

**AUDITOR's REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
OF  
SOCIAL ISLAMI BANK LIMITED (SIBL) AND ITS  
SUBSIDIARIES  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Independent Auditors' Report To the shareholders of Social Islami Bank Limited  
Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Social Islami Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Social Islami Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2019 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

**Basis for opinion**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for 2019. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

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

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

Description of key audit matters	Our response to key audit matters
<b>Measurement of provision for investments</b>	
The process for estimating the provision for investments portfolio associated with credit risk is significant and complex.	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> <li>• Credit appraisal, investments disbursement</li> </ul>



<p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group reported total gross Investments of BDT 263,469 million (2018: BDT 237,854 million) and provision for investments of BDT 11,507 million (2018: BDT 8,224 million).</p>	<p>procedures, monitoring and provisioning process;</p> <ul style="list-style-type: none"> <li>• Identification of loss events, including early warning and default warning indicators; and</li> <li>• Reviewed quarterly Classification of Investments (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>• Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.</li> </ul>
<p>See note no 7 and 13 to the financial statements</p>	

#### Valuation of Government bond for Islamic Shariah and treasury bond

<p>The classification and measurement of Government Bond for Islamic Shariah and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of Government Bond and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of Government Bond for Islamic Shariah and T-Bond.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the Government Bond for Islamic Shariah and T-Bond valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 6 to the financial statements</p>	

#### Impairment assessment of unquoted investments

<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.</p>
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<p>unobservable market data and hence require an elevated level of judgment.</p>	<p>We tested a sample of investments valuation as at 31 December 2019 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 6 to the financial statements</p>	

<p><b>IT systems and controls</b></p>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

<p><b>Legal and regulatory matters</b></p>	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>





### Carrying value of investments in subsidiaries by the Bank

The Bank has invested in equity shares of its two subsidiaries, namely SIBL Securities Limited and SIBL Investment Limited. As at 31 December 2019 the carrying value of this investment is BDT 1,480 million.

At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.

Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.

We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

### Emphasis of matter

We draw attention to note 2.8.1 of the financial statements, which describes matters related to implementation of 'IFRS 16 Leases' including preliminary assessment of its impact as assessed by management. Our opinion is not modified in respect of this matter.

### Other matters

The financial statements of the Group and the Bank for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 April 2019.

### Other information

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

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

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

### Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material



misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial



statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely SIBL Securities Limited and SIBL Investment Limited reflect total assets of BDT 345,185 million as at 31 December 2019 and total revenue of BDT 30,861 for the year ended 31 December 2019. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;



- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets as per DBI-4/42(2)/2020-327 dated 17 June 2020, which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 9,380 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

The engagement partners on the audit resulting in this independent auditor's report are Showkat Hossain FCA from Hoda Vasi Chowdhury & Co and Md. Shafiqul Islam FCA from Shafiq Basak & Co.

Dhaka,  
25 June 2020

*Hoda Vasi Chowdhury & Co*  
**Hoda Vasi Chowdhury & Co**  
Chartered Accountants



*Shafiqul Islam*  
**Shafiq Basak & Co.**  
Chartered Accountants



**SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
AS at 31 December 2019

Particulars	Note(s)	31.12.2019 Taka	31.12.2018 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash in hand</b>			
Cash in hand (including foreign currencies)	3(a)	2,949,359,808	2,344,325,541
Balance with Bangladesh Bank & its Agent Banks (including foreign currencies)	3.1	28,949,172,602	23,735,810,359
		<b>31,898,532,410</b>	<b>26,080,135,900</b>
<b>Balance with other Banks and Financial Institutions</b>			
In Bangladesh	4(a)	2,288,375,533	1,159,076,554
Outside Bangladesh	4.2	1,084,292,499	323,695,854
		<b>3,372,668,032</b>	<b>1,482,772,408</b>
<b>Placement with Banks and other Financial Institutions</b>	5	<b>6,826,069,299</b>	<b>5,911,619,899</b>
<b>Investments in shares and securities</b>			
Government	6(a)	13,692,300,000	9,200,000,000
Others		4,170,415,304	2,549,022,367
		<b>17,862,715,304</b>	<b>11,749,022,367</b>
<b>Investments</b>			
General investment etc.	7 (a)	251,238,985,230	229,634,994,597
Bills purchased and discounted		12,229,604,419	8,219,176,356
		<b>263,468,589,649</b>	<b>237,854,170,953</b>
<b>Fixed assets including premises</b>	8(a)	<b>3,613,716,895</b>	<b>3,572,253,103</b>
<b>Other assets</b>	9(a)	<b>18,143,066,838</b>	<b>20,752,880,683</b>
<b>Non Banking assets</b>		-	-
<b>Total assets</b>		<b>345,185,358,427</b>	<b>307,402,855,312</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placement from Banks &amp; other Financial Institutions</b>	10	-	<b>8,000,000,000</b>
<b>Deposits and other accounts</b>			
Mudaraba savings deposits	11	25,739,179,658	19,621,561,549
Mudaraba term deposits		165,687,514,476	156,095,697,702
Other mudaraba deposits		64,112,318,321	43,569,089,182
Al-wadeeah current and other deposit accounts	11.2(a)	25,608,307,719	23,962,556,672
Bills payable	11.3	5,982,863,785	4,384,822,493
Cash waqf fund		342,710,311	317,048,976
		<b>287,472,894,270</b>	<b>247,950,776,574</b>
<b>SIBL mudaraba subordinated bond</b>	12	<b>9,400,000,000</b>	<b>10,800,000,000</b>
<b>Other liabilities</b>	13(a)	<b>30,905,629,453</b>	<b>24,789,270,400</b>
<b>Deferred tax liabilities/ (assets)</b>	14 (a)	<b>94,704,927</b>	<b>75,437,019</b>
<b>Total liabilities</b>		<b>327,873,228,650</b>	<b>291,615,483,993</b>
<b>Capital/shareholders' equity</b>			
Paid-up capital	15.2	8,933,413,560	8,121,285,060
Statutory reserve	16	6,422,261,269	5,795,455,397
General reserve	16(a)	9,843,356	10,764,250
Revaluation reserve on fixed assets	17	931,379,261	954,998,771
Retained earnings	18(a)	1,015,230,517	904,866,027
<b>Total shareholders' equity of parent Company, SIBL</b>		<b>17,312,127,963</b>	<b>15,787,369,506</b>
<b>Non controlling interest</b>	18(b)	<b>1,814</b>	<b>1,812</b>
<b>Total shareholders' equity of parent Company, SIBL with non controlling interest</b>		<b>17,312,129,777</b>	<b>15,787,371,318</b>
<b>Total liabilities and shareholders' equity of the group</b>		<b>345,185,358,427</b>	<b>307,402,855,312</b>





<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2019</u> <u>Taka</u>	<u>31.12.2018</u> <u>Taka</u>
<b>CONTINGENT LIABILITIES</b>			
Acceptances and endorsements	19.1	21,931,661,800	20,129,420,463
Irrevocable letters of credit (including back to back bills)	19.2	15,775,047,149	15,834,150,200
Letters of guarantee	19.3	11,322,648,716	10,532,813,165
Bills for collection	19.4	4,565,448,355	4,189,581,976
Other contingent liabilities	19.5	-	-
<b>Total</b>		<b>53,594,806,020</b>	<b>50,685,965,804</b>
<b>OTHER COMMITMENTS</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		-	-
<b>Total off balance sheet items including Contingent liabilities</b>		<b>53,594,806,020</b>	<b>50,685,965,804</b>

Consolidated Net Asset Value per share (CNAV/share) (Prior year restated)	38(i)	19.38	17.67
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Annexed notes (1 to 50) form an integral part of these financial statements

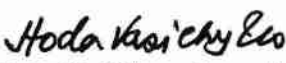
  
Director

  
Director

  
Director

  
Managing Director & CEO

Signed as per our report of same date

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

  
Shafiq Basak & Co.  
Chartered Accountants

Dhaka, Bangladesh  
Date: 25.06.2020



**SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

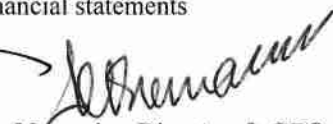
<u>Particulars</u>	<u>Note(s)</u>	31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>
Investment income	20(a)	27,872,037,075	25,073,045,000
Profit paid on deposits	21(a)	18,500,646,256	16,137,704,994
<b>Net investment income</b>		<b>9,371,390,819</b>	<b>8,935,340,006</b>
Income from investment in shares/securities	22(a)	773,998,540	477,908,519
Commission, exchange and brokerage	23(a)	1,526,240,435	1,687,365,606
Other operating income	24(a)	689,079,020	597,139,413
		<b>2,989,317,995</b>	<b>2,762,413,539</b>
<b>Total operating income</b>		<b>12,360,708,815</b>	<b>11,697,753,545</b>
Salaries and allowances	25(a)	3,413,882,572	3,167,969,465
Rent, taxes, insurances, electricity etc.	26(a)	579,209,966	530,631,708
Legal expenses	27	11,268,775	10,586,493
Postage, stamps, telecommunication etc.	28(a)	8,776,440	10,088,853
Stationery, printings, advertisements etc.	29(a)	161,473,808	132,965,876
Managing Director's salary and allowances	30	12,712,000	11,920,000
Directors' fees & expenses	31(a)	9,918,184	4,872,901
Shariah supervisory committee's fees & expenses	32	446,507	245,903
Auditors' fees		977,500	621,000
Charges on investment losses		-	-
Depreciation & repair of Bank's assets	33(a)	379,910,822	323,083,166
Zakat expenses		149,522,749	129,665,548
Other expenses	34(a)	1,265,616,824	1,147,959,281
<b>Total operating expenses</b>		<b>5,993,716,149</b>	<b>5,470,610,193</b>
<b>Profit/(Loss) before provision</b>		<b>6,366,992,666</b>	<b>6,227,143,351</b>
Provision for investments		3,184,444,138	2,261,500,825
Other provisions	35(a)	31,542,301	82,035,292
<b>Total provision</b>	36(a)	<b>3,215,986,439</b>	<b>2,343,536,116</b>
<b>Total profit/(loss) before income taxes</b>		<b>3,151,006,227</b>	<b>3,883,607,235</b>
<b>Provision for taxation</b>	37(a)	<b>1,625,326,874</b>	<b>2,282,097,630</b>
<b>Net profit/(loss) after taxation</b>		<b>1,525,679,354</b>	<b>1,601,509,605</b>
<b>Appropriations</b>			
Statutory reserve		626,805,871	769,658,950
<b>Retained surplus</b>		<b>898,873,482</b>	<b>831,850,655</b>
<b>Attributable to:</b>			
Equity holders' of the Bank		898,873,480	831,850,640
Non controlling interest		2	15
		<b>898,873,482</b>	<b>831,850,655</b>
<b>Consolidated Earning Per Share (CEPS) (Prior year restated)</b>	38(a)	<b>1.71</b>	<b>1.79</b>

Annexed notes (1 to 50) form an integral part of these financial statements

  
Director

  
Director

  
Director

  
Managing Director & CEO

Signed as per our report of same date

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, Bangladesh  
Date: 25.06.2020



  
Shafiq Basak & Co.  
Chartered Accountants





**SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

Particulars	Note(s)	31.12.2019	31.12.2018
		Taka	Taka
<b>Cash Flow from operating activities</b>			
Investment Income receipt	39(a)	27,679,327,604	24,945,765,635
Profit paid on deposits		(16,756,600,941)	(14,559,686,156)
Dividend receipts		773,998,540	477,908,519
Fees & commission receipt		742,845,087	766,440,458
Cash payments to employees		(3,426,594,572)	(3,179,889,465)
Cash payments to suppliers		(170,250,248)	(143,054,728)
Income tax paid		(1,326,270,037)	(1,285,952,527)
Receipts from other operating activities	40(a)	1,418,028,758	1,452,298,275
Payments for other operating activities	41(a)	(2,084,247,716)	(1,861,615,882)
<b>Operating profit before changes in operating assets and liab</b>	42(a)	<b>6,850,236,475</b>	<b>6,612,214,127</b>
<b>Increase/Decrease in operating assets and liabilities</b>			
Statutory deposits		-	-
Net trading securities		(6,113,692,937)	(4,026,922)
Investments to other Banks		-	-
Investment to customers		(25,614,418,696)	(28,558,661,868)
Other assets	43(a)	4,128,793,353	(3,042,338,602)
Deposits from other Banks		(3,876,630,345)	(1,687,502,441)
Deposits received from customers		41,654,702,726	19,652,534,404
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	44(a)	1,293,392,753	(2,057,815,487)
<b>Sub Total</b>		<b>11,472,146,853</b>	<b>(15,697,810,916)</b>
<b>A. Net Cash flow from operating activities</b>		<b>18,322,383,329</b>	<b>(9,085,596,789)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(354,087,403)	(367,282,428)
Purchase/Sale of subsidiaries		-	-
<b>B. Net Cash flows from investing activities</b>		<b>(354,087,403)</b>	<b>(367,282,428)</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments		(8,000,000,000)	3,000,000,000
SIBL Mudaraba Subordinated Bond		(1,400,000,000)	4,400,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		-	-
<b>C. Net Cash flow from financing activities</b>		<b>(9,400,000,000)</b>	<b>7,400,000,000</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>8,568,295,925</b>	<b>(2,052,879,217)</b>
<b>E. Effects of exchange rate changes on cash &amp; cash equivalents</b>		<b>54,445,609</b>	<b>65,766,286</b>
<b>F. Cash and cash equivalents at the beginning of the year</b>		<b>33,474,528,207</b>	<b>35,461,641,135</b>
<b>G. Cash and cash equivalents at the end of the year (D+E+F)</b>	45(a)	<b>42,097,269,741</b>	<b>33,474,528,207</b>
<b>Consolidated Net Operating Cash Flow Per Share (NOCFPS) (prior year restated)</b>	38(ii)	<b>20.51</b>	<b>(10.17)</b>

Annexed notes ( 1 to 50) form an integral part of these financial statements

  
Director

  
Director

  
Director

  
Managing Director & CEO

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

Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	9=(2 to 8)
<b>Balance as at 01 January 2019</b>		8,121,285,060	-	5,795,455,397	10,764,250	954,998,771	904,866,027	1,812	15,787,371,318
Changes in Accounting Policy		-	-	-	-	-	-	-	-
Restated Balance		-	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Properties		-	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Investment		-	-	-	-	-	-	-	-
Currency translation difference		-	-	-	-	-	-	-	-
Net gain and losses not recognized in the Income Statement		-	-	-	-	-	-	-	-
Net profit for the year		-	-	-	-	-	1,525,679,352	-	1,525,679,352
Appropriation made during the year		-	-	626,805,871	(920,894)	-	(626,805,871)	-	(920,894)
<b>Dividend:</b>									
Cash Dividend									
Bonus shares		812,128,500	-	-	-	-	(812,128,500)	-	-
Transferred to retained earnings		-	-	-	-	(23,619,510)	23,619,510	-	-
Non-controlling interest		-	-	-	-	-	-	2	2
<b>Total group shareholders' equity as on 31 December 2019</b>		8,933,413,560	-	6,422,261,269	9,843,356	931,379,261	1,015,230,517	1,814	17,312,129,777
<b>Eligible Capital Under Basel III:</b>		8,933,413,560	-	6,422,261,269	9,843,356	-	1,015,230,517	-	16,380,748,701
Add: General provision for unclassified investment		-	-	-	-	-	-	-	4,401,846,015
Add: SIBL Mudaraba Subordinated Bond		-	-	-	-	-	-	-	7,160,000,000
<b>Total eligible capital as on 31 December 2019</b>		-	-	-	-	-	-	-	27,942,594,716

Annexed notes ( 1 to 50) form an integral part of these financial statements

  
Director

  
Director

  
Managing Director & CEO



**SOCIAL ISLAMI BANK LIMITED**  
**BALANCE SHEET**  
**AS at 31 December 2019**

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2019</u> <u>Taka</u>	<u>31.12.2018</u> <u>Taka</u>
<b>PROPERTY AND ASSETS</b>			
<b>Cash in hand</b>			
Cash in hand (Including foreign currencies)	3	2,949,269,520	2,344,258,315
Balance with Bangladesh Bank & its Agent Banks (Including foreign currencies)	3.1	28,949,172,602	23,735,810,359
		<b>31,898,442,122</b>	<b>26,080,068,674</b>
<b>Balance with other Banks and Financial Institutions</b>			
	4		
In Bangladesh		2,288,360,101	1,159,022,085
Outside Bangladesh		1,084,292,499	323,695,854
		<b>3,372,652,600</b>	<b>1,482,717,939</b>
<b>Placement with Banks &amp; other Financial Institutions</b>	5	<b>6,826,069,299</b>	<b>5,911,619,899</b>
<b>Investments in shares &amp; securities</b>			
	6		
Government		13,692,300,000	9,200,000,000
Others		5,426,683,481	3,886,550,839
		<b>19,118,983,481</b>	<b>13,086,550,839</b>
<b>Investments</b>			
	7		
General investments etc.		252,038,985,230	230,434,994,597
Bills purchased and discounted		12,229,604,419	8,219,176,356
		<b>264,268,589,649</b>	<b>238,654,170,953</b>
<b>Fixed assets including premises</b>	8	<b>3,606,049,743</b>	<b>3,563,534,717</b>
<b>Other assets</b>	9	<b>15,965,444,733</b>	<b>18,526,658,424</b>
<b>Non Banking assets</b>		-	-
<b>Total assets</b>		<b>345,056,231,627</b>	<b>307,305,321,444</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placement from Banks &amp; other Financial Institutions</b>	10	-	<b>8,000,000,000</b>
<b>Deposits and Other accounts</b>			
	11		
Mudaraba savings deposits		25,739,179,658	19,621,561,549
Mudaraba term deposits		165,687,514,476	156,095,697,702
Other mudaraba deposits		64,112,318,321	43,569,089,182
Al-wadeeah current & other deposit accounts	11.2	26,072,068,558	24,336,269,747
Bills payable	11.3	5,982,863,785	4,384,822,493
Cash waqf fund		342,710,311	317,048,976
		<b>287,936,655,109</b>	<b>248,324,489,649</b>
<b>SIBL mudaraba subordinated bond</b>	12	<b>9,400,000,000</b>	<b>10,800,000,000</b>
<b>Other liabilities</b>	13	<b>30,354,428,531</b>	<b>24,356,621,156</b>
<b>Deferred tax liabilities/ (assets)</b>	14	<b>93,817,514</b>	<b>74,330,843</b>
<b>Total liabilities</b>		<b>327,784,901,154</b>	<b>291,555,441,648</b>
<b>Capital/Shareholders' equity</b>			
Paid-up capital	15.2	8,933,413,560	8,121,285,060
Statutory reserve	16	6,422,261,269	5,795,455,397
Revaluation reserve on fixed assets	17	931,379,261	954,998,771
Retained earnings	18	984,276,383	878,140,568
<b>Total shareholders' equity</b>		<b>17,271,330,473</b>	<b>15,749,879,796</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>345,056,231,627</b>	<b>307,305,321,444</b>





<u>Particulars</u>	<u>Note(s)</u>	31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements	19.1	21,931,661,800	20,129,420,463
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	15,775,047,149	15,834,150,200
Letters of Guarantee	19.3	11,322,648,716	10,532,813,165
Bills for Collection	19.4	4,565,448,355	4,189,581,976
Other Contingent Liabilities	19.5	-	-
<b>Total</b>		<b>53,594,806,020</b>	<b>50,685,965,804</b>
<b>OTHER COMMITMENTS</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>		<b>53,594,806,020</b>	<b>50,685,965,804</b>

Net Asset Value per share (NAV/share) (Prior year restated) 38 (i) 19.33 17.63

Annexed notes (1 to 50) form an integral part of these financial statements

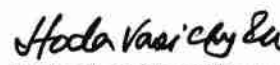
  
Director

  
Director

  
Director

  
Managing Director & CEO

Signed as per our report of same date

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

  
Shafiq Basak & Co.  
Chartered Accountants

Dhaka, Bangladesh  
Date: 25.06.2020



**SOCIAL ISLAMI BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<u>Particulars</u>	<u>Note(s)</u>	31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>
Investment income	20	27,797,425,826	24,955,867,159
Profit paid on deposits	21	18,428,552,565	16,063,978,530
<b>Net investment income</b>		<b>9,368,873,261</b>	<b>8,891,888,629</b>
Income from investment in shares and securities	22	760,574,012	462,796,394
Commission, Exchange and Brokerage	23	1,465,828,639	1,600,655,718
Other operating income	24	687,299,082	596,194,180
		<b>2,913,701,732</b>	<b>2,659,646,292</b>
<b>Total operating income</b>		<b>12,282,574,994</b>	<b>11,551,534,921</b>
<b>Operating expenses</b>			
Salaries and allowances	25	3,382,863,890	3,133,934,129
Rent, taxes, insurances, electricity etc.	26	573,011,660	524,589,668
Legal expenses	27	11,268,775	10,586,493
Postage, stamps, telecommunication etc.	28	6,750,345	8,472,436
Stationery, printings, advertisements etc.	29	160,996,133	132,578,322
Managing Director's salary and allowances	30	12,712,000	11,920,000
Directors' fees & expenses	31	9,498,684	4,539,401
Shariah supervisory committee's fees & expenses	32	446,507	245,903
Auditors' fees		920,000	575,000
Charges on investment losses		-	-
Depreciation & repair to Bank's assets	33	377,693,254	320,667,613
Zakat expenses		149,522,749	129,665,548
Other expenses	34	1,254,780,502	1,130,642,835
<b>Total operating expenses</b>		<b>5,940,464,499</b>	<b>5,408,417,348</b>
<b>Profit/(loss) before provision</b>		<b>6,342,110,494</b>	<b>6,143,117,574</b>
Provision for investments		3,184,444,138	2,261,500,825
Other provisions	35	23,637,000	33,322,000
<b>Total provision</b>	36	<b>3,208,081,138</b>	<b>2,294,822,825</b>
<b>Total profit/(loss) before income taxes</b>		<b>3,134,029,357</b>	<b>3,848,294,749</b>
<b>Provision for taxation</b>	37	<b>1,612,578,681</b>	<b>2,264,863,993</b>
<b>Net profit/(loss) after taxation</b>		<b>1,521,450,676</b>	<b>1,583,430,756</b>
<b>Appropriations:</b>			
Statutory reserve		626,805,871	769,658,950
Retained surplus		894,644,805	813,771,806
		<b>1,521,450,676</b>	<b>1,583,430,756</b>
<b>Earning per share (EPS) (prior year restated)</b>	38	<b>1.70</b>	<b>1.77</b>

Annexed notes (1 to 50) form an integral part of these financial statements

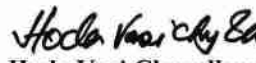
  
Director

  
Director

  
Director

  
Managing Director & CEO

Signed as per our report of same date

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants  
Dhaka, Bangladesh  
Date: 25.06.2020



  
Shafiq Basak & Co.  
Chartered Accountants



**SOCIAL ISLAMI BANK LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2019</u> <u>Taka</u>	<u>31.12.2018</u> <u>Taka</u>
<b>Cash Flow from operating activities</b>			
Investment Income receipt	39	27,604,716,354	24,828,587,795
Profit paid on deposits		(16,684,507,250)	(14,485,959,692)
Dividend receipts		760,574,012	462,796,394
Fees & commission receipt		682,433,291	679,730,570
Cash payments to employees		(3,395,575,890)	(3,145,854,129)
Cash payments to suppliers		(167,746,478)	(141,050,757)
Income tax paid		(1,313,745,832)	(1,268,621,662)
Receipts from other operating activities	40	1,416,248,821	1,451,353,042
Payments for other operating activities	41	(2,065,925,283)	(1,837,038,555)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>42</b>	<b>6,836,471,745</b>	<b>6,543,943,005</b>
<b>Increase/Decrease in operating assets and liabilities</b>			
Statutory deposits		-	-
Net trading securities		(6,032,432,643)	(4,026,921)
Investments to other Banks		-	-
Investment to customers		(25,614,418,696)	(28,608,661,868)
Other assets	43	4,067,668,995	(2,851,827,148)
Deposits from other Banks		(3,876,630,345)	(1,687,502,441)
Deposits received from customers		41,744,750,489	19,635,073,072
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	44	1,196,634,229	(2,112,340,545)
<b>Sub Total</b>		<b>11,485,572,030</b>	<b>(15,629,285,850)</b>
<b>A. Net Cash flow from operating activities</b>		<b>18,322,043,775</b>	<b>(9,085,342,845)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(353,731,874)	(367,190,468)
Purchase/Sale of subsidiaries		-	-
<b>B. Net Cash flows from investing activities</b>		<b>(353,731,874)</b>	<b>(367,190,468)</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments		(8,000,000,000)	3,000,000,000
SIBL Mudaraba Subordinated Bond		(1,400,000,000)	4,400,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		-	-
<b>C. Net Cash flow from financing activities</b>		<b>(9,400,000,000)</b>	<b>7,400,000,000</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>8,568,311,900</b>	<b>(2,052,533,313)</b>
<b>E. Effects of exchange rate changes on cash &amp; cash equivalents</b>		<b>54,445,609</b>	<b>65,766,286</b>
<b>F. Cash and cash equivalents at the beginning of the year</b>		<b>33,474,406,512</b>	<b>35,461,173,538</b>
<b>G. Cash and cash equivalents at the end of the year (D+E+F)</b>	<b>45</b>	<b>42,097,164,021</b>	<b>33,474,406,512</b>
<b>Net Operating Cash Flow Per Share (NOCFPS) (prior year restated)</b>	<b>38(ii)</b>	<b>20.51</b>	<b>(10.17)</b>

Annexed notes ( 1 to 50) form an integral part of these financial statements

  
Director

  
Director

  
Director

  
Managing Director & CEO

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

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

Annexed notes ( 1 to 50) form an integral part of these financial statements

*[Signature]*  
Director

*[Signature]*  
Director

*[Signature]*  
Managing Director & CEO



SOCIAL ISLAMI BANK LIMITED  
LIQUIDITY STATEMENT  
ASSETS AND LIABILITIES ANALYSIS  
AS AT 31 DECEMBER 2019

Particulars	(amount in Taka)							
	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total Current Year	Total Previous Year	
1	2	3	4	5	6	7(2+3+4+5+6)	8	
<b>Assets</b>								
Cash in hand	17,769,034,122	-	-	-	14,129,408,000	31,898,442,122	26,080,068,674	
Balance with other Banks and Financial Institutions	1,847,950,863	1,524,701,738	-	-	-	3,372,652,600	1,482,717,939	
Placement with Banks & other Financial Institutions	4,314,600,000	2,300,000,000	211,469,299	-	-	6,826,069,299	5,911,619,899	
Investment (in Shares & Securities)	4,568,746,686	2,250,000,000	6,950,000,000	3,609,000,000	1,741,236,795	19,118,983,481	13,086,550,839	
Investments	27,035,631,139	55,622,290,351	116,074,187,159	54,543,539,000	10,992,942,000	264,268,589,649	238,654,170,953	
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	1,803,024,871	1,803,024,871	3,606,049,743	3,563,534,717	
Other Assets	-	-	-	7,982,722,366	7,982,722,366	15,965,444,733	18,526,658,424	
Non-Banking Assets	-	-	-	-	-	-	-	
<b>Total Assets</b>	<b>55,535,962,809</b>	<b>61,696,992,089</b>	<b>123,235,656,458</b>	<b>67,938,286,238</b>	<b>36,649,334,033</b>	<b>345,056,231,627</b>	<b>307,305,321,444</b>	
<b>Liabilities</b>								
Placement from Banks & other financial institutions	-	-	-	-	-	-	8,000,000,000	
Deposits and other accounts	53,999,117,231	60,329,049,180	120,875,352,765	41,448,001,171	11,285,134,762	287,936,655,109	248,324,489,649	
Provision and other liabilities	-	-	-	19,429,840,441	20,324,588,090	39,754,428,531	35,156,621,156	
Deferred tax liability	-	-	-	93,817,514	-	93,817,514	74,330,843	
<b>Total Liabilities</b>	<b>53,999,117,231</b>	<b>60,329,049,180</b>	<b>120,875,352,765</b>	<b>60,971,659,126</b>	<b>31,609,722,852</b>	<b>327,784,901,154</b>	<b>291,555,441,648</b>	
<b>Net Liquidity Gap</b>	<b>1,536,845,579</b>	<b>1,367,942,908</b>	<b>2,360,303,693</b>	<b>6,966,627,111</b>	<b>5,039,611,181</b>	<b>17,271,330,473</b>	<b>15,749,879,796</b>	

SAG  
Director

  
Director

  
Director

  
Managing Director & CEO

Dhaka, Bangladesh  
Date: 25.06.2020





**SOCIAL ISLAMI Bank LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2019**

**1 The Bank and its activities**

**1.1 Status of the Bank**

The Bank was incorporated as a Public Limited Company in Bangladesh on 22nd November 1995 under Companies Act, 1994. The Bank is one of the interest-free Shariah based Banks in the country and its modus- operandi are substantially different from other conventional Banks. The Bank within the stipulations laid down by Bank Company Act, 1991 (as amended in 2018) and directives as received from time to time from Bangladesh Bank, provides all types of commercial Banking services. Besides as a matter of policy the Bank conducts its business on the principles of Mudaraba, Musharaka, Murabaha, Bai-Muazzal and Hire Purchase transaction approved by Bangladesh Bank. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded Company. The Bank carries its Banking activities through one hundred sixty one (161) branches operating as per Islamic Shariah prevailing in the country.

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

**1.2 Internet Banking services**

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

**1.3 Agent Banking services**

The Bank started operation of Agent Banking Services in 2015.

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

**1.4 Enlistment with the stock exchanges**

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

**Subsidiaries of SIBL:**

**1.5 SIBL Securities Limited**

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

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

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

**1.6 SIBL Investment Limited**

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

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

Name of the Company	Paid up Capital (Taka)	Percentage of Share Holding	
		SIBL	Others
1 SIBL Securities Limited	1,230,000,000	99.999902%	0.000098%
2 SIBL Investment Limited	250,000,000	99.99968%	0.000320%
<b>Total capital</b>		<b>1,480,000,000</b>	

**1.7 Off-shore Banking unit (OBU)**

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



**1.8 Compliance of International Accounting Standards (IAS) and International Financial Reporting standards (IFRS):**

In compliance with	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied with compliance of related BRPD Circular
Investments in Associates	28	N/A
Financial Instruments: Presentation	32	Applied with compliance of related BRPD Circular
Earnings Per Share	33	Applied
Interim Financial Reporting*	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
In compliance with	IFRS No.	Status
First-time Adoption of International Financial Reporting	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Assets	6	N/A
Financial Instruments: Disclosures	7	Applied to the extent of compliance with core risk management guideline of Bangladesh Bank.
Operating Segments	8	N/A
Financial Instruments	9	Applied to the extent of compliance with (Financial Instruments) which is mandatorily effective for periods beginning on or after 1 January 2019 with early adoption permitted (subject to local endorsement requirements. Applied to the context of compliance with BRPD circular no. 15, Dated: 09.11.2009, DOS circular no. 5, Dated: 26.05.2008 and DOS circular no. 5, Dated:28.01.2009.
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with customers	15	Applied
Leases	16	Not 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

#### Basis of accounting

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

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

#### 2.1.2 Going concern estimation

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

#### 2.1.3 Statement of compliance

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

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

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

#### i) Investment in shares and securities

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

**Bangladesh Bank:** As per Banking Regulation and Policy Department (BRPD) circular no. 15 dated 09 November 2009 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

#### ii) Revaluation gains/losses on government securities

**IFRS:** As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** Held for Trading (HFT) securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity. Any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Held to maturity (HTM) securities which have not matured as at the balance sheet date are amortised at year end and gains or losses on amortisation are recognised in other reserve as part of equity.



**iii) Provision on investments and off balance sheet**

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

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

**iv) Recognition of profit in suspense and compensation**

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

**Bangladesh Bank:** As per BRPD circular no. 15 dated 09 November 2009, once an advance is classified as impaired,

**v) Other comprehensive income**

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

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

**vi) Financial instruments – presentation and disclosure**

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

**vii) Financial guarantees**

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

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

**viii) Cash and cash equivalents**

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

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

**ix) Non-Banking assets**

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

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

**x) Cash flow statement**

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

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





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

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

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

**xii) Presentation of intangible assets**

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

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

**xiii) Off-balance sheet items**

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

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

**xiv) Investments net off provision**

**IFRS:** Investments should be presented net of provision.

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

**xv) Name of financial statements**

**IFRS :** As per IAS 1 : Presentation of financial of financial statements, Components of financial statements are defined as statement of financial position and statement of profit or loss and other comprehensive income.

**Bangladesh Bank:** As per BRPD 15, statement of financial position is defined as "Balance Sheet" whilst statement of profit or loss and other comprehensive income is defined as "Profit and Loss Account"

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

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

**xvii) Comparative information of changes in equity**

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

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

**xviii) 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.

**2.1.4 Investment in shares and securities**

The Bank investment in different securities has been valued on 31.12.2019 as under:

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

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

As per BRPD circular no. 15 (09 November 2009), investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. However as per requirements of International Financial reporting Standards (IFRS)- 9, classification and measurement of investment in equity investments (shares and securities) depends on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors, it would it would generally fall either under 'at fair value through profit and loss account (FVTPL)' or under 'at fair value through other comprehensive income (FVTOCI)' (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively. SIBL recognises its 'Investment in Shares and Securities' as per IFRS-9 and accounted for the required profit/(loss) after adjustment of the value of shares and securities through profit and loss account.

**Derivatives**

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





### 2.1.5. Investments and provisions

In accordance with IFRS 9, Financial Instruments, with the exception of purchased or originated credit (investment) impaired financial assets, expected credit (investment) losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit (investment) losses (expected credit (investment) losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or full lifetime expected credit (investment) losses (expected credit /investment losses that result from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit (investment) losses is required for a financial instrument if the credit (investment) risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with IFRS 15. Additionally, entities can elect an accounting policy to recognise full lifetime expected losses for all contract assets and/or all trade receivables that do constitute a financing transaction in accordance with IFRS 15. The same election is also separately permitted for lease receivables. For all other financial instruments, expected credit (investment) losses are measured at an amount equal to the 12-month expected credit (investment) losses.

However, Provision for classified and unclassified investment is made on the basis of year end review by the management and of instructions contained in Bangladesh Bank BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No.1 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013). is specified at the following rates:

Particulars	Rate
General Provision on Contingent Liability/ Non Funded Business	1%
General Provision on Unclassified Investment	1%
General Provision on Investment for Small and Medium Enterprise	0.25%
General Provision on Investment for Professionals	2%
General Provision on Investment for House Financing	1%
General Provision on Investment for Consumer Financing	5%
General Provision on Investment for Short term Agri/ Micro credit	1%
General Provision on Special Mention Account	0.25%-5%
Specific Provision on Substandard Investment	20%
Specific Provision on Doubtful Investment	50%
Specific Provision on Bad / Loss Investment	100%

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

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

However, such general provision on general investment & off-balance sheet exposures and specific provisions on classified investments cannot satisfy the conditions of provision as per relevant IFRS or IAS.

### 2.1.6. Off-balance sheet items

#### Contingent liabilities

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

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

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

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

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated. Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised. However, the amount of cash margin is recognised as liability.

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

### 2.2 Consolidation procedures (IAS-27)

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

The consolidated financial statements have been prepared in accordance with **International Accounting Standard (IAS) 27: Separate Financial Statements**, International Financial Reporting Standards (IFRS); 3- Business Combinations and International Financial Reporting Standards (IFRS) 10- Consolidated Financial Statements. The consolidated financial statements are prepared to a common financial period ends 31 December 2018.



### 2.3 Subsidiary

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

### 2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Tk) which is the Bank's functional currency. Except as indicated, figures have been rounded off to the nearest Taka. The functional currency of Off-shore Banking Unit (OBU) is United States Dollar and its financial statements have been translated to the presentation currency, i.e Bangladesh Taka following the guidelines of IAS 21, Changes in foreign Exchange Rates.

### 2.5 Accounting policies, changes in accounting estimates and errors: (IAS-8)

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

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

### 2.6 Foreign currency transactions /translation

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

Assets and liabilities in foreign currencies as on 31 December 2019 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 2019 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 2019.

### 2.8 Adoption of new accounting standards

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

#### 2.8.1. IFRS 16: Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

#### 2.8.2. IFRS 17: Insurance contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

### 2.9 Approval of the financial statements

The Board of Directors of the Bank in its 451th meeting held on 25 June 2020 approved the financial statements of the Bank for the year ended 31 December 2019.



## 2.10. Statement of changes in equity

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

## 2.11 Liquidity statement

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.

## 2.12 Fixed assets, depreciation and revaluation (IAS-16)

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

<u>Particulars</u>	<u>Rate (%)</u>	<u>Estimated life(Years)</u>
Building	2.5	40
Furniture & Fixtures	10	10
Office Equipment	20	5
Software	10	10
Vehicles	20	5
Books	10	10

### Revaluation

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

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

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

## 2.13 Off-balance sheet exposures

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

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

## 2.14 Impairment of assets (IAS-36)

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

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Bank makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to profit & loss account. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. However no changes have arisen during the year against impairment.

## 2.15 Capital/shareholders' equity

### Authorised capital

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

### Paid up capital

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

### Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act, 1991 (as amended 2018) until such reserve equal to its paid up capital together with the share premium.



## 2.16 Revenue recognition (IFRS-15)

### (i) Investment income & revenue recognition

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

Fees and commission income are recognized when it is earned.

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

### Sharing of investment income

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

### (ii) Profit paid on deposits and other expenses

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

As per Mudaraba principle of Islamic Shari'ah, the Mudaraba Depositors are entitled to get minimum 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.

## 2.17 Provision for taxation (IAS-12)

### (a) Current tax

Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2019 considering all applicable allowances and disallowances.

### (b) Deferred tax

#### Recognition of deferred tax liabilities

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

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

#### Recognition of deferred tax asset

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from: the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect accounting profit or taxable profit.

Deferred tax assets for deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, are only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A deferred tax asset is recognised for an unused tax loss carryforward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilised.

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

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





## 2.18 Zakat fund

The Bank has created a Zakat Fund @ 2.58% for the period ended 31 December 2019 on reserve retained through out the year. Hizri Calendar has been considered to calculate 2.5% of Zakat Fund. Since Hizri Calendar counts 11 days less than the English Calendar, the percentage 2.5% represents equivalent to 2.58% of English Calendar. It is to be noted here that shareholders should pay their individual Zakat based on face value (Taka- 10.00 per share) of their individual shareholding along with their other zakatable assets.

## 2.19 Retirement benefits (IAS-19)

### Defined contribution plans:

#### (a) Provident fund

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

#### b) Superannuation fund

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

### Defined benefit plans:

#### (a) Gratuity

As per service rules of the Bank, employee who has completed five years regular service, are eligible for yearly gratuity @ 1 (one) month basic salary for every full year of regular service and employee who has completed seven years regular service are eligible for yearly gratuity @ 2 months basic salary for full year regular service. The Bank has complied with International Accounting Standard (IAS) -19, "Employee Benefits" and necessary provision i.e @ 9.5% of basic salary of the regular employees have been made as per actuary valuation of Z. Halim & Associates, Actuarial & Pension Consultants for the period ended 31 December 2019.

## 2.20 Reconciliation of inter Bank / branch transactions

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

## 2.21 Risk management

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

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

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

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

#### (a) Investment risk management

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



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

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

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

**(b) Foreign exchange risk management**

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

International Department independently conducts the transactions relating to foreign exchange and is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at 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.





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

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

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

**(f) Operational risk**

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

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

SIBL manages operational risks in the following manner:

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

**(g) Legal risks**

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

**(h) Business risk**

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

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

**(i) Reputational risk**

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

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

**(j) Compliance risk**

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



**(k) Information and communication technology security risk**

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

**(l) Internal audit**

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

**(m) Fraud and forgeries**

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

**Additional risks required to be addressed under**

**(n) Environmental & social risk**

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

**2.22 Earnings per share (IAS-33)**

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

**Basic earnings**

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

**Weighted average number of ordinary shares outstanding during the year**

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

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



### 2.23 Events after reporting period

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

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

The details about the events after reporting period is shown at note - 49.

### 2.24 Segment reporting

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

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

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

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

### 2.25 Workers profit participation fund and welfare fund

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



		<b>2019</b>	<b>2018</b>
		<b>Taka</b>	<b>Taka</b>
<b>3</b>	<b>Cash</b>		
	<i>In hand:</i>		
	In local currency	2,662,912,406	2,154,793,722
	In foreign currencies	27,328,950	25,833,892
	ATM balance	259,028,164	163,630,700
		<b>2,949,269,520</b>	<b>2,344,258,315</b>
	<b>In Foreign Currencies</b>		
	<b>Foreign Currency</b>	<b>Amount in FC</b>	<b>Exchange Rate</b>
	USD	245,545	84.90
	EURO	68,165	95.06
	S. Riyal	100	22.63
		20,846,750	19,155,796
		6,479,937	6,675,860
		2,263	2,236
		<b>27,328,950</b>	<b>25,833,892</b>
<b>3(a)</b>	<b>Consolidated balance of cash in hand</b>		
	<b>Social Islami Bank Limited</b>	<b>2,949,269,520</b>	<b>2,344,258,315</b>
	<i>Cash in hand of Subsidiary companies</i>	<b>90,288</b>	<b>67,226</b>
	SIBL Securities Limited	85,087	62,025
	SIBL Investment Limited	5,201	5,201
		<b>2,949,359,808</b>	<b>2,344,325,541</b>
<b>3.1</b>	<b>Balance with Bangladesh Bank and its agent Bank (Sonali Bank)</b>		
	Balance with Bangladesh Bank (Note-3.1.1)	28,481,818,448	23,400,872,133
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)	467,354,154	334,938,226
		<b>28,949,172,602</b>	<b>23,735,810,359</b>
<b>3.1.1</b>	<b>Balance with Bangladesh Bank (Including foreign currencies)</b>		
	In local currency	27,497,425,366	22,980,763,770
	In foreign currencies	984,393,082	420,108,363
		<b>28,481,818,448</b>	<b>23,400,872,133</b>
<b>3.1.2</b>	<b>Balance with Sonali Bank (as an agent of Bangladesh Bank)</b>		
	In local currency	<b>467,354,154</b>	<b>334,938,226</b>
<b>3.2</b>	<b>Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>		
	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the clause (1) of Article 36 of Bangladesh Bank Order, 1972 (as amended upto 2003) and clause (1) of Section 33 of the Bank Companies Act, 1991 (as amended upto 2013) respectively and subsequent DOS circular no: 05/2008, DOS circular letter no.05/2009, DOS circular letter no.21/2009 DOS circular letter no.01, dated: 19/01/2014, MPD Circular no. 01, dated 23/06/2014 and MPD Circular no. 01, dated 03/04/2018.		
	According to latest DOS circular no.01/2014, dated:19/01/2014 and MPD Circular no. 01, dated 03/04/2018, the statutory cash reserve requirement (CRR) on Bank's time and demand liabilities @5.00% on daily basis and @5.50% on Bi-weekly average basis has been calculated and maintained with Bangladesh Bank (BB) in current account and @5.5% statutory liquidity ratio (SLR) on the same liabilities has also been maintained in the form of BD Govt. Islamic Bond including FC (Foreign Currency) balances with Bangladesh Bank used in BDT, Cash in hand, balance with Sonali Bank as agent of BB, balance with Islamic Refinance Fund A/C and daily excess reserve of CRR maintained on a Bi-weekly average requirement. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:		
<b>3.3</b>	<b>Cash Reserve Requirement (CRR): 5.00% (on daily basis) of average Demand and Time Liabilities</b>		
	Required Reserve	12,844,916,000	10,781,757,000
	Actual Reserve held as per GL balance (in local currency)	27,497,425,366	22,980,763,770
	<b>Excess Reserve</b>	<b>14,652,509,366</b>	<b>12,199,006,770</b>
<b>3.4</b>	<b>Cash Reserve Requirement (CRR): 5.50% (on bi-weekly average basis) of average Demand and Time Liabilities</b>		
	Required Reserve	14,129,408,000	11,859,933,000
	Actual Reserve held as per GL balance (in local currency)	27,497,425,366	22,980,763,770
	<b>Excess Reserve</b>	<b>13,368,017,366</b>	<b>11,120,830,770</b>
<b>3.5</b>	<b>Statutory Liquidity Ratio (SLR)</b>		
	Required Reserve	14,129,408,000	11,859,933,000
	Actual Reserve held as per GL balance	30,476,941,040	23,000,027,311
	<b>Surplus</b>	<b>16,347,533,040</b>	<b>11,140,094,311</b>
<b>3.6</b>	<b>Held for Statutory Liquidity Ratio</b>		
	Cash in hand (Note- 3)	2,949,269,520	2,344,258,315
	Balance with Bangladesh Bank and its Agent Banks (Note-3.1)	-	-
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)	467,354,154	334,938,226
	Excess reserve of CRR (Note-3.4)	13,368,017,366	11,120,830,770
	Balance with Islamic Refinance Fund (Note-6)	250,000,000	250,000,000
	Bangladesh Govt. Islamic Bond (Note- 6)	13,442,300,000	8,950,000,000
		<b>30,476,941,040</b>	<b>23,000,027,311</b>
<b>4</b>	<b>Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)</b>		
	In Bangladesh (Note - 4.1)	2,288,360,101	1,159,022,085
	Outside Bangladesh (Note- 4.2)	1,084,292,499	323,695,854
		<b>3,372,652,600</b>	<b>1,482,717,939</b>



	2019 <u>Taka</u>	2018 <u>Taka</u>
<b>4(a) Consolidated balance of other Banks and Financial Institutions</b>		
In Bangladesh		
<b>Social Islami Bank Limited</b>	<b>2,288,360,101</b>	<b>1,159,022,085</b>
<i>Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch</i>	<i>463,760,840</i>	<i>373,713,075</i>
SIBL Securities Limited (Current account and MTDR)	362,309,451	123,864,138
SIBL Investment Limited	101,451,389	249,848,937
	<b>2,752,120,941</b>	<b>1,532,735,160</b>
<i>Less: Inter Company balance eliminated</i>	<i>463,760,840</i>	<i>373,713,075</i>
SIBL Securities Limited (Current account and MTDR)	362,309,451	123,864,138
SIBL Investment Limited	101,451,389	249,848,937
<i>Add: Account Balance of subsidiaries of SIBL with other Banks and financial institutions</i>	<i>15,432</i>	<i>54,469</i>
SIBL Securities Limited	15,432	54,469
SIBL Investment Limited	-	-
<b>Consolidated balance with Banks and Financial Institutions</b>	<b>2,288,375,533</b>	<b>1,159,076,554</b>

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

**4.1 In Bangladesh**

**a) Current Account**

Islami Bank Bangladesh Limited	18,634,159	4,026,312
Sonali Bank Limited	2,088,071	62,993,496
Agrani Bank Limited	15,004,080	3,004,425
Pubali Bank Limited	2,261	2,261
Rupali Bank Limited	17,967,529	-
NRB Global Bank Limited	702,092,443	502,092,500
Trust Bank Limited (ATM settlement Account)	3,726,896	13,281,579
Standard Chartered Bank (ATM settlement Account)	4,142,926	4,915,378
	<b>763,658,364</b>	<b>590,315,951</b>

**b) Mudaraba Short Notice Deposits**

Al- Arafah Islami Bank Limited	1,362,705,870	29,825,538
ICB Islami Bank Limited	9,532	9,992
Shahjalal Islami Bank Limited	9,045,702	8,465,917
Prime Bank Limited (Islami Banking Branch)	7,290	7,129
Bank Asia Limited (Islami Banking Branch)	572,257	560,633
Islami Bank Bangladesh Limited	71,741,699	74,084,064
Jamuna Bank Limited (Islami Banking Branch)	546,155	535,697
Pubali Bank Limited (Islami Banking Branch)	4,833,279	7,144,105
Exim Bank Ltd.	8,631,760	12,116,484
Janata Bank Limited	19,716	10,986
Southeast Bank Ltd.	332,435	326,258
AB Bank Ltd.	3,596,021	3,450,804
The City Bank Ltd.	11,891	11,955
Agrani Bank Ltd.	41,192,183	15,342,671
First Security Islami Bank Ltd.	12,249,692	16,813,902
Union Bank Ltd.	9,206,257	400,000,000
	<b>1,524,701,738</b>	<b>568,706,134</b>

**c) Mudaraba Savings Deposits**

<b>Total</b>	<b>2,288,360,101</b>	<b>1,159,022,085</b>
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31.12.2019

**4.2 Outside Bangladesh (NOSTRO Account)**

<u>Current Account with</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
1 SCB, MUMBAI	ACUD	437,019.61	84.90	37,102,965
2 SUMMIT Bank, KARACHI	ACUD	75,458.64	84.90	6,406,439
3 SONALI Bank, KOLKATA	ACUD	171,578.79	84.90	14,567,039
4 MASHREQ Bank, MUMBAI	ACUD	569,235.68	84.90	48,328,109
5 NEPAL BANGLADESH Bank	ACUD	8,567.36	84.90	727,369
6 Bank OF BHUTAN, PHUENTSHOLING	ACUD	80,809.10	84.90	6,860,693
7 UNITED Bank OF INDIA	ACUD	189,437.33	84.90	16,083,229
8 AB Bank, MUMBAI	ACUD	341,814.61	84.90	29,020,060
9 MEEZAN Bank LIMITED	ACUD	48,309.53	84.90	4,101,479
10 MCB Bank, KARACHI, PAKISTAN	ACUD	1,805.78	84.90	153,311
11 AXIS Bank LIMITED	ACUD	(72,599.71)	84.90	(6,163,715)
12 HDFC Bank LTD., MUMBAI	ACUD	99,050.35	84.90	8,409,375
13 MASHREQ Bank, NEW YORK, (OBU)	USD	474,032.05	84.90	40,245,321
14 MASHREQ Bank PSC, NEW YORK, USA	USD	3,195,038.56	84.90	271,258,774
15 SCB, NY, USA	USD	6,029,595.94	84.90	511,920,528
				<b>989,020,975</b>
				<i>balance carried forward</i>





31.12.2019				
<u>Current Account with</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
		<i>balance brought forward</i>		<b>989,020,975</b>
16 KOREA EXCH. Bank, KOREA	USD	948.76	84.90	80,550
17 HABIB AMERICAN Bank	USD	123,497.51	84.90	10,484,939
18 COMMERZ Bank AG, FRANKFURT	USD	9,715.50	84.90	824,846
19 MASHREQ Bank, PSC MUMBAI	ACU EURO	437.92	95.06	41,630
20 SCB, FRANKFURT	EURO	471,972.69	95.06	44,869,295
21 COMMERZ Bank AG, FRANKFURT	EURO	162,491.89	95.06	15,446,890
22 SCB, LONDON, UK	GBP	135,975.79	111.34	15,139,253
23 SCB, TOKYO	JPY	288,603.00	0.78	224,443
24 Bank AL JAZIRA	RIYAL	360,500.00	22.63	8,159,680
			<b>Total</b>	<b>1,084,292,499</b>

**Currency wise Distribution:**

<u>Foreign Currency</u>	<u>31.12.2019</u>	<u>31.12.2018</u>	<u>31.12.2019</u>	<u>31.12.2018</u>
<u>Composition</u>	<u>Composition</u>	<u>Composition</u>	<u>Taka</u>	<u>Taka</u>
USD/ACU	92.19%	98.76%	999,586,463	319,676,305
GBP	1.40%	0.00%	15,139,253	9,649
EUR	5.64%	1.20%	61,182,660	3,897,094
YEN	0.02%	0.01%	224,443	25,081
RIYAL	0.75%	0.03%	8,159,680	87,725
	<b>100%</b>	<b>100%</b>	<b>1,084,292,499</b>	<b>323,695,854</b>

Please see 'Annexure-C' for details comparative statement of 31.12.2019 & 31.12.2018 of foreign currency amount and rate.

<b>4.3</b>	<b>Maturity-wise groupings of balance with other Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh)</b>		
	On Demand	1,847,950,863	914,011,805
	Not more than 3 months	1,524,701,738	568,706,134
	Over 3 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		<b>3,372,652,600</b>	<b>1,482,717,939</b>
<b>5</b>	<b>Placement with Banks &amp; other Financial Institutions</b>		
	Placement with Banks (Note-5.1)	1,986,469,299	486,619,899
	Placement with other Financial Institutions (Note-5.2 & 5.3)	4,839,600,000	5,425,000,000
		<b>6,826,069,299</b>	<b>5,911,619,899</b>
<b>5.1</b>	<b>Mudaraba Term Deposits with Banks</b>		
	ICB Islamic Bank Limited	186,469,299	186,619,899
	Union Bank Limited	1,800,000,000	300,000,000
		<b>1,986,469,299</b>	<b>486,619,899</b>
<b>5.2</b>	<b>Mudaraba Term Deposits with Other Financial Institutions</b>		
	IPDC Finance Ltd.	250,000,000	250,000,000
	International Leasing & Financial Services Ltd.	355,000,000	355,000,000
	Prime Finance & Investment Limited	-	200,000,000
	IDLC Finance Limited	-	500,000,000
	Union Capital Limited	200,000,000	900,000,000
	Bay Leasing & Investment Ltd.	50,000,000	-
	Haji Finance Company Limited	-	200,000,000
	Fas Finance and Investment Limited	300,000,000	300,000,000
	First Finance Limited	100,000,000	100,000,000
	Islamic Finance & Investment Ltd.	25,000,000	-
	Reliance Finance Limited	1,880,000,000	1,620,000,000
	Investment Corporation of BD Ltd. (ICB)	1,000,000,000	1,000,000,000
		<b>4,160,000,000</b>	<b>5,425,000,000</b>
<b>5.3</b>	<b>FC Placement with Banks &amp; other Financial Institutions</b>		
	National Bank Limited	169,900,000	-
	NCC Bank Limited	509,700,000	-
		<b>679,600,000</b>	-
<b>5.4</b>	<b>Maturity-wise groupings of placement with Banks and other Financial Institutions</b>		
	On Demand	4,314,600,000	3,120,000,000
	Not more than 3 months	2,300,000,000	1,750,000,000
	More than 3 months but less than 1 year	25,000,000	855,000,000
	More than 1 year but less than 5 years	186,469,299	186,619,899
	More than 5 years	-	-
		<b>6,826,069,299</b>	<b>5,911,619,899</b>



	31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>
<b>6 Investment in Shares &amp; Securities</b>		
<b>Government</b>		
Government Bond (Islamic Investment Bond) (Note 6.1)	13,000,000,000	8,950,000,000
7 Years Treasury BOND (5%)	319,300,000	-
7 Years Treasury BOND (0%)	123,000,000	-
	<b>13,442,300,000</b>	<b>8,950,000,000</b>
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	<b>13,692,300,000</b>	<b>9,200,000,000</b>
<b>Others</b>		
Investment in Shares, Quoted (Note 6.2)	641,262,505	706,935,936
Investment in Shares, Unquoted/bond (Note 6.3 & 6.4)	4,907,936,795	3,292,513,507
	<b>5,549,199,300</b>	<b>3,999,449,443</b>
<b>Fair value adjustment through profit or loss (FVTPL) (note: 6.5)</b>	<b>(122,515,819)</b>	<b>(112,898,604)</b>
<b>Value of Investment in Shares and securities, Others</b>	<b>5,426,683,481</b>	<b>3,886,550,839</b>
<b>Grand Total</b>	<b>19,118,983,481</b>	<b>13,086,550,839</b>
<b>Maturity-wise Grouping of Investment in Securities:</b>		
Upto one month	4,568,746,686	4,144,037,331
Not more than 3 months	2,250,000,000	3,050,000,000
Over 3 months but not more than 1 year	6,950,000,000	2,600,000,000
Over 1 year but not more than 5 years	3,609,000,000	1,282,515,107
More than 5 years	1,741,236,795	2,009,998,400
	<b>19,118,983,481</b>	<b>13,086,550,839</b>
<b>6(a) Consolidated Investment in Shares and Securities</b>		
<b>Social Islami Bank Limited</b>		
<b>Government</b>		
Investment in Government Islamic Bond	13,000,000,000	8,950,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
7 Years Treasury BOND (5%)	319,300,000	-
7 Years Treasury BOND (0%)	123,000,000	-
	<b>13,692,300,000</b>	<b>9,200,000,000</b>
<b>Others sectors</b>	<b>5,426,683,481</b>	<b>3,886,550,839</b>
<b>Add: Investment in Shares and Securities by subsidiary companies</b>	<b>223,730,222</b>	<b>142,469,928</b>
SIBL Securities Limited	154,433,823	142,469,928
SIBL Investment Limited	69,296,400	-
<b>Less: InterCompany balance eliminated</b>		
<b>Investments in Subsidiaries</b>	<b>1,479,998,400</b>	<b>1,479,998,400</b>
Investment in SIBL Securities Limited	1,229,999,000	1,229,999,000
Investment in SIBL Investment Limited	249,999,400	249,999,400
<b>Consolidated Investment in others sectors</b>	<b>4,170,415,304</b>	<b>2,549,022,367</b>
<b>Total consolidated balance of Investment in shares and securities</b>	<b>17,862,715,304</b>	<b>11,749,022,367</b>
<b>6.1</b>		
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.		
<b>6.2 Investment (Cost) in Shares (Quoted)</b>		
National Life Insurance 1st Mutual Fund	-	3,103,399
BD Com	-	3,756,097
ICB Sonali Mutual Fund	-	1,765,607
Aamra Net	9,984,573	10,663,324
ICB AMCL 2nd Mutual Fund	-	881,150
Aamra Tech	68,249,577	20,106,190
SEBL 1st Mutual Fund	1,850,435	1,393,658
IFIC 1ST Mutual Fund	7,099,672	10,985,834
Trust Bank 1ST Mutual Fund	7,043,696	10,537,366
1ST Janata Mutual Fund	2,315,482	3,408,500
AB 1st Mutual Fund	4,693,330	6,927,168
Al-Arafah Islami Bank Limited	1,990,000	2,039,011
Exim Bank Limited	15,198,513	24,354,909
Islami Bank Limited	-	13,885,373
Titas Gas Limited	72,998,131	78,823,665
<b>balance carried forward</b>	<b>191,423,409</b>	<b>192,631,249</b>



	31.12.2019	31.12.2018
	<u>Taka</u>	<u>Taka</u>
<i>balance brought forward</i>	<i>191,423,409</i>	<i>192,631,249</i>
MJL Bangladesh	15,559,985	13,356,873
Desco	6,072,928	7,867,490
Padma Oil	8,162,374	12,846,915
BSRM Steel	13,361,414	19,589,363
Bashundhara Paper Mills Ltd.	-	864,560
Jamuna Oil	45,292,538	44,165,292
Grameen Phone	-	3,776,488
Orion Pharma Limited	169,498,371	210,976,327
Square Pharmaceuticals	27,678,105	21,943,252
Linde Bangladesh Ltd.	-	9,045,421
RAK Ceramics Limited	7,800,000	11,574,347
BSRM Ltd.	12,512,000	20,568,475
Beximco Pharmaceutical	15,820,000	21,541,687
Apex Foot Wear Limited	4,995,428	10,989,811
Square Textile	2,358,439	-
Bata Shoe Company	2,510,231	-
Summit Power Limited	72,841,854	65,956,243
BBS Cables	12,499,901	-
Powergrid Company Limited	2,880,000	18,244,575
Agni Systems Ltd	2,277,572	-
Intraco Refueling Station Ltd.	243,640	6,951,645
KPCL	-	11,152,648
M Petroleum	27,474,316	2,893,275
	<b>641,262,505</b>	<b>706,935,936</b>
<b>6.3 Investment (Cost) in Shares (Unquoted)</b>		
CDBL Share	1,569,450	1,569,450
Orion Infrastructure Ltd. (Cumulative)	500,000,000	500,000,000
Orion Infrastructure Ltd. (Redeemable)	169,900,000	561,976,712
Lub-RREF (BD) Limited. Pre-IPO	52,000,000	52,000,000
Investment in subsidiary: SIBL Securities Limited	1,229,999,000	1,229,999,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
Awqaf Properties Investment fund (APIF)	166,968,945	166,968,945
Central Counterparty Bangladesh Ltd. (CCBL)	37,500,000	-
	<b>2,407,936,795</b>	<b>2,762,513,507</b>
<b>6.4 Subordinated Bond</b>		
FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond)	1,500,000,000	530,000,000
UBL Mudaraba Subordinate Bond	1,000,000,000	-
	<b>2,500,000,000</b>	<b>530,000,000</b>
<b>Total Investment (Cost) in Shares (Unquoted)/Bond</b>	<b>4,907,936,795</b>	<b>3,292,513,507</b>

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

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

**6.5 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- 2019	31.12.2019	
				Cost price as on 31-12-2019	Fair value adjustment
<b>Quoted Shares</b>					
Aamra Net	204,731	37.60	7,697,886	9,984,573	(2,286,688)
Aamra Tech	2,679,456	23.20	62,163,379	68,249,577	(6,086,198)
SEBL 1st Mutual Fund	151,675	10.00	1,516,750	1,850,435	(333,685)
IFIC 1ST Mutual Fund	1,690,398	4.60	7,775,831	7,099,672	676,159
Trust Bank 1ST Mutual Fund	1,600,840	4.80	7,684,032	7,043,696	640,336
1ST Janata Mutual Fund	526,246	4.30	2,262,858	2,315,482	(52,624)
AB 1st Mutual Fund	1,066,666	4.10	4,373,331	4,693,330	(319,999)
Al-Arafah Islami Bank Limited	102,000	17.20	1,754,400	1,990,000	(235,600)
Exim Bank Limited	1,300,000	10.10	13,130,000	15,198,513	(2,068,513)
Titas Gas Limited	2,010,000	30.90	62,109,000	72,998,131	(10,889,131)
MJL Bangladesh	155,714	63.30	9,856,696	15,559,985	(5,703,289)
<b>balance carried forward</b>			<b>180,324,162</b>	<b>206,983,394</b>	<b>(26,659,232)</b>



31.12.2019

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Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12- 2019	31.12.2019	
				Cost price as on 31-12-2019	Fair value adjustment
<b>Quoted Shares</b>	<b>balance brought forward</b>		<b>180,324,162</b>	<b>206,983,394</b>	<b>(26,659,232)</b>
Desco	150,320	37.00	5,561,840	6,072,928	(511,088)
Padma Oil	36,245	192.20	6,966,289	8,162,374	(1,196,085)
BSRM Steel	223,062	39.20	8,744,030	13,361,414	(4,617,384)
Jamuna Oil	237,671	141.90	33,725,515	45,292,538	(11,567,023)
Orion Pharma Limited	4,605,934	26.90	123,899,625	169,498,371	(45,598,746)
Square Pharmaceuticals	117,700	190.00	22,363,000	27,678,105	(5,315,105)
RAK Ceramics Limited	220,000	28.70	6,314,000	7,800,000	(1,486,000)
BSRM Ltd.	160,000	48.80	7,808,000	12,512,000	(4,704,000)
Beximco Pharmaceutical	200,000	69.40	13,880,000	15,820,000	(1,940,000)
Apex Foot Wear Limited	16,905	223.10	3,771,506	4,995,428	(1,223,923)
Square Textile	50,000	31.00	1,550,000	2,358,439	(808,439)
Bata Shoe Company	2,000	696.10	1,392,200	2,510,231	(1,118,031)
Summit Power Limited	1,848,692	36.30	67,107,520	72,841,854	(5,734,334)
BBS Cables	137,500	58.80	8,085,000	12,499,901	(4,414,901)
Powergrid Company Limited	60,000	44.60	2,676,000	2,880,000	(204,000)
Agni Systems Ltd	100,000	15.10	1,510,000	2,277,572	(767,572)
Intraco Refueling Station Ltd.	10,000	13.60	136,000	243,640	(107,640)
M Petroleum	140,000	163.80	22,932,000	27,474,316	(4,542,316)
			<b>518,746,686</b>	<b>641,262,505</b>	<b>(122,515,819)</b>
<b>Preference Shares</b>					
Orion Infrastructure Ltd. (Cumulative)	50,000,000	-	500,000,000	500,000,000	-
Orion Infrastructure Ltd. (Redeemable)			169,900,000	169,900,000	-
			<b>669,900,000</b>	<b>669,900,000</b>	<b>-</b>
<b>Unquoted Shares/ Bond</b>					
CDBL Share	571,181	-	1,569,450	1,569,450	-
Lub-RREF (BD) Limited. Pre-IPO			52,000,000	52,000,000	-
Awqaf Properties Investment fund (APIF)			166,968,945	166,968,945	-
UBL Mudaraba Subordinate Bond			1,000,000,000	1,000,000,000	-
Central Counterparty Bangladesh Ltd.(CCBL)			37,500,000	37,500,000	-
FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond)			1,500,000,000	1,500,000,000	-
			<b>2,758,038,395</b>	<b>2,758,038,395</b>	<b>-</b>
<b>Grand Total</b>			<b>3,946,685,081</b>	<b>4,069,200,900</b>	<b>(122,515,819)</b>
<b>6.6 Industry wise classification of shares at market price</b>					
<b>Quoted shares</b>					
Banks				27,596,716	40,279,292
Mutual Funds				129,318,663	39,002,681
Others				484,347,125	627,653,963
				<b>641,262,505</b>	<b>706,935,936</b>
<b>6.7 Cost of shares and securities of quoted and unquoted, other than investment in subsidiaries</b>				4,069,200,900	2,519,451,043
Fair value adjustment {Profit/(Loss)} to be made through profit and loss account				(122,515,819)	(112,898,604)
<b>Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries</b>				<b>3,946,685,081</b>	<b>2,406,552,439</b>
Investments in Shares and Securities' other than investments in subsidiaries under the category 'Financial Assets at fair value through profit or loss (FVTPL)' has been recognised at fair value and the unrealized profit or loss i.e. difference between fair value and cost has been charged to profit and loss account and value of the investment has been reduced by the same amount as per requirements of International Financial reporting Standards (IFRS)-9, Financial Instruments.					
<b>7 Investments</b>					
<b>In Bangladesh</b>					
General Investments etc. (Note-7.1)				252,038,985,230	230,434,994,597
Bills purchased and discounted-net (Note- 7.2)				3,134,654,364	2,718,264,390
<b>Outside Bangladesh</b>					
Bills purchased and discounted-net (Note- 7.2)				9,094,950,055	5,500,911,966
				<b>264,268,589,650</b>	<b>238,654,170,953</b>
<b>7 (a) Consolidated Investment</b>					
<b>General Investments etc.</b>				252,038,985,230	230,434,994,597
<b>Less: InterCompany balance eliminated</b>					
<b>SIBL Securities Limited</b>					
Quard Investment with SIBL- Principal branch				800,000,000	800,000,000
<b>SIBL Investment Limited</b>				-	-
<b>Total consolidated general investment</b>				<b>251,238,985,230</b>	<b>229,634,994,597</b>
<b>Bills purchased and discounted-net</b>				<b>12,229,604,419</b>	<b>8,219,176,356</b>
<b>Grand total</b>				<b>263,468,589,649</b>	<b>237,854,170,953</b>



	31.12.2019	31.12.2018
	<u>Taka</u>	<u>Taka</u>
<b>Maturity wise Classification of Investments:</b>		
<b>With a residual maturity of</b>		
Re-payable on Demand	27,035,631,139	29,139,622,930
Not more than 3 months	55,622,290,351	48,896,931,116
Over 3 months but not more than 1 year	116,074,187,159	109,233,662,907
Over 1 year but not more than 5 years	54,543,539,000	45,674,626,000
Over 5 years	10,992,942,000	5,709,328,000
	<b>264,268,589,649</b>	<b>238,654,170,953</b>
<b>7.1 Mode-Wise Investment (General)</b>		
<b>a) In Bangladesh</b>		
Musharaka	285,826,612	347,714,917
Murabaha	4,110,909,296	3,889,304,111
Mudaraba	2,213,479,499	2,061,861,392
Bai-Muazzal	175,173,237,666	157,973,557,142
Hire-Purchase Sirkatul Meelk	56,906,637,122	54,779,810,323
Quard	8,648,705,103	6,850,181,947
Bai-Salam	931,350,622	775,677,519
Staff Loan	2,431,330,908	2,385,978,089
Ijarah	609,610,142	660,073,348
Visa Card	727,898,260	710,835,809
	<b>252,038,985,230</b>	<b>230,434,994,597</b>
<b>Mode-Wise Investment (General)</b>		
<b>b) Outside Bangladesh</b>		
Musharaka	-	-
Murabaha	-	-
Bai-Muazzal	-	-
Hire-Purchase Sirkatul Meelk	-	-
Installment Investment Scheme	-	-
Quard	-	-
Bai-Salam	-	-
Others	-	-
	-	-
<b>7.2 Bills Purchased and discounted</b>		
<b>In land Bill Purchase</b>		
	<b>3,134,654,364</b>	<b>2,718,264,390</b>
<b>Outside Bangladesh</b>		
Foreign Bill Purchased	85,750,964	158,660,057
Murabaha Bill of Exchange	1,455,670,105	1,655,274,938
Baim-Wes bills	7,553,528,986	3,686,976,971
	<b>9,094,950,055</b>	<b>5,500,911,966</b>
<b>Grand total of net Bills Purchased and Discounted</b>	<b>12,229,604,419</b>	<b>8,219,176,356</b>
<b>7.2.1 Bills Purchased and Discounted</b>		
Payable in Bangladesh	4,698,133,914	4,511,086,108
Payable outside Bangladesh	8,137,099,405	4,041,308,510
<b>Gross Bills Purchased and Discounted</b>	<b>12,835,233,319</b>	<b>8,552,394,618</b>
Less: Profit receivable on Bills Purchased and Discounted	605,628,901	333,218,262
<b>Net Bills Purchased and Discounted</b>	<b>12,229,604,419</b>	<b>8,219,176,356</b>
<b>Maturity wise Classification of Bills Purchased and Discounted:</b>		
On demand	2,445,920,884	1,643,835,271
Over 1 month but less than 3 months	6,114,802,210	4,109,588,178
Over 3 months but less than 1 year	3,668,881,326	2,465,752,907
1 year or more	-	-
	<b>12,229,604,419</b>	<b>8,219,176,356</b>
<b>7.3 Investments on the basis of significant concentration</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Investments to allied concern of Directors	0.00%	0.00%
Investments to Executives & Staffs	0.93%	1.09%
Investments to Customer Groups	57.28%	58.62%
Industrial Investment	41.79%	40.29%
Others	0.00%	0.00%
	<b>100.00%</b>	<b>100.00%</b>
	<b>264,268,589,649</b>	<b>238,654,170,953</b>





31.12.2019  
Taka

31.12.2018  
Taka

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

Number of Client with amount of outstanding Investment to whom Investments sanctioned exceeds 15% of total capital of the Bank is reported hereunder. Total capital of the Bank was Tk. 2,790.18 Crore as on 31.12.2019 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 418.53 crore (2,790.18 crore x 15% ) till 31.12.2019. It is mentioned here that as per Bank Companies Act, 1991, single party exposure limit has been fixed at 15% for funded and 20% non-funded investment based on capital maintained for non export oriented clients whereas 15% funded and 35% non-fundend limit for 100% export oriented clients.

Total Principal outstanding amount to such customers at end of the year (Funded)	809.90 crore*	438.58 crore
Number of such types of customers	02	01
Amount of Classified Investments thereon	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

\* As per BRPD circular no. 2, dated: 16 January 2014, single party exposure limit 15% is not applicable for the client doing business in power sector. The principal amount limit for such client is 25% of total capital, i.e Taka-697.55 crore as on 31.12.2019.

**7.4 Customer group and industry wise classification of Investment**

(Amount in Taka)

Sector	2019		2018	
	Amount	Composition	Amount	Composition
Commercial lending	53,900,724,832	20.40%	61,034,903,616	25.57%
Export Financing	4,921,018,590	1.86%	3,976,655,381	1.67%
House Building Investment	3,743,143,723	1.42%	3,830,220,008	1.60%
Investment against Scheme & MTDR	3,991,981,577	1.51%	2,699,896,506	1.13%
Small and Medium Enterprises	63,698,717,346	24.10%	55,648,160,786	23.32%
Micro Investment	528,101,236	0.20%	366,423,793	0.15%
Other Investments	18,368,360,048	6.95%	10,274,440,780	4.31%
Off-shore Banking Unit	2,213,479,499	0.84%	2,061,861,392	0.86%
Executives & Staffs of SIBL	2,460,432,039	0.93%	2,602,680,866	1.09%
Agricultural Industries	3,368,258,174	1.27%	4,689,228,940	1.96%
Textile & Allied Industries	33,741,188,311	12.77%	33,873,073,993	14.19%
Food & Allied Industries	12,615,242,920	4.77%	9,664,899,008	4.05%
Pharmaceutical Industries	1,568,322,953	0.59%	1,606,821,774	0.67%
Leather, Chemical, Cosmetic etc.	3,197,244,220	1.21%	1,128,961,210	0.47%
Construction Industries	8,177,394,150	3.09%	8,743,033,841	3.66%
Cement and Ceramic Industries	3,611,668,991	1.37%	4,725,947,827	1.98%
Service Industries	11,368,846,621	4.30%	9,414,501,196	3.94%
Transport and Communication Industries	3,192,320,500	1.21%	3,179,499,691	1.33%
Other Industries	29,602,143,917	11.20%	19,132,960,345	8.02%
<b>Total</b>	<b>264,268,589,649</b>	<b>100.00%</b>	<b>238,654,170,953</b>	<b>100.00%</b>

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

(Amount in Taka)

Sector	2019		2018	
	Amount	Composition	Amount	Composition
<b>i) Within Bangladesh</b>				
a) In Rural Areas	26,431,716,557	10.00%	23,908,519,462	10.02%
b) In Urban Areas	237,836,873,092	90.00%	214,745,651,490	89.98%
<b>Sub-total (a+b)</b>	<b>264,268,589,649</b>	<b>100.00%</b>	<b>238,654,170,953</b>	<b>100.00%</b>
<b>ii) Outside Bangladesh</b>	-	-	-	-
<b>Total (i+ii)</b>	<b>264,268,589,649</b>	<b>100.00%</b>	<b>238,654,170,953</b>	<b>100.00%</b>

**7.6 Division-wise Investments**

(Amount in Taka)

Division	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
Dhaka	194,694,679,083	73.67%	177,487,375,863	74.37%
Chittagong	50,488,355,028	19.10%	42,056,600,930	17.62%
Sylhet	596,444,575	0.23%	831,657,965	0.35%
Rajshahi	6,474,479,583	2.45%	6,600,817,273	2.77%
Khulna	6,245,768,176	2.36%	6,665,377,569	2.79%
Rangpur	2,267,255,928	0.86%	2,182,685,785	0.91%
Barisal	1,403,466,160	0.53%	1,067,115,469	0.45%
Mymensingh	2,098,141,116	0.79%	1,762,540,098	0.74%
<b>Total</b>	<b>264,268,589,649</b>	<b>100.00%</b>	<b>238,654,170,953</b>	<b>100.00%</b>



	31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>	
<b>7.7 Investments (Classification wise)</b>			
<b>Unclassified</b>			
Standard	235,404,417,478	215,123,635,967	
Special Mentioned Account	6,951,113,350	567,950,276	
<b>Classified</b>			
Substandard	658,469,819	645,937,405	
Doubtful	282,521,464	738,768,136	
Bad or Loss	16,493,952,059	16,914,420,889	
	<b>259,790,474,170</b>	<b>233,990,712,673</b>	
Standard (short term agri / micro inv.)	1,915,841,760	2,008,913,844	
Special Mentioned Account (short term agri/ micro inv.)	3,481,184	-	
Substandard (short term agri / micro inv.)	40,782,857	10,546,595	
Doubtful (short term agri / micro inv.)	759,771	1,109,864	
Bad or Loss (short term agri/micro inv.)	56,817,868	40,207,111	
	<b>2,017,683,440</b>	<b>2,060,777,414</b>	
Staff Investment	2,460,432,039	2,602,680,866	
	<b>264,268,589,649</b>	<b>238,654,170,953</b>	
<b>7.8 Particulars of provision required for general investment</b>			
Unclassified (Excluding Off-balance sheet exposures)	3,911,552,438	1,826,099,534	
Classified	7,595,557,186	6,398,009,498	
Unclassified- Off-balance sheet exposures	490,293,577	464,963,838	
	<b>11,997,403,200</b>	<b>8,689,072,870</b>	
<b>7.8.1 Detail Particulars of Provision for Investment</b>			
<b>Unclassified</b>	<b>Rate</b>	<b>Base for Provision</b>	<b>Provision Required</b>
Standard	1%	359,030,636,660	3,590,306,367
Staff Investment	0%	-	-
Consumer Finance (Other than HF and LP)	5%	658,112,116	32,905,606
Small and Medium Enterprise	0.25%	58,809,433,728	147,023,584
Housing Finance (HF)	1%	2,041,606,809	20,416,068
Loan for Professionals (LP)	2%	9,893,256	197,865
Share	2%	2,268,580,046	45,371,601
SMA Investment (Same as UC i.e 0.25%, 1%, 2%, to 5%)	5%	56,172,929	56,172,929
Unclassified Off Balance Sheet Items	1%	49,029,357,700	490,293,577
<b>Classified</b>			
Substandard	20%	505,621,649	101,124,330
Doubtful	50%	78,908,724	39,454,362
Bad or Loss	100%	7,454,232,680	7,454,232,680
			<b>11,977,498,969</b>
			<b>8,668,886,815</b>
<b>Provision Required (Short term Agricultural &amp; Micro Credit)</b>	<b>Rate</b>	<b>Base for Provision</b>	<b>Provision Required</b>
<b>Unclassified</b>			
Standard (short term agri /micro credit)	1.0%	1,915,841,760	19,158,418
<b>Classified</b>			
Substandard (short term agri /micro credit)	5%	14,802,317	740,116
Doubtful (short term agri /micro credit)	5%	113,966	5,698
Bad or Loss (Short term agri /micro credit)	100%	-	-
			<b>19,904,232</b>
			<b>20,186,056</b>
<b>Required provision for Investments (Grand Total)</b>			<b>11,997,403,200</b>
<b>Total provision maintained</b>			<b>11,997,403,200</b>
<b>Provision Surplus/(Shortfall)</b>			<b>-</b>
Bangladesh Bank vide its letter ref: DBI-4/42(2)2019-761, dated: 29.04.2019, accorded their permission to defer provision for investment amounting to Taka-444.00 crore and provide this amount equally during next three years from year 2019 to year 2021. Again Bangladesh Bank vide its letter ref DBI/4/42(2)2020-327, dated: 17.06.2020, suggested to provide Taka 187.83 crore as additional provision during the year 2019, and the Bank has maintained that provision. Moreover time has been extended up to 31st December 2020 to regularize the corresponding non performing loan.			
<b>Provision Made for funded exposures only: (Other than Short term Agricultural &amp; Micro Credit)</b>			
<b>Unclassified</b>			
Standard			4,326,514,668
SMA			56,172,929
<b>Classified</b>			
Substandard			101,124,330
Doubtful			39,454,362
Bad or Loss			7,454,232,680
			<b>11,977,498,969</b>
			<b>8,668,886,815</b>
<b>Provision Made: (Short term Agricultural &amp; Micro Credit)</b>			
Standard (short term agri credit)			19,158,418
Substandard (short term agri credit)			740,116
Doubtful (short term agri credit)			5,698
Bad or Loss (Short term agri credit)			-
			<b>19,904,232</b>
			<b>20,186,056</b>
<b>Grand Total</b>			<b>11,997,403,200</b>
			<b>8,689,072,870</b>



			31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>
<b>7.8.2</b>	<b>Particulars of provision for Off-Balance Sheet items</b>			
	<u>Status</u>	<u>Rate</u>	<u>Basis for Provision</u>	
	Off-Balance Sheet Items	1%	53,594,806,020	490,293,577
	Required provision for Investments			464,963,838
	Provision maintained {note # 13.1(c)}			490,293,577
	<b>Surplus Provision</b>			<b>464,963,838</b>
				-
<b>7.9</b>	<b>Particulars of Investments:</b>			
(i)	Investment considered good in respect of which the Banking Company is fully secured		181,408,014,364	174,117,327,019
(ii)	Investment considered good for which the Banking Company holds no other security other than the debtor's personal security		76,561,437,854	58,757,818,768
(iii)	Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors		6,299,137,431	5,779,025,166
(iv)	Investment considered bad or doubtful not provided for		-	-
	<b>Total</b>		<b>264,268,589,649</b>	<b>238,654,170,953</b>
(v)	Investment due by directors or officers of the Banking Company or any of them either severally or jointly with any other person		2,460,432,039	2,602,680,866
(vi)	Investment due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies as members.		-	-
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons.		9,851,600	12,534,289
(viii)	Maximum total amount of Investments including temporary Investment granted during the period to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or in the case of private companies as members		Nil	Nil
(ix)	Investment due from other Banks		Nil	Nil
(x)	Classified Investment on which profit has not been charged		16,550,769,927	16,954,628,000
(xi)	Particulars of written off investments			
	a) Cumulative amount of written off Investments since inception to 31 December last year		5,958,111,345	5,875,043,788
	b) Amount of written off / waiver of Investment during the year		31,734,980	83,067,558
	<b>Total amount of written off (a+b)</b>		<b>5,989,846,325</b>	<b>5,958,111,345</b>
	c) Amount recovered against debts which are previously written off (cumulative balance)		454,000,207	428,379,034
	d) Amount of Investments written off against which cases have been filed for recovery		5,989,846,325	5,958,111,345
xii)	e) Amount of compensation suspense as at year end.		2,870,657,332	1,874,740,496
<b>7.10</b>	<b>Large Investment Restructuring</b>			
	Large Investment Restructuring is made as per BRPD Circular no: 04, Dated: 29 January 2015, of the investments having minimum outstanding amount of Taka-500 crore and above in aggregate. The Eligibility criteria as per the circular are:			
	a) Investments of a particular borrower or group in a Bank, singly or in clubbed together form, shall be eligible for restructuring. Borrower having exposure in multiple Banks may also approach by forming a consortium.			
	b) Minimum outstanding investment amount for restructuring shall be Taka-500.00 crore or above in aggregate.			
	c) Restructuring facility will be provided to a particular investment only once.			
	Total outstanding amount of such restructured investment for the year 2019 amounts to Taka- 47.42 crore.			
<b>8</b>	<b>Fixed Assets including Premises (Including Intangible Assets)</b>			
	<b>A. Cost</b>			
	Land		12,330,000	12,330,000
	Building		2,320,220,714	2,320,220,714
	Furniture & Fixtures		1,257,167,455	1,091,686,941
	Office Equipment		1,621,292,105	1,457,031,670
	Software		247,489,817	223,604,251
	Vehicles		141,721,354	141,721,354
	Books		1,739,549	1,634,189
			<b>5,601,960,993</b>	<b>5,248,229,118</b>
	<b>B. Accumulated Depreciation</b>			
	Land		-	-
	Building		404,038,934	354,947,928
	Furniture & Fixtures		466,111,881	386,135,984
	Office Equipment		930,956,342	781,526,250
	Software		72,722,101	54,586,568
	Vehicles		121,051,952	106,546,049
	Books		1,030,039	951,623
			<b>1,995,911,251</b>	<b>1,684,694,401</b>
	<b>Carrying value</b>		<b>3,606,049,743</b>	<b>3,563,534,717</b>



	31.12.2019 Taka	31.12.2018 Taka
<b>8.1 Intangible assets</b>		
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-247,489,817.00 and being amortized @ 10% following the same method of reducing balancing method as applied for fixed assets. Written down value of the software as on 31.12.2019 is Taka -174,767,715.00.		
For details please refer to Annexure-A		
<b>8(a) Consolidated written down value of Fixed Assets including intangible assets</b>		
<b>Social Islami Bank Ltd.</b>	<b>3,606,049,743</b>	<b>3,563,534,717</b>
<i>Fixed assets of subsidiaries</i>	<b>7,667,152</b>	<b>8,718,386</b>
SIBL Securities Ltd.	7,667,152	8,718,386
SIBL Investment Ltd.	-	-
<b>Carrying value of Fixed assets of the Group</b>	<b>3,613,716,895</b>	<b>3,572,253,103</b>
<b>9 Others Assets</b>		
Stock of stationery, stamps and printing materials etc. (valued at cost)	36,651,315	38,940,292
Advance rent	236,783,450	240,368,398
Security Deposit	3,441,126	3,156,556
Branch Adjustments (SIBG) (Note: 9.1)	2,950,929,983	7,101,009,106
Suspense Accounts (Note: 9.2)	192,702,080	219,594,442
Other Prepayments	64,210,064	64,216,511
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	21,482,142	122,074,364
Advance Income Tax	10,685,152,854	9,371,407,022
Receivable from SIBL Securities Limited	72,000,000	-
Receivable from SIBL Investment Limited	1,883,690	1,820,060
Protested Bills against Investment	325,014,570	319,377,570
Profit Receivable from Banks, NBFIs and BD Govt.	665,595,298	472,885,826
Investment with Off-shore Banking Unit	1,487,890,290	1,734,602,875
Receivable from Off-shore Banking Unit	36,882,278	62,481,496
Dividend Receivable Account	562,130,020	458,442,289
Profit Receivable from Mudaraba Subordinated Bond	99,616,438	19,428,082
Others (Note: 9.3)	10,969,426	31,456,411
	<b>17,453,335,023</b>	<b>20,261,261,299</b>
<b>Less: Balance with OBU for elimination</b>		
Investment with Off-shore Banking Unit	1,487,890,290	1,734,602,875
<b>Grand total after elimination of balance with OBU</b>	<b>15,965,444,733</b>	<b>18,526,658,424</b>
<b>9(a) Consolidated other Assets</b>		
<b>Social Islami Bank Limited</b>	<b>15,965,444,733</b>	<b>18,526,658,424</b>
<i>Add: Other assets of subsidiary companies</i>		
<b>SIBL Securities Limited</b>	<b>2,169,894,251</b>	<b>2,228,042,318</b>
Membership of Chittagong Stock Exchange	307,000,000	307,000,000
Membership of Dhaka Stock Exchange	682,770,683	682,770,683
Advance Income Tax	89,184,152	76,872,356
Advance Office Rent	1,168,865	848,148
Advance for floor space at nikunjo, DSE Tower	850,000	850,000
Receivable from Regulators	1,637,167	1,941,390
Receivable from client	984,335,485	1,075,824,864
Receivable from Bai-Muajjal & Dividend Income	102,733,901	81,729,877
Security Deposit to CDBL, DSE	200,000	200,000
Security Deposit to BTCL & Duncan Products	14,000	5,000
<b>SIBL Investment Limited</b>	<b>81,611,544</b>	<b>-</b>
Advance Income Tax	212,409	-
Accounts receivable	81,399,135	-
<b>Less: Inter Company transactions eliminated:</b>	<b>73,883,690</b>	<b>1,820,060</b>
Receivable from SIBL Securities Limited	72,000,000	-
Receivable from SIBL Investment Limited	1,883,690	1,820,060
	<b>18,143,066,838</b>	<b>20,752,880,683</b>

9.1 The balance of Branch adjustment (SIBG) represents unresponded Inter branch and head office transactions at balance sheet date. The balance of Debit and Credit unrespondent entries as on 15 June 2020 were Taka-488,869,484.00 Details of which are as follows:

	Number of Unrespondent entries		Amount (in Tk) of Unrespondent entries	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Upto 3 months	19	199	488,869,484	1,634,861,265
Over 3 months but within 6 months	-	118	-	1,019,176,876
Over 6 months but within 9 months	-	45	-	648,729,770
Over 9 months	-	3	-	45,251,538
	<b>19</b>	<b>365</b>	<b>488,869,484</b>	<b>3,348,019,449</b>



	31.12.2019 Taka	31.12.2018 Taka
9.2	Suspense Account represents advance against TA/DA, Entertainment Expenses, Advertisement Expenses, Branch Decoration Expenses, Legal Charges and suspense -others. Necessary provision on others assets has been made in the accounts according to the BRPD Circular no: 14 dated June 25, 2001 para Kha (1) & (2).	
9.3	<b>Others</b>	
	650	-
	1,089	1,089
	5,500,000	27,632,312
	3,815,178	3,815,178
	(88,956)	7,832
	1,741,465	-
	<b>10,969,426</b>	<b>31,456,411</b>
10	<b>Placement from Banks &amp; Other Financial Institutions</b>	
	<b>Bangladesh Govt. Islamic Bond.</b>	
	-	<b>8,000,000,000</b>
	The Bank has no outstanding balance of borrowing as on 31.12.2019. The Bank had an outstanding balance of borrowing amounting Tk. 800 crore as on 31.12.2018 taken from Bangladesh Govt. Islamic Bond Fund having different maturity dates. Profit rate of such borrowings is determined under Mudaraba Principle. A demand promissory note favoring Bangladesh Bank has been kept as security to Bangladesh Bank against the borrowings.	
	<b>Maturity Grouping of Borrowings</b>	
	-	3,000,000,000
	-	2,000,000,000
	-	3,000,000,000
	-	-
	-	<b>8,000,000,000</b>
11	<b>Deposits and Other Accounts</b>	
	25,739,179,658	19,621,561,549
	165,687,514,476	156,095,697,702
	<b>64,112,318,321</b>	<b>43,569,089,182</b>
	17,218,665,421	13,348,172,630
	46,893,652,900	30,220,916,552
	26,072,068,558	24,336,269,747
	5,982,863,785	4,384,822,493
	342,710,311	317,048,976
	<b>287,936,655,109</b>	<b>248,324,489,649</b>
11.1	<b>Mudaraba Scheme Deposits</b>	
	126,594,292	92,887,786
	2,617,368,700	2,614,730,097
	34,374,390	40,826,600
	49,064,610	53,206,304
	3,408,450,904	3,807,749,887
	584,971,007	676,210,468
	1,016,936,541	997,704,486
	38,201,939	50,266,479
	1,518,882,641	1,536,732,091
	99,456,576	103,830,523
	20,546,614	21,329,046
	23,087,165	21,915,847
	1,767,726,041	1,526,890,662
	32,260,353	58,224,337
	647,011,293	585,316,856
	223,441,473	210,053,345
	14,179,920,337	11,909,821,418
	14,118,626	12,362,173
	2,002,551,186	2,659,743,247
	755,470,981	2,155,087,725
	101,568,075	113,311,490
	1,109,118,024	961,651,456
	17,811,220	11,064,229
	14,373,382,413	-
	390,957,789	-
	1,740,379,712	-
	<b>46,893,652,900</b>	<b>30,220,916,552</b>

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





	31.12.2019	31.12.2018
	Taka	Taka
<b>11.2 AI-Wadeeah Current Deposit &amp; other A/c</b>		
AI Wadeeah current deposit	9,853,744,246	10,154,634,562
Sundry deposit	6,218,150,977	5,592,646,354
Social fund deposit	17,075	17,075
Supervision charge	861,490	861,490
Risk fund deposit	3,079,314	2,410,066
FC deposit	4,096,848,487	3,400,548,930
Convertible Taka A/c*	80,270,645	75,938,142
F. C. held against B.B. L/C	2,427,891,287	2,137,402,151
Profit payable A/c	3,385,663,078	2,902,148,436
Compensation Realized	5,541,961	69,662,542
	<b>26,072,068,558</b>	<b>24,336,269,747</b>
*Balance of Convertible Taka A/c represents the portion of unsettled balance.		
<b>11.2(a) Consolidated balance of AI-Wadeeah Current Deposit &amp; Other A/c</b>		
<b>Social Islami Bank Limited</b>	<b>26,072,068,558</b>	<b>24,336,269,747</b>
<i>Less: InterCompany balance eliminated</i>	<b>463,760,839</b>	<b>373,713,075</b>
SIBL Securities Limited	362,309,451	123,864,138
SIBL Investment Limited	101,451,389	249,848,937
<b>Consolidated balance of Current deposit and other accounts</b>	<b>25,608,307,719</b>	<b>23,962,556,672</b>
The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively. For consolidation purpose the balances have been eliminated.		
<b>11.3 Bills Payable</b>		
Payment Order (PO)	4,737,716,525	3,217,864,158
Demand Draft (DD)	1,940,911	2,118,694
B/P awaiting remittance	1,243,206,349	1,164,839,640
	<b>5,982,863,785</b>	<b>4,384,822,493</b>
<b>11.4 Maturity wise classification of Deposits</b>		
Payable on demand	17,955,008,461	12,498,722,336
Up to 1 month	36,044,108,770	34,798,828,690
More than 1 month but up to 6 months	100,548,415,301	82,195,120,270
More than 6 months but up to 1 year	80,655,986,645	76,322,340,318
More than 1 year but up to 5 years	41,448,001,171	27,833,137,109
More than 5 years but up to 10 years	11,285,134,762	14,676,340,925
	<b>287,936,655,109</b>	<b>248,324,489,649</b>
<b>11.5 Segregation of deposits &amp; other accounts</b>		
<b>i) Client Deposit</b>		
AI-Wadeeah Current deposit & other accounts	26,056,267,878	24,334,072,694
Bills Payable	5,982,863,785	4,384,822,493
Mudaraba Savings Deposits	23,456,665,950	19,563,597,522
Mudaraba Short Notice Deposits	12,878,901,258	13,160,624,813
Mudaraba Term Deposit	152,217,514,476	132,358,697,702
Mudaraba Scheme Deposits	46,893,652,900	30,220,916,552
Cash Waqf Fund	342,710,311	317,048,976
	<b>267,828,576,558</b>	<b>224,339,780,753</b>
<b>ii) Bank Deposit</b>		
Mudaraba Term Deposit Receipt (MTDR)	13,470,000,000	23,737,000,000
Mudaraba Short Notice Deposit (MSND)	4,339,764,163	187,547,817
AI-Wadeeah Current deposit (AWCD)	15,800,680	2,197,053
Mudaraba Savings Deposit (MSD)	2,282,513,708	57,964,027
	<b>20,108,078,551</b>	<b>23,984,708,896</b>
<b>Grand Total of deposits and other accounts</b>	<b>287,936,655,109</b>	<b>248,324,489,649</b>
<b>12 SIBL Mudaraba Subordinated Bond</b>	<b>9,400,000,000</b>	<b>10,800,000,000</b>

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

**SIBL Mudaraba Subordinated Bond of Tk. 300 Crore**

Social Islami Bank Limited issued 'SIBL Mudaraba Subordinated Bond of Tk. 300 Crore' in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/598 & BRPD (BFIS) 661/14 B(P)/2014-6027, Dated: 26 August 2014 & 16 September 2014 respectively. The bond was fully subscribed by 14 nos of investors and the subscription of the bond closed on 31.03.2015. The list of investor with present outstanding balance is as follows:



	31.12.2019 Taka	31.12.2018 Taka
<b>Investors of SIBL Mudaraba Subordinated Bond</b>		
Al-Arafah Islami Bank Limited	200,000,000	300,000,000
Bank Asia Limited	80,000,000	120,000,000
Bank Asia Limited Employees' Gratuity Fund	28,000,000	42,000,000
Islami Bank Bangladesh Limited	200,000,000	300,000,000
Padma Islami Life Insurance Limited	20,000,000	30,000,000
Prime Islami Life Insurance Limited	20,000,000	30,000,000
Pubali Bank Limited	80,000,000	120,000,000
Reliance Insurance Limited	20,000,000	30,000,000
Rupali Bank Limited	200,000,000	300,000,000
Shahjalal Islami Bank Limited	40,000,000	60,000,000
Sonali Bank Limited	200,000,000	300,000,000
Square Pharmaceuticals Workers Profit Participation Fund	20,000,000	30,000,000
United Finance Limited	52,000,000	78,000,000
Uttara Bank Limited	40,000,000	60,000,000
	<b>1,200,000,000</b>	<b>1,800,000,000</b>

**SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 Crore**

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

**Investors of SIBL 2nd Mudaraba Subordinated Bond**

Bank Asia Limited	80,000,000	100,000,000
Central Depository Bangladesh Ltd	160,000,000	200,000,000
Dhaka Stock Exchange Limited	320,000,000	400,000,000
Eastern Bank Limited	200,000,000	250,000,000
Mercantile Bank Limited	200,000,000	250,000,000
Midland Bank Limited	160,000,000	200,000,000
National Life Insurance Co. Ltd	80,000,000	100,000,000
Pubali Bank Limited	400,000,000	500,000,000
Rupali Bank Limited	400,000,000	500,000,000
Shahjalal Islami Bank Limited	400,000,000	500,000,000
Trust Bank Limited	400,000,000	500,000,000
Uttara Bank Limited	400,000,000	500,000,000
	<b>3,200,000,000</b>	<b>4,000,000,000</b>

**SIBL 3<sup>rd</sup> Mudaraba Subordinated Bond of Tk.500**

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

**Investors of SIBL 3rd Mudaraba Subordinated Bond**

Agrani Bank Limited	2,500,000,000	2,500,000,000
EXIM Bank Limited	500,000,000	500,000,000
Islami Bank Bangladesh Limited	2,000,000,000	2,000,000,000
	<b>5,000,000,000</b>	<b>5,000,000,000</b>

**13 Other Liabilities**

Adjusting A/C (Cr.) Balance	10,231,405	12,030,804
Other Payable	12,263,717	3,079,086
BEFTN Adjustment Account	35,998,977	24,672,552
Parking Account	-	51
ATM Settlement for Q-Cash	23,642,698	34,004,885
Provision for Investments ( note: 13.1)	11,997,403,200	8,689,072,870
Provision for other Assets (note: 13.2)	456,527,557	450,890,557
Compensation and Rent Suspense (note: 13.3)	2,870,657,332	1,874,740,496
Provision for Taxation (note: 13.4)	14,826,251,926	13,177,088,886
Zakat Fund (note: 13.5)	93,451,718	81,040,968
Mudaraba Profit Distribution (note: 13.6)	15,000,000	-
Provision for good borrower (note: 13.7)	10,000,000	8,000,000
Provision for Climate Risk Fund (note: 13.8)	3,000,000	2,000,000
	<b>30,354,428,531</b>	<b>24,356,621,156</b>



	31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>
<b>13(a) Consolidated Other Liabilities</b>		
<b>Social Islami Bank Limited</b>	<b>30,354,428,531</b>	<b>24,356,621,156</b>
<i>Add: Other Liabilities of subsidiaries</i>		
<b>SIBL Securities Limited</b>	<b>1,347,839,259</b>	<b>1,232,603,243</b>
Payable to SIBL-Term loan	800,000,000	800,000,000
Payable to regulators	6,655,006	15,458,814
Payable to clients	305,701,236	203,361,043
Other provisions	146,322,314	136,934,479
Provision for Income Tax	89,160,703	76,848,906
<b>SIBL Investment Limited</b>	<b>3,361,661</b>	<b>46,000</b>
Accrued Expenses	46,000	46,000
Other provisions	2,660,502	-
Provision for Income Tax	655,159	-
	<b>31,705,629,453</b>	<b>25,589,270,400</b>
<b>Less: InterCompany balance eliminated</b>		
<b>SIBL Securities Limited</b>		
Payable to SIBL-Term loan	800,000,000	800,000,000
<b>Grand total</b>	<b>30,905,629,453</b>	<b>24,789,270,400</b>
<b>13.1 Provision for Investment</b>		
<b>(a) Specific Provision on Investment</b>		
Provision held at the beginning of the year	6,398,009,498	3,473,741,378
Fully provided Investment written off/Waiver	(31,734,980)	(50,969,558)
Transferred from doubtful income/compensation realized/recovery	155,621,173	150,182,617
Provision made during this year	1,073,661,495	2,825,055,062
<b>Provision held at the end of the year</b>	<b>7,595,557,186</b>	<b>6,398,009,498</b>
<b>(b) General Provision on Investment</b>		
Provision held at the beginning of the year	1,826,099,534	2,207,398,797
Fully provided Investment written off/Waiver	-	(32,098,000)
Addition during the year	2,085,452,904	(349,201,263)
<b>Balance at the end of the year</b>	<b>3,911,552,438</b>	<b>1,826,099,534</b>
<b>Total Provision on Investments</b>	<b>11,507,109,623</b>	<b>8,224,109,032</b>
<b>(c) General Provision on Off-Balance Sheet items</b>		
Provision held at the beginning of the year	464,963,838	679,316,812
Addition during the year	25,329,739	(214,352,974)
<b>Balance at the end of the year</b>	<b>490,293,577</b>	<b>464,963,838</b>
<b>Total Provision for Investments &amp; Off-Balance Sheet items (a+b+c)</b>	<b>11,997,403,200</b>	<b>8,689,072,870</b>
<b>13.2 Provision for other Assets</b>		
Provision held at the beginning of the year	450,890,557	420,790,557
Addition during the year	5,637,000	30,100,000
<b>Balance at the end of the year</b>	<b>456,527,557</b>	<b>450,890,557</b>
<b>13.2.1 Provision for protested bills</b>		
Provision held at the beginning of the year	319,377,570	313,407,280
Provision during the year	5,637,000	5,970,290
	<b>325,014,570</b>	<b>319,377,570</b>
<b>13.2.2 Provision for suspense account</b>		
Provision held at the beginning of the year	131,512,987	107,383,277
Addition during the year	-	24,129,710
	<b>131,512,987</b>	<b>131,512,987</b>
<b>13.3 Compensation &amp; Rent Suspense A/C</b>		
<b>Compensation Receivable A/C</b>		
Murabaha (General)	124,210,725	111,340,146
Murabaha (Post Import)	726,953	690,559
Musharaka (Preshipment)	33,656,265	290,783
Bai-Muazzal	279,495,170	269,513,707
Bai-Muazzal Trust Receipt	290,986,238	207,589,090
Baim Wes bills	115,209	38,751,657
Bai-Muazzal (ME)	534,086,612	257,020,083
	<b>1,263,277,170</b>	<b>885,196,026</b>



	31.12.2019	31.12.2018
	<u>Taka</u>	<u>Taka</u>
<b>Compensation Suspense A/C</b>		
Murabaha (General)	8,016,152	8,771,511
Murabaha (Post Import)	16,582,644	18,701,747
Bai-Muazzal	281,444,010	233,484,888
Bai-Muazzal- House hold	7,856	7,856
Bai-Muazzal Trust Receipt	48,681,849	45,060,552
Musharaka (Preshipment)	455,592	455,592
Others	67,335,270	69,925,099
	<b>422,523,374</b>	<b>376,407,247</b>
<b>Rent Suspense A/C</b>	<b>1,184,856,788</b>	<b>613,137,223</b>
<b>Total Compensation &amp; Rent Suspense</b>	<b>2,870,657,332</b>	<b>1,874,740,496</b>
<b>13.3.1 Movement of Compensation and Rent Suspense A/C</b>		
Balance at the beginning of the year	1,874,740,496	1,665,037,246
Add: Amount transferred to suspense account during the year	1,131,458,797	269,365,792
Less: Amount recovered from suspense account during the year	(135,541,961)	(59,662,542)
Less: Amount written off/waived during the year	-	-
<b>Balance at the end of the year</b>	<b>2,870,657,332</b>	<b>1,874,740,496</b>
<b>13.4 Provision for Taxation</b>		
<b>Provision for Current tax</b>		
Balance at the beginning of the year	13,177,088,886	10,900,720,339
Add: Provision made during the year (Zakat Fund) (Note:13.5)	56,071,031	48,624,581
Add: Provision made during the year (Note:13.4.1)	1,593,092,009	2,227,743,967
	<b>14,826,251,926</b>	<b>13,177,088,886</b>
<b>Advance tax</b>		
Balance at the beginning of the year	9,371,407,022	8,102,785,360
Paid during the year	1,313,745,832	1,268,621,662
	<b>10,685,152,854</b>	<b>9,371,407,022</b>
<b>Balance at the end of the year</b>	<b>4,141,099,073</b>	<b>3,757,057,284</b>
<b>13.4.1 Provision made during the year</b>		
<b>Operating Profit before provision &amp; tax</b>	<b>6,342,110,494</b>	<b>6,143,117,574</b>
<b>Add: Inadmissible expense</b>	<b>528,732,667</b>	<b>467,372,510</b>
<b>Less: Inadmissible expense and for separate consideration</b>	<b>3,026,350,909</b>	<b>912,869,768</b>
<b>Total Taxable Income</b>	<b>3,844,492,253</b>	<b>5,697,620,315</b>
<b>Total Tax liability for current year</b>		
Business Tax @ 37.50% for year 2019 and @37.50% for year 2018	1,441,684,595	2,136,607,618
Dividend Tax @ 20%	150,700,027	89,713,418
Tax on gain on shares & securities @ 10%	707,388	1,422,930
<b>Provision required</b>	<b>1,593,092,009</b>	<b>2,227,743,967</b>
<b>Provision made</b>	<b>1,593,092,009</b>	<b>2,227,743,967</b>
Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2019 considering all applicable allowances and disallowances, the Banks experience from cutoms and practices of the income tax office. Expert opinion has also been obtained in this regard.		
<b>13.5 Zakat fund</b>		
Opening Balance	129,665,548	92,567,800
<b>Addition this year</b>	<b>149,522,749</b>	<b>129,665,548</b>
To sadaka fund	93,451,718	81,040,968
To provision for tax	56,071,031	48,624,581
Less: Paid during the year	(161,000)	(90,745,822)
Less: Transferred to Provision for Taxation	(48,624,581)	-
Less: Transferred to Sadaka fund (Balance of Zakat Fund)	(80,879,968)	(1,821,978)
<b>Closing Balance at the end of the year</b>	<b>149,522,749</b>	<b>129,665,548</b>
<b>13.6 Mudaraba Profit Distribution</b>		
Opening Balance	-	-
Addition the year	15,000,000	-
Less: Paid during the year	-	-
<b>Closing Balance at the end of the year</b>	<b>15,000,000</b>	<b>-</b>
<b>13.7 Provision for good borrower</b>		
Opening balance	8,000,000	6,778,000
Addition during the year	2,000,000	1,222,000
Paid during the year	-	-
	<b>10,000,000</b>	<b>8,000,000</b>
<b>13.8 Provision for Climate Risk Fund</b>		
Opening balance	2,000,000	-
Addition during the year	1,000,000	2,000,000
Paid during the year	-	-
	<b>3,000,000</b>	<b>2,000,000</b>

Provision for Climate Risk Fund has been maintained in accordance with GBSRD circular no: 04, dated: 09 July 2015 and SFD circular no: 01, dated: 11 May 2016.



	31.12.2019	31.12.2018
	<u>Taka</u>	<u>Taka</u>
<b>14 Deferred Tax Liability/(Asset)</b>		
Balance at the beginning of the year	74,330,843	37,210,816
Add: Provision made during the year	19,486,671	37,120,027
<b>Closing balance at the end of the year</b>	<b>93,817,514</b>	<b>74,330,843</b>
<b>14 (a) Consolidated Deferred Tax Liability/(Asset)</b>		
<b>Social Islami Bank Limited</b>	<b>93,817,514</b>	<b>74,330,843</b>
<b>SIBL Securities Limited</b>		
Balance at the beginning of the year	1,106,176	1,181,686
Add: Provision made during the year	(218,763)	(75,510)
<b>Closing balance at the end of the year</b>	<b>887,413</b>	<b>1,106,176</b>
<b>Grand total</b>	<b>94,704,927</b>	<b>75,437,019</b>
<b>15 Capital</b>		
<b>15.1 Authorized Capital</b>		
1,000,000,000 ordinary shares of Tk. 10 each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>15.2 Issued, Subscribed and Paid up Capital</b>		
The Paid-up Capital of the Bank is currently Tk. 8,933,413,560 divided into 893,341,356 Ordinary Shares of Tk 10 each	<b>8,933,413,560</b>	<b>8,121,285,060</b>
<b>Break up of paid up capital is as follows</b>		
26,000,000 no. Ordinary shares of Tk.10 issued for cash	260,000,000	260,000,000
477,322,945 no. Ordinary shares of Tk. 10 each for cash as right share	4,773,229,450	4,773,229,450
234,975,697 no.ordinary shares of Tk 10 each issued as bonus shares	2,349,756,970	2,349,756,970
73,829,864 no.ordinary shares of Tk 10 each issued as bonus shares	738,298,640	738,298,640
81,212,850 no.ordinary shares of Tk 10 each issued as bonus shares	812,128,500	-
	<b>8,933,413,560</b>	<b>8,121,285,060</b>
Sponsor Shareholders Group	2,985,828,490	2,565,624,260
General Shareholders Group	5,947,585,070	5,555,660,800
	<b>8,933,413,560</b>	<b>8,121,285,060</b>

31.12.2019				
15.3 Classification of Shareholders by holding	Year 2019	No. of Shareholders	No. of shares	Percentage of holding of shares
		Less than 500 shares	13,072	2,095,017
501 to 5,000 shares	13,336	23,417,108	2.62%	
5,001 to 10,000 shares	1,697	11,698,548	1.31%	
10,001 to 20,000 shares	787	10,933,635	1.22%	
20,001 to 50,000 shares	409	12,580,029	1.41%	
50,001 to 99,999 shares	346	832,617,019	93.20%	
<b>Total</b>		<b>29,647</b>	<b>893,341,356</b>	<b>100.00%</b>
31.12.2018				
15.3 Classification of Shareholders by holding	Year 2018	No. of Shareholders	No. of shares	Percentage of holding of shares
		Less than 500 shares	14,285	2,206,781
501 to 5,000 shares	14,429	24,190,887	2.98%	
5,001 to 10,000 shares	1,738	11,723,180	1.44%	
10,001 to 20,000 shares	809	11,002,187	1.35%	
20,001 to 50,000 shares	411	12,459,070	1.53%	
50,001 to 99,999 shares	363	750,546,401	92.42%	
<b>Total</b>		<b>32,035</b>	<b>812,128,506</b>	<b>100.00%</b>

15.4 Particulars of shareholding and Percentage Analysis	Particulars of shareholding:	Year 2019			
		Number of Share holders	Number of Shares		
Sponsors & Placement	26	102,834,063	1,028,340,630	787,719,130	
Sponsors Foreign	13	12,306,920	123,069,200	110,251,780	
Sponsors & Placement Company	12	183,441,866	1,834,418,660	1,667,653,350	
General Public	29,008	155,586,599	1,555,865,990	1,643,748,100	
Institutions (Bank & Insurance)	36	24,535,859	245,358,590	228,634,610	
Institution (Others)	512	397,223,790	3,972,237,900	3,563,780,720	
ICB Account Holders	27	60,895	608,950	590,690	
ICB	1	10,148,204	101,482,040	83,862,930	
ICB Unit Fund	1	5,321,737	53,217,370	455,860	
ICB Mutual Fund	-	-	-	-	
Employee	2	1,598,195	15,981,950	31,916,160	
Non-Resident Bangladeshi	9	283,228	2,832,280	2,671,730	
		<b>29,647</b>	<b>893,341,356</b>	<b>8,933,413,560</b>	
				<b>8,121,285,060</b>	





	31.12.2019 Taka	31.12.2018 Taka
<b>Percentage of shareholding Analysis:</b>	<b>Percentage</b>	<b>Percentage</b>
Sponsors & Placement	11.51%	9.70%
Sponsors Foreign	1.38%	1.36%
Sponsors & Placement Company	20.53%	20.53%
General Public	17.42%	20.24%
Institutions (Bank & Insurance)	2.75%	2.82%
Institution (Others)	44.46%	43.88%
ICB Account Holders	0.01%	0.01%
ICB	1.14%	1.03%
ICB Unit Fund	0.60%	0.01%
Employee	0.18%	0.39%
Non-Resident Bangladeshi	0.03%	0.03%
	<b>100%</b>	<b>100%</b>

#### 15.5 Capital Adequacy (Solo Basis)

Position of capital adequacy are given below:-

##### a) Going Concern Capital (Tier -I)

###### Common Equity Tier I (CET-1) Capital

i) Paid-up Capital	8,933,413,560	8,121,285,060
ii) Statutory Reserve (Note: 16)	6,422,261,269	5,795,455,397
iii) Retained Earnings (Note: 17)	984,276,383	878,140,568
	<b>16,339,951,211</b>	<b>14,794,881,025</b>

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

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

i) General Provision (Note 13.2(b+c))	4,401,846,015	2,291,063,372
ii) Assets Revaluation Reserve (eligible)	-	105,567,973
(As per Basel-III Guideline of Bangladesh Bank 80% & 100% Revaluation Reserve is Adjusted in 2018 and 2019 respectively)		
iii) SIBLMudaraba Subordinated Bonds	7,160,000,000	8,920,000,000
	<b>11,561,846,015</b>	<b>11,316,631,345</b>

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

##### d) Total Risk Weighted Assets

##### e) Minimum Required Capital (10% of Risk Weighted Assets)

##### f) Minimum Required Capital including conservation buffer (12.5% of Risk weighted assets)

##### g) Total Capital Surplus (c-e)

##### h) Total Capital Surplus considering conservation buffer(c-f)

##### Capital Adequacy (Consolidated basis)

Position of capital adequacy are given below:-

##### a) Going Concern Capital (Tier -I)

###### Common Equity Tier I (CET-1) Capital

i) Paid-up Capital	8,933,413,560	8,121,285,060
ii) Statutory Reserve (Note: 16)	6,422,261,269	5,795,455,397
iii) General Reserve	9,843,356	10,764,250
iv) Retained Earnings (Note: 18(a))	1,015,230,517	904,866,028
	<b>16,380,748,701</b>	<b>14,832,370,735</b>

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

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

i) General Provision (Note 13.1(b+c))	4,401,846,015	2,291,063,372
ii) Assets Revaluation Reserve (eligible)	-	105,567,973
(As per Basel-III Guideline of Bangladesh Bank 80% & 100% Revaluation Reserve is Adjusted in 2018 and 2019 respectively)		
iii) SIBLMudaraba Subordinated Bonds	7,160,000,000	8,920,000,000
	<b>11,561,846,015</b>	<b>11,316,631,345</b>

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

##### d) Total Risk Weighted Assets

##### e) Minimum Required Capital (10% of Risk Weighted Assets)

##### f) Minimum Required Capital including conservation buffer (12.5% of Risk Weighted Assets)

##### g) Total Capital Surplus (c-e)

##### h) Total Capital Surplus considering conservation buffer(c-f)



**Capital to Risk Weighted Asset Ratio (Solo basis)**

Particulars	31.12.2019		31.12.2018	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.07%	6.00%	8.08%
Common Equity Tier I Capital: (CET-1)	4.50%	8.07%	4.50%	8.08%
CET-1 Plus Conservation Buffer	7.00%	8.07%	6.375%	8.08%
Going Concern Capital: (Tier-II)	0.00%	5.71%	0.00%	6.18%
Minimum CRAR	10.00%	13.78%	10.00%	14.27%
<b>Minimum CRAR Plus Conservation Buffer</b>	<b>12.50%</b>	<b>13.78%</b>	<b>11.875%</b>	<b>14.27%</b>

**Capital Adequacy Ratio (Consolidated basis)**

Particulars	31.12.2019		31.12.2018	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.13%	6.00%	8.15%
Common Equity Tier I Capital: (CET-1)	4.50%	8.13%	4.50%	8.15%
CET-1 Plus Conservation Buffer	7.00%	8.13%	6.375%	8.15%
Going Concern Capital: (Tier-II)	0.00%	5.74%	0.00%	6.22%
Minimum CRAR	10.00%	13.88%	10.00%	14.37%
<b>Minimum CRAR Plus Conservation Buffer</b>	<b>12.50%</b>	<b>13.88%</b>	<b>11.875%</b>	<b>14.37%</b>

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

15.6

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

**Solo Basis**

**a) Risk Weights for Credit Risk**

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2019		31.12.2018	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	56,275,400,000	-	44,650,700,000	-
20%	30,841,900,000	6,168,380,000	25,553,500,000	5,110,700,000
40%	3,024,900,000	1,209,960,000	1,874,400,000	749,760,000
50%	109,584,900,000	54,792,450,000	89,391,200,000	44,695,600,000
60%	24,077,500,000	14,446,500,000	23,108,200,000	13,864,920,000
75%	24,691,400,000	18,518,550,000	24,714,800,000	18,536,100,000
80%	9,215,900,000	7,372,720,000	11,080,600,000	8,864,480,000
100%	55,324,400,000	55,324,400,000	58,130,100,000	58,130,100,000
120%	-	-	-	-
125%	14,388,900,000	16,356,025,000	14,001,300,000	13,604,275,000
150%	5,658,800,000	8,488,200,000	745,300,000	1,117,950,000
<b>Total</b>	<b>333,084,000,000</b>	<b>182,677,185,000</b>	<b>293,250,100,000</b>	<b>164,673,885,000</b>

b) Risk Weights for Operational Risk	1,822,470,000	<b>18,224,700,000</b>	1,627,410,000	<b>16,274,100,000</b>
c) Risk Weights for Market Risk	158,400,000	<b>1,584,000,000</b>	205,300,000	<b>2,053,000,000</b>
<b>Total Risk Weighted Assets</b>		<b>202,485,885,000</b>		<b>183,000,985,000</b>

**Consolidate basis**

**a) Risk Weights for Credit Risk**

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2019		31.12.2018	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	56,365,200,000	-	44,727,600,000	-
20%	30,841,900,000	6,168,380,000	25,553,400,000	5,110,680,000
40%	3,024,900,000	1,209,960,000	1,874,400,000	749,760,000
50%	109,584,900,000	54,792,450,000	89,391,200,000	44,695,600,000
60%	24,077,500,000	14,446,500,000	23,108,200,000	13,864,920,000
75%	24,691,400,000	18,518,550,000	24,714,800,000	18,536,100,000
80%	9,215,900,000	7,372,720,000	11,080,600,000	8,864,480,000
100%	55,369,000,000	55,369,000,000	58,281,400,000	58,281,400,000
120%	-	-	-	-
125%	13,123,000,000	14,773,650,000	12,797,700,000	12,099,775,000
150%	5,658,800,000	8,488,200,000	745,300,000	1,117,950,000
<b>Total</b>	<b>331,952,500,000</b>	<b>181,139,410,000</b>	<b>292,274,600,000</b>	<b>163,320,665,000</b>

b) Risk Weights for Operational Risk	1,840,605,000	<b>18,406,050,000</b>	1,640,340,000	<b>16,403,400,000</b>
c) Risk Weights for Market Risk	184,040,000	<b>1,840,400,000</b>	226,900,000	<b>2,269,000,000</b>
<b>Total Risk Weighted Assets</b>		<b>201,385,860,000</b>		<b>181,993,065,000</b>



	31.12.2019	31.12.2018
	<u>Taka</u>	<u>Taka</u>
<b>16 Statutory Reserve</b>		
Opening balance	5,795,455,397	5,025,796,447
Add: Addition during the year	626,805,871	769,658,950
	<u>6,422,261,269</u>	<u>5,795,455,397</u>
<b>16(a) General Reserve</b>		
Opening balance	10,764,250	8,570,541
Add: Addition during the year	-	2,193,709
Less: Adjustment during the year	(920,894)	-
	<u>9,843,356</u>	<u>10,764,250</u>

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

**17 Revaluation Reserve on fixed assets**

Carrying (Revalued) amount of fixed assets (Land and Building)	1,436,649,786	1,473,168,241
Cost of fixed assets (land and building) less depreciation	481,651,015	493,946,896
<b>Balance of revaluation reserve</b>	<u>954,998,771</u>	<u>979,221,345</u>
Less: Adjustment made based on difference amount of depreciation	23,619,510	24,222,574
<b>Remaining balance of revaluation reserve</b>	<u>931,379,261</u>	<u>954,998,771</u>

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

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

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

**b. Valuer:**

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

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

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

Location	Class of property	Cost less depreciation	(amounts in Taka)			
			Revaluation Surplus as on 31.01.2019	Depreciation on revalued amount	Depreciation on cost	Amount of adjustment for the year 2019
City Center, Head Office	Building	328,491,538	784,500,172	27,824,793	8,212,288	19,612,505
Chandaikona Branch	Land	2,111,623	10,218,377		-	-
	Building	967,572	1,080,698	51,207	24,189	27,018
Savar Branch	Building	26,374,204	23,914,447	1,257,216	659,355	597,861
Panthapath Branch	Building	21,944,055	44,313,673	1,656,443	548,601	1,107,842
Rampura Branch	Building	32,663,087	31,079,709	1,593,570	816,577	776,993
Khulna Branch	Building	15,388,812	12,125,185	687,850	384,720	303,130
Nawabpur Road Branch	Building	53,710,123	47,766,511	2,536,916	1,342,753	1,194,163
		<u>481,651,015</u>	<u>954,998,771</u>	<u>35,607,995</u>	<u>11,988,485</u>	<u>23,619,510</u>

**18 Retained Earnings**

Opening balance	878,140,568	778,444,828
Less: Issue of cash dividend	-	-
Less: Issue of Stock dividend 10%	(812,128,500)	(738,298,640)
Add: Transferred from Profit & Loss Account	894,644,805	813,771,806
Add: Transferred from Revaluation Reserve for Fixed Assets	23,619,510	24,222,574
	<u>984,276,383</u>	<u>878,140,568</u>

**18(a) Consolidated retained earnings**

Opening Balance	904,866,027	787,091,456
Less: Issue of cash dividend for SIBL shareholders	-	-
Less: Issue of Stock dividend 10%	(812,128,500)	(738,298,640)
Add: Transferred from current year retained earnings of SIBL & its subsidiaries (note 18.1(a))	898,873,480	831,850,638
Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL	23,619,510	24,222,574
	<u>1,015,230,517</u>	<u>904,866,027</u>



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

Details of the shareholding position is as under:

SI no.	Shareholders	No. Shares		Value of shares		Percentage of holding of shares	
		SIBL SL	SIBL IL	SIBL SL	SIBL IL	SIBL SL	SIBL IL
1	Social Islami Bank Limited	12,299,988	2,499,992	1,229,998,800	249,999,200	99.999902%	99.99968%
2	Alhaj Nasiruddin	1	1	100	100	0.000008%	0.00004%
3	Mr. Md. Sayedur Rahman	1	-	100	-	0.000008%	-
4	Major (Retd.) Dr. Md. Rezaul Haque	1	1	100	100	0.000008%	0.00004%
5	Alhaj Sultan Mahmood Chowdhury	1	1	100	100	0.000008%	0.00004%
6	Mr. Abdul Awal Patwary	1	1	100	100	0.000008%	0.00004%
7	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	Mr. Md. Kamal Uddin	1	1	100	100	0.000008%	0.00004%
13	Mr. Belal Ahmed	1	1	100	100	0.000008%	0.00004%
		<b>12,300,000</b>	<b>2,500,000</b>	<b>1,230,000,000</b>	<b>250,000,000</b>	<b>100.00%</b>	<b>100.00%</b>

**18.1 Current year retained earnings**  
**Social Islami Bank Limited**

Profit after tax	1,521,450,676	1,583,430,756
Less : Statutory Reserve	626,805,871	769,658,950
	<b>894,644,805</b>	<b>813,771,806</b>

**18.1.(a) Consolidated Current year retained earnings**

Profit after tax of SIBL	1,521,450,676	1,583,430,756
Less :Statutory Reserve	626,805,871	769,658,950
<b>Profit/(Loss) attributable to Group</b>	<b>894,644,805</b>	<b>813,771,806</b>

**Add: Profit/(loss) of subsidiaries**

**Add: Current year profit/(loss) of subsidiaries**

SIBL Securities Limited	5,097,574	18,146,387
SIBL Investment Limited	(868,896)	(67,540)
	<b>4,228,677</b>	<b>18,078,846</b>

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

SIBL Securities Limited	4	15
SIBL Investment Limited	(2)	-
	<b>2</b>	<b>15</b>

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

SIBL Securities Limited	-	-
<b>Profit/(Loss) attributable to parent</b>	<b>898,873,480</b>	<b>831,850,638</b>

**18(b) Non-controlling interest**  
**SIBL Securities Limited**

Paid up capital	1,230,000,000	1,230,000,000
Retained earnings	33,835,172	28,737,598
<b>Net Assets</b>	<b>1,263,835,172</b>	<b>1,258,737,598</b>

**SIBL Investment Limited**

Paid up capital	250,000,000	250,000,000
Retained earnings	(2,880,818)	(2,011,922)
<b>Net Assets</b>	<b>247,119,182</b>	<b>247,988,078</b>

**Non-controlling interests**

SIBL Securities Limited, @ 0.000098% of net assets	1,219	1,215
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SIBL Investment Limited, @0.00032% of net assets	594	596
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<b>Total non-controlling interest</b>	<b>1,814</b>	<b>1,812</b>
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	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>Taka</u>	<u>Taka</u>
<b>19 Contingent liabilities</b>		
<b>19.1 Acceptances and Endorsements</b>		
Bill Bankers' liabilities (DP)	16,354,279,800	14,272,414,226
Bill Bankers' liabilities (BB/FO)	966,841,000	914,702,237
Bill Bankers' liabilities (BB/LO)	3,870,411,000	4,090,617,000
Bill Bankers' liabilities (EPZ)	539,231,000	317,571,000
Bill Bankers' liabilities Others	200,899,000	534,116,000
	<b>21,931,661,800</b>	<b>20,129,420,463</b>
<b>19.2 Letter of Credit</b>		
L/C Bankers' liabilities (DP)	5,581,415,000	5,284,059,000
L/C Bankers' liabilities (BB/FO)	1,070,742,000	796,931,000
L/C Bankers' liabilities (BB/LO)	1,974,818,000	1,954,426,000
L/C Bankers' liabilities (Cash)	6,115,576,805	6,530,138,200
L/C Bankers' liabilities (EPZ)	502,530,000	647,014,000
L/C Bankers' liabilities (Others)	529,965,344	621,582,000
	<b>15,775,047,149</b>	<b>15,834,150,200</b>
<b>19.3 Letters of guarantees</b>		
Letters of guarantee	<b>11,322,648,716</b>	<b>10,532,813,165</b>
<b>19.4 Bills for collection</b>		
In-ward bills for collection	-	-
Out-ward Bills for Collection	4,565,448,355	4,189,581,976
	<b>4,565,448,355</b>	<b>4,189,581,976</b>
<b>19.5 Other Contingent Liabilities</b>	-	-
<b>19.6 Other Commitments</b>	-	-
<b>Total Off-balance sheet items</b>	<b>53,594,806,020</b>	<b>50,685,965,804</b>
<b>Income Statement (Note-20 to Note-39)</b>		
<b>Income:</b>		
Income from Investment (Note-20)	27,797,425,826	24,955,867,159
Income from Investment in Shares & Securities (Note-22)	760,574,012	462,796,394
Commission, Exchange and Brokerage Income (Note-23)	1,465,828,639	1,600,655,718
Other operating income (Note-24)	687,299,082	596,194,180
	<b>30,711,127,559</b>	<b>27,615,513,451</b>
<b>Expenses:</b>		
Profit paid on Deposits (Note-21)	18,428,552,565	16,063,978,530
Administrative expenses	3,395,575,890	3,145,854,129
Other operating expenses	2,167,195,355	1,941,895,605
Depreciation on Banking assets	377,693,254	320,667,613
	<b>24,369,017,064</b>	<b>21,472,395,877</b>
<b>Income over expenditure</b>	<b>6,342,110,494</b>	<b>6,143,117,574</b>
<b>20 Income from Investment</b>		
Profit on Murabaha	206,043,784	195,442,335
Profit on Bai-Muazzal	18,263,667,034	15,878,285,646
Profit on Hire-Purchase	6,379,691,766	6,275,719,215
Profit on Musharka	32,436,760	38,163,397
Profit on Bai-Salam	83,033,729	69,779,431
Profit on Quard against MTDR, Scheme and others	532,992,282	533,590,475
Profit on Inland Document Bill Purchased	392,535,775	381,907,836
Profit on Foreign Document Bill Purchased	931,364,498	442,936,981
Profit on Ijarah	79,419,586	55,324,304
Profit on Investment against Mudaraba Deposit with other Banks and NBFIs	658,706,127	751,602,249
Profit on other investments (Card, Wakalat fee etc.)	213,653,686	235,655,240
Profit on Mudaraba	23,880,802	97,460,050
	<b>27,797,425,826</b>	<b>24,955,867,159</b>
<b>20(a) Consolidated income from investment</b>		
<b>Social Islami Bank Ltd.</b>	<b>27,797,425,826</b>	<b>24,955,867,159</b>
<b>Add: Income from investment of subsidiaries of SIBL</b>	<b>74,611,249</b>	<b>117,177,840</b>
SIBL Securities Ltd.	73,001,249	117,177,840
SIBL Investment Ltd.	1,610,000	-
<b>Grand total of consolidated investment income</b>	<b>27,872,037,075</b>	<b>25,073,045,000</b>





	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>Taka</u>	<u>Taka</u>
<b>21 Profit paid on Deposits</b>		
<i>Profit paid on deposits</i>		
Mudaraba Savings Deposits (MSD)	647,757,594	503,706,574
Mudaraba short notice deposit (MSND)	448,010,965	347,633,513
Mudaraba term deposit (MTDR)	12,719,545,830	11,631,716,648
Cash waqf fund deposit	31,173,914	24,754,575
Profit paid on Scheme Deposits & others	3,128,872,205	2,423,419,118
	<u>16,975,360,508</u>	<u>14,931,230,427</u>
<i>Profit paid on borrowings &amp; SIBL Mudaraba Subordinate Bond</i>	<u>1,453,192,057</u>	<u>1,132,748,103</u>
<b>Total profit paid on deposits and borrowings</b>	<u>18,428,552,565</u>	<u>16,063,978,530</u>
<b>21(a) Consolidated Profit paid on Deposits</b>		
<b>Social Islami Bank Ltd.</b>	<b>18,428,552,565</b>	<b>16,063,978,530</b>
<i>Add: Income from investment of subsidiaries of SIBL</i>	<u>72,093,691</u>	<u>73,726,464</u>
SIBL Securities Ltd.	72,093,691	73,726,464
SIBL Investment Ltd.	-	-
<b>Grand total of consolidated Profit paid on Deposits</b>	<u>18,500,646,256</u>	<u>16,137,704,994</u>
<b>22 Income from Investment in Shares &amp; Securities</b>		
Income from Investment in Islamic Bond	389,846,554	251,076,251
Income from Investment in Shares	7,073,878	14,229,302
Income from Mudaraba Subordinate Bond	142,991,669	44,856,842
Dividend Income	220,661,911	152,633,999
	<u>760,574,012</u>	<u>462,796,394</u>
Social Islami Bank Ltd. has investment of Tk. 1325.00 crore in Bangladesh Govt. Islamic Investment Bond for which 3.00% average rate of income has been provided for January-December 2019. The nature of the Fund is to generate profit according to Mudaraba Principle.		
<b>22(a) Consolidated income from Investment in Shares &amp; Securities</b>		
<b>Social Islami Bank Ltd.</b>	<b>760,574,012</b>	<b>462,796,394</b>
<i>Add: Income from Investment in Shares &amp; Securities of subsidiaries of SIBL</i>	<u>13,424,528</u>	<u>15,112,125</u>
SIBL Securities Ltd.	12,470,948	15,112,125
SIBL Investment Ltd.	953,580	-
<i>Less: Common income for elimination</i>	-	-
SIBL Securities Ltd.	-	-
<b>Grand total of consolidated income from Investment in Shares &amp; Securities</b>	<u>773,998,540</u>	<u>477,908,519</u>
<b>23 Commission, Exchange &amp; Brokerage</b>		
Commission	682,433,291	679,730,570
Exchange income	783,395,348	920,925,148
	<u>1,465,828,639</u>	<u>1,600,655,718</u>
<b>23(a) Consolidated income from commission, exchange &amp; brokerage</b>		
<b>Social Islami Bank Ltd.</b>	<b>1,465,828,639</b>	<b>1,600,655,718</b>
<i>Add: Income from commission, exchange &amp; brokerage of subsidiaries of SIBL</i>	<u>60,411,796</u>	<u>86,709,888</u>
SIBL Securities Ltd.	60,411,796	86,709,888
SIBL Investment Ltd.	-	-
<b>Grand total of consolidated income from commission, exchange &amp; brokerage</b>	<u>1,526,240,435</u>	<u>1,687,365,606</u>
<b>24 Other Operating Income</b>		
P & T charge recovered	1,476,629	1,946,494
Courier Charges Recovery & Others	7,903,186	8,836,676
Services & charges	336,380,402	356,948,450
SWIFT/ Return charge recovered	51,928,649	47,207,878
Other charges (Note: 24.1)	289,610,215	181,254,682
	<u>687,299,082</u>	<u>596,194,180</u>
<b>24(a) Consolidated other operating income</b>		
<b>Social Islami Bank Ltd.</b>	<b>687,299,082</b>	<b>596,194,180</b>
<i>Add: Other operating Income of subsidiaries of SIBL</i>	<u>1,779,938</u>	<u>945,233</u>
SIBL Securities Ltd.	1,779,938	945,233
SIBL Investment Ltd.	-	-
<b>Grand total of consolidated income from other operating income</b>	<u>689,079,020</u>	<u>597,139,413</u>
<b>24.1 Other Charges</b>		
Rent receipts	3,335,931	2,540,779
Income from sale of forms	96,420	172,070
Service charge on SIBL Cards	77,915,128	72,274,818
Notice pay earnings	5,972,795	4,572,650
Miscellaneous income	202,289,941	101,694,364
	<u>289,610,215</u>	<u>181,254,682</u>



	31.12.2019 Taka	31.12.2018 Taka
<b>25 Salary &amp; Allowances</b>		
Basic Salary	1,316,385,514	1,272,868,382
Allowances	1,234,183,389	1,211,751,483
Bonus	544,200,196	495,617,232
L/E Salary & Allowances	144,104,421	26,608,143
Bank's Contribution to Provident fund	127,084,546	115,464,033
Bank's Contribution to Social Insurance fund	12,694,694	11,624,857
SIBL Group life Insurance Premium	4,211,130	-
	<b>3,382,863,890</b>	<b>3,133,934,129</b>
<b>25(a) Consolidated expenses for Salary and Allowance</b>		
<b>Social Islami Bank Ltd.</b>	<b>3,382,863,890</b>	<b>3,133,934,129</b>
<b>Add: Salary and Allowance for subsidiaries</b>	<b>31,018,682</b>	<b>34,035,336</b>
SIBL Securities Ltd.	31,018,682	34,035,336
SIBL Investment Ltd.	-	-
	<b>3,413,882,572</b>	<b>3,167,969,465</b>
<b>26 Rent, Taxes, Insurance &amp; Electricity etc.</b>		
Rent, Rates & Taxes (note: 26.1)	332,865,298	308,498,357
Insurance (note: 26.2)	147,140,497	133,030,500
Electricity, Lighting & Water (note: 26.3)	93,005,865	83,060,810
	<b>573,011,660</b>	<b>524,589,668</b>
<b>26(a) Consolidated expenses for rent, taxes, insurance &amp; electricity</b>		
<b>Social Islami Bank Ltd.</b>	<b>573,011,660</b>	<b>524,589,668</b>
<b>Add: Rent, Taxes, Insurance &amp; Electricity etc. of subsidiaries</b>	<b>6,198,307</b>	<b>6,042,040</b>
SIBL Securities Ltd.	6,198,307	6,042,040
SIBL Investment Ltd.	-	-
	<b>579,209,966</b>	<b>530,631,708</b>
<b>26.1 Rents, Rates, Taxes, Insurance &amp; Lighting etc.</b>		
<b>Rents</b>		
Rent (Office)	324,458,510	299,682,189
Rent (Garage)	300,980	369,380
Rent (Godown & others)	4,989,087	4,544,618
	<b>329,748,577</b>	<b>304,596,187</b>
<b>Rates and Taxes</b>	<b>3,116,720</b>	<b>3,902,170</b>
<b>Total Rents, Rates &amp; Taxes</b>	<b>332,865,298</b>	<b>308,498,357</b>
<b>26.2 Insurances</b>		
Insurance Premium in Counter	807,239	911,523
Insurance Premium in Transit	7,237,901	6,575,992
Insurance Premium Safe/Vault	6,034,278	7,093,585
Insurance Premium on deposit	129,712,448	114,063,326
Insurance Premium on Vehicle	1,605,403	1,662,332
Other Insurance	1,743,228	2,723,742
	<b>147,140,497</b>	<b>133,030,500</b>
<b>26.3 Lighting &amp; Electricity</b>		
Lighting & Electricity Bill (Office)	82,788,662	73,956,809
Lighting & Electricity Charges (Office)	5,760,829	5,092,817
<b>Sub Total</b>	<b>88,549,490</b>	<b>79,049,626</b>
<b>Water &amp; Sewerage</b>	<b>4,456,375</b>	<b>4,011,184</b>
	<b>93,005,865</b>	<b>83,060,810</b>
<b>27 Legal Expenses</b>		
Legal Fees & Charge	5,860,731	5,153,988
Stamp Duties	155,999	59,823
Other Legal Expenses	5,252,045	5,372,682
	<b>11,268,775</b>	<b>10,586,493</b>
<b>28 Postage, Stamps, Telecommunication etc.</b>		
Cable Network rent	325,203	311,041
Telegram, Fax, Telex & other charges	-	145,000
Telephone charges	3,180,154	2,940,916
Mobile phone charges	3,244,988	5,075,478
	<b>6,750,345</b>	<b>8,472,436</b>
<b>28(a) Consolidated expenses for Postage, Stamps, Telecommunication etc.</b>		
<b>Social Islami Bank Limited</b>	<b>6,750,345</b>	<b>8,472,436</b>
<b>Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries</b>	<b>2,026,095</b>	<b>1,616,417</b>
SIBL Securities Ltd.	2,026,095	1,616,417
SIBL Investment Ltd.	-	-
	<b>8,776,440</b>	<b>10,088,853</b>



	31.12.2019 <u>Taka</u>	31.12.2018 <u>Taka</u>
<b>29 Stationery, Printing, Advertisements etc.</b>		
Table Stationery	13,861,407	12,974,100
Printing & Stationery	63,353,438	34,004,513
News Paper & Magazine	24,510,840	26,636,211
Television & Radio	44,361,750	42,770,403
Neon Sign, Banner etc.	814,821	297,855
Other Publicity	14,093,877	15,895,240
	<u>160,996,133</u>	<u>132,578,322</u>
<b>29(a) Consolidated expense of Stationery, Printing, Advertisement etc.</b>		
<b>Social Islami Bank Ltd.</b>	<b>160,996,133</b>	<b>132,578,322</b>
<b>Stationery, Printing, Advertisement expense of Subsidiaries of SIBL</b>	<b>477,675</b>	<b>387,554</b>
SIBL Securities Limited.	477,675	387,554
SIBL Investment Limited.	-	-
	<u>161,473,808</u>	<u>132,965,876</u>
<b>30 Managing Director's salary and allowances</b>		
Basic Salary	7,381,000	6,710,000
Allowances	3,000,000	3,000,000
Festival & other Bonus	2,331,000	2,210,000
	<u>12,712,000</u>	<u>11,920,000</u>
<b>31 Directors' Fees &amp; Meeting Expenses</b>		
Directors Fee	2,349,881	2,238,800
Meeting Expenses	7,148,803	2,300,601
	<u>9,498,684</u>	<u>4,539,401</u>
<b>31(a) Consolidated Directors' fees &amp; Meeting Expenses:</b>		
<b>Social Islami Bank Limited</b>	<b>9,498,684</b>	<b>4,539,401</b>
<b>Directors' Fees &amp; Meeting Expenses of Subsidiaries of SIBL</b>	<b>419,500</b>	<b>333,500</b>
SIBL Securities Limited	419,500	333,500
SIBL Investment Limited	-	-
	<u>9,918,184</u>	<u>4,872,901</u>
<b>32 Shariah Supervisory Committee's Fees &amp; Expenses</b>		
Shariah Council Meeting Expenses	446,507	245,903
	<u>446,507</u>	<u>245,903</u>
<b>33 Depreciation and Repair of Bank's Assets</b>		
<b>a) Depreciation of Bank's Assets (Annexure A)</b>		
Land	-	-
Building	49,091,006	50,359,435
Furniture & Fixtures	79,975,897	64,322,198
Office Appliance & Equipment	149,430,092	137,015,338
Computer Software	18,135,533	16,029,023
Vehicles	14,505,903	16,674,900
Books	78,416	73,012
	<u>311,216,849</u>	<u>284,473,905</u>
<b>b) Repair on Bank's Assets</b>		
Building	180,456	24,081
Motor Car/ Vehicle	3,826,584	3,757,189
Furniture Fixture	3,415,073	1,788,138
Mechanical Appliances	16,005,681	13,479,884
Software Maintenance fee	1,261,250	15,471,595
Hardware Maintenance fee	704	1,400
IT Enable Service Charges	41,786,658	1,671,420
	<u>66,476,405</u>	<u>36,193,707</u>
<b>Total of Depreciation and repair of Bank's Assets</b>	<b>377,693,254</b>	<b>320,667,613</b>
<b>33(a) Consolidated balance of Depreciation</b>		
<b>Social Islami Bank Ltd.</b>	<b>377,693,254</b>	<b>320,667,613</b>
<b>Add: Depreciation on assets of subsidiaries</b>	<b>1,406,763</b>	<b>1,576,212</b>
SIBL Securities Ltd.	1,406,763	1,576,212
SIBL Investment Ltd.	-	-
<b>Add: Repairs &amp; Maintenance on assets of subsidiaries</b>	<b>810,805</b>	<b>839,342</b>
SIBL Securities Ltd.	810,805	839,342
SIBL Investment Ltd.	-	-
	<u>379,910,822</u>	<u>323,083,166</u>



	31.12.2019 Taka	31.12.2018 Taka
<b>34 Other Expenses</b>		
Local conveyance	20,235,180	17,495,129
Petroleum, oil & lubricants	17,076,671	16,083,257
Entertainment expenses	47,688,493	48,535,108
Traveling allowances	39,274,222	34,740,787
Travelling Foreign	5,299,015	2,021,530
Bank charges	10,914,576	2,233,574
Uniform charges	1,845,270	1,342,300
Subscriptions to Institutions & Others	7,984,120	4,808,067
Banks' clearing house charges	29,568	41,467
CIB Charges	1,251,930	963,160
Transportation charges	6,857,724	5,285,938
News paper, Journal & periodicals	190,721	246,395
Washing charges	984,332	721,845
Training expenses Academy/ Internal	605,358	467,777
Training expenses at outside Banks	2,085,724	2,868,266
Meeting expenses	34,928	21,650
Direct expenses on investment	52,219	-
Up keep of branches/office premises	6,703,808	6,217,444
Excise duty	1,246,150	2,098,500
Computer charges	17,025,558	15,907,011
Security Services	171,101,570	166,229,871
Cleaner Services	6,945,812	6,088,807
Others wages	186,695,326	149,447,266
Photocopy expenses	1,040,015	1,245,383
Photography expenses	118,429	45,853
Cash & Bank remittance charges	4,687,823	4,410,800
Honorarium	3,865,350	3,214,200
On-Line Expenses	36,214,592	33,241,603
ATM Rent Hardware	3,071,143	3,419,018
Professional & Rating Fees	42,048,887	4,495,789
Other Utility	6,153,839	4,501,510
Bond issue related Expense	3,974,300	6,815,500
Donation to Government	79,000	250,026,500
Donation to Others	209,299	748,695
CSR Ralated Expenditure	265,040,772	50,001,483
Fair value adjustment for shares and securities	122,515,819	112,898,604
Gratuity expense	125,056,624	120,922,496
Miscellaneous expenses	88,576,335	50,790,252
	<b>1,254,780,502</b>	<b>1,130,642,835</b>
<b>34(a) Consolidated Other Expenses</b>		
<b>Social Islami Bank Limited</b>	<b>1,254,780,502</b>	<b>1,130,642,835</b>
<i>Add: Other Expenses for SIBL Securites Limited</i>	<b>10,742,507</b>	<b>17,271,905</b>
License, fees, renewals and incorporation expenses	7,570,217	12,086,915
Entertainment	833,903	579,445
Others	2,338,387	4,605,545
<i>Other Expenses for SIBL Investment Limited</i>	<b>93,815</b>	<b>44,540</b>
Incorporation and Other Regulatory expenses	40,580	17,490
Bank charge and Excise duty	52,235	26,150
Others	1,000	900
	<b>1,265,616,824</b>	<b>1,147,959,281</b>
<b>35 Other Provision</b>		
Provision for other assets (note: 13.2)	5,637,000	30,100,000
Mudaraba Profit Distribution (note: 13.6)	15,000,000	-
Provision for good borrower (note: 13.7)	2,000,000	1,222,000
Provision for Climate Risk Fund (note:13.8)	1,000,000	2,000,000
	<b>23,637,000</b>	<b>33,322,000</b>
<b>35(a) Consolidated other provision</b>		
<b>Social Islami Bank Ltd.</b>	<b>23,637,000</b>	<b>33,322,000</b>
<i>Add: Provision for subsidiaries</i>		
<b>SIBL Securites Ltd.</b>		
Provision for general reserve	(920,894)	2,193,709
Provision for impairment of margin loan	3,090,496	30,877,510
Provision for diminution in value of investment	3,075,197	15,642,073
	<b>5,244,799</b>	<b>48,713,292</b>
<b>SIBL Investment Ltd. (Provision for diminution in value of investment)</b>	<b>2,660,502</b>	<b>-</b>
	<b>31,542,301</b>	<b>82,035,292</b>



	31.12.2019 Taka	31.12.2018 Taka
<b>36 Provision against Investment, Off-Balance Sheet items &amp; Others</b>		
Provision on classified investment	1,073,661,495	2,825,055,062
Provision on unclassified investment	2,085,452,904	(349,201,263)
Provision on Off-Balance Sheet items	25,329,739	(214,352,974)
Other provisions (note: 35)	23,637,000	33,322,000
	<b>3,208,081,138</b>	<b>2,294,822,825</b>
<b>36(a) Consolidated Provision against Investment, Off-Balance Sheet items &amp; Others</b>		
<b>Social Islami Bank Ltd.</b>	<b>3,208,081,138</b>	<b>2,294,822,825</b>
<i>Add: Provision for subsidiaries</i>	<b>7,905,301</b>	<b>48,713,292</b>
SIBL Securities Ltd.	5,244,799	48,713,292
SIBL Investment Ltd.	2,660,502	-
	<b>3,215,986,439</b>	<b>2,343,536,117</b>
<b>37 Provision for Income Tax</b>		
Current year provision (Note: 37.1)	1,593,092,009	2,227,743,967
Deferred Tax expense/(income) (Note: 37.2)	19,486,671	37,120,027
	<b>1,612,578,681</b>	<b>2,264,863,993</b>
<b>37(a) Consolidated Provision for Income Tax</b>		
<b>Social Islami Bank Limited</b>	<b>1,612,578,681</b>	<b>2,264,863,993</b>
<b>SIBL Securities Limited</b>	<b>12,093,034</b>	<b>17,233,637</b>
Current year provision	12,311,797	17,309,147
Deferred Tax expense/(income)	(218,763)	(75,510)
<b>SIBL Investment Limited</b>	<b>655,159</b>	<b>-</b>
	<b>1,625,326,874</b>	<b>2,282,097,630</b>
<b>37.1 Current Year Tax Provision</b>		
Provision on tax has been calculated based on Income Tax Ordinance, 1984 as amended upto 2019 by the Finance Act, considering the allowances and disallowances.		
<b>37.2 Deferred Tax Expenses/(Income)</b>		
Deferred tax expense/(income) for liability/(asset) has been calculated as per Bangladesh Accounting Standard 12.		
<b>38 Earning Per Share (EPS)</b>		
SIBL has issued 1:1 right share for an amount of Taka- 2,987,815,750 as approved in its 242nd Board Meeting held on 02 March 2011 by the Directors of the Board. Before right issue SIBL had a total capital of Taka- 2,987,815,750 as on 31.12.2010. The paid up capital was further enhanced by an amount of Taka- 418,294,200, Taka-637,489,940, Taka-351,570,780 and Taka-738,298,640 issued as bonus share for the years ended 31 December 2010, 2012, 2015 and 2017. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 8,933,413,560 with a total no. of 893,341,356 shares having face value @ Taka- 10/share.		
Net Profit after Tax	1,521,450,676	1,583,430,756
Number of ordinary shares outstanding	893,341,356	893,341,356
<b>Earning Per Share (EPS) (Prior year Restated)</b>	<b>1.70</b>	<b>1.77</b>
<b>38(a) Consolidated Earning Per Share (CEPS)</b>		
Net Profit after Tax	1,525,679,352	1,601,509,590
Number of ordinary shares outstanding	893,341,356	893,341,356
<b>Consolidated Earning Per Share (CEPS) (Prior year Restated)</b>	<b>1.71</b>	<b>1.79</b>
<b>38 (i) Net Asset Value (NAV) Per Share:</b>		
Net Asset Value (Consolidated)	17,312,127,963	15,787,369,506
Net Asset Value (Solo)	17,271,330,473	15,749,879,796
Number of ordinary shares outstanding	893,341,356	893,341,356
<b>Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated)</b>	<b>19.38</b>	<b>17.67</b>
<b>Net Asset Value (NAV) Per Share (Solo) (Prior year Restated)</b>	<b>19.33</b>	<b>17.63</b>
<b>38 (ii) Net Operating Cash Flows per share (NOCFPS):</b>		
Net Cash flow from operating activities (Consolidated)	18,322,383,329	(9,085,596,789)
Net Cash flow from operating activities (Solo)	18,322,043,775	(9,085,342,845)
Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated)	893,341,356	893,341,356
<b>Net Operating Cash Flow Per Share (NOCFPS)(Consolidated) (prior year restated)</b>	<b>20.51</b>	<b>(10.17)</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)(Solo) (prior year restated)</b>	<b>20.51</b>	<b>(10.17)</b>
Notes for Cash Flow Statement (Note-39 to Note-44)		
<b>39 Income from Investment</b>		
Investment profit receipt	27,797,425,826	24,955,867,159
Add: Opening profit receivable	472,885,826	345,606,462
Less: Closing profit receivable	(665,595,298)	(472,885,826)
	<b>27,604,716,354</b>	<b>24,828,587,795</b>
<b>39(a) Consolidated income from investment</b>		
<b>Income from investment of SIBL</b>	<b>27,604,716,354</b>	<b>24,828,587,795</b>
<b>Income from investment of Subsidiaries of SIBL</b>	<b>74,611,249</b>	<b>117,177,840</b>
SIBL Securities Ltd.	73,001,249	117,177,840
SIBL Investment Ltd.	1,610,000	-
<b>Grand total</b>	<b>27,679,327,604</b>	<b>24,945,765,635</b>





	31.12.2019	31.12.2018
	Taka	Taka
<b>40 Receipts from Other Operating Activities (Other than profit on sale of fixed assets)</b>		
Exchange income	728,949,739	855,158,862
Rent receipts	3,335,931	2,540,779
P & T charge recovered	1,476,629	1,946,494
Courier Charges Recovery & Others	7,903,186	8,836,676
Notice pay earnings	5,972,795	4,572,650
Miscellaneous income	202,289,941	101,694,364
Services & charges	336,380,402	356,948,450
SWIFT/ Return charge recovered	51,928,649	47,207,878
Service charge on SIBL Cards	77,915,128	72,274,818
Income from sale of forms	96,420	172,070
	<b>1,416,248,821</b>	<b>1,451,353,042</b>
<b>40(a) Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)</b>		
<b>Receipts from Other Operating Activities of SIBL</b>	<b>1,416,248,821</b>	<b>1,451,353,042</b>
<b>Receipts from other operating activities of Subsidiaries of SIBL</b>	<b>1,779,938</b>	<b>945,233</b>
SIBL Securities Ltd.	1,779,938	945,233
SIBL Investment Ltd.	-	-
	<b>1,418,028,758</b>	<b>1,452,298,275</b>
<b>41 Payment to others</b>		
Rent (Office)	324,458,510	299,682,189
Rent (Garage)	300,980	369,380
Rent (Godown)	4,989,087	4,544,618
Rates and Taxes	3,116,720	3,902,170
Insurance Premium for cash in counter	807,239	911,523
Insurance Premium for cash in transit	7,237,901	6,575,992
Insurance Premium for cash in safe/ vault	6,034,278	7,093,585
Insurance Premium on deposit	129,712,448	114,063,326
Insurance Premium for vehicle	1,605,403	1,662,332
Other Insurance	1,743,228	2,723,742
Lighting and Electricity Bill (Office)	82,788,662	73,956,809
Lighting and Electricity Charges (Office)	5,760,829	5,092,817
Water and Sewerage	4,456,375	4,011,184
Legal Expenses	11,268,775	10,586,493
Directors Fees and Meeting Expenses	9,498,684	4,539,401
Shariah Supervisory Fees & Expenses	446,507	245,903
Audit Fees	920,000	575,000
Repairs and Maintenance	66,476,405	36,193,707
Zakat expenses	149,522,749	129,665,548
Other Expenses (note: 34)	1,254,780,502	1,130,642,835
	<b>2,065,925,283</b>	<b>1,837,038,555</b>
<b>41(a) Consolidated payment to others</b>		
<b>Social Islami Bank Limited</b>	<b>2,065,925,283</b>	<b>1,837,038,555</b>
<b>Payment to others- Subsidiaries</b>	<b>18,322,434</b>	<b>24,577,327</b>
SIBL Securities Limited	18,205,619	24,509,787
SIBL Investment Limited	116,815	67,540
	<b>2,084,247,716</b>	<b>1,861,615,882</b>
<b>42 Reconciliation of Net Profit after Taxation &amp; Operating Profit before changes in operating assets &amp; liabilities</b>		
<b>Cash flows from operating activities</b>		
Net Profit after Taxation	1,521,450,676	1,583,430,756
(Increase)/Decrease Profit Receivable	(192,709,472)	(127,279,364)
(Increase)/Decrease Profit Payable on Deposit	1,744,045,315	1,578,018,838
Effects of exchange rate changes on cash & cash equivalents	(54,445,609)	(65,766,286)
Provision for Tax	1,612,578,681	2,264,863,993
Provision for Investment, Contingent Liability & Others	3,208,081,138	2,294,822,825
Depreciation & Amortization of Fixed Assets	311,216,849	284,473,905
Income tax paid	(1,313,745,832)	(1,268,621,662)
<b>Operating Profit before changes in operating assets &amp; liabilities</b>	<b>6,836,471,745</b>	<b>6,543,943,005</b>
<b>42(a) Consolidated Cash flows from operating activities</b>		
Net Profit after Taxation	1,525,679,354	1,601,509,605
(Increase)/Decrease Profit Receivable	(192,709,472)	(127,279,364)
(Increase)/Decrease Profit Payable on Deposit	1,744,045,315	1,578,018,838
Effects of exchange rate changes on cash & cash equivalents	(54,445,609)	(65,766,286)
Provision for Tax	1,625,326,874	2,282,097,630
Provision for Investment, Contingent Liability & Others	3,215,986,439	2,343,536,116
Depreciation & Amortization of Fixed Assets	312,623,612	286,050,117
Income tax paid	(1,326,270,037)	(1,285,952,527)
<b>Operating Profit before changes in operating assets &amp; liabilities</b>	<b>6,850,236,475</b>	<b>6,612,214,128</b>



	31.12.2019 Taka	31.12.2018 Taka
<b>43 Cash Increase/ Decrease in Other Assets</b>		
Stock of stationery, stamps and printing materials etc (valued at cost)	36,651,315	38,940,292
Advance rent	236,783,450	240,368,398
Security Deposit	3,441,126	3,156,556
Branch Adjustments (SIBG) (Note: 9.1)	2,950,929,983	7,101,009,106
Suspense Accounts (Note: 9.2)	192,702,080	219,594,442
Other Prepayments	64,210,064	64,216,511
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	21,482,142	122,074,364
Advance Income Tax	10,685,152,854	9,371,407,022
Receivable from SIBL Securities Limited	72,000,000	-
Receivable from SIBL Investment Limited	1,883,690	1,820,060
Protested Bills against Investment	325,014,570	319,377,570
Receivable from Off-shore Banking Unit	36,882,278	62,481,496
Dividend Receivable Account	562,130,020	458,442,289
Profit Receivable from Mudaraba Subordinated Bond	99,616,438	19,428,082
Others (Note: 9.3)	10,969,426	31,456,411
	<b>15,299,849,435</b>	<b>18,053,772,598</b>
Difference between (2019, 2018)	2,753,923,163	(4,120,448,810)
Advance Income Tax	1,313,745,832	1,268,621,662
<b>Net change in Other Assets</b>	<b>4,067,668,995</b>	<b>(2,851,827,148)</b>
<b>43(a) Consolidated cash increase/decrease in other assets</b>		
<b>Social Islami Bank Limited</b>	15,299,849,435	18,053,772,598
<i>Cash Increase/ Decrease in Other Assets of subsidiaries</i>	2,177,622,105	2,226,222,259
	<b>17,477,471,540</b>	<b>20,279,994,857</b>
Difference between (2019, 2018)	2,802,523,316	(4,328,291,129)
Advance Income Tax	1,326,270,037	1,285,952,527
<b>Consolidated net change in Other Assets</b>	<b>4,128,793,353</b>	<b>(3,042,338,602)</b>
<b>44 Cash Increase/ Decrease in Other Liabilities</b>		
Adjusting A/C (Cr.) Balance	10,231,405	12,030,804
Other Payable	12,263,717	3,079,086
Compensation and Rent Suspense (note: 13.3)	2,870,657,332	1,874,740,496
BEFTN Adjustment Account	35,998,977	24,672,552
Parking Account	-	51
ATM Settlement for Q-Cash	23,642,698	34,004,885
	<b>2,952,794,130</b>	<b>1,948,527,874</b>
<b>Cash Increase/ (Decrease) in Other Liabilities</b>	<b>1,004,266,256</b>	<b>(2,216,321,248)</b>
Difference between (2019 & 2018)	1,004,266,256	(2,216,321,248)
Add: Transfer to Provision for Investment from Compensation (In Yr. 2019)	155,621,173	150,182,617
Add: Zakat expense transferred to Sadaka Fund	149,522,749	129,665,548
Less: Zakat distributed during the year	81,040,968	92,567,800
Less: Gratuity transferred & Paid during the year	-	232,104
Less: Written off/ Waiver of investment during the year	31,734,980	83,067,558
	<b>1,196,634,229</b>	<b>(2,112,340,545)</b>
<b>44(a) Consolidated cash increase/decrease in other liabilities</b>		
Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited	2,952,794,130	1,948,527,874
<i>Cash Increase/ Decrease in Other Liabilities of subsidiaries</i>	328,766,448	232,007,925
	<b>3,281,560,578</b>	<b>2,180,535,799</b>
Difference between (2019, 2018)	1,101,024,779	(2,161,796,190)
Other changes in other liabilities of Social Islami Bank Limited	192,367,974	104,212,807
<b>Net change in Other Liabilities-Social Islami Bank Limited</b>	<b>1,293,392,753</b>	<b>(2,057,583,383)</b>
<b>45 Cash and Cash Equivalent</b>		
Cash in Hand	2,949,269,520	2,344,258,315
Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank)	28,949,172,602	23,735,810,359
Balance with Other Banks & Financial Institutions-in Bangladesh	9,114,429,400	7,070,641,984
Balance with Other Banks & Financial Institutions-outside Bangladesh	1,084,292,499	323,695,854
	<b>42,097,164,021</b>	<b>33,474,406,512</b>
<b>45(a) Consolidated Cash and Cash Equivalent</b>		
<b>Social Islami Bank Limited</b>	42,097,164,021	33,474,406,512
<i>Cash and Cash Equivalent of subsidiaries</i>	105,720	121,695
SIBL Securities Limited.	100,519	116,494
SIBL Investment Limited.	5,201	5,201
	<b>42,097,269,741</b>	<b>33,474,528,207</b>



**46 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 2957.

**47 Audit Committee**

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

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

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

**Meetings of the Audit Committee:**

The Board Audit Committee had 138 nos. (One hundred thirty eight) Meetings in the previous years since inception in the year 2003, out of which 04 Meetings were conducted in the Year 2019 and the attendance of the members was as follows:

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

**Disclosure by Audit Committee:**

The Committee reviewed the Quarterly Financial Statements 2019 of the Bank and subsequently recommended to the Board for consideration and approval.

The Committee reviewed the integrity of the financial statements of the Bank to ensure that these reflect a true and fair view of the Bank's state of affairs.

The Committee while reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable for business.

The Committee discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern.

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

Pursuant to Condition No. 3.4.1 of the Corporate Governance Guidelines issued by BSEC, the Committee reviewed the Internal Control System and Financial Statements. The Committee observed that there was no conflict of interest or material defect in the internal control system of the Bank.

The Committee reviewed and ratified the Annual Health Report of SIBL for the year-2019 and recommended to the Board for consideration and approval

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

The committee specially focused on the Capital Adequacy Ratio (CAR) of the Bank and gave emphasis to increase/maintain the CAR strictly in compliance with the BASEL-III guideline. The Committee recommended to implement effectively all aspects of BASEL-III specially Risk Based Capital Adequacy (RBCA), Liquidity Coverage Ratio (LCR), Leverage Ratio (LR) and Net Stable Funding Ratio (NSFR) as per Action Plan/Roadmap of Bangladesh Bank.

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

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



48 **Related Party Disclosures**

48.1 Name of the Firms / Business Organizations where the Directors of the Social Islami Bank Limited have got interest as on 31 December 2019:

SL No	Name	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
1	<i>Professor Md. Anwarul Azim Arif</i> <b>Chairman</b> (Representative of Hasan Abasan (Pvt.) Ltd.)	NIL
2	<i>Mr. Belal Ahmed</i> <b>Vice Chairman</b> (Representative of Unitex Steel Mills Limited)	<b>Managing Director</b> Unitex Spinning Limited Unitex Composite Mills Limited Unitex LP Gas Limited Unitex Petroleum Limited Unitex Cement Limited Unitex Steel Mills Limited Padma Wears Limited
3	<i>Md. Sayedur Rahman</i> <b>Vice Chairman</b> (Representative of Prasad Paradise Resorts Limited)	<b>Managing Director</b> Lodestar Fashions Limited Mid Asia Fashions Limited
4	<i>Md. Kamal Uddin</i> <b>Director</b> (Representative of Lion Securities and Investment Limited)	<b>Managing Director</b> Chittagong Builders & Machinery Ltd. Merchant Securities Limited Sifang Securities Limited <b>Director</b> Human Resources Development Co., Ltd. Central Hospital (Pvt.) Ltd. ASM Chemical Industries Ltd. Universal Health Services & Research Ltd. <b>Chairman</b> Mercantile Insurance Company Ltd. <b>Proprietor</b> CBM Consortium
5	<i>Mrs. Nargis Mannan</i> <b>Director</b>	Nil
6	<i>Dr. Md. Jahangir Hossain</i> <b>Director</b> (Representative of Reliable Entrepreneurs Limited)	Nil
7	<i>Mr. Arshadul Alam</i> <b>Director</b> (Representative of Leader Business Enterprise Limited)	<b>Managing Director</b> MK Electronics Ctg. (Yunusco) Jesco Capital Management Ltd. Uni-Trade International Ltd. Nishat Traders Ltd. <b>Chairman</b> Jaba and Brothers C&F (Pvt.) Ltd. <b>Director</b> Northern General Insurance Company Metro Diagnostic Center Ltd. Jesco Bangladesh Ltd. Bengal Corporation Ltd. Bengal Center (Topkhana) ABM Tower (Gulshan)
8	<i>Mr. Ali Hasan Md. Mahmud Ribon</i> <b>Director</b> (Representative of Dynamic Venture Limited)	<b>Chairman</b> M/S. Mahmud Ribon
9	<i>Mrs. Jebunnesa Akbar</i> <b>Director</b> (Representative of Unitex Cement Limited)	Nil
10	<i>Mr. Md. Faysal Ahmed Patwary</i> <b>Director</b> (Representative of Global Trading Corporation Limited)	<b>Director</b> M/S. Patwary Potato Flakes Limited M/S. Greentech Greenhouse Bangladesh Limited Northern General Insurance Company Limited
11	<i>Professor A J M Shafiqul Alam Bhuiyan, PH.D</i> <b>Independent Director</b>	Nil
12	<i>Professor Mohammed Mizanur Rahman, PH.D</i> <b>Independent Director</b>	Nil



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

48.3 **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
<b>Funded Liability</b>					
SIBL Securities Ltd.	N/A	Subsidiary	Quard	8000.00 lac	UC
SIBL Foundation Hospital & Diagnostic Center	N/A	A concern of SIBL Foundation	Quard- E- Hasana	10045.84 lac	UC

**B Investment Policies to Related Parties**

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

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

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

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

49 **Post Balance Sheet events (IAS-10)**

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

**1. Dividend**

The Board of Director has authorized the financial statements for issue on and recommended stock dividend @ 5 % & Cash dividend @ 5% for the year ended 31 December 2019.

**2. Covid 19**

Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the Group and the Bank as well. Management as considered COVID 19 as subsequent event and in accordance with IAS 10 has concluded that this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition that arose after the end of the reporting period) because the significant changes in business activities and economic conditions as a result of COVID 19 events took place well after the reporting date of 31 December 2019. Although the business operation and profitability of the Group and the Bank are impacted due to COVID 19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID 19 related matters on the Group's operation and financial results cannot be reasonably assessed."

50 **General**

(i) Figures appearing in these financial statements have been rounded off to the nearest Taka.

(ii) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.

(iii) Figures of previous year have been rearranged wherever necessary to conform the current year's presentation.

(iv) All types of financing made to the clients have been shown under the head 'Investment' whereas investment made in different shares and securities of Government and others companies are shown as investment shares and securities.

(V) The Bank incurs expenditure in relation to its Corporate Social Responsibility (CSR) throughout the year. The budget for the CSR expenditures are met up from various source including zakat and other sources. The Climate Risk Fund is also a part of this CSR expenditures.





**SOCIAL ISLAMI BANK LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**SCHEDULE OF FIXED ASSETS INCLUDING PREMISES**

Particulars	C O S T / R E V A L U E D*				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at December 2019
	Balance as on 01 January 2019	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2019		Balance as on 01 January 2019	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2019	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	-	49,091,006	404,038,934	404,038,934	1,916,181,781
Furniture & Fixtures	1,091,686,941	165,480,514	-	1,257,167,455	10%	-	79,975,897	466,111,881	466,111,881	791,055,574
Office Equipment	1,457,031,670	164,260,435	-	1,621,292,105	20%	-	149,430,092	930,956,342	930,956,342	690,335,762
Software	223,604,251	23,885,566	-	247,489,817	10%	-	54,586,568	72,722,101	72,722,101	174,767,715
Vehicles	141,721,354	-	-	141,721,354	20%	-	14,505,903	121,051,952	121,051,952	20,669,401
Books	1,634,189	105,360	-	1,739,549	10%	-	78,416	1,030,039	1,030,039	709,510
<b>31 December 2019</b>	<b>5,248,229,118</b>	<b>353,731,874</b>	<b>-</b>	<b>5,601,960,993</b>		<b>-</b>	<b>311,216,849</b>	<b>1,995,911,251</b>	<b>1,995,911,251</b>	<b>3,606,049,743</b>
<b>31 December 2018</b>	<b>4,881,038,651</b>	<b>367,190,479</b>	<b>11</b>	<b>5,248,229,118</b>		<b>-</b>	<b>284,473,905</b>	<b>1,684,694,401</b>	<b>1,684,694,401</b>	<b>3,563,534,717</b>

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



Annexure B

**SOCIAL ISLAMI BANK LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**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 December 2019
	Balance as on 01 January 2019	Additions during the year	Disposal/ Transfer during the year		Balance at 31 December 2019	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2019	
Land	12,330,000	-	-	12,330,000	-	-	-	12,330,000	
Building	2,320,220,714	-	-	2,320,220,714	2.50%	49,091,006	404,038,934	1,916,181,780	
Furniture & Fixtures	1,098,632,727	165,677,473	-	1,264,310,200	10%	80,082,404	468,411,931	795,898,270	
Office Equipment	1,468,088,481	164,419,005	-	1,632,507,486	20%	150,412,984	940,157,282	692,350,203	
Software	226,777,891	23,885,566	-	250,663,457	10%	18,452,897	75,085,726	175,577,730	
Vehicles	141,721,355	-	-	141,721,355	20%	14,505,903	121,051,952	20,669,403	
Books	1,634,190	105,360	-	1,739,550	10%	78,416	1,030,040	709,510	
<b>31 December 2019</b>	<b>5,269,405,357</b>	<b>354,087,403</b>	<b>-</b>	<b>5,623,492,761</b>	<b>-</b>	<b>312,623,611</b>	<b>2,009,775,866</b>	<b>3,613,716,895</b>	
<b>31 December 2018</b>	<b>4,902,122,928</b>	<b>367,282,439</b>	<b>11</b>	<b>5,269,405,357</b>	<b>-</b>	<b>286,050,117</b>	<b>1,697,152,254</b>	<b>3,572,253,103</b>	



Annexure-C

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	31.12.2019			31.12.2018		
			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	437,019.61	84.90	37,102,965	(69,342.45)	83.90	(5,818,832)
2	SUMMIT Bank, KARACHI	ACUD	75,438.64	84.90	6,406,439	5,241.77	83.90	439,785
3	SONALI Bank, KOLKATA	ACUD	171,578.79	84.90	14,567,039	15,422.59	83.90	1,293,955
4	MASHREQ Bank, MUMBAI	ACUD	569,235.68	84.90	48,328,109	319,558.74	83.90	26,810,978
5	NEPAL BANGLADESH Bank	ACUD	8,567.36	84.90	727,369	3,778.36	83.90	317,004
6	Bank OF BHUTAN, PHUENTSHOLING	ACUD	80,809.10	84.90	6,860,693	29,972.63	83.90	2,514,704
7	UNITED Bank OF INDIA	ACUD	189,437.33	84.90	16,083,229	21,374.87	83.90	1,793,352
8	AB Bank, MUMBAI	ACUD	341,814.61	84.90	29,020,060	89,336.06	83.90	7,495,295
9	MEEZAN Bank LIMITED	ACUD	48,309.53	84.90	4,101,479	3,325.00	83.90	278,968
10	MCB Bank, KARACHI, PAKISTAN	ACUD	1,805.78	84.90	153,311	5,244.48	83.90	440,012
11	AXIS Bank LIMITED	ACUD	(72,599.71)	84.90	(6,163,715)	40,461.41	83.90	3,394,712
12	HDFC Bank LTD., MUMBAI	ACUD	99,050.35	84.90	8,409,375	-	-	-
13	MASHREQ Bank, NEW YORK, (OBU)	USD	474,032.05	84.90	40,245,321	173,718.15	83.90	14,574,953
14	MASHREQ Bank PSC, NEW YORK, USA	USD	3,195,038.56	84.90	271,258,774	(28,046.60)	83.90	(2,353,110)
15	SCB, NY, USA	USD	6,029,595.94	84.90	511,920,528	2,842,050.90	83.90	238,448,071
16	KOREA EXCH. Bank, KOREA	USD	948.76	84.90	80,550	642.38	83.90	53,896
17	HABIB AMERICAN Bank	USD	123,497.51	84.90	10,484,939	357,479.89	83.90	29,992,563
18	COMMERZ Bank AG, FRANKFURT	USD	9,715.50	84.90	824,846	-	-	-
19	MASHREQ Bank, PSC MUMBAI	ACU	-	95.06	41,630	427.92	95.55	40,889
20	SCB, FRANKFURT	EURO	437.92	95.06	44,869,295	23,926.50	95.55	2,286,266
21	COMMERZ Bank AG, FRANKFURT	EURO	471,972.69	95.06	15,446,890	16,429.91	95.55	1,569,939
22	SCB, LONDON, UK	GBP	162,491.89	111.34	15,139,253	90.81	106.25	9,649
23	SCB, TOKYO	JPY	135,975.79	0.78	224,443	33,158.00	0.76	25,081
24	Bank AL JAZIRA	RIYAL	288,603.00	22.63	8,159,680	-	-	-
25	ALAWWAL BANK RIYADH SA	RIYAL	360,500.00	-	-	3,923.43	22.36	87,725
	<b>Total</b>				<b>1,084,292,499</b>			<b>323,695,854</b>



Annexure-D

SOCIAL ISLAMI BANK LIMITED

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

Sl no.	Name of client	Outstanding as on 31 December 2019		
		Funded	Non-funded	Total
1	1. PowerPac Mutiara Keraniganj Power Plant Limited & its sister concerns, 2. PowerPac Mutiara Jamalpur Power Plant Limited, 3. PowerPac Holdings Ltd. 4. PowerPac Mutiara Khulna Power Plant Ltd. 5. Powerpac	493.25	89.34	582.59
2	i. Bashundhara Import Export Limited ii. Bashundhara Steel & Engineering Ltd. iii. Bashundhara City Development Limited.	225.13	69.37	294.50
3	i. Bashundhara Paper Mills Ltd. & its sister concerns- ii. East West Property Development (Pvt.) Ltd. iii. Bashundhara LP Gas Ltd. iv. Bashundhara Industrial Complex Ltd. v. East West Media Group Ltd. vi. Bashundhara Multi Paper Industries Ltd. vii. Bashundhara Food & Beverage Ltd.	366.42	230.64	597.06
4	Bashundhara Multi Food Products Ltd & Sundarban Industrial Complex Ltd.	-	272.82	272.82
5	Infinita Spinning Mills Ltd.	92.98	251.47	344.45
6	i. Western Dresses Ltd. & its sister concerns- ii. MNC Apparels Ltd. iii. Kimia Washing Industries Limited iv. NASSA BASIC WASH LTD.	356.89	63.99	420.88
7	i. Orion Infrastructure Ltd. & its sister concerns ii. Orion Agro Products Ltd. iii. Orion Power Meghmaghat Ltd. iv. Belhasa Accom JV. Ltd. v. Panbo Bangla Mushroom Limited vi. Orion Power Unit-2 Dhaka Limited vii. Orion Pharma Ltd.	536.61	2.58	539.19
8	i. Amber Denim Mills Limited & its sister concerns- ii. Amber Denim LTd, iii. Amber Rotor Mills Ltd. iv. Amber Rotor Spinning Mills Ltd. v. Amber Jeans & Washing Ltd.	197.96	148.29	346.25
9	SQ Birichina Limited	267.65	63.38	331.03



10	Badsha Textile	118.96	16.16	135.12
11	Mir Akhter Hossain Limited, Mir Telecom Limited	114.11	80.70	194.81
12	i. Nasrin Agriculture Industries Limited & its sister concerns- ii. M/s. Al-Habib Enterprise and its sister concern M/s. H R Feed iii. M/s. Nutrila Feed	263.28	103.73	
13	i. Base Paper Ltd. and it's sister concerns- ii. Base Fashion Limited iii. Zayantex Limited iv. Base Technologies Limited v. Base Paper Ltd. vi. Akash CNG Filling Limited	286.13	44.41	367.01
14	i. M/S. Islam Brothers & Co. & its sister concerns- ii. Anwara Mannan Textile Mills Ltd. iii. Juvenile Construction Ltd. iv. RS & T International v. Aman Feed Ltd. vi. Aman Shipyard Ltd.	416.19	2.90	330.54
15	i. NAHEE SS PIPES INDUSTRIES LTD. & sister concerns- ii. NAHEE GEO-TEXTILE INDUSTRIES LTD iii. BBS Cables Ltd iv. NAHEE ALUMINIUM COMPOSITE PANEL LTD.	156.00	21.28	419.09
16	Dong Bang Dyeing Ltd.	341.50	59.28	177.28
17	i. M/S. Rabiul Islam & its sister concerns- ii. M/s. Rhythm Trading iii. A R Cement Mills Ltd. iv. Ehsan Cement Industries Ltd. v. RMR Poultry & Hatchery Ltd. vi. A.R. Specialized Auto. Rice Mills Ltd	377.66	2.78	400.78
18	i. M/S. Millennium Enterprise, & its sister concerns- ii. Panama Composite Textile Mills Ltd. iii. O.N Spinning Mills Ltd.	151.31	92.36	380.44
19	i. S. Alam Brothers Ltd. & it's sister concerns ii. S. Alam Cold Rolled Steels Limited. iii. S. Alam Steels Limited iv. S. Alam Refined Sugar Industries Limited Ruby Food Products Ltd. & Its Allied Concern, Masud & Brothers, BSM Syndicate	360.31	10.20	243.67
20	M/S Mars Textile Ltd.	277.43	39.74	370.51
21	Dong Bang Textile Ltd.	274.34	51.03	317.17
				325.37





22	i. DADA ENGINEERING LIMITED & sister concerns- ii. DADA ACCESSORIES LTD. iii. DADA ZIPPER LTD iv. DADA BAG INDUSTRIES LTD v. JAMUNA SPINNING MILLS LTD. vi. SHAMEEM SPINNING MILLS LTD. vii. JAMUNA ELECTRONICS AND AUTOMOBILES LTD. viii. Jamuna Denims Ltd. ix. JAMUNA SPINNING MILLS LTD. (Unit 02) x. Daily Jugantor.	78.40	49.50	127.90
23	i. Abul Khair Steel Ltd. & its sister concerns- ii. Abul Khair Ltd. iii. A.K.CORPORATION LTD iv. Abul Khair Consumer v. Shah Cement Industries Ltd vi. Abul Khair Ceramic Industries Ltd. vii. Abul Khair Steel Melting Ltd. viii. Abul Khair Strip Processing Ltd. ix. Abul Khair Ltd	0.93	18.12	19.05
24	i. Thermax Textile Mills Ltd. & its sister concerns- ii. Thermax Knit Yarn Ltd. iii. Thermax Spinning Ltd. iv. Thermax Melange Spinning Mills Ltd., v. Thermax Check Fabrics Limited vi. Adury Apparels Ltd. vii. Adury knit compsite.	225.02	35.28	260.30
25	Ronghdhanu Builders (Pvt) Ltd., Mehed: Mart	276.63	-	276.63
26	i. Natore Agro Ltd. & sister concerns- ii. Sun Basic Chemicals Ltd., iii. Advance Personal Care Ltd., iv. Sylvan Technologies Lted. & v. Get Well Ltd.	147.37	37.14	184.51
27	i. Mahbub Brothers(Pvt.) Ltd. & sister concerns- ii. M/s. Pubali Traders, iii. Rishad Enterprise iv. ARK-MBPL JV. v. Best Golden Flour Mills Ltd	167.09	17.04	184.13
28	Ruby Food Products Ltd.	196.94	85.11	282.05
29	i. RANCON AUTOMOBILES LTD & sister concerns- ii. Rancon Autos Ltd iii. Rangs Motors Ltd	220.83	8.00	228.83
30	LUB-RREF (BANGLADESH) LIMITED	163.04	241.01	404.05



31	i. M/S. MOSHARAF & BROTHERS & its sister concerns- ii. M/S. NAZNEEN ENTERPRISE iii. FILOTEX LIMITED iv. M/S. M. N. ENTERPRISE v. Orange Textile	146.49	47.74	194.23
32	TecTonics	308.97	-	308.97
33	Nitol Motors Ltd.	84.39	8.40	92.79
34	i. Rahimafrooz Batteries Limited & sister concerns- ii. Rahimafrooz Gloabatt Limited, iii. Rahim Afroz Bangladesh Ltd. iv. Rahim Afroz CIC Agro Ltd	235.49	3.63	239.12
35	AFSER RESOURCES MANAGEMENT AND CONSULTANCY SERVICES LTD.	282.53	-	282.53
36	i. HF POWER LIMITED & sister concerns- ii. HOSAF METER INDUSTRY LTD iii. ENERGYPRIMA LIMITED iv. HOSAF PROFICIENT ENERGY LTD. v. M.H HOLDINGS	26.77	173.00	199.77
	<b>Grand Total</b>	<b>8,235.00</b>	<b>2,440.42</b>	<b>10,675.42</b>



Annexure-E

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	74,090	1,000	200,000	74,000,000	200,000,000
2000	Placement	50,000	1,000	250,000	50,000,000	250,000,000
2001	Initial Public Offer	10,000	1,000	260,000	10,000,000	260,000,000
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
2010	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
2011	1:1 Right Share	298,781,575	10	639,392,570	2,987,815,750	6,393,925,700
2013	10% Bonus Issue for the year 2012	63,748,994	10	703,141,564	637,489,940	7,031,415,640
2014	12% Cash dividend for the year 2013	-	10	703,141,564	-	7,031,415,640
2015	18% Cash dividend for the year 2014	-	10	703,141,564	-	7,031,415,640
2016	5% Bonus Issue for the year 2015	35,157,078	10	738,298,642	351,570,780	7,382,986,420
2017	20% Cash dividend for the year 2016	-	10	738,298,642	-	7,382,986,420
2018	10% bonus issue for the year 2017	73,829,864	10	812,128,506	-	8,121,285,060
2019	10% bonus issue for the year 2018	81,212,850	10	893,341,356	-	8,933,413,560



Annexure-F

Social Islami Bank Limited  
Statement of Corporate Income Tax status  
as at 31 December 2019

(Amount in Taka)

Accounting Year	Assessment Year	Tax Provision as per accounts	Advance Tax/TDS /Settlement fee/Appeal fee	Tax as per assessment Order	Present Status
2004	2005-2006	68,610,851	81,410,851	139,584,498	Pending at High Court Division of Supreme Court
2005	2006-2007	24,391,126	42,284,322	42,101,314	Completed
2006	2007-2008	59,825,178	85,135,927	85,135,927	Completed
2007	2008-2009	128,000,000	134,490,189	168,503,748	Pending at High Court Division of Supreme Court
2008	2009-2010	150,300,000	157,333,015	175,548,021	Pending at High Court Division of Supreme Court
2009	2010-2011	278,914,968	283,427,344	298,644,511	Pending at High Court Division of Supreme Court
2010	2011-2012	515,149,014	523,404,506	498,853,789	Pending at High Court Division of Supreme Court
2011	2012-2013	816,364,597	820,951,354	819,889,378	Pending at High Court Division of Supreme Court
2012	2013-2014	1,301,591,387	1,344,746,694	1,455,548,339	Pending at High Court Division of Supreme Court
2013	2014-2015	802,951,284	876,386,844	1,222,801,339	Pending at High Court Division of Supreme Court
2014	2015-2016	1,400,446,160	1,090,898,463	1,397,825,207	Pending at High Court Division of Supreme Court
2015	2016-2017	1,403,060,382	1,021,914,182	1,481,927,423	Pending at High Court Division of Supreme Court
2016	2017-2018	1,887,664,569	1,326,659,094	1,934,958,507	Submitted to the Appellate Tribunal
2017	2018-2019	2,063,450,826	1,254,415,212	-	Assessment is under process
2018	2019-2020	2,227,743,967	1,128,245,769	-	Return Submitted
2019	2020-2021	1,593,092,009	1,128,245,769	-	Return not yet Submitted



Annexure-G

**SOCIAL ISLAMI BANK LIMITED**  
**OFF-SHORE BANKING UNIT (OBU)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note(s)	31.12.2019		31.12.2018	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)		-	-	-	-
		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>	<b>3</b>				
In Bangladesh		-	-	-	-
Outside Bangladesh		1,291,507	109,648,944	3,276,718	274,916,654
		1,291,507	109,648,944	3,276,718	274,916,654
<b>Placement with Banks &amp; other Financial Institutions</b>		-	-	-	-
<b>Investments in Shares &amp; Securities</b>					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
<b>Investments</b>					
General Investment etc.	<b>4</b>	26,071,608	2,213,479,499	24,575,225	2,061,861,392
Bills Purchased and Discounted		-	-	-	-
		26,071,608	2,213,479,499	24,575,225	2,061,861,392
<b>Fixed Assets including Premises, Furnitures and Fixtures</b>	<b>5</b>	278	23,598	352	29,498
<b>Other Assets</b>	<b>6</b>	434,420	36,882,278	744,714	62,481,496
<b>Non Banking Assets</b>					
<b>Total Assets</b>		<b>27,797,813</b>	<b>2,360,034,320</b>	<b>28,597,009</b>	<b>2,399,289,039</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from Banks &amp; other Financial Institutions</b>	<b>7</b>	17,525,210	1,487,890,290	20,674,647	1,734,602,875
<b>Deposits and Other Accounts</b>	<b>8</b>	9,020,430	765,834,530	4,074,296	341,833,470
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits	<b>8.1</b>	8,948,438	759,722,389	4,058,922	340,543,563
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	<b>8.2</b>	71,992	6,112,141	15,374	1,289,906
Bills Payable		-	-	-	-
<b>Other Liabilities</b>		1,252,173	106,309,500	3,848,065	322,852,694
<b>Deffered Tax Liabilities/ (Assets)</b>					
<b>Total Liabilities</b>		<b>27,797,813</b>	<b>2,360,034,320</b>	<b>28,597,009</b>	<b>2,399,289,039</b>
<b>Capital/Shareholders' Equity</b>					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign currency translation gain/(Loss)		-	-	-	-
Retained Earnings		-	-	-	-
<b>Total Shareholders' Equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>27,797,813</b>	<b>2,360,034,320</b>	<b>28,597,009</b>	<b>2,399,289,039</b>





	31.12.2019		31.12.2018	
	<u>USD</u>	<u>Taka</u>	<u>USD</u>	<u>Taka</u>
<b>Off-Balance Sheet Items</b>				
<b>CONTINGENT LIABILITIES</b>				
Acceptances and Endorsements	-	-	-	-
Irrevocable Letters of Credit (including Back to Back Bills)	-	-	-	-
Letters of Guarantee	-	-	-	-
Bills for Collection	-	-	-	-
Other Contingent Liabilities	-	-	-	-
<b>Total</b>	-	-	-	-
<b>OTHER COMMITMENTS</b>				
Documentary credits and short term trade related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>	-	-	-	-



Annexure-G

**SOCIAL ISLAMI BANK LIMITED**  
**OFF-SHORE BANKING UNIT (OBU)**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
Investment Income	1,679,016	142,548,423	5,024,972	421,595,155
Less: Profit paid on Deposits	(442,588)	(37,575,714)	(1,189,908)	(99,833,286)
<b>Net Investment Income</b>	<b>1,236,428</b>	<b>104,972,708</b>	<b>3,835,064</b>	<b>321,761,868</b>
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	15,467	1,313,172	12,650	1,061,327
<b>Total Operating Income</b>	<b>1,251,895</b>	<b>106,285,880</b>	<b>3,847,714</b>	<b>322,823,196</b>
Salary & allowances	66,594	5,653,860	56,371	4,729,489
Rent & Utilities	-	-	-	-
Depreciation on fixed assets	69	5,900	88	7,374
Others	-	-	-	-
<b>Total Operating Expenses</b>	<b>66,664</b>	<b>5,659,760</b>	<b>56,459</b>	<b>4,736,863</b>
<b>Profit/(Loss) before Provision</b>				
Specific provisions for Investment	-	-	-	-
General Provisions for Investment	-	-	-	-
General Provisions for off-Balance Sheet exposure	-	-	-	-
<b>Total Provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Profit/(Loss) before Tax</b>	<b>1,185,231</b>	<b>100,626,121</b>	<b>3,791,255</b>	<b>318,086,332</b>
<b>Provision for Income Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit/(Loss) after Tax</b>	<b>1,185,231</b>	<b>100,626,121</b>	<b>3,791,255</b>	<b>318,086,332</b>



Annexure-G

**SOCIAL ISLAMI BANK LIMITED**  
**OFF-SHORE BANKING UNIT (OBU)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	31.12.2019		31.12.2018
	USD	Taka	Taka
<b>Cash Flow from operating activities</b>			
Investment Income receipt	1,679,016	142,548,423	421,595,155
Profit paid on deposits	(442,588)	(37,575,714)	(99,833,286)
Dividend receipts	-	-	-
Fees & commission receipt	-	-	-
Cash payments to employees	(66,594)	(5,653,860)	(4,729,489)
Cash payments to suppliers	-	-	-
Income tax paid	-	-	-
Receipts from other operating activities	15,467	1,313,172	1,061,327
Payments for other operating activities	-	-	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>1,185,301</b>	<b>100,632,020</b>	<b>318,093,707</b>
<b>Changes in operating assets and liabilities</b>			
Statutory deposits	-	-	-
Net trading securities	-	-	-
Investments to other banks	-	-	-
Investment to customers	(1,496,383)	(151,618,107)	4,531,608,518
Other assets	310,294	25,599,218	78,409,567
Deposits from other banks	(3,149,437)	(246,712,585)	(2,769,671,154)
Deposits received from customers	4,946,134	424,001,060	(1,794,111,269)
Other liabilities on account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities	(3,781,192)	(317,175,215)	(219,957,573)
<b>Sub Total</b>	<b>(3,170,585)</b>	<b>(265,905,629)</b>	<b>(173,721,912)</b>
<b>A. Net Cash flow from operating activities</b>	<b>(1,985,284)</b>	<b>(165,273,609)</b>	<b>144,371,795</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities	-	-	-
Payment for purchases of securities	-	-	-
Proceeds from sale of fixed assets	-	-	-
Purchases of property, plant & equipment's	69	5,900	7,374
Purchase/Sale of subsidiaries	-	-	-
<b>B. Net Cash flows from investing activities</b>	<b>69</b>	<b>5,900</b>	<b>7,374</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments	-	-	-
Payments for redemption of debt instruments	-	-	-
Receipts from issue of right shares/ordinary share	-	-	-
Dividend paid in cash	-	-	-
<b>C. Net Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(1,985,211)</b>	<b>(165,267,711)</b>	<b>144,379,169</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>3,276,718</b>	<b>274,916,654</b>	<b>130,537,484</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>1,291,507</b>	<b>109,648,944</b>	<b>274,916,654</b>



**Annexure-G**

**Social Islami Bank Limited  
Off-shore Banking Unit (OBU)  
Notes to the Financial Statements  
For the year ended 31 December 2019**

**1 Status of the unit**

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD(P-3)744(119)/2010-4652, dated: 11 November, 2010. The Bank commenced operation of this unit from 02 May 2012. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at SIBL Head Office, City Center 90/1, Motijheel Commercial Area, Dhaka 1000.

**1.1 Principal activities**

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

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

**2.1 Basis of accounting**

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

**2.2 Use of estimates and judgments**

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

**2.3 Foreign currency transaction**

**a) Foreign currencies translation**

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

**b) Commitments**

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

**c) Translation gains and losses**

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

**Cash flow statement**

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



## 2.4 Reporting period

These financial statements cover from January 01 to December 31, 2019.

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

## 2.6 Profit income

In terms of the provisions of the IFRS-15 "Revenue from contract with customer", the profit income is recognized on accrual basis.

### Fees and commission income

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

## 2.7 Profit paid and other expenses

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

## 2.8 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationery, etc. are allocated as

## 3 Balance with other Banks and Financial Institutions

Balance with other Banks and Financial Institutions consists nostro account balance of OBU unit of SIBL which is held with Mashreq Bnak, New York.

## 4 General Investments

a) General investments of Off-shore Banking Units are stated in the balance sheet on net basis.

b) Profit is calculated on a daily product basis but charged and accounted for on accrual basis. Profit is not charged on bad and loss investments as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

## 5 Fixed Assets

Fixed assets includes Furnitures and office equipments used by the employees of OBU unit.

## 6 Other Assets

Other assets include profit receivable from investment clients which are accounted for on accrual basis as per relative accounting standards.

## 7 Borrowing from Banks & other Financial Institutions

Borrowing from Banks & other Financial Institutions includes amount received from SIBL as part of fund which will be returned/adjusted in due course, balance of which is eliminated in the consolidated balance sheet of SIBL to avoid improper double reflection of fund.

## 8 Deposits and Other Accounts

### 8.1 Mudaraba Term Deposits

Mudaraba Term Deposits includes deposits procured from various local and foreign banks/institutions which includes:

among the foreign banks/institutions:

1. Noor Bank Ltd. Dubai 2. United Arab Bank Ltd. Dubai





## 8.2 Al-Wadeeah Current & Other Deposit Accounts

Al-Wadeeah Current & Other Deposit Accounts includes profit payable account and sundry deposits.

## 9 General

- a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US \$1 = Taka 84.90 closing rate as at 31st December 2019.
- c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.



Annexure-H

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

(Amount in Taka)

SL no.	Particulars	31.12.2019	31.12.2018
1	Paid up Capital	8,933,413,560	8,121,285,060
2	Total Capital ( Core + Supplementary)	27,901,797,226	26,111,512,369
3	Capital Surplus/(Deficit)	7,653,208,726	7,811,413,869
4	Capital to Risk-weighted Asset Ratio (CRAR)	13.78%	14.27%
5	Total Assets	345,056,231,627	307,305,321,444
6	Total Deposit	287,936,655,109	248,324,489,649
7	General Investment	264,268,589,649	238,654,170,953
8	Total Contingent Liabilities and Commitments	53,594,806,020	50,685,965,804
9	Investment-Deposit (ID) Ratio ( % )	89.47%	91.54%
10	Percentage of classified investment against total investments	6.63%	7.69%
11	Profit before Tax and Provision	6,342,110,494	6,143,117,574
12	Profit after Tax and Provision	1,521,450,676	1,583,430,756
13	Amount of classified investment	17,533,303,838	18,350,990,000
14	Provisions kept against classified investment	7,595,557,186	6,398,009,498
15	Provisions surplus	-	-
16	Cost of Deposits	6.56%	6.51%
17	Profit Earning Assets	293,586,295,029	259,135,059,629
18	Non-Profit Earning Assets	51,469,936,597	48,170,261,815
19	Return on Investment in Securities	3.98%	3.54%
20	Return (after tax) on average Assets (ROA)	0.47%	0.54%
21	Return (after tax) on equity (ROE)	9.21%	10.05%
22	Income from Investment in Securities	760,574,012	462,796,394
23	Earning Per Share (EPS) (Prior year restated)	1.70	1.77
24	Consolidated Earning Per Share (CEPS) (Prior year restated)	1.71	1.79
25	Net Income Per Share	1.70	1.77
26	Price Earning Ratio (Times)	8.10	7.90

