endorsements	-	-	-	-
Irrevocable Letters of Credit (including Back to Back Bills)	-	-	-	-
Letters of Guarantee	-	-	-	-
Bills for Collection	-	-	-	-
Other Contingent Liabilities	-	-	-	-
Total	-	-	-	-

OTHER COMMITMENTS

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

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	31.12.2016		31.12.2015	
	<u>USD</u>	<u>Taka</u>	<u>USD</u>	<u>Taka</u>
Investment Income	4,433,061	348,891,634	2,887,203	226,646,272
Less: Profit paid on Deposits	(1,045,980)	(82,320,901)	(329,243)	(25,845,657)
Net Investment Income	3,387,081	266,570,733	2,557,960	200,800,615
Commission, Exchange and Brokerage	192	15,111	-	-
Other Operating Income	328,138	25,825,177	289,247	22,705,976
Total Operating Income	3,715,411	292,411,020	2,847,207	223,506,591
Salary & allowances	40,107	3,156,514	35,253	2,767,359
Rent & Utilities	825	64,929	701	55,000
Depreciation on fixed assets	146	11,522	183	14,403
Others	-	-	-	-
Total Operating Expenses	41,078	3,232,966	36,137	2,836,762
Profit/(Loss) before Provision				
Specific provisions for Investment	-	-	-	-
General Provisions for Investment	-	-	-	-
General Provisions for off-Balance Sheet exposure	-	-	-	-
Total Provision	-	-	-	-
Total Profit/(Loss) before Tax	3,674,333	289,178,054	2,811,070	220,669,829
Provision for Income Tax	-	-	-	-
Net Profit/(Loss) after Tax	3,674,333	289,178,054	2,811,070	220,669,829

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>31.12.2016</u>		<u>31.12.2015</u>
	<u>USD</u>	<u>Taka</u>	<u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	4,433,061	348,891,634	226,646,272
Profit paid on deposits	(1,045,980)	(82,320,901)	(25,845,657)
Dividend receipts	-	-	-
Fees & commission receipt	192	15,111	-
Cash payments to employees	(40,107)	(3,156,514)	(2,767,359)
Cash payments to suppliers	-	-	-
Income tax paid	-	-	-
Receipts from other operating activities	328,138	25,825,177	22,705,976
Payments for other operating activities	(825)	(64,929)	(55,000)
Operating profit before changes in operating assets and liabilities	3,674,479	289,189,577	220,684,232
Changes in operating assets and liabilities			
Statutory deposits	-	-	-
Net trading securities	-	-	-
Investments to other banks	-	-	-
Investment to customers	(29,904,584)	(2,365,196,566)	(320,362,990)
Other assets	(614,680)	(48,517,601)	(166,474,404)
Deposits from other banks	(25,065,716)	(1,962,698,245)	(306,081,947)
Deposits received from customers	57,431,589	4,521,788,811	521,677,160
Other liabilities on account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities	(3,469,623)	(272,358,262)	(2,379,585,310)
Sub Total	(1,623,015)	(126,981,863)	(2,650,827,492)
A. Net Cash flow from operating activities	2,051,466	162,207,714	(2,430,143,260)
Cash flows from investing activities			
Proceeds from sale of securities	-	-	-
Payment for purchases of securities	-	-	-
Proceeds from sale of fixed assets	-	-	-
Purchases of property, plant & equipment's	146	11,522	14,403
Purchase/Sale of subsidiaries	-	-	-
B. Net Cash flows from investing activities	146	11,522	14,403
Cash flows from financing activities			
Receipts from issue of debt instruments	-	-	-
Payments for redemption of debt instruments	-	-	-
Receipts from issue of right shares/ordinary share	-	-	-
Dividend paid in cash	-	-	-
C. Net Cash flow from financing activities	-	-	-
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)	2,051,612	162,219,236	(2,430,128,857)
E. Cash and cash equivalents at the beginning of the year	3,728,679	292,702,412	2,722,831,269
F. Cash and cash equivalents at the end of the year (D+E)	5,780,291	454,921,648	292,702,412

Social Islami Bank Limited
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
For the year ended 31 December 2016

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD(P-3)744(119)/2010-4652, dated: 11 November, 2010. The Bank commenced operation of this unit from 02 May 2012. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at SIBL Banani Branch, 48 Kemal Ataturk Avenue, Banani, Dhaka 1213.

1.1 Principal activities

The principal activities of the unit are to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

2 Significant accounting policies and basis of preparation of financial statements**2.1 Basis of accounting**

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991, Bangladesh Accounting Standards, Bangladesh Financial Reporting Standard (BFRS) and other applicable directives issued by The Bangladesh Bank, in particular, Banking Regulations and Policy Department (BRPD) Circular No. 15 (09 November 2009).

2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.3 Foreign currency transaction**a) Foreign currencies translation**

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

c) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.4 Reporting period

These financial statements cover from January 01 to December 31, 2016.

2.5 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.

2.6 A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.7 Profit income

In terms of the provisions of the BAS-18 "Revenue", the profit income is recognized on accrual basis.

Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.8 Profit paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.9 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationery, etc. are allocated as common expense rather separately accounted for in the financial statements.

2.10 General

- a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US \$1 = Taka 78.7022 closing rate as at 31st December 2016.
- c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.

SOCIAL ISLAMI BANK LIMITED
HIGHLIGHTS OF PERFORMANCE (Only Bank-Solo basis)

(Amount in Taka)

SL no.	Particulars	31.12.2016	31.12.2015
1	Paid up Capital	7,382,986,420	7,031,415,640
2	Total Capital (Core + Supplementary)	19,195,044,439	16,916,084,302
3	Capital Surplus/(Deficit)	2,577,777,439	3,200,560,302
4	Capital to Risk-weighted Asset Ratio (CRAR)	11.55%	12.33%
5	Total Assets	227,704,178,571	180,112,108,864
6	Total Deposit	190,564,515,334	149,773,617,226
7	General Investment	174,196,133,374	134,116,849,903
8	Total Contingent Liabilities and Commitments	59,851,346,590	43,096,816,283
9	Investment-Deposit (ID) Ratio (%)	89.86%	88.52%
10	Percentage of classified investment against total investments	4.44%	3.84%
11	Profit before Tax and Provision	5,698,083,884	4,849,821,004
12	Profit after Tax and Provision	2,292,186,993	2,072,593,400
13	Amount of classified investment	7,738,196,000	5,149,577,421
14	Provisions kept against classified investment	1,764,697,631	1,673,417,498
15	Provisions surplus	-	-
16	Cost of Deposits	6.27%	6.42%
17	Profit Earning Assets	194,803,119,916	153,704,880,169
18	Non-Profit Earning Assets	32,901,058,655	26,407,228,695
19	Return on Investment in Securities (Annualized)	2.39%	3.93%
20	Return on average Assets (ROA) (Annualized)	2.06%	2.08%
21	Return on equity (ROE) (Annualized)	16.16%	16.00%
22	Income from Investment in Securities	293,823,613	362,240,663
23	Earning Per Share (EPS)	3.10	2.81
24	Consolidated Earning Per Share (CEPS)	3.10	2.77
25	Net Income Per Share	3.10	2.81
26	Price Earning Ratio (Times)	5.93	4.89