

**AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
OF
SOCIAL ISLAMI BANK LIMITED (SIBL) AND ITS
SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 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 2021, 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.



Emphasis of matter

We draw attention to note 16.5 of the financial statements, which describes that the Bank is required to maintain minimum capital to risk weighted assets (CRAR) 10% and 12.5% with conservation buffer as per Basel III guidelines where the Bank has maintained CRAR 11.60%. Our opinion is not modified in respect of this matter.

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 2021. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

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

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for investments	
<p>The process for estimating the provision for investments portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group reported total gross Investments of BDT 311,983.82 million (2020: BDT 299,717.94 million) and</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, investments disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Investments; Our substantive procedures in relation to the provision for investments portfolio comprised the following: <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;



<p>provision for investments of BDT 13,564.09 million (2020: BDT 13,253.74 million).</p>	<ul style="list-style-type: none"> • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.
<p>See note no 7 and 14 to the financial statements</p>	
<p>Implementation of IFRS 16 Leases</p>	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
<p>See note no 8, 14, 27 to the financial statements</p>	



S.K. Basak



Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We tested a sample of investments valuation as at 31 December 2021 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>	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>



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

Other information

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

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

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



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and 3, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditors' responsibilities for the audit of the consolidated and separate financial statements

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

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

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



- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely SIBL Securities Limited and SIBL Investment Limited reflect total assets of BDT 4,302.46 million as at 31 December 2021 and total operating income of BDT 353.17 million for the year ended 31 December 2021. 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;

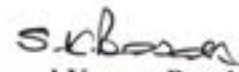
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Shafiq Basak & Co.
Chartered Accountants

- (ix) adequate provisions have been made for advance and other assets as per DBI letter no: DBI-7/4(2)/2022-232 dated April 25, 2022 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 9,600 person hours; and
- (xii) The Bank is required to maintain minimum capital to risk weighted assets (CRAR) 10% and 12.5% with conservation buffer, where the Bank has maintained CRAR 11.60%.



Showkat Hossain, FCA
Enrolment no. # 0137
Partner
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC No. 2204280137AS686252



Sampad Kumar Basak, FCA
Enrolment no. # 0625
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC No. 2204280625AS475773

Place, Dhaka
Date, April 28, 2022



SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As at 31 December 2021

Particulars	Note(s)	31.12.2021 Taka	31.12.2020 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3(a)	3,416,614,856	2,973,262,850
Balance with Bangladesh Bank & its Agent Banks (including foreign currencies)	3.1	20,075,647,654	30,400,773,390
		23,492,262,510	33,374,036,240
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)	7,030,447,503	3,889,054,019
Outside Bangladesh	4.2	2,540,793,342	611,795,207
		9,571,240,845	4,500,849,226
Placement with Banks and other Financial Institutions	5	9,662,743,194	6,200,795,494
Investments in shares and securities			
Government	6(a)	20,165,050,000	14,462,160,000
Others		9,223,905,847	4,275,574,273
		29,388,955,847	18,737,734,273
Investments			
General investment etc.	7 (a)	296,821,586,727	287,594,854,278
Bills purchased and discounted		15,162,233,802	12,123,089,288
		311,983,820,529	299,717,943,566
Fixed assets including premises			
Other assets	8(a)	4,261,357,069	4,446,983,032
Non Banking assets	9(a)	20,232,831,433	18,231,614,894
		-	-
Total assets		408,593,211,428	385,209,956,725
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
Deposits and other accounts	10	-	-
	11		
Mudaraba savings deposits		37,308,169,943	33,622,114,210
Mudaraba term deposits		176,256,112,820	175,364,565,456
Other mudaraba deposits		80,399,200,511	72,789,409,014
Al-wadeeah current and other deposit accounts	11.2(a)	40,988,703,603	34,819,969,171
Bills payable	11.3	5,064,269,305	4,909,336,453
Cash waqf fund		382,356,998	377,056,255
		340,398,813,180	321,882,450,559
Bond			
SIBL mudaraba subordinated bond	12	5,600,000,000	8,000,000,000
SIBL mudaraba perpetual bond	13	5,000,000,000	1,500,000,000
		10,600,000,000	9,500,000,000
Other liabilities	14(a)	37,731,786,286	35,292,055,497
Deferred tax liabilities/ (assets)	15 (a)	465,541,725	439,019,598
Total liabilities		389,196,141,192	367,113,525,654
Capital/shareholders' equity			
Paid-up capital	16.2	9,849,088,440	9,380,084,230
Statutory reserve	17	7,605,264,974	7,030,390,821
General Reserve	17(a)	13,938,397	11,314,058
Others Reserve		8,500,000	-
Revaluation reserve on fixed assets	18	557,024,130	571,142,055
Retained earnings	19(a)	1,363,252,358	1,103,498,067
		19,397,068,299	18,096,429,231
Total shareholders' equity of parent Company, SIBL		19,397,068,299	18,096,429,231
Non controlling interest	19(b)	1,937	1,840
Total shareholders' equity of parent Company, SIBL with non controlling interest		19,397,070,236	18,096,431,071
Total liabilities and shareholders' equity of the group		408,593,211,428	385,209,956,725



<u>Particulars</u>	<u>Note(s)</u>	31.12.2021 <u>Taka</u>	31.12.2020 <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and endorsements	20.1	21,739,997,400	21,329,871,746
Irrevocable letters of credit (including back to back bills)	20.2	21,109,424,352	15,362,950,636
Letters of guarantee	20.3	9,340,583,965	10,352,181,319
Bills for collection	20.4	7,273,898,617	5,394,930,566
Other contingent liabilities	20.5	-	-
Total		59,463,904,333	52,439,934,267
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total off balance sheet items including Contingent liabilities		59,463,904,333	52,439,934,267
Consolidated Net Asset Value per share (CNAV/share) (Prior year restated)	39(i)	19.69	18.37

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


Chairman


Director

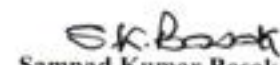

Director


Managing Director & CEO

Signed as per our report of same date


Showkat Hossain, FCA
Enrollment no. 0137
Partner
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC No. 2204280137AS686252
Dhaka, Bangladesh
Date: 28.04.2022




Sampad Kumar Basak, FCA
Enrollment no. 0625
Partner
Shafiq Basak & Co.
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SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

<u>Particulars</u>	<u>Note(s)</u>	31.12.2021	31.12.2020
		<u>Taka</u>	<u>Taka</u>
Investment income	21(a)	24,102,157,455	27,114,836,024
Profit paid on deposits	22(a)	16,217,759,192	19,557,578,597
Net investment income		7,884,398,263	7,557,257,427
Income from investment in shares/securities	23(a)	825,534,629	778,358,729
Commission, exchange and brokerage	24(a)	1,635,295,855	1,486,658,285
Other operating income	25(a)	683,375,632	632,784,502
		3,144,206,117	2,897,801,516
Total operating income		11,028,604,380	10,455,058,943
Salaries and allowances	26(a)	3,623,403,593	3,584,686,809
Rent, taxes, insurances, electricity etc.	27(a)	505,610,267	390,764,845
Legal expenses	28	7,483,586	9,374,270
Postage, stamps, telecommunication etc.	29(a)	8,665,023	7,333,769
Stationery, printings, advertisements etc.	30(a)	105,278,351	122,909,565
Managing Director's salary and allowances	31	14,254,517	13,621,826
Directors' fees & expenses	32(a)	2,800,818	5,322,836
Shariah supervisory committee's fees & expenses	33	144,284	74,629
Auditors' fees		985,750	977,500
Charges on investment losses		-	-
Depreciation & repair of Bank's assets	34(a)	640,211,037	591,191,793
Zakat expenses		181,384,083	165,694,341
Other expenses	35(a)	1,202,686,945	1,181,269,234
Total operating expenses		6,292,908,253	6,073,221,416
Profit/(Loss) before provision		4,735,696,127	4,381,837,527
Provision for investments		1,635,265,599	1,272,053,993
Other provisions	36(a)	99,855,498	36,011,634
Total provision	37(a)	1,735,121,097	1,308,065,627
Total profit/(loss) before income taxes		3,000,575,030	3,073,771,900
Provision for taxation	38(a)	1,250,391,364	1,506,500,770
Current tax		1,215,533,867	1,499,394,282
Deferred tax		34,857,498	7,106,488
Net profit/(loss) after taxation		1,750,183,666	1,567,271,131
Appropriations			
Statutory reserve		574,874,153	608,129,552
Retained surplus		1,175,309,513	959,141,578
Attributable to:			
Equity holders' of the Bank		1,175,309,416	959,141,552
Non controlling interest		97	26
		1,175,309,513	959,141,578
Consolidated Earning Per Share (CEPS) (Prior year restated)	39(a)	1.78	1.59

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


Chairman
Showkat Hossain
 Showkat Hossain, FCA
 Enrollment no. 0137
 Partner


Director


Director


Managing Director & CEO

Signed as per our report of same date


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 Dhaka, Bangladesh
 Date: 28.04.2022



SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2021</u> <u>Taka</u>	<u>31.12.2020</u> <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	40(a)	24,179,585,553	27,251,621,057
Profit paid on deposits		(15,098,234,761)	(18,550,348,689)
Dividend receipts		825,534,629	778,358,729
Fees & commission receipt		858,095,827	711,813,684
Cash payments to employees		(3,637,658,110)	(3,598,308,635)
Cash payments to suppliers		(113,943,374)	(130,243,334)
Income tax paid		(1,970,235,272)	(1,312,378,550)
Receipts from other operating activities	41(a)	1,402,834,855	1,370,377,559
Payments for other operating activities	42(a)	(2,243,180,999)	(2,042,307,306)
Operating profit before changes in operating assets and liabilities	43(a)	4,202,798,348	4,478,584,514
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(10,651,221,574)	(875,018,969)
Investments to other Banks		-	-
Investment to customers		(12,265,876,963)	(36,249,353,918)
Other assets	44(a)	(108,409,362)	1,087,045,459
Deposits from other Banks		(20,767,172,886)	2,771,192,536
Deposits received from customers		38,164,011,076	30,631,133,845
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	45(a)	(272,665,868)	1,783,834,704
Sub Total		(5,901,335,577)	(851,166,342)
A. Net Cash flow from operating activities		(1,698,537,229)	3,627,418,172
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(339,633,776)	(1,339,587,820)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(339,633,776)	(1,339,587,820)
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
SIBL Mudaraba Subordinated Bond		(2,400,000,000)	(1,400,000,000)
SIBL mudaraba perpetual bond		3,500,000,000	1,500,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(469,004,212)	(446,670,678)
C. Net Cash flow from financing activities		630,995,788	(346,670,678)
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		(1,407,175,217)	1,941,159,675
E. Effects of exchange rate changes on cash & cash equivalents		57,740,805	37,251,544
F. Cash and cash equivalents at the beginning of the year		44,075,680,961	42,097,269,741
G. Cash and cash equivalents at the end of the year (D+E+F)	46(a)	42,726,246,549	44,075,680,961
Consolidated Net Operating Cash Flow Per Share (NOCFPS) (prior year restated)	39(ii)	(1.72)	3.68

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


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh
Date: 28.04.2022



SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

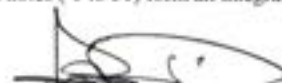
(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General Reserves	Other Reserves	Asset Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
1	2	3	4	5	6	7	8	9	10=(2 to 9)
Balance as at 01 January 2021	9,380,084,230	-	7,030,390,821	11,314,058	-	571,142,055	1,103,498,067	1,840	18,096,431,071
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	-	-	-	-	-	-	1,750,183,569	-	1,750,183,569
Appropriation made during the year	-	-	574,874,153	2,624,339	8,500,000	-	(574,874,153)	-	11,124,339
Dividend:									
Cash Dividend	-	-	-	-	-	-	(469,004,212)	-	(469,004,212)
Bonus shares	469,004,210	-	-	-	-	-	(469,004,210)	-	-
Transferred to retained earnings	-	-	-	-	-	(14,117,926)	14,117,926	-	-
Transferred from deferred Tax	-	-	-	-	-	-	8,335,371	-	8,335,371
Adjustment for implementation of IFRS 16	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	97	97
Total group shareholders' equity as on 31 December 2021	9,849,088,440	-	7,605,264,974	13,938,397	8,500,000	557,024,130	1,363,252,358	1,937	19,397,070,236
CET I Capital Under Basel III:	9,849,088,440	-	7,605,264,974	13,938,397	-	-	1,363,252,358	-	18,831,544,169
Less: Adjustment in CET-I Capital	-	-	-	-	-	-	-	-	194,557,589
Add: SIBL Mudaraba Perpetual bond (AT-I Capital)	-	-	-	-	-	-	-	-	4,201,942,382
Total Eligible Tier I Capital	-	-	-	-	-	-	-	-	22,838,928,961
Add: General provision for unclassified investment	-	-	-	-	-	-	-	-	5,965,478,813
Add: SIBL Mudaraba Subordinated Bond	-	-	-	-	-	-	-	-	3,800,000,000
Total Tier II Capital	-	-	-	-	-	-	-	-	9,765,478,813
Total Eligible Tier II Capital (as per RBCA guideline)	-	-	-	-	-	-	-	-	9,765,478,813
Total eligible capital as on 31 December 2021	-	-	-	-	-	-	-	-	32,604,407,775

Annexed notes (1 to 51) 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 2020

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
1	2	3	4	5	6	7	8	9=(2 to 8)
Balance as at 01 January 2020	8,933,413,560	-	6,422,261,269	9,843,356	931,379,261	1,015,230,517	1,814	17,312,129,777
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Properties	-	-	-	-	(337,208,183)	-	-	(337,208,183)
Surplus / (Deficit) on account of Revaluation of Investment	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the Income Statement	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	1,567,271,105	-	1,567,271,105
Appropriation made during the year	-	-	608,129,552	1,470,702	-	(608,129,552)	-	1,470,702
Dividend:								
Cash Dividend	-	-	-	-	-	(446,670,678)	-	(446,670,678)
Bonus shares	446,670,670	-	-	-	-	(446,670,670)	-	-
Transferred to retained earnings	-	-	-	-	(23,029,023)	23,029,023	-	-
Adjustment for implementation of IFRS 16	-	-	-	-	-	(561,678)	-	(561,678)
Non-controlling interest	-	-	-	-	-	-	26	26
Total group shareholders' equity as on 31 December 2020	9,380,084,230	-	7,030,390,821	11,314,058	571,142,055	1,103,498,067	1,840	18,096,431,071
Eligible Capital Under Basel III:	9,380,084,230	-	7,030,390,821	11,314,058	-	1,103,498,067	-	17,525,287,175
Add: SIBL Mudaraba Perpetual Bond								1,500,000,000
Add: General provision for unclassified investment								5,441,654,902
Add: SIBL Mudaraba Subordinated Bond								5,960,000,000
Total eligible capital as on 31 December 2020								30,426,942,077

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


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh
Date: 28.04.2022



SOCIAL ISLAMI BANK LIMITED
BALANCE SHEET
As at 31 December 2021

<u>Particulars</u>	<u>Note(s)</u>	31.12.2021 <u>Taka</u>	31.12.2020 <u>Taka</u>
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (Including foreign currencies)	3	3,415,594,063	2,972,709,048
Balance with Bangladesh Bank & its Agent Banks (Including foreign currencies)	3.1	20,075,647,654	30,400,773,390
		<u>23,491,241,717</u>	<u>33,373,482,438</u>
Balance with other Banks and Financial Institutions			
	4		
In Bangladesh		7,030,431,948	3,889,038,464
Outside Bangladesh		2,540,793,342	611,795,207
		<u>9,571,225,290</u>	<u>4,500,833,672</u>
Placement with Banks & other Financial Institutions			
	5	9,662,743,194	6,200,795,494
Investments in shares & securities			
	6		
Government		20,165,050,000	14,462,160,000
Others		8,992,484,206	4,025,207,661
		<u>29,157,534,206</u>	<u>18,487,367,661</u>
Investments			
	7		
General investments etc.		297,611,586,727	288,494,854,278
Bills purchased and discounted		15,162,233,802	12,123,089,288
		<u>312,773,820,529</u>	<u>300,617,943,566</u>
Fixed assets including premises			
	8	4,247,797,726	4,431,010,176
Other assets			
	9	19,298,793,002	17,388,277,852
Non Banking assets			
		-	-
Total assets		<u>408,203,155,663</u>	<u>384,999,710,859</u>
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
	10	-	-
Deposits and other accounts			
	11		
Mudaraba savings deposits		37,308,169,943	33,622,114,210
Mudaraba term deposits		176,256,112,820	175,364,565,456
Other mudaraba deposits		80,399,200,511	72,789,409,014
Al-wadeeah current & other deposit accounts	11.2	42,250,954,675	35,321,029,179
Bills payable	11.3	5,064,269,305	4,909,336,453
Cash waqf fund		382,356,998	377,056,255
		<u>341,661,064,252</u>	<u>322,383,510,566</u>
Bond			
SIBL mudaraba subordinated bond	12	5,600,000,000	8,000,000,000
SIBL mudaraba perpetual bond	13	5,000,000,000	1,500,000,000
		<u>10,600,000,000</u>	<u>9,500,000,000</u>
Other liabilities			
	14	36,239,237,582	34,639,606,343
Deferred tax liabilities/ (assets)			
	15	465,429,994	438,206,855
Total liabilities		<u>388,965,731,828</u>	<u>366,961,323,764</u>
Capital/Shareholders' equity			
	16.2	9,849,088,440	9,380,084,230
Paid-up capital		9,849,088,440	9,380,084,230
Statutory reserve	17	7,605,264,974	7,030,390,821
Revaluation reserve on fixed assets	18	557,024,130	571,142,055
Retained earnings	19	1,226,046,292	1,056,769,989
Total shareholders' equity		<u>19,237,423,835</u>	<u>18,038,387,095</u>
Total liabilities & shareholders' equity		<u>408,203,155,663</u>	<u>384,999,710,859</u>



<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2021</u> <u>Taka</u>	<u>31.12.2020</u> <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and Endorsements	20.1	21,739,997,400	21,329,871,746
Irrevocable Letters of Credit (including Back to Back Bills)	20.2	21,109,424,352	15,362,950,636
Letters of Guarantee	20.3	9,340,583,965	10,352,181,319
Bills for Collection	20.4	7,273,898,617	5,394,930,566
Other Contingent Liabilities	20.5	-	-
Total		59,463,904,333	52,439,934,267
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total Off Balance Sheet Items including Contingent Liabilities		59,463,904,333	52,439,934,267

39 (i)

Net Asset Value per share (NAV/share) (Prior year restated) 19.53 18.31

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


Chairman


Director


Director



Managing Director & CEO

Signed as per our report of same date



Showkat Hossain, FCA
Enrollment no. 0137
Partner
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC No. 2204280137AS686252
Dhaka, Bangladesh
Date: 28.04.2022




Sampad Kumar Basak, FCA
Enrollment no. 0625
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC No. 2204280625AS475773

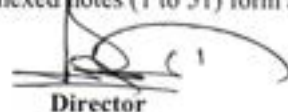


SOCIAL ISLAMI BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2021</u> <u>Taka</u>	<u>31.12.2020</u> <u>Taka</u>
Investment income	21	23,960,778,190	27,036,266,956
Profit paid on deposits	22	16,146,371,912	19,484,793,192
Net investment income		7,814,406,278	7,551,473,764
Income from investment in shares and securities	23	793,239,363	762,379,471
Commission, Exchange and Brokerage	24	1,461,194,791	1,421,214,804
Other operating income	25	677,986,092	631,009,280
		2,932,420,246	2,814,603,555
Total operating income		10,746,826,524	10,366,077,319
Operating expenses			
Salaries and allowances	26	3,588,686,773	3,553,987,716
Rent, taxes, insurances, electricity etc.	27	504,872,866	390,000,739
Legal expenses	28	7,483,586	9,374,270
Postage, stamps, telecommunication etc.	29	6,765,111	6,359,275
Stationery, printings, advertisements etc.	30	104,704,930	122,607,574
Managing Director's salary and allowances	31	14,254,517	13,621,826
Directors' fees & expenses	32	2,447,818	4,786,836
Shariah supervisory committee's fees & expenses	33	144,284	74,629
Auditors' fees		920,000	920,000
Charges on investment losses		-	-
Depreciation & repair to Bank's assets	34	633,423,051	584,665,633
Zakat expenses		181,384,083	165,694,341
Other expenses	35	1,175,506,087	1,170,773,372
Total operating expenses		6,220,593,106	6,022,866,210
Profit/(loss) before provision		4,526,233,418	4,343,211,109
Provision for investments		1,635,265,599	1,272,053,993
Other provisions	36	16,597,056	30,509,355
Total provision	37	1,651,862,655	1,302,563,348
Total profit/(loss) before income taxes		2,874,370,763	3,040,647,761
Provision for taxation	38	1,214,665,183	1,489,712,278
Current tax		1,179,106,673	1,482,531,120
Deferred tax		35,558,510	7,181,158
Net profit/(loss) after taxation		1,659,705,580	1,550,935,483
Appropriations:			
Statutory reserve		574,874,153	608,129,552
Retained surplus		1,084,831,428	942,805,931
		1,659,705,580	1,550,935,483
Earning per share (EPS) (prior year restated)	39	1.69	1.57

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



Chairman


Director


Director

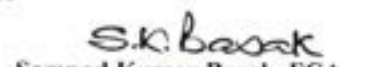

Managing Director & CEO

Signed as per our report of same date


Showkat Hossain, FCA
Enrollment no. 0137
Partner

Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC No. 2204280137AS686252
Dhaka, Bangladesh
Date: 28.04.2022




Sampad Kumar Basak, FCA
Enrollment no. 0625
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC No. 2204280625AS475773



SOCIAL ISLAMI BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

<u>Particulars</u>	<u>Notes(s)</u>	<u>31.12.2021</u> <u>Taka</u>	<u>31.12.2020</u> <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	40	24,038,206,287	27,173,051,989
Profit paid on deposits		(15,026,847,480)	(18,477,563,284)
Dividend receipts		793,239,363	762,379,471
Fees & commission receipt		683,994,762	646,370,203
Cash payments to employees		(3,602,941,290)	(3,567,609,542)
Cash payments to suppliers		(111,470,041)	(128,966,849)
Income tax paid		(1,926,928,903)	(1,296,182,842)
Receipts from other operating activities	41	1,397,445,315	1,368,602,337
Payments for other operating activities	42	(2,213,619,275)	(2,029,750,248)
Operating profit before changes in operating assets and liabilities	43	4,031,078,739	4,450,331,235
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(10,670,166,544)	(848,382,580)
Investments to other Banks		-	-
Investment to customers		(12,155,876,963)	(36,349,353,918)
Other assets	44	(61,014,344)	1,216,563,089
Deposits from other Banks		(20,767,172,886)	2,771,192,536
Deposits received from customers		38,925,202,141	30,668,433,013
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	45	(1,004,204,122)	1,704,042,885
Sub Total		(5,733,232,718)	(837,504,975)
A. Net Cash flow from operating activities		(1,702,153,979)	3,612,826,261
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(336,484,018)	(1,325,459,546)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(336,484,018)	(1,325,459,546)
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
SIBL Mudaraba Subordinated Bond		(2,400,000,000)	(1,400,000,000)
SIBL mudaraba perpetual bond		3,500,000,000	1,500,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(469,004,212)	(446,670,678)
C. Net Cash flow from financing activities		630,995,788	(346,670,678)
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		(1,407,642,209)	1,940,696,037
E. Effects of exchange rate changes on cash & cash equivalents		57,740,805	37,251,544
F. Cash and cash equivalents at the beginning of the year		44,075,111,603	42,097,164,021
G. Cash and cash equivalents at the end of the year (D+E+F)	46	42,725,210,201	44,075,111,603

Net Operating Cash Flow Per Share (NOCFPS) (prior year restated) 39(ii) (1.73) 3.67

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


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh
Date: 28.04.2022

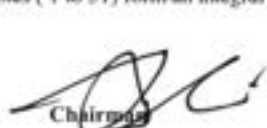


SOCIAL ISLAMI BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Total
1	2	3	4	5	6	7	8=(2+3+4+5+6+ 7)
Balance as at 01 January 2021	9,380,084,230	-	7,030,390,821	-	571,142,055	1,056,769,989	18,038,387,095
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	-	-	-	-	-	1,659,705,580	1,659,705,580
Appropriation made during the year	-	-	574,874,153	-	-	(574,874,153)	-
Dividend:							
Cash dividend	-	-	-	-	-	(469,004,212)	(469,004,212)
Bonus Shares	469,004,210	-	-	-	-	(469,004,210)	-
Transferred to retained earnings	-	-	-	-	(14,117,926)	14,117,926	-
Transferred from deferred Tax	-	-	-	-	-	8,335,371	8,335,371
Total shareholders' equity as on 31 December 2021	9,849,088,440	-	7,605,264,974	-	557,024,129	1,226,046,292	19,237,423,835
CET I Capital Under Basel III:	9,849,088,440	-	7,605,264,974	-	-	1,226,046,292	18,680,399,705
Less: Adjustment in CET-I Capital							194,557,589
Add: SIBL Mudaraba Perpetual bond (AT-I Capital)							4,196,627,222
Total Eligible Tier I Capital							22,682,469,338
Add: General provision for unclassified investment							5,965,478,813
Add: SIBL Mudaraba Subordinated Bond							3,800,000,000
Total Tier II Capital							9,765,478,813
Total Eligible Tier II Capital (as per RBCA guideline)							9,765,478,813
Total eligible capital as on 31 December 2021							32,447,948,152

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


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh
Date: 28.04.2022



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

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Total
1	2	3	4	5	6	7	8=(2+3+4+5+6+ 7)
Balance as at 01 January 2020	8,933,413,560	-	6,422,261,269	-	931,379,261	984,276,383	17,271,330,473
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Properties	-	-	-	-	(337,208,183)	-	(337,208,183)
Surplus / (Deficit) on account of Revaluation of Investment	-	-	-	-	-	-	-
Currency translation Difference	-	-	-	-	-	-	-
Net gain and losses not recognized in the Income Statement	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	1,550,935,483	1,550,935,483
Appropriation made during the year	-	-	608,129,552	-	-	(608,129,552)	-
Dividend:							
Cash dividend	-	-	-	-	-	(446,670,678)	(446,670,678)
Bonus Shares	446,670,670	-	-	-	-	(446,670,670)	-
Transferred to retained earnings	-	-	-	-	(23,029,023)	23,029,023	-
Total shareholders' equity as on 31 December 2020	9,380,084,230	-	7,030,390,821	-	571,142,055	1,056,769,989	18,038,387,095
Eligible Capital Under Basel III:	9,380,084,230		7,030,390,821		-	1,056,769,989	17,467,245,040
Add: SIBL Mudaraba Perpetual Bond							1,500,000,000
Add: General provision for unclassified investment							5,441,654,902
Add: SIBL Mudaraba Subordinated Bond							5,960,000,000
Total eligible capital as on 31 December 2020							30,368,899,942

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


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh
Date: 28.04.2022



SOCIAL ISLAMI BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES ANALYSIS
AS AT 31 DECEMBER 2021

(amount in Taka)

Particulars	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total Current Year	Total Previous Year
1	2	3	4	5	6	7(2+3+4+5+6)	8
Assets							
Cash in hand	10,176,817,717	-	-	-	13,314,424,000	23,491,241,717	33,373,482,438
Balance with other Banks and Financial Institutions	2,716,756,840	6,854,468,450	-	-	-	9,571,225,290	4,500,833,672
Placement with Banks & other Financial Institutions	3,455,000,000	4,316,450,000	1,705,000,000	186,293,194	-	9,662,743,194	6,200,795,494
Investment (in Shares & Securities)	4,066,434,215	1,750,000,000	5,700,000,000	12,394,331,045	5,246,768,945	29,157,534,206	18,487,367,661
Investments	42,843,682,047	64,254,404,260	133,176,792,222	60,687,949,000	11,810,993,000	312,773,820,529	300,617,943,566
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	2,123,898,863	2,123,898,863	4,247,797,726	4,431,010,176
Other Assets	10,672,253	624,820,743	1,641,313,692	4,803,289,465	12,218,696,850	19,298,793,002	17,388,277,852
Non-Banking Assets	-	-	-	-	-	-	-
Total Assets	63,269,363,073	77,800,143,452	142,223,105,914	80,195,761,567	44,714,781,658	408,203,155,663	384,999,710,859
Liabilities							
Placement from Banks & other financial institutions	-	-	-	-	-	-	-
Deposits and other accounts	61,851,306,409	76,408,013,679	138,022,081,152	51,830,641,730	13,549,021,281	341,661,064,252	322,383,510,566
Provision and other liabilities	37,499,610	16,239,101	1,881,235,783	20,606,218,958	24,298,044,129	46,839,237,582	44,139,606,343
Deferred tax liability	-	-	-	465,429,994	-	465,429,994	438,206,855
Total Liabilities	61,888,806,020	76,424,252,780	139,903,316,936	72,902,290,681	37,847,065,411	388,965,731,827	366,961,323,764
Net Liquidity Gap	1,380,557,053	1,375,890,672	2,319,788,979	7,293,470,886	6,867,716,247	19,237,423,835	18,038,387,095


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh
Date: 28.04.2022



SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021

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 seventy two (172) 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	1,537,500,000	99.999922%	0.000078%
2. SIBL Investment Limited	250,000,000	99.99968%	0.000320%
Total capital	1,787,500,000		

1.7 Off-shore Banking unit (OBU)

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

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



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

In compliance with	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied with in compliance with related BRPD Circular
Investments in Associates	28	N/A
Financial Instruments: Presentation	32	Applied with in compliance with related BRPD Circular
Earnings Per Share	33	Applied
Interim Financial Reporting*	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
In compliance with	IFRS No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Assets	6	N/A
Financial Instruments: Disclosures	7	Applied to the extent of compliance with core risk management guideline of Bangladesh Bank.
Operating Segments	8	N/A
Financial Instruments	9	Applied to the extent of compliance with (Financial Instruments) which is mandatorily effective for periods beginning on or after 1 January 2019 with early adoption permitted (subject to local endorsement requirements. Applied to the context of compliance with BRPD circular no. 15, Dated: 09.11.2009, DOS circular no. 5, Dated: 26.05.2008 and DOS circular no. 5, Dated:28.01.2009.
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with customers	15	Applied
Leases IFRS -16	16	Applied

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



2 Basis of presentation of financial statements and significant accounting policies

2.1 Changes in significant accounting policies

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

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Bank has initially adopted IFRS 16 Leases from 1 January 2020. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Bank as a lessee, has recognised right-of-use assets representing its' rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. The Bank has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised at 1 January 2020.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

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

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

2.2.2 Going concern estimation

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

2.2.3 Statement of compliance

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

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

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

i Presentation of financial statements

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



Bangladesh Bank: The financial statements and certain disclosures therein are presented in a prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, statement of changes in equity, liquidity statement) in accordance with the guidelines of the 'First Schedule' (section 38) of the Bank Companies Act 1991 as amended and BRPD circular no. 15 dated 09 November, 2009 and other subsequent guidelines of BB. In the prescribed format of BB there is no component of other comprehensive income and accordingly the elements of other comprehensive income and the tax thereon (if any) is recognized directly in the statement of changes in equity. The assets and liabilities are presented in accordance with the prescribed format of BB and accordingly not classified as current and non-current classification as required by IAS-1.

ii Investment in shares and securities

IFRS: As per requirements of IFRS-9 "Financial Instruments", investment in shares and securities are generally classified either at fair value through profit or loss or at fair value through other comprehensive income and measured initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. However in the case of financial assets classified and measured at fair value through profit or loss, transactions costs are immediately recognised in profit or loss. Change in the fair value of shares and securities measured at fair value through profit or loss is recognised in the statement of profit or loss and changes in the fair value of shares (as measured in accordance with IFRS-13) and securities measured at fair value through other comprehensive income is recognised in the other comprehensive income and are never reclassified to profit or loss.

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

iii Provision on investments and off balance sheet

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

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

iv Recognition of profit in suspense and compensation

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

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

v Other comprehensive income

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

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

vi Financial instruments – presentation and disclosure

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



vii Financial guarantees

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

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

viii Cash and cash equivalents

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

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

ix Non-Banking assets

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

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

x Cash flow statement

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

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

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

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

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

xii Presentation of intangible assets

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

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

xiii Off-balance sheet items

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

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

xiv As per IFRS 9 Investments net off provision

IFRS: Investments should be presented net of provision.

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

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

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

xvi Comparative information of changes in equity

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

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

xvii Revaluation gains/losses on government securities

As per requirement of IFRS 9 "Financial Instruments: where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognized through profit or loss account.

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

xviii Disclosure of appropriation of profit

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

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



xix Recognition of Profit in Suspense

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

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

2.2.4 Investment in shares and securities

The Bank investment in different securities has been valued on 31.12.2021 as under:

Quoted Bond & Shares	At fair value through profit and loss account
Unquoted Shares	At cost
Bangladesh Govt. Islamic Bond	At cost
CDBL Share, Preference Share & Others	At cost
Mudaraba Subordinated Bond	At cost
Mudaraba Perpetual Bond	At cost
Bangladesh Govt. Islamic sukuk	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.

2.2.5. Investments and provisions

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

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

However, Provision for classified and unclassified investment is made on the basis of year end review by the management and of instructions contained in Bangladesh Bank BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No.1 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No.16 (21 July 2020), BRPD circular No. 52 (20 October 2020) and BRPD circular No. 56 (10 December 2020) is specified at the following rates:



Particulars	Rate
General Provision on Contingent Liability/ Non Funded Business	1%
General Provision on Unclassified Investment	1%
General Provision on Investment for Small and Medium Enterprise	0.25%
General Provision on Investment for Professionals	2%
General Provision on Investment for Share	2%
General Provision on Investment for House Financing	1%
General Provision on Investment for Consumer Financing	2%
General Provision on Investment for Short term Agri/ Micro credit	1%
General Provision on Special Mention Account	0.25%-2%
Specific Provision on Substandard Investment	5%, 20%
Specific Provision on Doubtful Investment	20%, 50%
Specific Provision on Bad or Loss Investment	100%
Specific Provision on Substandard Investment for Short term Agri/ Micro credit	5%
Specific Provision on Doubtful Investment for Short term Agri/ Micro credit	5%
Specific Provision on Bad or loss Investment for Short term Agri/ Micro credit	100%
Special General Provision-Covid 19 for all deferred facility investments	1%-2%

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

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

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

2.2.6. Off-balance sheet items

Contingent liabilities

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

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

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

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

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

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

2.3 Consolidation procedures (IAS-27)

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

The consolidated financial statements have been prepared in accordance with **International Accounting Standard (IAS) 27: Separate Financial Statements**, International Financial Reporting Standards (IFRS):3- Business Combinations and International Financial Reporting Standards (IFRS):10- Consolidated Financial Statements. The consolidated financial statements are prepared to a common financial period ended 31 December 2021.

2.4 Measurement of elements in the financial statements

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

2.5 Subsidiary

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

2.5.1 Investment in subsidiaries in the Bank separate financial statements

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

2.6 Functional and presentation currency

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



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

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

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

2.8 Foreign currency transactions /translation

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

Assets and liabilities in foreign currencies as on 31 December 2021 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 2021 have been adjusted by debiting or crediting to the Profit and Loss Account.

2.9 Comparative information and rearrangement thereof

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

2.10 Adoption of new accounting standards

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

2.10.1. IFRS 16: Leases

In January 2016, the International Accounting Standards Board (IASB) issued IFRS-16. IFRS-16 replaces IAS-17, IFRIC 4, SIC 15 and SIC 27 which sets out the principles for recognition, measurement, presentation and disclosure of leases which is effective from annual reporting periods beginning on or after 01 January 2019. Social Islami Bank Limited has applied IFRS 16: "xs" for the first time with the date of initial application of 01 January 2020 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis. As IFRS-16 supersedes IAS-17 Lease, the bank has made recognition, measurement and disclosure in the financial statements-2020 both as Lessee and Lessor as per IFRS-16.

Bank as lessee:

"The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank consider the contract as a lease contract. The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognizes lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets. If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per FA policy of the bank. The Bank determine incremental borrowing rate to calculate the ROU assets and depreciate the asset over the useful life by straight line method. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities.

Right-of-use assets (ROU):

The bank recognises the right-of-use (ROU) assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The Right of use (ROU) are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) is recognized in the profit or loss account over the lease term.

The bank assessed all lease contracts live in 2020 and recognised as ROU of assets of all leases, except short term and low value of assets as guided by Banks' own policy set as per IAS-16 and IFRS-16. The ROU assets are presented in the Note 8.00 of these financial statements. "



Lease Liabilities (Bank as a lessee):

"At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease liabilities are presented in the Note 14.00 of these

Social Islami Bank Limited has applied IFRS 16 in 01 January 2020 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis. But among 158 branches and sub-branches SIBL has applied IFRS-16 on only 29 branches.

2.10.2. IFRS 17: Insurance contracts

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

2.10.3 Approval of the financial statements

The Board of Directors of the Bank adopted the financial statements for the year ended 31 December 2021 as on its 480th board meeting held on 28 April 2022 and authorized the financial statements on 28 April 2022

2.10.4 Statement of changes in equity

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

2.11 Liquidity statement

Liquidity Statement has been prepared based on the residual/remaining maturity of assets and liabilities as on 31 December 2021 as per the guidelines for Islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003 as follows:

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

2.12 Measurement of property, plant & equipment after recognition**Cost model**

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

The revaluation model requires an asset, after initial recognition, to be measured at a revalued amount, which is its fair value less subsequent accumulated depreciation and impairment accumulated losses.

Where an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in equity under the heading of revaluation surplus. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Where an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in equity reduces the amount accumulated under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized. However, some of the surplus is transferred as the asset is used by the Bank. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

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.

Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included as other income in profit or loss when the item is derecognized.



Depreciation

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset. Depreciation of an asset begins when it is installed and available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate.

Depreciation is calculated based on the cost/revalued amount of items of fixed assets [property, plant & equipment] less their estimated residual values using either of straight-line method (SLM) or reducing balance method (RBM) over their estimated useful lives and recognized in profit and loss. Land is not depreciated. Rates of depreciation considering the useful life of respective assets are as follows:

<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

2.13 Off-balance sheet exposures

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

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

2.14 Impairment of assets (IAS-36)

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

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

2.15 Capital/shareholders' equity

2.15.1 Authorised capital

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

2.15.2 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.

2.15.3 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.

2.15.4 Non-controlling interest

Non-controlling interest is the equity in the subsidiaries that is not attributable, directly or indirectly to the parent. The Bank attributes the profit or loss and each component of equity to the owners of the parent and to the non-controlling interests. When the proportion of the equity held by non-controlling interests changes, the Bank adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiaries.



2.15.5 Regulatory capital in line with Basel-III

Till December 2014, as per Revised Regulatory Capital Framework in line with Basel III, full amount of general provision for unclassified investments and off-balance sheet items & Mudaraba Subordinated Bond as capital gone-concern. However, as per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III), BRPD No.18, dated 21 December 2014, Assets Revaluation Reserve and Revaluation Reserve of Securities has gradually been deducted in a transitional arrangement starting from January 2015 to December 2019 (20% each year). Accordingly regulatory capital for the period has been calculated complying with all of these changes as per Revised Regulatory Capital Framework for Banks in line with Basel-III.

2.16 Revenue recognition (IFRS-15)

(i) Investment income & revenue recognition

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

Fees and commission income are recognized when it is earned.

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

Sharing of investment income

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

(ii) Profit paid on deposits and other expenses

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

As per Mudaraba principle of Islamic Shari'ah, the Mudaraba Depositors are entitled to get minimum 65% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba Deposit. Moreover, in some Mudaraba deposits, additional rate was allowed over the rate as per weightage. Mudaraba Depositors do not share any income derived from various Banking services where the use of fund is not involved and any income derived from Investing Bank's Equity and other Cost Free Fund. Al-Wadeeah Depositors do not share any income of the Bank.

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

2.17 Provision for taxation (IAS-12)

(a) Current tax

Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2021 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 2021 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

A "Defined Contribution Plan" is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident fund benefit is given to the eligible staffs of the Bank in accordance with the rules of the provident fund duly recognized by the National Board of Revenue of Bangladesh. 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. The fund is managed separately from the Bank's assets, as per rules of the fund & section 399 of the Companies Act 1994.

b) Superannuation fund

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

Defined benefit plans:

(a) Gratuity

As per service rules of the Bank, employee who has completed five years regular service, are eligible for yearly gratuity @ 1 (one) month basic salary for every full year of regular service and employee who has completed seven years regular service are eligible for yearly gratuity @ 2 months basic salary for full year regular service. The Bank has complied with International Accounting Standard (IAS) -19, "Employee Benefits" and necessary provision i.e @ 9.1% of basic salary of the regular employees have been made as per actuary valuation of Z. Halim & Associates, Actuarial & Pension Consultants for the period ended 31 December 2021.

2.20 Reconciliation of inter Bank / branch transactions

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



2.21 Risk management

Today's most risky nature of Banking business has caused the Central Banks of every country much concerned about the risk factors affecting the financial position of the Banks. In this connection every Central Banks have come forward to establish a general framework to defeat the risk factors considering the laws of the land. Bangladesh Bank has also undertaken an overall core-risk management project under which every Bank shall be bounded to the authoritative covenants to install risk management system. Social Islami Bank Ltd. has established approved policies covering major areas such as (a) Investment Risk Management, (b) Foreign Exchange Risk Management, (c) Asset Liability Management Risk (d) Money Laundering Risk (e) Internal Control & Compliance Risk and (f) Information & Communication Technology Security Risk (g) Internal Audit (h) Fraud and Forgeries according to the DOS circular no: 04 (08 October 2018) regarding 'Risk Management Guidelines' for Banks, Bank Companies Act 1991 and other guidelines. of Bangladesh Bank.

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

The Bank has established an independent Risk Management Division (RMD) as per DOS circular no:04 (08 October 2018). RMD consists of five desk i.e i) Investment Risk Related Desk; ii) Market Risk Related Desk; iii) Operational Risk Related Desk; iv) Liquidity Risk Related Desk; v) Risk Research and Policy Desk and vi) Capital Adequacy Reporting Desk. Risk Management Division also conducts stress testing as per DOS circular no: 01 (23 February 2011), for examining the Bank's capacity of handling future shocks, as well as deals with all potential risks that might occur in future.

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

(a) Investment risk management

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

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

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

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

(b) Foreign exchange risk management

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

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



(c) Asset liability management risk

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

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

(d) Money laundering risk

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

As per Money Laundering Prevention Act, 2012 and Money Laundering Prevention circular, a Central Compliance Unit (CCU) has been formed at Head Office in SIBL and a designated person has been nominated to supply any information if required and report any abnormal and suspicious transactions to Bangladesh Bank through CCU. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at head office and Branch Anti Money Laundering Compliance Officers (BAMALCO) has been nominated at branches. The second man of the sixty-four branches of SIBL has been complying the responsibility for their respective branches as Branch Anti Money Laundering Compliance Officers (BAMALCO) as per the direction of Bangladesh Bank.

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

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

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

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

(e) Internal control and compliance risk

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

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

(f) Operational risk

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

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



SIBL manages operational risks in the following manner:

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

(g) Legal risks

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

(h) Business risk

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

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

(i) Reputational risk

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

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

(j) Compliance risk

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

(k) Information and communication technology security risk

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

(l) Internal audit

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

(m) Fraud and forgeries

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



Additional risks required to be addressed under new regulatory requirements

(n) Environmental & social risk

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

2.22 Earnings per share (IAS-33)

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

Basic earnings

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

Weighted average number of ordinary shares outstanding during the year

This represents the 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 2021 has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

2.23 Events after reporting period

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

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

The details about the events after reporting period is shown at note - 51.

2.24 Segment reporting

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

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

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

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



2.25 Asset retirement obligations (ARO)

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

2.26 Off-shore Banking Units (OBU)

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

2.27 Dividend payments

Final dividend is recognized when it is approved by the shareholders in Annual General Meeting (AGM). The proposed dividend for the year 2021, therefore, has not been recognized as a liability however disclosed in the balance sheet in accordance with IAS-10 "Events after the Reporting Period". Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

2.28 Other earnings

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

2.29 Inter-branch transactions

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

2.30 Regulatory and legal compliance

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

- a) The Bank Companies Act, 1991 as amended
- b) The Companies Act, 1994
- c) BRPD Circular No. 14 dated 25.06.2003 and "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009
- d) Other circulars, rules and regulations issued by Bangladesh Bank from time to time
- e) The Securities and Exchange Rules, 2020 as amended
- f) The Securities and Exchange Ordinance, 1969
- g) The Securities and Exchange Commission Act, 1993
- h) Income Tax Ordinance, 1984 as amended
- j) Value Added Tax and Supplementary Duty Act, 2012, Value Added Tax Rules, 2016 as amended
- j) Standards issued by AAOIFI
- k) The Stamp Act-1899
- l) The Customs Act-1969
- m) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations
- n) The Money Laundering Prevention Act, 2012
- o) The Anti Terrorism (Amendment) Act, 2012 etc.

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

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



2.31 Workers profit participation fund and welfare fund

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in Company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2021.

2.32 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, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, post employment benefits liabilities, accruals, taxation and provision.

2.33 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged as per IAS 24 "Related Party Disclosures", Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in Note - 49.



				31.12.2021	31.12.2020
				Taka	Taka
3	Cash				
	<i>In hand:</i>				
	In local currency			2,689,606,676	2,492,410,437
	In foreign currencies			36,952,461	49,036,144
	ATM balance			689,034,927	431,262,467
				3,415,594,063	2,972,709,048
	In Foreign Currencies				
		Foreign Currency	Amount in FC	Exchange Rate	
		USD	237,470	85.80	20,374,926
		EURO	159,765	97.25	15,537,833
		GBP	8,965	115.72	1,037,416
		S. Riyal	100	22.85	2,285
				36,952,461	49,036,144
3(a)	Consolidated balance of cash in hand				
	Social Islami Bank Limited			3,415,594,063	2,972,709,048
	<i>Cash in hand of Subsidiary companies</i>			1,020,793	553,803
	SIBL Securities Limited			734,863	528,602
	SIBL Investment Limited			285,930	25,201
				3,416,614,856	2,973,262,850
3.1	Balance with Bangladesh Bank and its agent Bank (Sonali Bank)				
	Balance with Bangladesh Bank (Note-3.1.1)			19,784,191,100	29,856,531,522
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)			291,456,554	544,241,868
				20,075,647,654	30,400,773,390
3.1.1	Balance with Bangladesh Bank (Including foreign currencies)				
	In local currency			17,916,790,090	29,005,056,916
	In foreign currencies			1,867,401,010	851,474,606
				19,784,191,100	29,856,531,522
3.1.2	Balance with Sonali Bank (as an agent of Bangladesh Bank)				
	In local currency			291,456,554	544,241,868
3.2	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)				
	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the clause (1) of Article 36 of Bangladesh Bank Order, 1972 (as amended upto 2003) and clause (1) of Section 33 of the Bank Companies Act, 1991 (as amended upto 2013) respectively and subsequent DOS circular no: 05/2008, DOS circular letter no.05/2009, DOS circular letter no.21/2009 DOS circular letter no.01, dated: 19/01/2014, MPD Circular no. 01, dated 23/06/2014 and MPD Circular no. 01, dated 03/04/2018.				
	According to latest MPD Circular no. 03, dated 09/04/2020, the statutory cash reserve requirement (CRR) on Bank's time and demand liabilities @3.50% on daily basis and @4.00% on Bi-weekly average basis has been calculated and maintained with Bangladesh Bank (BB) in current account and @5.5% statutory liquidity ratio (SLR) on the same liabilities has also been maintained in the form of BD Govt. Islamic Bond including FC (Foreign Currency) balances with Bangladesh Bank used in BDT, Cash in hand, balance with Sonali Bank as agent of BB, balance with Islamic Refinance Fund A/C and daily excess reserve of CRR maintained on a Bi-weekly average requirement. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:				
3.3	Cash Reserve Requirement (CRR): 3.50% for DBO and 1.5% for OBO(on daily basis) of average Demand and Time Liabilities				
	Required Reserve			11,639,111,000	10,423,322,000
	Actual Reserve held as per GL balance (in local currency)			17,916,790,090	29,005,056,916
	Excess Reserve			6,277,679,090	18,581,734,916
3.4	Cash Reserve Requirement (CRR): 4.00% for DBO and 2.00% for OBO (on bi-weekly average basis) of average Demand and Time Liabilities				
	Required Reserve			13,314,424,000	11,914,481,000
	Actual Reserve held as per GL balance (in local currency)			17,916,790,090	29,005,056,916
	Excess Reserve			4,602,366,090	17,090,575,916
3.5	Statutory Liquidity Ratio (SLR)				
	Required Reserve			18,428,438,000	16,402,749,000
	Actual Reserve held as per GL balance (Note- 3.6)			28,474,466,708	35,069,686,832
	Surplus			10,046,028,708	18,666,937,832
3.6	Held for Statutory Liquidity Ratio				
	Cash in hand (Note- 3)			3,415,594,063	2,972,709,048
	Balance with Bangladesh Bank and its Agent Banks (Note-3.1)			-	-
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)			291,456,554	544,241,868
	Excess reserve of CRR (Note-3.4)			4,602,366,090	17,090,575,916
	Balance with Islamic Refinance Fund (Note-6)			250,000,000	250,000,000
	Bangladesh Govt. Islamic Bond (Note- 6)			19,915,050,000	14,212,160,000
				28,474,466,708	35,069,686,832
4	Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)				
	In Bangladesh (Note - 4.1)			7,030,431,948	3,889,038,464
	Outside Bangladesh (Note- 4.2)			2,540,793,342	611,795,207
				9,571,225,290	4,500,833,672



	31.12.2021	31.12.2020
	Taka	Taka
4(a) Consolidated balance of other Banks and Financial Institutions		
In Bangladesh		
Social Islami Bank Limited	7,030,431,948	3,889,038,464
<i>Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch</i>	<i>1,262,251,073</i>	<i>501,060,008</i>
SIBL Securities Limited (Current account and MTDR)	1,155,890,554	396,156,756
SIBL Investment Limited	106,360,519	104,903,252
	8,292,683,022	4,390,098,473
<i>Less: Inter Company balance eliminated</i>	<i>1,262,251,073</i>	<i>501,060,008</i>
SIBL Securities Limited (Current account and MTDR)	1,155,890,554	396,156,756
SIBL Investment Limited	106,360,519	104,903,252
<i>Add: Account Balance of subsidiaries of SIBL with other Banks and financial institutions</i>	<i>15,555</i>	<i>15,555</i>
SIBL Securities Limited	15,555	15,555
SIBL Investment Limited	-	-
Consolidated balance with Banks and Financial Institutions	7,030,447,503	3,889,054,019

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	53,654	43,119
Sonali Bank Limited	44,940,487	30,364,123
Agrani Bank Limited	1,425,930	18,275
Pubali Bank Limited	2,261	2,261
Rupali Bank Limited	70,658,115	61,126,220
Trust Bank Limited (ATM settlement Account)	37,643,899	23,433,312
Standard Chartered Bank (ATM settlement Account)	21,239,152	6,758,300
	175,963,498	121,745,609
b) Mudaraba Short Notice Deposits		
Al- Arafah Islami Bank Limited	806,212,944	783,162,184
ICB Islami Bank Limited	8,805	9,187
Shahjalal Islami Bank Limited	515,504,860	19,196,450
Prime Bank Limited (Islami Banking Branch)	7,539	7,455
Bank Asia Limited (Islami Banking Branch)	591,058	582,992
Islami Bank Bangladesh Limited	292,756,041	81,100,933
Jamuna Bank Limited (Islami Banking Branch)	561,966	557,106
Pubali Bank Limited (Islami Banking Branch)	1,749,386,613	3,156,669
Exim Bank Ltd.	38,257,175	9,115,185
Janata Bank Limited	18,713	19,226
Southeast Bank Ltd.	3,359,067	3,338,774
AB Bank Ltd.	23,569,964	315,904
The City Bank Ltd.	11,316	11,859
Agrani Bank Ltd.	702,751,461	257,655,395
First Security Islami Bank Ltd.	30,907,601	32,817,096
NRB Global Bani Ltd.	748,373,127	1,028,573,976
Union Bank Ltd.	1,942,190,201	1,547,672,464
	6,854,468,450	3,767,292,855
c) Mudaraba Savings Deposits		
Total	-	-
	7,030,431,948	3,889,038,464

31.12.2021

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	781,452.22	85.80	67,048,600
2 SUMMIT Bank, KARACHI	ACUD	23,784.82	85.80	2,040,738
3 SONALI Bank, KOLKATA	ACUD	299,250.29	85.80	25,675,675
4 MASHREQ Bank, MUMBAI	ACUD	540,085.65	85.80	46,339,349
5 NEPAL BANGLADESH Bank	ACUD	56,422.86	85.80	4,841,081
6 Bank OF BHUTAN, PHUENTSHOLING	ACUD	228,340.71	85.80	19,591,633
7 UNITED Bank OF INDIA	ACUD	125,167.03	85.80	10,739,331
8 AB Bank, MUMBAI	ACUD	14,907.28	85.80	1,279,045
9 MEEZAN Bank LIMITED	ACUD	213,522.39	85.80	18,320,221
10 MCB Bank, KARACHI, PAKISTAN	ACUD	395.34	85.80	33,920
11 AXIS Bank LIMITED	ACUD	140,028.93	85.80	12,014,482
12 HDFC Bank LTD., MUMBAI	ACUD	235,625.31	85.80	20,216,652
13 MASHREQ Bank, NEW YORK, (OBU)	USD	1,193,888.47	85.80	102,435,631
14 MASHREQ Bank PSC, NEW YORK, USA	USD	10,836,769.18	85.80	929,794,796
15 SCB, NY, USA	USD	10,814,153.56	85.80	927,854,375
		<i>balance carried forward</i>		2,188,225,529



31.12.2021				
<u>Current Account with</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
		<i>balance brought forward</i>		2,188,225,529
16 KOREA EXCH. Bank, KOREA	USD	5,081.06	85.80	435,955
17 HABIB AMERICAN Bank	USD	3,436,339.13	85.80	294,837,897
18 COMMERZ Bank AG, FRANKFURT	USD	416,220.42	85.80	35,711,712
19 COMMERZ Bank AG, CHF	CHF	8,337.32	93.71	781,282
19 MASHREQ Bank, PSC MUMBAI	ACU EURO	497.92	97.25	48,425
20 SCB, FRANKFURT	EURO	101,096.20	97.25	9,832,040
21 COMMERZ Bank AG, FRANKFURT	EURO	27,102.85	97.25	2,635,869
22 SCB, LONDON, UK	GBP	16,262.78	115.72	1,881,905
23 SCB, TOKYO	JPY	3,191,421.00	0.75	2,379,524
24 RIYAD BANK	RIYAL	174,367.00	22.85	3,984,303
25 Bank AL JAZIRA	RIYAL	1,702.50	22.85	38,902
			Total	2,540,793,342
Currency wise Distribution:				
Foreign Currency				
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	<u>Composition</u>	<u>Composition</u>	<u>Taka</u>	<u>Taka</u>
USD/ACU	97.75%	97.05%	2,483,499,381	593,763,313
CHF	0.03%	-	781,282	-
GBP	0.07%	0.11%	1,881,905	698,148
EUR	1.90%	1.27%	48,228,046	7,744,465
YEN	0.09%	0.07%	2,379,524	412,663
RIYAL	0.16%	1.50%	4,023,206	9,176,617
	100%	100%	2,540,793,342	611,795,207

Please see 'Annexure-C' for details comparative statement of 31.12.2021 & 31.12.2020 of foreign currency amount and rate.

4.3	Maturity-wise groupings of balance with other		
	Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh)		
	On Demand	2,716,756,840	733,540,816
	Not more than 3 months	6,854,468,450	3,767,292,855
	Over 3 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		9,571,225,290	4,500,833,672
5	Placement with Banks & other Financial Institutions		
	Placement with Banks (Note-5.1)	3,636,293,194	1,986,395,494
	Placement with other Financial Institutions (Note-5.2 & 5.3)	6,026,450,000	4,214,400,000
		9,662,743,194	6,200,795,494
5.1	Mudaraba Term Deposits with Banks		
	ICB Islamic Bank Limited	186,293,194	186,395,494
	Union Bank Limited	1,800,000,000	1,800,000,000
	Al-Arafah Islami Bank Limited	150,000,000	-
	EXIM Bank Limited	1,500,000,000	-
		3,636,293,194	1,986,395,494
5.2	Mudaraba Term Deposits with Other Financial Institutions		
	IPDC Finance Ltd.	-	250,000,000
	International Leasing & Financial Services Ltd.	355,000,000	355,000,000
	Union Capital Limited	200,000,000	200,000,000
	Bay Leasing & Investment Ltd.	50,000,000	50,000,000
	Fas Finance and Investment Limited	300,000,000	300,000,000
	First Finance Limited	100,000,000	100,000,000
	Islamic Finance & Investment Ltd.	25,000,000	25,000,000
	AVIVA Finance Limited/Realiance	1,680,000,000	1,680,000,000
	Investment Corporation of BD Ltd. (ICB)	1,000,000,000	1,000,000,000
		3,710,000,000	3,960,000,000
5.3	FC Placement with Banks & other Financial Institutions		
	Al-Arafah Islami Bank Ltd.	343,200,000	254,400,000
	First Security Islami Bank Ltd.	257,250,000	-
	Islami Bank Ltd.	1,287,000,000	-
	Shahjalal Islami Bank Ltd.	429,000,000	-
		2,316,450,000	254,400,000
5.4	Maturity-wise groupings of placement with Banks and other Financial Institutions		
	On Demand	3,455,000,000	3,635,000,000
	Not more than 3 months	4,316,450,000	2,354,400,000
	More than 3 months but less than 1 year	1,705,000,000	25,000,000
	More than 1 year but less than 5 years	186,293,194	186,395,494
	More than 5 years	-	-
		9,662,743,194	6,200,795,494



	31.12.2021	31.12.2020
	Taka	Taka
6 Investment in Shares & Securities		
Government		
Government Bond (Islamic Investment Bond) (Note 6.1)	11,100,000,000	12,450,000,000
7 Years Treasury BOND (5%)	319,300,000	319,300,000
7 Years Treasury BOND (0%)	123,000,000	123,000,000
Investment in BD GOVT. Investment Sukuik	8,372,750,000	1,319,860,000
	19,915,050,000	14,212,160,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	20,165,050,000	14,462,160,000
Others		
Investment in Shares, Quoted (Note 6.3 & 6.6)	428,947,081	655,101,435
Investment in Shares, Unquoted/bond (Note 6.4 & 6.5)	8,580,727,751	3,327,938,395
	9,009,674,832	3,983,039,830
Fair value adjustment through profit or loss (FVTPL) (note: 6.6)	(17,190,627)	42,167,831
Value of Investment in Shares and securities, Others	8,992,484,206	4,025,207,661
Grand Total	29,157,534,206	18,487,367,661
Maturity-wise Grouping of Investment in Securities:		
Upto one month	4,066,434,215	4,955,117,669
Not more than 3 months	1,750,000,000	250,000,000
Over 3 months but not more than 1 year	5,700,000,000	7,700,000,000
Over 1 year but not more than 5 years	12,394,331,045	4,972,981,048
More than 5 years	5,246,768,945	609,268,945
	29,157,534,206	18,487,367,661
6(a) Consolidated Investment in Shares and Securities		
Social Islami Bank Limited		
Government		
Investment in Government Islamic Bond	11,100,000,000	12,450,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
7 Years Treasury BOND (5%)	319,300,000	319,300,000
7 Years Treasury BOND (0%)	123,000,000	123,000,000
Investment in BD GOVT. Investment Sukuik	8,372,750,000	1,319,860,000
	20,165,050,000	14,462,160,000
Others sectors	8,992,484,206	4,025,207,661
Add: Investment in Shares and Securities by subsidiary companies	231,421,642	250,366,611
SIBL Securities Limited	191,318,687	142,155,281
SIBL Investment Limited	40,102,955	108,211,330
	9,223,905,847	4,275,574,273
Total consolidated balance of Investment in shares and securities	29,388,955,847	18,737,734,273
6.1	Bangladesh Bank introduced a new type of investment opportunity solely for the purpose of Shariah Banks in the year 2005 being inherent limitation on the part of Shariah Compliant Banks to take part in buying and selling of treasury bill etc as a very common form of treasury management. The fund has been operated under Mudaraba Principle and are being used as a part of SLR (Statutory Liquidity Requirement) vide Bangladesh Bank Circular Letter ref. no: AMA/AUSOBI/SANCHAY/S-03/2004/262 dated September 2, 2004.	
	The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed amongst the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenure of the bond. So, the rate of return from Islamic Bond is not prefixed rather dependent on fund deployment by Bangladesh Bank.	
6.2	Investment (Cost) in Shares (Quoted)	
Bd. Submarine Cable Co	-	44,452,104
Baraka Power	-	9,710,124
Aamra Net	-	2,960,002
Aman Feed Ltd	-	7,459,915
Aamra Tech	10,624,861	77,786,555
MBL 1st Mutual Fund	2,219,993	-
IFIC 1ST Mutual Fund	2,010,000	3,220,000
Trust Bank 1ST Mutual Fund	-	2,880,000
IFIL Islami Mutual Fund	2,159,000	-
AB 1st Mutual Fund	-	2,050,000
ICB Agrani Mutual Fund	2,529,900	-
Al-Arafah Islami Bank Limited	-	1,621,481
Exim Bank Limited	-	15,135,009
Standard Bank Limited	6,246,346	-
Titas Gas Limited	8,950,000	65,569,565
	34,748,100	232,844,756
	<i>balance carried forward</i>	



	31.12.2021	31.12.2020
	<u>Taka</u>	<u>Taka</u>
<i>balance brought forward</i>	<i>34,740,100</i>	<i>232,844,756</i>
MJL Bangladesh	-	9,845,458
Desco	-	5,561,840
Padma Oil	-	6,966,289
BSRM Steel	-	15,183,797
Bashundhara Paper Mills Ltd.	-	7,068,709
Jamuna Oil	16,240,000	29,468,515
Unique Hotel	-	4,212,337
ACME Pesticide	133,800	-
Square Pharmaceuticals	-	37,526,672
Bangladesh Shipping Corporation	-	14,238,401
RAK Ceramics Limited	-	14,581,323
BSRM Ltd.	-	11,223,280
Beximco Sukuk Al Isti	10,000,000	-
Apex Foot Wear Limited	-	4,439,556
Square Textile	-	3,290,184
Walton Ltd.	1,416,566	-
Summit Power Limited	-	62,104,401
BBS Cables	-	14,860,701
Powergrid Company Limited	-	1,796,220
Lub-ref Bd.	96,400,000	-
Square Pharmaceuticals	6,465,000	-
IFADAuto Ltd.	-	2,530,762
Meghna Petroleum	18,260,000	33,237,184
	183,655,466	510,980,387

6.3 Capital Market (special fund)

Aamra Tech	18,290,060	13,316,476
ACI	9,687,174	-
Baraka Power	2,776,508	-
BSRM LTD	15,916,274	-
BSRM Steel	7,152,058	-
Confident Cement	28,425,590	-
Desco	5,754,553	-
Batashoe	-	1,399,490
BBS Cables	-	5,388,689
Exim Bank Limited	12,245,860	3,403,560
First Security Islami Bank Limited	-	4,794,693
Shahjalal Islami Bank Limited	23,545,598	-
IFADAuto Ltd.	8,971,082	2,157,255
Jamuna Oil	15,993,867	16,472,051
Padma Oil	6,192,520	-
MJLBD	3,993,960	-
ICB Agrani 1st Mutual Fund	3,007,635	-
KPCL	-	4,720,970
Linde BD.	2,636,374	2,050,777
Meghna Petroleum	17,971,399	18,536,099
RAK Ceramics Limited	-	5,491,341
Renata	2,131,062	4,794,890
Singerbd	8,515,528	3,462,635
Square Pharmaceuticals	16,871,930	19,161,391
Summit Power Limited	17,246,549	18,938,026
Titas Gas Limited	17,966,034	15,899,531
Unique Hotel	-	4,133,176
	245,291,615	144,121,048

6.4 Investment (Cost) in Shares (Unquoted)

CDBL Share	1,569,450	1,569,450
Orion Infrastructure Ltd. (Cumulative)	500,000,000	500,000,000
Orion Infrastructure Ltd. (Redeemable)	169,900,000	169,900,000
Lub-RREF (BD) Limited. Pre-IPO	-	52,000,000
Awqaf Properties Investment fund (APIF)	166,968,945	166,968,945
Central Counterparty Bangladesh Ltd.(CCBL)	37,500,000	37,500,000
Investment in SWIFT (Foreign Share)	4,789,356	-
Invest. in Beximco Green Sukuk (Special)	800,000,000	-
	1,680,727,751	927,938,395



	31.12.2021	31.12.2020
	Taka	Taka
6.5 Subordinated Bond		
FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond)	1,300,000,000	1,400,000,000
UBL Mudaraba Subordinate Bond	1,000,000,000	1,000,000,000
Investment in FSIBL Mud. Per. Bond	1,600,000,000	-
Investment in STBL Mud. Per. Bond	1,500,000,000	-
Investment in SJIBL Mud. Per. Bond	1,500,000,000	-
	6,900,000,000	2,400,000,000
Total Investment (Cost) in Shares (Unquoted)/Bond	8,580,727,751	3,327,938,395

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

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

Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12- 2021	31.12.2021	
				Cost price as on 31-12-2021	Fair value adjustment
Quoted Shares					
Aamea Tech	445,500	28.10	12,518,550	10,624,861	1,893,689
MBL 1st Mutual Fund	267,469	7.90	2,113,005	2,219,993	(106,988)
IFIC 1ST Mutual Fund	300,000	5.50	1,650,000	2,010,000	(360,000)
IFIL Islami Mutual Fund	317,500	6.40	2,032,000	2,159,000	(127,000)
ICB Agrani Mutual Fund	281,100	9.00	2,529,900	2,529,900	-
Standard Bank Limited	600,000	10.70	6,420,000	6,246,346	173,654
Titas Gas Limited	250,000	36.30	9,075,000	8,950,000	125,000
Jamuna Oil	100,000	171.10	17,110,000	16,240,000	870,000
ACME Pesticide	13,380	26.80	358,584	133,800	224,784
Beximco Sukuk Al Isti	100,000	100.00	10,000,000	10,000,000	-
Walton Ltd.	1,000	1,148.80	1,148,800	1,416,566	(267,766)
Lub-ref Bd.	2,000,000	37.70	75,400,000	96,400,000	(21,000,000)
Square Pharmaceuticals	30,000	214.30	6,429,000	6,465,000	(36,000)
Meghna Petroleum	100,000	196.80	19,680,000	18,260,000	1,420,000
			166,464,839	183,655,466	(17,190,627)
Preference Shares					
Orion Infrastructure Ltd. (Cumulative)	50,000,000	-	500,000,000	500,000,000	-
Orion Infrastructure Ltd. (Redeemable)			169,900,000	169,900,000	-
			669,900,000	669,900,000	-
Unquoted Shares/ Bond					
CDBL Share	571,181	-	1,569,450	1,569,450	-
Awqaf Properties Investment fund (APIF)			166,968,945	166,968,945	-
Central Counterparty Bangladesh Ltd.(CCBL)			37,500,000	37,500,000	-
Investment in SWIFT (Foreign Share)			4,789,356	4,789,356	-
Invest. in Beximco Green Sukuk (Special)			800,000,000	800,000,000	-
FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond)			1,300,000,000	1,300,000,000	-
UBL Mudaraba Subordinate Bond			1,000,000,000	1,000,000,000	-
Investment in FSIBL Mud. Per. Bond			1,600,000,000	1,600,000,000	-
Investment in STBL Mud. Per. Bond			1,500,000,000	1,500,000,000	-
Investment in SJIBL Mud. Per. Bond			1,500,000,000	1,500,000,000	-
			7,910,827,751	7,910,827,751	-
Grand Total			8,992,484,206	9,009,674,832	(17,190,627)
Management conducted impairment assessment of investment in unquoted shares as on 31 December 2021 satisfied that impairment provision is required.					
6.7 Industry wise classification of shares at market price					
Quoted shares					
Banks				6,246,346	22,373,587
Mutual Funds				8,918,893	212,454,716
Others				168,490,227	276,152,083
				183,655,466	510,980,387
6.8 Cost of shares and securities of quoted and unquoted, other than investment in subsidiaries					
Fair value adjustment (Profit/(Loss)) to be made through profit and loss account				9,009,674,832	3,983,039,830
				(17,190,627)	42,167,831
Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries				8,992,484,206	4,025,207,661



Investments in Shares and Securities' other than investments in subsidiaries under the category 'Financial Assets at fair value through profit or loss (FVTPL)' has been recognised at fair value and the unrealized profit or loss i.e. difference between fair value and cost has been charged to profit and loss account and value of the investment has been reduced by the same amount as per requirements of International Financial reporting Standards (IFRS)-9, Financial Instruments.

	31.12.2021 Taka	31.12.2020 Taka
7 Investments		
<u>In Bangladesh</u>		
General Investments etc. (Note-7.1)	297,611,586,727	288,494,854,278
Bills purchased and discounted-net (Note- 7.2)	3,469,088,561	2,458,098,719
<u>Outside Bangladesh</u>		
Bills purchased and discounted-net (Note- 7.2)	11,693,145,241	9,664,990,569
	312,773,820,529	300,617,943,566
7 (a) Consolidated Investment		
General Investments etc.	297,611,586,727	288,494,854,278
Less: InterCompany balance eliminated		
SIBL Securities Limited		
Quard Investment with SIBL- Principal branch	790,000,000	900,000,000
SIBL Investment Limited	-	-
Total consolidated general investment	296,821,586,727	287,594,854,278
Bills purchased and discounted-net	15,162,233,802	12,123,089,288
Grand total	311,983,820,529	299,717,943,566
Maturity wise Classification of Investments:		
With a residual maturity of		
Re-payable on Demand	42,843,682,047	35,752,994,623
Not more than 3 months	64,254,404,260	64,247,337,188
Over 3 months but not more than 1 year	133,176,792,222	125,502,816,755
Over 1 year but not more than 5 years	60,687,949,000	62,813,150,000
Over 5 years	11,810,993,000	12,301,645,000
	312,773,820,529	300,617,943,566
7.1 Mode-Wise Investment (General)		
a) In Bangladesh		
Musharaka	247,948,307	221,690,407
Murabaha	9,783,345,114	7,087,218,568
Mudaraba	5,071,054,090	4,308,095,641
Bai-Muazzal	204,476,232,728	198,926,795,932
Hire-Purchase Sirkatul Meeik	60,528,283,545	62,882,333,115
Quard	13,511,828,373	10,565,217,449
Bai-Salam	569,928,680	905,733,176
Staff Loan	2,156,635,896	2,308,715,593
Ijarah	412,031,312	530,405,560
Visa Card	854,298,684	758,648,835
	297,611,586,727	288,494,854,278
Mode-Wise Investment (General)		
b) Outside Bangladesh		
Musharaka	-	-
Murabaha	-	-
Bai-Muazzal	-	-
Hire-Purchase Sirkatul Meeik	-	-
Installment Investment Scheme	-	-
Quard	-	-
Bai-Salam	-	-
Others	-	-
	-	-
7.2 Bills Purchased and discounted		
In land Bill Purchase	3,469,088,561	2,458,098,719
Outside Bangladesh		
Foreign Bill Purchased	79,202,046	60,424,380
Murabaha Bill of Exchange	1,722,350,710	1,517,484,462
Baim-Wes bills	9,891,592,484	8,087,081,727
	11,693,145,241	9,664,990,569
Grand total of net Bills Purchased and Discounted	15,162,233,802	12,123,089,288
7.2.1 Bills Purchased and Discounted		
Payable in Bangladesh	5,292,226,212	4,096,589,743
Payable outside Bangladesh	10,153,727,970	8,343,893,127
Gross Bills Purchased and Discounted	15,445,954,182	12,440,482,871
Less: Profit receivable on Bills Purchased and Discounted	283,720,381	317,393,583
Net Bills Purchased and Discounted	15,162,233,801	12,123,089,287



	31.12.2021 Taka	31.12.2020 Taka
Maturity wise Classification of Bills Purchased and Discounted:		
On demand	3,032,446,760	2,424,617,857
Over 1 month but less than 3 months	7,581,116,900	6,061,544,644
Over 3 months but less than 1 year	4,548,670,140	3,636,926,786
1 year or more	-	-
	15,162,233,801	12,123,089,287

7.3	Investments on the basis of significant concentration	31.12.2021	31.12.2020		
	Investments to allied concern of Directors	0.00%	0.00%	-	-
	Investments to Executives & Staffs	0.69%	0.78%	2,167,849,126	2,333,636,172
	Investments to Customer Groups	52.82%	54.02%	165,217,943,003	162,397,228,441
	Industrial Investment	46.48%	45.20%	145,388,028,398	135,887,078,952
	Others	0.00%	0.00%	-	-
		100.00%	100.00%	312,773,820,529	300,617,943,566

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

Number of Client with amount of outstanding Investment to whom Investments sanctioned exceeds 15% of total capital of the Bank is reported hereunder. Total capital of the Bank was Tk. 3,244.79 Crore as on 31.12.2021 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 486.72 crore (3,244.79 crore x 15%) till 31.12.2021. It is mentioned here that as per Bank Companies Act, 1991, single party exposure limit has been fixed at 15% for funded and 20% non-funded investment based on capital maintained for non export oriented clients whereas 15% funded and 35% non-funded limit for 100% export oriented clients.

Total Principal outstanding amount to such customers at end of the year (Funded)	1226.84 crore*	1277.10 crore
Number of such types of customers	02	03
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-811.20 crore as on 31.12.2021.

7.4 Customer group and industry wise classification of Investment

Sector	(Amount in Taka)			
	2021		2020	
	Amount	Composition	Amount	Composition
Commercial lending	66,983,216,806	21.42%	63,085,991,368	20.99%
Export Financing	10,018,240,417	3.20%	7,421,291,294	2.47%
House Building Investment	3,864,365,305	1.24%	4,016,753,073	1.34%
Investment against Scheme & MTDR	6,907,453,322	2.21%	5,291,700,741	1.76%
Small and Medium Enterprises	57,263,505,578	18.31%	61,920,979,098	20.60%
Micro Investment	785,791,674	0.25%	678,555,344	0.23%
Other Investments	14,324,315,811	4.58%	15,673,861,882	5.21%
Off-shore Banking Unit	5,071,054,090	1.62%	4,308,095,641	1.43%
Executives & Staffs of SIBL	2,167,849,126	0.69%	2,333,636,172	0.78%
Agricultural Industries	3,251,358,104	1.04%	3,123,138,160	1.04%
Textile & Allied Industries	44,333,363,875	14.17%	41,971,323,395	13.96%
Food & Allied Industries	14,171,054,554	4.53%	13,678,729,468	4.55%
Pharmaceutical Industries	1,791,887,029	0.57%	1,756,699,072	0.58%
Leather, Chemical, Cosmetic etc.	4,205,065,075	1.34%	4,215,657,911	1.40%
Construction Industries	9,933,688,170	3.18%	9,140,136,470	3.04%
Cement and Ceramic Industries	5,014,614,486	1.60%	5,027,401,867	1.67%
Service Industries	13,314,958,894	4.26%	16,686,788,763	5.55%
Transport and Communication Industries	2,794,855,884	0.89%	4,143,127,206	1.38%
Other Industries	46,577,182,327	14.89%	36,144,076,640	12.02%
Total	312,773,820,529	100.00%	300,617,943,566	100.00%

7.5 Geographical Location-wise Classification of Investments

Sector	(Amount in Taka)			
	2021		2020	
	Amount	Composition	Amount	Composition
i) Within Bangladesh				
a) In Rural Areas	28,766,289,119	9.20%	28,753,581,886	9.56%
b) In Urban Areas	284,007,531,409	90.80%	271,864,361,679	90.44%
Sub-total (a+b)	312,773,820,529	100.00%	300,617,943,566	100.00%
ii) Outside Bangladesh	-	-	-	-
Total (i+ii)	312,773,820,529	100.00%	300,617,943,566	100.00%



7.6 Division-wise Investments

(Amount in Taka)

Division	As at 31 December 2021		As at 31 December 2020	
	Amount	Composition	Amount	Composition
Dhaka	229,706,004,293	73.44%	219,164,567,260	72.90%
Chattagram	64,502,642,480	20.62%	62,316,540,044	20.73%
Sylhet	536,130,298	0.17%	559,850,559	0.19%
Rajshahi	6,352,500,803	2.03%	6,443,695,356	2.14%
Khulna	6,296,518,408	2.01%	6,429,542,620	2.14%
Rangpur	2,165,276,204	0.69%	2,390,991,771	0.80%
Barisal	1,346,655,415	0.43%	1,434,312,616	0.48%
Mymensingh	1,868,092,627	0.60%	1,878,443,339	0.62%
Total	312,773,820,529	100.00%	300,617,943,566	100.00%

31.12.2021 31.12.2020
Taka Taka

7.7 Investments (Classification wise)

Unclassified

Standard

Special Mentioned Account

Classified

Substandard

Doubtful

Bad or Loss

Standard (short term agri / micro inv.)

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

Substandard (short term agri / micro inv.)

Doubtful (short term agri / micro inv.)

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

Staff Investment

279,421,381,293	264,989,783,318
13,232,379,120	12,959,999,501
697,785,173	2,111,157,964
134,017,193	414,777,440
15,298,187,291	15,606,044,145
308,783,750,070	296,081,762,367

1,758,134,358	2,133,360,697
-	-
958,949	12,810,901
11,968,211	813,137
51,159,815	55,560,291
1,822,221,333	2,202,545,026
2,167,849,126	2,333,636,172
312,773,820,529	300,617,943,566

7.8 Particulars of provision required for general investment

Unclassified (Excluding Off-balance sheet exposures)

Classified

Unclassified- Off-balance sheet exposures

5,443,543,536	4,971,204,865
7,598,676,652	7,812,088,173
521,935,277	470,450,037
13,564,155,465	13,253,743,075

7.8.1 Detail Particulars of Provision for Investment

Unclassified

Standard

Special General Provision-COVID-19

(As per BRPD Circular letter No.56 dt. 10.12.2020)

Special General Provision-COVID-19

(As per BRPD Circular letter No.52 dt. 29.12.2021.)

Staff Investment

Consumer Finance (Other than HF and LP)

Small and Medium Enterprise

Housing Finance (HF)

Loan for Professionals (LP)

Share

SMA Investment (Same as UC i.e 0.25%, 1%, 2%)

Unclassified Off Balance Sheet Items

Classified

Substandard

Substandard (CMSME)

Doubtful (CMSME)

Doubtful

Bad or Loss

Rate**Base for Provision****Provision Required**

1%	222,533,534,743	2,225,335,347	2,056,447,612
1%	-	597,373,154	732,164,047
1.5 & 2%	-	768,946,219	-
0%	-	-	-
2%	1,029,563,324	20,591,266	20,175,499
0.25%	51,595,308,736	128,988,272	141,866,778
1%	1,814,771,164	18,147,712	20,063,224
2%	-	-	96,134
2%	2,448,203,329	48,964,067	30,162,087
2%	12,881,368,700	1,617,616,156	1,948,895,876
1%	52,193,527,700	521,935,277	470,450,037
20%	458,475,202	91,695,040	94,595,546
5%	-	-	1,699,854
20%	12,191,980	2,438,396	2,183,128
50%	28,733,937	14,366,968	22,172,549
100%	7,479,924,058	7,479,924,058	7,676,453,920
		13,536,321,933	13,217,426,292

Provision Required (Short term Agricultural & Micro Credit)

Unclassified

Standard (short term agri /micro credit)

Classified

Substandard (short term agri ,micro credit & CMSME)

Doubtful (short term agri /micro credit)

Bad or Loss (Short term agri /micro credit)

Rate**Base for Provision****Provision Required**

1%	1,758,134,358	17,581,344	21,333,607
5%	20,290,253	1,464,513	183,057
5%	3,038,399	151,920	6,099
100%	8,635,756	8,635,756	14,794,021
		27,833,532	36,316,783

Required provision for Investments (Grand Total)

Total provision maintained

Provision Surplus/(Shortfall)

13,564,155,465	13,253,743,075
13,564,155,465	13,253,743,075
-	-



	31.12.2021	31.12.2020
	Taka	Taka
Provision Made: (Other than Short term Agricultural & Micro Credit)		
Unclassified		
Standard	4,330,281,314	3,471,425,418
SMA	1,617,616,156	1,948,895,876
Classified		
Substandard	91,695,040	96,295,400
Doubtful	16,805,364	24,355,677
Bad or Loss	7,479,924,058	7,676,453,920
	13,536,321,933	13,217,426,292
Provision Made: (Short term Agricultural & Micro Credit)		
Standard (short term agri credit)	17,581,344	21,333,607
Substandard (short term agri credit)	1,464,513	183,057
Doubtful (short term agri credit)	151,920	6,099
Bad or Loss (Short term agri credit)	8,635,756	14,794,021
	27,833,532	36,316,783
Grand Total	13,564,155,465	13,253,743,075
Required provision - Provision made = Surplus/ (Shortfall)	-	-
7.8.2 Particulars of provision for Off-Balance Sheet items		
Status	Rate	Basis for Provision
Off-Balance Sheet Items	1%	59,463,904,333
Required provision for Investments		521,935,277
Provision maintained (note # 14.1(c))		470,450,037
Surplus Provision		521,935,277
		470,450,037
		-
7.9 Particulars of Investments:		
(i) Investment considered good in respect of which the Banking Company is fully secured	175,303,117,106	193,992,330,243
(ii) Investment considered good for which the Banking Company holds no other security other than the debtor's personal security	129,986,698,242	99,759,553,524
(iii) Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	7,484,005,182	6,866,059,800
(iv) Investment considered bad or doubtful not provided for	-	-
Total	312,773,820,529	300,617,943,566
(v) Investment due by directors or officers of the Banking Company or any of them either severally or jointly with any other person	2,167,849,126	2,333,636,172
(vi) Investment due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies as members.	-	-
(vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons.	9,153,724	9,797,168
(viii) Maximum total amount of Investments including temporary Investment granted during the period to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or in the case of private companies as members	Nil	Nil
(ix) Investment due from other Banks	Nil	Nil
(x) Classified Investment on which profit has not been charged	15,349,347,106	15,661,604,436
(xi) Particulars of written off investments		
a) Cumulative amount of written off/Waiver of Investments since inception to 31 December last year	6,015,207,978	5,989,846,325
b) Amount of written off/ waiver of Investment during the year	1,331,928,908	25,361,653
Total amount of written off (a+b)	7,347,136,886	6,015,207,978
c) Amount recovered against debts which are previously written off (cumulative balance)	470,723,441	463,647,741
d) Amount of Investments written off/waiver against which cases have been filed for recovery	7,347,136,886	6,015,207,978
(xii) e) Amount of compensation suspense as at year end.	3,762,471,567	3,579,826,001
7.10 Large Investment Restructuring		
Large Investment Restructuring is made as per BRPD Circular no: 04, Dated: 29 January 2015, of the investments having minimum outstanding amount of Taka-500 crore and above in aggregate. The Eligibility criteria as per the circular are:		
a) Investments of a particular borrower or group in a Bank, singly or in clubbed together form, shall be eligible for restructuring. Borrower having exposure in multiple Banks may also approach by forming a consortium.		
b) Minimum outstanding investment amount for restructuring shall be Taka-500.00 crore or above in aggregate.		
c) Restructuring facility will be provided to a particular investment only once.		
Total outstanding amount of such restructured investment for the year 2021 amounts to Taka- 93.08 crore.		
8 Fixed Assets including Premises (Including Intangible Assets)		
A. Cost		
Land	12,330,000	12,330,000
Building	2,320,220,714	2,320,220,714
Furniture & Fixtures	1,452,020,200	1,348,301,260
Office Equipment	1,944,935,278	1,790,969,871
Software	305,954,860	291,981,062
Vehicles	150,656,690	150,527,921
Right of use Assets as per IFRS-16 *	1,076,018,197	1,011,325,434
Books	1,768,620	1,764,278
	7,263,904,559	6,927,420,539



	31.12.2021 Taka	31.12.2020 Taka
B. Accumulated Depreciation		
Land	-	-
Building	498,010,625	451,943,280
Furniture & Fixtures	630,860,366	547,891,338
Office Equipment	1,234,710,679	1,079,806,659
Software	111,397,271	91,645,655
Vehicles	143,065,270	133,011,069
Right of use Assets as per IFRS-16	396,890,377	191,010,137
Books	1,172,246	1,102,226
	3,016,106,833	2,496,410,364
Carrying value	4,247,797,726	4,431,010,176

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

8.1 Intangible assets

Core Banking solution 'ABABIL' is used in SIBL which was incorporated in the year 2010. The value of all the softwares under the head 'Intangible Assets' is Taka-305,954,860.00 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 31.12.2021 is Taka -194,557,589.00

For details please refer to Annexure-A

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

Social Islami Bank Ltd.	4,247,797,726	4,431,010,176
Fixed assets of subsidiaries	13,559,344	15,972,856
SIBL Securities Ltd.	13,559,344	15,972,856
SIBL Investment Ltd.	-	-
Carrying value of Fixed assets of the Group	4,261,357,069	4,446,983,032

9 Others Assets

Stock of stationery, stamps and printing materials etc. (valued at cost)	41,842,032	36,210,869
Advance rent	82,826,821	81,946,417
Security Deposit	3,433,149	3,495,026
Branch Adjustments (SIBG) (Note: 9.1)	824,507,472	1,561,206,224
Suspense Accounts (Note: 9.2)	287,840,919	285,122,898
Other Prepayments	86,608,018	64,517,296
Share Trading A/C Receivable from SIBL Securities Ltd.	624,820,743	239,242,987
Advance Income Tax	13,908,264,598	11,981,335,696
Investment in subsidiary: SIBL Securities Limited	1,537,499,000	1,229,999,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
Profit Receivable from SIBL Securities Limited	70,747,842	72,049,180
Receivable from SIBL Investment Limited	1,903,690	1,903,690
Protested Bills against Investment	325,014,570	325,014,570
Profit Receivable from Banks, NBFIs and BD Govt.	451,382,168	528,810,265
Investment with Off-shore Banking Unit	551,722,606	4,053,637,881
Receivable from Off-shore Banking Unit	43,694,699	77,990,079
Dividend Receivable Account	505,242,759	555,193,696
Profit Receivable from Mudaraba Subordinated Bond	52,926,027	56,815,069
Profit Receivable for SME Stimulus fund	80,385,089	-
Profit Receivable from Mudaraba Perpetual Bond	94,477,398	-
Profit Receivable from Beximco Green Sukuk	3,164,835	-
Others (Note: 9.3)	22,211,772	37,425,491
	19,850,515,608	21,441,915,733
Less: Balance with OBU for elimination		
Investment with Off-shore Banking Unit	551,722,606	4,053,637,881
Grand total after elimination of balance with OBU	19,298,793,002	17,388,277,852

9(a) Consolidated other Assets

Social Islami Bank Limited	19,298,793,002	17,388,277,852
Add: Other assets of subsidiary companies		
SIBL Securities Limited	2,666,365,438	2,351,445,232
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	146,372,333	104,889,269
Advance Office Rent	-	-
Advance for IPO	34,172,500	-
Receivable from Regulators	14,016,896	31,824,621
Receivable from client	1,393,839,599	1,129,885,060
Receivable from DSE, CSE, Bai-Muajjal & Dividend Income	87,973,426	94,855,599
Security Deposit to CDBL, DSE	200,000	200,000
Security Deposit to BTCL & Duncan Products	20,000	20,000



	31.12.2021 Taka	31.12.2020 Taka
SIBL Investment Limited	127,822,925	45,843,081
Advance Income Tax	2,526,305	703,000
Accounts receivable	125,296,619	45,140,081
Less: InterCompany balance eliminated		
Investments in Subsidiaries	1,787,498,400	1,479,998,400
Investment in subsidiary: SIBL Securities Limited	1,537,499,000	1,229,999,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
Less: Inter Company transactions eliminated:	72,651,532	73,952,870
Receivable from SIBL Securities Limited	70,747,842	72,049,180
Receivable from SIBL Investment Limited	1,903,690	1,903,690
	20,232,831,433	18,231,614,894

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 21 April 2022 were Taka- Nil Details of which are as follows:

	Number of Unrespondent entries		Amount (in Tk) of Unrespondent entries	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Upto 3 months	-	14	-	762,976
Over 3 months but within 6 months	-	4	-	6,099,371
Over 6 months but within 9 months	-	1	-	26,064,389
Over 9 months	-	17	-	596,323,619
	-	36	-	629,250,355

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

9.3 Others		
D.D. Paid without advice	650	650
Adjusting A/c debit balance	10,004,610	32,696,146
Advance VAT paid	3,833,285	3,815,178
BEFTN adjustment A/c	-	53,444
Cards Accrued Income	666,993	860,073
Incentive disbursement Fund	7,706,233	-
	22,211,772	37,425,491

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

Bangladesh Govt. Islamic Bond.

The Bank has no outstanding balance of borrowing as on 31.12.2021 & 31.12.2020

11 **Deposits and Other Accounts**

Mudaraba Savings Deposits (MSD)	37,308,169,943	33,622,114,210
Mudaraba Term Deposits (MTDR)	176,256,112,820	175,364,565,456
Other Mudaraba Deposit	80,399,200,511	72,789,409,014
Mudaraba Short Notice Deposits (MSND)	19,970,707,175	17,394,576,463
Mudaraba Scheme Deposits (Note-11.1)	60,428,493,336	55,394,832,551
Al- Wadeah Current Deposit and other accounts (AWCD) (Note- 11.2)	42,250,954,675	35,321,029,179
Bills payable (Note-11.3)	5,064,269,305	4,909,336,453
Cash Waqf Fund	382,356,998	377,056,255
	341,661,064,252	322,383,510,566

11.1 **Mudaraba Scheme Deposits**

Mud. Hajj/ Umrah Savings Scheme	159,658,362	145,686,733
Mud. Pension Savings Scheme	1,165,116,800	2,195,822,146
Mud. Education Savings Scheme	33,494,517	32,294,535
Mud. Monthly Sav. Deposit Sche	55,192,581	50,958,911
Mud. Monthly Profit Deposit	2,088,726,027	2,567,883,861
Mud. Bashstan Savings Scheme	428,520,446	538,620,684
Mud. Millionaire Scheme	855,154,998	962,954,420
M.Lakhopoti Deposit Scheme	15,267,899	29,677,722
M. Double Benefit Deposit Scheme	562,870,200	1,085,639,666
M.Marriage Savings Scheme	70,623,288	76,698,825
M.Mohorana Savings Scheme	22,143,873	20,315,894
Subamalata Special Scheme(Women)	21,954,222	22,072,023
Subarna Rekha Special Deposit(Women)	1,592,916,210	1,888,587,448
Shabug Chya Special Deposit	23,255,492	25,755,489
Shabuj Shayanna Special Deposit	489,573,074	728,336,850
Sanchita Special Deposit scheme	279,694,378	218,281,516
Sonali Din Pension Deposit Scheme	14,522,654,792	14,842,980,995
	22,386,817,160	25,432,567,717

balance carried forward



	31.12.2021	31.12.2020
	Taka	Taka
<i>balance brought forward</i>	22,386,817,160	25,432,567,717
Sukher Thikana Savings Scheme	19,673,857	17,105,321
Sacchandeey Protidin Monthly Profit Deposit	1,110,359,351	1,292,496,846
Samriddir Sopan Scheme Deposit	111,407,856	195,323,252
Sopner Siri Deposit Scheme	71,146,047	83,603,865
Sharna Shikhar (Mudaraba Billinior Deposit S	1,269,931,771	1,135,861,519
Proshanti (Mudaraba Zakat Savings Deposit S	27,246,698	14,554,373
SIBL Astha (Mudaraba Monthly Pension scheme)	28,998,139,447	23,306,153,512
SIBL Super DPS (Mudaraba Pension scheme)	4,499,511,474	1,964,539,094
SIBL Digun Prottasha (Double Benefits Scheme)	1,927,222,165	1,952,627,052
Al-Wasiah bill Waqf	7,037,511	-
	60,428,493,336	55,394,832,551
Amount of Mudaraba Scheme Deposit mentioned above are inclusive of Profit payable on the scheme deposits.		
11.2 Al-Wadeeah Current Deposit & other A/c		
Al Wadeeah current deposit	12,102,949,908	12,284,405,405
Un-claimed dividend (Note: 11.2.1)	79,312,047	71,123,669
Sundry deposit	8,162,678,626	6,153,653,694
Social fund deposit	17,075	17,075
Supervision charge	847,161	861,490
Risk fund deposit	2,920,921	4,064,434
FC deposit	11,415,547,205	8,681,982,247
Convertible Taka A/c*	188,928,019	137,449,361
F. C. held against B.B. L/C	4,400,834,559	2,956,663,236
Bangladesh Bank Fund for COVID	3,937,061,938	2,943,987,857
Profit payable A/c	1,941,229,633	2,069,967,856
Compensation Realized	18,627,587	16,852,856
	42,250,954,675	35,321,029,179
11.2.1 Unclaimed Dividend		
Dividend remained unclaimed which were declared for the year:-		
SIBL dividend Payable A/C	480,068	480,908
SIBL Fraction dividend (Bonus share)	77,120	77,120
Initially primary offer (IPO)	2,801,380	2,805,530
SIBL rights Share	3,662,231	3,666,381
Cash dividend 2001	297,434	297,434
Fraction dividend & Rights share issue 2008	343,986	346,436
SIBL rights Issue 2010	1,374,202	1,378,352
SIBL cash dividend 2011	5,779,925	5,784,770
SIBL cash dividend 2012	4,513,061	4,517,680
SIBL cash dividend 2013	11,733,001	11,796,433
SIBL cash dividend 2014	11,455,713	11,468,540
SIBL cash dividend 2015	7,525,029	7,553,182
SIBL cash dividend 2016	12,521,562	12,611,385
SIBL cash dividend 2019	8,013,396	8,339,519
SIBL cash dividend 2020	8,733,940	-
	79,312,047	71,123,669
*Balance of Convertible Taka A/c represents the portion of unsettled balance.		
11.2(a) Consolidated balance of Al-Wadeeah Current Deposit & Other A/c		
Social Islami Bank Limited	42,250,954,675	35,321,029,179
<i>Less: InterCompany balance eliminated</i>	1,262,251,073	501,060,008
SIBL Securities Limited	1,155,890,554	396,156,756
SIBL Investment Limited	106,360,519	104,903,252
Consolidated balance of Current deposit and other accounts	40,988,703,603	34,819,969,171
The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively. For consolidation purpose the balances have been eliminated.		
11.3 Bills Payable		
Payment Order (PO)	5,062,059,023	4,888,620,857
Demand Draft (DD)	1,725,611	1,820,911
B/P awaiting remittance	484,671	18,894,685
	5,064,269,305	4,909,336,453
11.4 Maturity wise classification of Deposits		
Payable on demand	25,930,464,283	24,223,376,144
Up to 1 month	35,920,842,126	40,880,859,777
More than 1 month but up to 6 months	125,314,505,895	113,938,374,563
More than 6 months but up to 1 year	89,115,588,937	86,011,770,908
More than 1 year but up to 5 years	51,830,641,730	45,277,361,980
More than 5 years but up to 10 years	13,549,021,281	12,051,767,194
	341,661,064,252	322,383,510,566



	31.12.2021 Taka	31.12.2020 Taka
11.5 Segregation of deposits & other accounts		
i) Client Deposit		
Al-Wadeeah Current deposit & other accounts	42,250,641,808	35,320,581,444
Bills Payable	5,064,269,305	4,909,336,453
Mudaraba Savings Deposits	36,892,529,213	29,859,722,499
Mudaraba Short Notice Deposits	19,884,562,571	16,588,144,822
Mudaraba Term Deposit	174,646,112,820	157,054,565,456
Mudaraba Scheme Deposits	60,428,493,336	55,394,832,551
Cash Waqf Fund	382,356,998	377,056,255
	339,548,966,052	299,504,239,480
ii) Bank Deposit		
Mudaraba Term Deposit Receipt (MTDR)	1,610,000,000	18,310,000,000
Mudaraba Short Notice Deposit (MSND)	86,144,603	806,431,641
Al-Wadeeah Current deposit (AWCD)	312,868	447,735
Mudaraba Savings Deposit (MSD)	415,640,730	3,762,391,711
	2,112,098,201	22,879,271,087
Grand Total of deposits and other accounts	341,661,064,252	322,383,510,566

12 SIBL Mudaraba Subordinated Bond	5,600,000,000	8,000,000,000
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SIBL has three subordinated bonds namely "SIBL Mudaraba Subordinated Bond of Tk. 300 crore", SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 crore and SIBL 3rd Mudaraba Subordinated Bond of Taka-500.00 crore to support and strengthen Tier-II capital base of the Bank under Basel-III capital regulation of Bangladesh Bank.

SIBL Mudaraba Subordinated Bond of Tk. 300 Crore

Social Islami Bank Limited issued 'SIBL Mudaraba Subordinated Bond of Tk. 300 Crore' in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/598 & BRPD (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. As on 31.12.2021 the bond has been fully redeemed.

Investors of SIBL Mudaraba Subordinated Bond

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

SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 Crore

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

Investors of SIBL 2nd Mudaraba Subordinated Bond

Bank Asia Limited	40,000,000	60,000,000
Central Depository Bangladesh Ltd	80,000,000	120,000,000
Dhaka Stock Exchange Limited	160,000,000	240,000,000
Eastern Bank Limited	100,000,000	150,000,000
Mercantile Bank Limited	100,000,000	150,000,000
Midland Bank Limited	80,000,000	120,000,000
National Life Insurance Co. Ltd	40,000,000	60,000,000
Pubali Bank Limited	200,000,000	300,000,000
Rupali Bank Limited	200,000,000	300,000,000
Shahjalal Islami Bank Limited	200,000,000	300,000,000
Trust Bank Limited	200,000,000	300,000,000
Uttara Bank Limited	200,000,000	300,000,000
	1,600,000,000	2,400,000,000



	31.12.2021 <u>Taka</u>	31.12.2020 <u>Taka</u>
SIBL 3rd Mudaraba Subordinated Bond of Tk.500		
Social Islami Bank Limited issued 'SIBL 3rd Mudaraba Subordinated Bond of Tk. 500 Crore in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/670 & BRPD(BFIS)661/14B(P)/2018-7647, Dated: 27 September 2018 & 11 October 2018 respectively. The list of investor with present outstanding balance is as follows:		
Investors of SIBL 3rd Mudaraba Subordinated Bond		
Agrani Bank Limited	2,000,000,000	2,500,000,000
EXIM Bank Limited	400,000,000	500,000,000
Islami Bank Bangladesh Limited	1,600,000,000	2,000,000,000
	4,000,000,000	5,000,000,000
13	SIBL Mudaraba Perpetual Bond of Tk.500 Crore	
Social Islami Bank Limited issued 'SIBL Mudaraba Perpetual Bond of Tk. 500 Crore in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-07/2014/272 & BRPD(BFIS)661/14B(P)/2020-8946, Dated: 25 November 2020 & 22 October 2020 respectively. The bond is fully subscribed on 13/10/2021 by the following investors:		
Islami Bank Bangladesh Limited	1,500,000,000	1,500,000,000
Exim Bank Limited	1,500,000,000	-
AIBL Employees' Provident Fund	500,000,000	-
AIBL Employees' Gratuity Fund	500,000,000	-
Al-Arafah Islami Bank Limited	1,000,000,000	-
	5,000,000,000	1,500,000,000
14	Other Liabilities	
Adjusting A/C (Cr.) Balance	14,015,512	17,485,085
Other Payable	9,330,154	13,929,175
BEFTN Adjustment Account	20,301,508	43,539,542
Parking Account	3,182,591	3,890
ATM & Other Settlement for Q-Cash	6,908,947	31,962,950
Provision for Investments (note: 14.1)	13,564,155,465	13,253,743,075
Provision for other Assets (note: 14.2)	425,027,557	449,527,557
Compensation and Rent Suspense (note: 14.3)	3,762,471,567	3,579,826,001
Provision for Taxation (note: 14.4)	17,618,044,129	16,370,918,424
Zakat Fund (note: 14.5)	113,365,052	103,558,963
Lease liabilities as per IFRS-16 *	615,828,689	724,602,327
Mudaraba Profit Distribution (note: 14.6)	24,500,000	5,000,000
Provision for good borrower (note: 14.7)	10,000,000	10,000,000
Provision for Climate Risk Fund (note: 14.8)	20,000,000	20,000,000
Provision for Start-Up Fund (note: 14.9)	32,106,411	15,509,355
	36,239,237,582	34,639,606,343
* The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00%.		
14(a)	Consolidated Other Liabilities	
Social Islami Bank Limited	36,239,237,582	34,639,606,343
Add: Other Liabilities of subsidiaries		
SIBL Securities Limited	2,279,026,419	1,550,538,240
Payable to SIBL-Term loan	790,000,000	900,000,000
Payable to regulators	2,178,424	9,692,149
Payable to clients	1,116,409,814	359,987,025
Liabilities for payment to the issuer	23,171,000	-
Other provisions	201,723,538	167,231,086
Lease Liability	2,989,151	5,070,782
Lease Liability_Current Portion	2,901,560	3,720,086
Provision for Income Tax	139,652,932	104,837,111
SIBL Investment Limited	3,522,286	1,910,913
Accrued Expenses	69,000	69,000
Other provisions	-	-
Provision for Income Tax	3,453,286	1,841,913
	38,521,786,286	36,192,055,497
Less: InterCompany balance eliminated		
SIBL Securities Limited		
Payable to SIBL-Term loan	790,000,000	900,000,000
Grand total	37,731,786,286	35,292,055,497



	31.12.2021 Taka	31.12.2020 Taka
14.1 Provision for Investment		
(a) Specific Provision on Investment		
Provision held at the beginning of the year	7,812,088,173	7,595,557,186
Fully provided Investment written off /Waiver	(1,331,928,908)	(23,325,653)
Transferred from doubtful income/compensation realized/recovery	7,075,700	9,647,534
Provision made during this year	1,111,441,687	230,209,106
Provision held at the end of the year	7,598,676,652	7,812,088,173
(b) General Provision on Investment		
Provision held at the beginning of the year	4,971,204,865	3,911,552,438
Fully provided Investment written off /Waiver	-	(2,036,000)
Addition during the year	(893,980,701)	329,524,380
Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020)	597,373,154	732,164,047
Special General Provision-COVID-19 (As per BRPD Circular letter No.52 dt. 29.12.2021)	768,946,219	-
Balance at the end of the year	5,443,543,536	4,971,204,865
Total Provision on Investments	13,042,220,188	12,783,293,038
(c) General Provision on Off-Balance Sheet items		
Provision held at the beginning of the year	470,450,037	490,293,577
Addition during the year	51,485,240	(19,843,540)
Balance at the end of the year	521,935,277	470,450,037
Total Provision for Investments & Off-Balance Sheet items (a+b+c)	13,564,155,465	13,253,743,075
14.2 Provision for other Assets		
Provision held at the beginning of the year	449,527,557	456,527,557
Provision written back during the year	(24,500,000)	(7,000,000)
Addition during the year	-	-
Balance at the end of the year	425,027,557	449,527,557
14.2.1 Provision for protested bills		
Provision held at the beginning of the year	325,014,570	325,014,570
Provision during the year	-	-
Balance at the end of the year	325,014,570	325,014,570
14.2.2 Provision for suspense account		
Provision held at the beginning of the year	124,512,987	131,512,987
Provision written back during the year	(24,500,000)	(7,000,000)
Addition during the year	-	-
Balance at the end of the year	100,012,987	124,512,987
14.3 Compensation & Rent Suspense A/C		
Compensation Receivable A/C		
Murabaha (General)	126,042,112	129,036,636
Murabaha (Post Import)	46,617,848	46,789,090
Musharaka (Preshipment)	16,416,709	33,069,243
Bai-Muazzal	313,002,829	335,219,814
Bai-Muazzal Trust Receipt	276,655,599	305,457,904
Baim Wes bills	130,626	136,034
Bai-Muazzal (ME)	459,335,178	602,999,781
Balance at the end of the year	1,238,200,900	1,452,708,502
Compensation Suspense A/C		
Murabaha (General)	10,014,098	10,014,098
Murabaha (Post Import)	16,276,035	16,516,669
Bai-Muazzal	481,808,796	378,444,789
Bai-Muazzal- House hold	7,856	7,856
Bai-Muazzal Trust Receipt	24,585,363	55,749,048
Musharaka (Preshipment)	2,988,289	2,988,289
Others	174,501,294	195,413,601
Balance at the end of the year	710,181,731	659,134,351
Rent Suspense A/C	1,814,088,935	1,467,983,149
Total Compensation & Rent Suspense	3,762,471,567	3,579,826,001
14.3.1 Movement of Compensation and Rent Suspense A/C		
Balance at the beginning of the year	3,579,826,001	2,870,657,332
Add: Amount transferred to suspense account during the year	201,273,153	726,021,525
Less: Amount recovered from suspense account during the year	(18,627,587)	(16,852,856)
Balance at the end of the year	3,762,471,567	3,579,826,001



	31.12.2021 Taka	31.12.2020 Taka
14.4 Provision for Taxation		
Provision for Current tax		
Balance at the beginning of the year	16,370,918,424	14,826,251,926
Add: Provision made during the year (Zakat Fund) (Note:14.5)	68,019,031	62,135,378
Add: Provision made during the year (Note:14.4.1)	1,179,106,673	1,482,531,120
	17,618,044,129	16,370,918,424
Advance tax		
Balance at the beginning of the year	11,981,335,696	10,685,152,854
Paid during the year	1,926,928,903	1,296,182,842
	13,908,264,599	11,981,335,696
Balance at the end of the year	3,709,779,531	4,389,582,728
14.4.1 Provision made during the year	4,526,233,418	4,343,211,109
Operating Profit before provision & tax	313,816,229	309,488,978
Accounting Depreciation	17,190,627	-
Fair value adjustment of shares & securities	103,000,000	90,000,000
Excess perquisites	434,006,856	399,488,978
Add: Inadmissible expense		
Less: Items to be deducted		
Dividend Income receipt	285,036,178	566,096,045
Capital Gain from Shares & Securities	184,218,839	196,283,426
Written off Bad Investment as per BRPD Circular	1,331,928,908	25,361,653
Depreciation under 3rd Schedule as per ITO 1984 and amendment	215,916,205	355,802,780
Less: Inadmissible expense and for separate consideration	2,017,100,131	1,143,543,904
Total Taxable Income	2,943,140,143	3,599,156,182
Total Tax liability for current year		
Business Tax @ 37.50% for year 2021 and @37.50% for year 2020	1,103,677,554	1,349,683,568
Dividend Tax @ 20%	57,007,236	113,219,209
Tax on gain on shares & securities @ 10%	18,421,884	19,628,343
Provision required	1,179,106,673	1,482,531,120
Provision made	1,179,106,673	1,482,531,120
14.4.2 Reconciliation of effective tax rate of the Bank		
Particulars	Effective Rate	
Profit before income tax as per profit and loss account		4,526,233,418
Income tax as per applicable tax rate	37.50	1,697,337,532
Factors affecting the tax charge for current year:		
Inadmissible	3.60	162,752,571
Admissible Expenses in the current year (i.e.write-off etc.)	(12.82)	(580,441,918)
Tax savings from reduced tax rates for dividend	(1.10)	(49,881,331)
Tax loss/(savings) from reduced tax rates for capital gain	(1.12)	(50,660,181)
Total income Tax Expenses	26.05	1,179,106,673
		1,482,531,120
14.5 Zakat fund		
Opening Balance	165,694,341	149,522,749
Addition this year	181,384,083	165,694,341
To sadaka fund	113,365,052	103,558,963
To provision for tax	68,019,031	62,135,378
Less: Paid during the year	-	-
Less: Transferred to Provision for Taxation	(62,135,379)	(56,071,031)
Less: Transferred to Sadaka fund (Balance of Zakat Fund)	(103,558,963)	(93,451,718)
Closing Balance at the end of the year	181,384,082	165,694,341
14.6 Mudaraba Profit Distribution		
Opening Balance	-	-
Addition the year	24,500,000	5,000,000
Less: Paid during the year	-	-
Closing Balance at the end of the year	24,500,000	5,000,000
14.7 Provision for good borrower		
Opening balance	10,000,000	10,000,000
Addition during the year	-	-
Paid during the year	-	-
Closing Balance at the end of the year	10,000,000	10,000,000



	31.12.2021 Taka	31.12.2020 Taka	
14.8 Provision for Climate Risk Fund			
Opening balance	20,000,000	3,000,000	
Addition during the year	-	17,000,000	
Paid during the year	-	-	
Closing Balance at the end of the year	20,000,000	20,000,000	
Provision for Climate Risk Fund has been maintained in accordance with GBSRD circular no: 04, dated: 09 July 2015 and SFD circular no: 01, dated: 11 May 2016.			
14.9 Provision for Start-Up Fund			
Opening balance	15,509,355	15,509,355	
Addition during the year	16,597,056	-	
Paid during the year	-	-	
Closing Balance at the end of the year	32,106,411	15,509,355	
Provision for Start-Up Fund has been maintained in accordance with Bangladesh bank SMESPD circular no: 04, dated: 29 March 2021.			
15 Deferred Tax Liability/(Asset)			
Balance at the beginning of the year	438,206,855	93,817,514	
Add: Provision made during the year	35,558,510	7,181,158	
	473,765,365	100,998,672	
Add: Transferred from revaluation reserve	-	337,208,183	
Less: Transferred to Retained earnings	8,335,371	-	
Closing balance at the end of the year	465,429,994	438,206,855	
Deferred tax detailed calculation disclosed in annexure-G			
15 (a) Consolidated Deferred Tax Liability/(Asset)			
Social Islami Bank Limited	465,429,994	438,206,855	
SIBL Securities Limited			
Balance at the beginning of the year	812,743	887,413	
Add: Provision made during the year	(701,012)	(74,670)	
Closing balance at the end of the year	111,731	812,743	
Grand total	465,541,725	439,019,598	
16 Capital			
16.1 Authorized Capital			
3,000,000,000 ordinary shares of Tk. 10 each	30,000,000,000	30,000,000,000	
16.2 Issued, Subscribed and Paid up Capital			
The Paid-up Capital of the Bank is currently Tk. 9,849,088,440 divided into 984,908,844 Ordinary Shares of Tk 10 each	9,849,088,440	9,380,084,230	
Break up of paid up capital is as follows			
26,000,000 no. Ordinary shares of Tk.10 issued for cash	260,000,000	260,000,000	
477,322,945 no. Ordinary shares of Tk. 10 each for cash as right share	4,773,229,450	4,773,229,450	
234,975,697 no.ordinary shares of Tk 10 each issued as bonus shares	2,349,756,970	2,349,756,970	
73,829,864 no.ordinary shares of Tk 10 each issued as bonus shares	738,298,640	738,298,640	
81,212,850 no.ordinary shares of Tk 10 each issued as bonus shares	812,128,500	812,128,500	
44,667,067 no.ordinary shares of Tk 10 each issued as bonus shares	446,670,670	446,670,670	
46,900,421 no.ordinary shares of Tk 10 each issued as bonus shares	469,004,210	-	
	9,849,088,440	9,380,084,230	
Sponsor and Directors	3,158,092,740	2,819,069,460	
General Shareholders	6,690,995,700	6,561,014,770	
	9,849,088,440	9,380,084,230	
16.3 Classification of Shareholders by holding			
Year 2021	No. of Shareholders	No. of shares	Percentage of holding of shares
Less than 500 shares	11,566	1,884,625	0.19%
501 to 5,000 shares	11,957	21,959,127	2.23%
5,001 to 10,000 shares	1,629	11,936,915	1.21%
10,001 to 20,000 shares	772	11,144,462	1.13%
20,001 to 50,000 shares	441	14,038,776	1.43%
50,001 to 99,999 shares	378	923,944,939	93.81%
Total	26,743	984,908,844	100.00%
Year 2020	No. of Shareholders	No. of shares	Percentage of holding of shares
Shareholding range			
Less than 500 shares	12,383	1,993,664	0.21%
501 to 5,000 shares	12,683	22,780,015	2.43%
5,001 to 10,000 shares	1,706	11,909,672	1.27%
10,001 to 20,000 shares	794	11,184,125	1.19%
20,001 to 50,000 shares	417	12,756,769	1.36%
50,001 to 99,999 shares	364	877,384,178	93.54%
Total	28,347	938,068,423	100.00%



			31.12.2021 Taka	31.12.2020 Taka
16.4	Particulars of shareholding and Percentage Analysis			
	Particulars of shareholding:	Year 2021		
		Number of Share holders	Number of Shares	
Sponsors & Placement	21	113,475,782	1,134,757,820	892,929,910
Sponsors Foreign	11	13,027,770	130,277,700	128,098,000
Sponsors & Placement Company	11	222,051,647	2,220,516,470	1,926,139,550
General Public	26,129	167,550,842	1,675,508,420	1,799,371,740
Institutions (Bank & Insurance)	47	35,050,498	350,504,980	258,905,230
Institution (Others)	489	410,010,650	4,100,106,500	4,171,971,820
ICB Account Holders	23	82,624	826,240	637,540
ICB	1	12,196,154	121,961,540	107,540,040
ICB Unit Fund	1	9,067,631	90,676,310	74,088,260
Employee	2	2,190,758	21,907,580	17,978,660
Non-Resident Bangladeshi	8	204,488	2,044,880	2,423,480
	26,743	984,908,844	9,849,088,440	9,380,084,230
	Percentage of shareholding Analysis:		Percentage	Percentage
Sponsors & Placement			11.52%	9.52%
Sponsors Foreign			1.32%	1.37%
Sponsors & Placement Company			22.55%	20.53%
General Public			17.01%	19.18%
Institutions (Bank & Insurance)			3.56%	2.76%
Institution (Others)			41.63%	44.48%
ICB Account Holders			0.01%	0.01%
ICB			1.24%	1.15%
ICB Unit Fund			0.92%	0.79%
Employee			0.22%	0.19%
Non-Resident Bangladeshi			0.02%	0.03%
			100%	100%

16.5 Capital Adequacy (Solo Basis)

Position of capital adequacy are given below:-

a) Going Concern Capital (Tier-I)

Common Equity Tier I (CET-I) Capital

i) Paid-up Capital	9,849,088,440	9,380,084,230
ii) Statutory Reserve (Note: 17)	7,605,264,974	7,030,390,821
iii) Retained Earnings (Note: 19)	1,226,046,292	1,056,769,989
	18,680,399,705	17,467,245,040
Adjustment in CET-I (Intangible Assets i.e Software)	194,557,589	-
Eligible Common Equity Tier I Capital	18,485,842,117	-

Additional Tier I (AT-I) Capital

i) SIBLMudaraba Perpetual Bonds	5,000,000,000	1,500,000,000
Available Additional Tier I Capital	5,000,000,000	1,500,000,000
Limit for Additional Tier I Capital	4,196,627,222	-
Total Eligible Tier I Capital	22,682,469,338	18,967,245,040

b) Gone Concern Capital (Tier-II)

i) General Provision (Note 14.1(b+c))	5,965,478,813	5,441,654,902
ii) SIBLMudaraba Subordinated Bonds	3,800,000,000	5,960,000,000
Available Tier II Capital	9,765,478,813	11,401,654,902
Limit for Tier II Capital	11,191,005,924	-
Total Eligible Tier II Capital	9,765,478,813	-

c) Total eligible capital (a +b)

32,447,948,152 **30,368,899,942**

d) Total Risk Weighted Assets

279,775,148,100 **225,020,617,500**

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

27,977,514,810 **22,502,061,750**

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

34,971,893,513 **28,127,577,188**

g) Total Capital Surplus (c-e)

4,470,433,342 **7,866,838,192**



	31.12.2021	31.12.2020
	<u>Taka</u>	<u>Taka</u>
Capital Adequacy (Consolidated basis)		
Position of capital adequacy are given below:-		
a) Going Concern Capital (Tier-I)		
Common Equity Tier I (CET-I) Capital		
i) Paid-up Capital	9,849,088,440	9,380,084,230
ii) Statutory Reserve (Note: 17)	7,605,264,974	7,030,390,821
iii) General Reserve	13,938,397	11,314,058
iv) Retained Earnings (Note: 19(a))	1,363,252,358	1,103,498,067
	18,831,544,169	17,525,287,175
Adjustment in CET-I (Intangible Assets i.e Software)	194,557,589	-
Eligible Common Equity Tier I Capital	18,636,986,580	-
Additional Tier I (AT-I) Capital		
i) SIBLMudaraba Perpetual Bonds	5,000,000,000	1,500,000,000
Available Additional Tier I (AT-I) Capital	5,000,000,000	1,500,000,000
Limit for Additional Tier I Capital	4,201,942,382	-
Total Eligible Tier I Capital	4,201,942,382	-
	22,838,928,961	19,025,287,175
b) Gone Concern Capital (Tier-II)		
i) General Provision (Note 14.1(b+c))	5,965,478,813	5,441,654,902
ii) SIBLMudaraba Subordinated Bonds	3,800,000,000	5,960,000,000
Available Tier II Capital	9,765,478,813	11,401,654,902
Limit for Eligible Tier II Capital	11,205,179,684	-
Total Eligible Tier II Capital	9,765,478,813	-
c) Total eligible capital (a +b)	32,604,407,775	30,426,942,077
d) Total Risk Weighted Assets	280,129,492,100	224,298,667,500
e) Minimum Required Capital (10% of Risk Weighted Assets)	28,012,949,210	22,429,866,750
f) Minimum Required Capital including conservation buffer (12.5% of Risk Weighted Assets)	35,016,186,513	28,037,333,438
g) Total Capital Surplus (c-e)	4,591,458,565	7,997,075,327

Capital to Risk Weighted Asset Ratio (Solo basis)

Particulars	31.12.2021		31.12.2020	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.11%	6.00%	8.43%
Common Equity Tier I Capital: (CET-I)	4.50%	6.61%	4.50%	7.76%
CET-I Plus Conservation Buffer	7.00%	6.61%	7.00%	7.76%
Gone Concern Capital: (Tier-II)	0.00%	3.49%	0.00%	5.07%
Minimum CRAR	10.00%	11.60%	10.00%	13.50%
Minimum CRAR Plus Conservation Buffer	12.50%	11.60%	12.50%	13.50%

Capital Adequacy Ratio (Consolidated basis)

Particulars	31.12.2021		31.12.2020	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.15%	6.00%	8.48%
Common Equity Tier I Capital: (CET-I)	4.50%	6.65%	4.50%	7.81%
CET-I Plus Conservation Buffer	7.00%	6.65%	7.00%	7.81%
Gone Concern Capital: (Tier-II)	0.00%	3.49%	0.00%	5.08%
Minimum CRAR	10.00%	11.64%	10.00%	13.57%
Minimum CRAR Plus Conservation Buffer	12.50%	11.64%	12.50%	13.57%



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)	31.12.2021		31.12.2020	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	57,273,000,000	-	59,815,500,000	-
20%	47,806,397,000	9,561,279,400	32,450,100,000	6,490,020,000
40%	1,258,073,000	503,229,200	2,524,500,000	1,009,800,000
50%	107,553,953,000	53,776,976,500	135,867,800,000	67,933,900,000
60%	22,269,400,000	13,361,640,000	27,300,100,000	16,380,060,000
75%	30,042,621,000	22,531,965,750	25,167,550,000	18,875,662,500
80%	8,390,000,000	6,712,000,000	9,664,500,000	7,731,600,000
100%	95,831,426,000	95,831,426,000	59,903,000,000	59,903,000,000
120%	-	-	-	-
125%	45,372,561,000	46,420,801,250	28,741,100,000	18,052,675,000
150%	6,193,320,000	9,289,980,000	4,453,500,000	6,680,250,000
Total	421,990,751,000	257,989,298,100	385,887,650,000	203,056,967,500
b) Risk Weights for Operational Risk	2,078,595,000	20,785,950,000	2,018,085,000	20,180,850,000
c) Risk Weights for Market Risk	99,990,000	999,900,000	178,280,000	1,782,800,000
Total Risk Weighted Assets		279,775,148,100		225,020,617,500

Consolidate basis

a) Risk Weights for Credit Risk

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2021		31.12.2020	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	57,423,000,000	-	59,921,700,000	-
20%	47,806,397,000	9,561,279,400	32,450,100,000	6,490,020,000
40%	1,258,073,000	503,229,200	2,524,500,000	1,009,800,000
50%	107,553,953,000	53,776,976,500	135,867,800,000	67,933,900,000
60%	22,269,400,000	13,361,640,000	27,300,100,000	16,380,060,000
75%	30,042,621,000	22,531,965,750	25,167,550,000	18,875,662,500
80%	8,390,000,000	6,712,000,000	9,664,500,000	7,731,600,000
100%	98,190,545,000	98,190,545,000	59,955,600,000	59,955,600,000
120%	-	-	-	-
125%	43,274,661,000	43,798,426,250	27,527,500,000	16,535,675,000
150%	6,193,320,000	9,289,980,000	4,453,500,000	6,680,250,000
Total	422,401,970,000	257,726,042,100	384,832,850,000	201,592,567,500
b) Risk Weights for Operational Risk	2,094,675,000	20,946,750,000	2,035,890,000	20,358,900,000
c) Risk Weights for Market Risk	145,670,000	1,456,700,000	234,720,000	2,347,200,000
Total Risk Weighted Assets		280,129,492,100		224,298,667,500

17 Statutory Reserve

Opening balance	7,030,390,821	6,422,261,269
Add: Addition during the year	574,874,153	608,129,552
	7,605,264,974	7,030,390,821

17(a) General Reserve

Opening balance	11,314,058	9,843,356
Add: Addition during the year	2,624,339	1,470,702
Less: Adjustment during the year	-	-
	13,938,397	11,314,058

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

18 Revaluation Reserve on fixed assets

Carrying (Revalued) amount of fixed assets (Land and Building)	1,366,323,995	1,401,041,790
Cost of fixed assets (land and building) less depreciation	457,973,756	469,662,529
Balance of revaluation reserve	908,350,239	931,379,261
Less: Adjustment made based on difference amount of depreciation	14,117,926	23,029,023
Less: Transferred to deferred tax	337,208,183	337,208,183
Remaining balance of revaluation reserve	557,024,130	571,142,055

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

a. The effective date of revaluation:

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



b. Valuer:

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

c. Method used for determination of fair value:

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

Location	Class of property	Cost less depreciation	Revaluation Surplus as on 31.01.2021	Depreciation on revalued amount	Depreciation on cost	(amounts in Taka)
						Amount of adjustment for the year 2021
City Center, Head Office	Building	312,272,268	745,765,476	26,450,944	7,806,807	18,644,137
Chandaikona Branch	Land	2,111,623	10,218,377		-	-
	Building	919,798	1,027,338	48,678	22,995	25,683
Savar Branch	Building	25,071,978	22,733,672	1,195,141	626,799	568,342
Panthapath Branch	Building	20,860,567	42,125,685	1,574,656	521,514	1,053,142
Rampura Branch	Building	31,050,347	29,545,148	1,514,887	776,259	738,628
Khulna Branch	Building	14,628,989	11,526,504	653,887	365,725	288,162
Nawabpur Road Branch	Building	51,058,186	45,408,039	2,411,656	1,276,455	1,135,201
		457,973,756	908,350,240	33,849,850	11,396,553	22,453,297

19

Retained Earnings

	31.12.2021 Taka	31.12.2020 Taka
Opening balance	1,056,769,989	984,276,383
Less: Issue of cash dividend 5%	(469,004,212)	(446,670,678)
Less: Issue of Stock dividend 5%	(469,004,210)	(446,670,670)
Add: Transferred from Profit & Loss Account	1,084,831,428	942,805,931
Add: Transferred from Revaluation Reserve for Fixed Assets	22,453,297	23,029,023
	1,226,046,292	1,056,769,989

19(a)

Consolidated retained earnings

Opening Balance	1,103,498,067	1,015,230,517
Less: Issue of cash dividend for SIBL shareholders 5%	(469,004,212)	(446,670,678)
Less: Issue of Stock dividend 5%	(469,004,210)	(446,670,670)
Add: Transferred from current year retained earnings of SIBL & its subsidiaries (note 19.1(a))	1,175,309,416	959,141,552
Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL	22,453,297	23,029,023
Add: Adjustment for implementation of IFRS 16	-	(561,678)
	1,363,252,358	1,103,498,067

SIBL has invested amount of Taka- 1,537,498,800 and Taka- 249,999,200 in two of its subsidiaries 'SIBL Securities Ltd. (SIBL SL)' and 'SIBL Investment Ltd. (SIBL IL)' respectively. SIBL holds 99.999922% and 99.99968% of total shares of its subsidiaries 'SIBL SL' and 'SIBL IL' respectively while the other shareholders of the subsidiaries hold 0.000078% and 0.00032% of total shares respectively.

Details of the shareholding position is as under:

Sl no.	Shareholders	No. Shares		Value of shares		Percentage of holding of shares	
		SIBL SL	SIBL IL	SIBL SL	SIBL IL	SIBL SL	SIBL IL
1	Social Islami Bank Limited	15,374,988	2,499,992	1,537,498,800	249,999,200	99.999922%	99.99968%
2	Alhaj Nasiruddin	1	1	100	100	0.00007%	0.00004%
3	Mr. Md. Sayedur Rahman	1	-	100	-	0.00007%	-
4	Major (Retd.) Dr. Md. Rezaul Haque	1	1	100	100	0.00007%	0.00004%
5	Alhaj Sultan Mahmood Chowdhury	1	1	100	100	0.00007%	0.00004%
6	Mr. Abdul Awal Patwary	1	1	100	100	0.00007%	0.00004%
7	Hamdard Laboratories (Waqf) Bangladesh, Represented by: Mr. Anisul Hoque	1	-	100	-	0.00007%	-
8	Mrs. Nargis Mannan	1	-	100	-	0.00007%	-
9	Mr. Kamaluddin Ahmed	1	1	100	100	0.00007%	0.00004%
10	Alhaj Sk. Mohammad Rabban Ali	1	1	100	100	0.00007%	0.00004%
11	Mr. A. Jabbar Mollah	1	-	100	-	0.00007%	-
12	Mr. Md. Kamal Uddin	1	1	100	100	0.00007%	0.00004%
13	Mr. Belal Ahmed	1	1	100	100	0.00007%	0.00004%
		15,375,000	2,500,000	1,537,500,000	250,000,000	100.00%	100.00%



	31.12.2021	31.12.2020
	Taka	Taka
19.1 Current year retained earnings		
Social Islami Bank Limited		
Profit after tax	1,659,705,580	1,550,935,483
Less : Statutory Reserve	574,874,153	608,129,552
	1,084,831,428	942,805,931
19.1.(a) Consolidated Current year retained earnings		
Profit after tax of SIBL	1,659,705,580	1,550,935,483
Less :Statutory Reserve	574,874,153	608,129,552
Profit(Loss) attributable to Group	1,084,831,428	942,805,931
Add: Profit(loss) of subsidiaries		
<i>Add: Current year profit(loss) of subsidiaries</i>		
SIBL Securities Limited	76,499,992	8,286,568
SIBL Investment Limited	11,679,176	8,049,079
	88,179,168	16,335,646
<i>Less: Non controlling interests of profit(loss) attributable for current year</i>		
SIBL Securities Limited	60	7
SIBL Investment Limited	37	19
	97	26
<i>Less: Common income (Dividend) for elimination</i>		
SIBL Securities Limited	-	-
Profit(Loss) attributable to parent	1,173,010,499	959,141,551
19(b) Non-controlling interest		
SIBL Securities Limited		
Paid up capital	1,537,500,000	1,230,000,000
Retained earnings	118,060,054	41,560,062
Net Assets	1,655,560,054	1,271,560,062
SIBL Investment Limited		
Paid up capital	250,000,000	250,000,000
Retained earnings	16,847,436	5,168,260
Net Assets	266,847,436	255,168,260
Non-controlling interests		
SIBL Securities Limited, @ 0.000078% of net assets	1,287	1,226
SIBL Investment Limited, @0.00032% of net assets	650	613
Total non-controlling interest	1,937	1,840
20 Contingent liabilities		
20.1 Acceptances and Endorsements		
Bill Bankers' liabilities (DP)	15,754,462,900	16,435,379,400
Bill Bankers' liabilities (BB/FO)	899,343,000	842,599,000
Bill Bankers' liabilities (BB/LO)	4,339,580,500	3,615,452,346
Bill Bankers' liabilities (EPZ)	473,257,000	319,459,000
Bill Bankers' liabilities Others	273,354,000	116,982,000
	21,739,997,400	21,329,871,746
20.2 Letter of Credit		
L/C Bankers' liabilities (DP)	5,796,829,000	3,786,200,000
L/C Bankers' liabilities (BB/FO)	1,197,417,000	848,696,000
L/C Bankers' liabilities (BB/LO)	2,736,419,000	1,798,280,000
L/C Bankers' liabilities (Cash)	8,604,284,387	7,302,561,672
L/C Bankers' liabilities (EPZ)	2,523,182,965	1,487,197,965
L/C Bankers' liabilities (Others)	251,292,000	140,015,000
	21,109,424,352	15,362,950,636
20.3 Letters of guarantees		
Letters of guarantee	9,340,583,965	10,352,181,319
20.4 Bills for collection		
In-ward bills for collection	-	-
Out-ward Bills for Collection	7,273,898,617	5,394,930,566
	7,273,898,617	5,394,930,566
20.5 Other Contingent Liabilities		
	-	-
20.6 Other Commitments		
	-	-
Total Off-balance sheet items	59,463,904,333	52,439,934,267



	31.12.2021 Taka	31.12.2020 Taka
Income Statement (Note-21 to Note-39)		
Income:		
Income from Investment (Note-21)	23,960,778,190	27,036,266,956
Income from Investment in Shares & Securities (Note-23)	793,239,363	762,379,471
Commission, Exchange and Brokerage Income (Note-24)	1,461,194,791	1,421,214,804
Other operating income (Note-25)	677,986,092	631,009,280
	26,893,198,435	29,850,870,511
Expenses:		
Profit paid on Deposits (Note-22)	16,146,371,912	19,484,793,192
Administrative expenses	3,602,941,290	3,567,609,542
Other operating expenses	1,984,228,765	1,870,591,036
Depreciation on Banking assets	633,423,051	584,665,633
	22,366,965,018	25,507,659,402
Income over expenditure	4,526,233,418	4,343,211,109
21	Income from Investment	
	108,159,934	120,787,294
	16,707,154,497	18,174,056,468
	4,410,787,567	5,563,994,892
	16,067,284	21,534,394
	60,405,980	86,416,082
	675,808,427	614,418,851
	269,652,889	339,039,978
	901,076,716	1,053,056,472
	43,898,002	62,368,086
	521,577,525	715,988,122
	205,758,881	208,442,820
	40,430,486	76,163,298
	23,960,778,190	27,036,266,956
21(a)	Consolidated income from investment	
	Social Islami Bank Ltd.	23,960,778,190
	<i>Add: Income from investment of subsidiaries of SIBL</i>	78,569,068
	SIBL Securities Ltd.	141,183,086
	SIBL Investment Ltd.	196,179
	Grand total of consolidated investment income	24,102,157,455
22	Profit paid on Deposits	
	Profit paid on deposits	
	830,489,681	814,767,804
	480,312,992	386,923,535
	10,178,731,873	13,548,513,534
	26,997,067	25,991,181
	3,801,275,415	3,914,166,276
	15,317,807,029	18,690,362,330
	Profit paid on borrowings	
	SIBL Mudaraba Subordinate & Perpetual Bond	85,322,013
	Total profit paid on deposits and borrowings	743,242,869
	16,146,371,912	19,484,793,192
22(a)	Consolidated Profit paid on Deposits	
	Social Islami Bank Ltd.	
	16,146,371,912	19,484,793,192
	<i>Add: Income from investment of subsidiaries of SIBL</i>	
	71,387,281	72,785,405
	SIBL Securities Ltd.	71,387,281
	SIBL Investment Ltd.	-
	Grand total of consolidated Profit paid on Deposits	16,217,759,192
23	Income from Investment in Shares & Securities	
	141,471,857	312,612,559
	184,218,839	196,283,426
	179,347,654	209,645,890
	94,477,398	-
	3,164,835	-
	190,558,781	43,837,595
	793,239,363	762,379,471

Social Islami Bank Ltd. has investment of Tk. 1110.00 crore in Bangladesh Govt. Islamic Investment Bond for which 0.46%, average rate of income has been provided for January-December 2021. The nature of the Fund is to generate profit according to Mudaraba Principle.



	31.12.2021 Taka	31.12.2020 Taka
23(a) Consolidated income from Investment in Shares & Securities		
Social Islami Bank Ltd.	793,239,363	762,379,471
<i>Add: Income from Investment in Shares & Securities of subsidiaries of SIBL</i>	32,295,266	15,979,258
SIBL Securities Ltd.	19,023,461	12,416,956
SIBL Investment Ltd.	13,271,805	3,562,302
<i>Less: Common income for elimination</i>		
SIBL Securities Ltd.	-	-
Grand total of consolidated income from Investment in Shares & Securities	825,534,629	778,358,729
24 Commission, Exchange & Brokerage		
Commission	683,994,762	646,370,203
Exchange income	777,200,029	774,844,601
	1,461,194,791	1,421,214,804
24(a) Consolidated income from commission, exchange & brokerage		
Social Islami Bank Ltd.	1,461,194,791	1,421,214,804
<i>Add: Income from commission, exchange & brokerage of subsidiaries of SIBL</i>	174,101,064	65,443,481
SIBL Securities Ltd.	174,101,064	65,443,481
SIBL Investment Ltd.	-	-
Grand total of consolidated income from commission, exchange & brokerage	1,635,295,855	1,486,658,285
25 Other Operating Income		
P & T charge recovered	1,847,828	1,104,446
Courier Charges Recovery & Others	6,995,707	7,749,768
Services & charges	310,856,350	293,035,374
SWIFT/ Return charge recovered	45,627,920	44,920,212
Other charges (Note: 25.1)	312,658,286	284,199,480
	677,986,092	631,009,280
25(a) Consolidated other operating income		
Social Islami Bank Ltd.	677,986,092	631,009,280
<i>Add: Other operating Income of subsidiaries of SIBL</i>	5,389,540	1,775,222
SIBL Securities Ltd.	3,084,874	1,775,222
SIBL Investment Ltd.	2,304,666	-
Grand total of consolidated income from other operating income	683,375,632	632,784,502
25.1 Other Charges		
Rent receipts	3,277,572	3,381,450
Income from sale of forms	201,600	89,900
Service charge on SIBL Cards	131,120,901	103,868,978
Notice pay earnings	5,240,730	6,773,104
Miscellaneous income	172,817,483	170,086,049
	312,658,286	284,199,480
26 Salary & Allowances		
Basic Salary	1,471,520,386	1,394,824,420
Allowances	1,364,627,493	1,410,617,250
Bonus	445,987,992	461,895,812
L/E Salary & Allowances	151,683,537	137,115,797
Bank's Contribution to Provident fund	140,791,169	132,001,355
Bank's Contribution to Social Insurance fund	14,072,362	13,174,850
SIBL Group life Insurance Premium	3,833	4,358,232
	3,588,686,773	3,553,987,716
26(a) Consolidated expenses for Salary and Allowance		
Social Islami Bank Ltd.	3,588,686,773	3,553,987,716
<i>Add: Salary and Allowance for subsidiaries</i>	34,716,820	30,699,093
SIBL Securities Ltd.	34,716,820	30,699,093
SIBL Investment Ltd.	-	-
	3,623,403,593	3,584,686,809
27 Rent, Taxes, Insurance & Electricity etc.		
Rent, Rates & Taxes (note: 27.1)	192,879,597	182,655,810
Insurance (note: 27.2)	210,378,129	116,174,774
Electricity, Lighting & Water (note: 27.3)	101,615,140	91,170,155
	504,872,866	390,000,739
27.1 Rent, Rates & Taxes		
Rent, Rates & Taxes (note: 27.1.1)	420,013,566	386,615,353
Less: rent expenses under IFRS-16 *	227,133,969	203,959,543
	192,879,597	182,655,810

*While implementing IFRS 16 (leases), the bank recorded interested expenses on lease liability and depreciation on right of use assets (ROU) instead of charging rental expenses of Taka 227,133,969 (excluding VAT) in 2021 against those rental premises that have been treated as right of use assets (ROU) (lease assets) however VAT on those rent has been charged as rent.



	31.12.2021	31.12.2020
	Taka	Taka
27(a) Consolidated expenses for rent, taxes, insurance & electricity		
Social Islami Bank Ltd.	504,872,866	390,000,739
Add: Rent, Taxes, Insurance & Electricity etc. of subsidiaries	737,401	764,106
SIBL Securities Ltd.	737,401	764,106
SIBL Investment Ltd.	-	-
	505,610,267	390,764,845
Rent, Rates & Taxes		
Office rent		5,094,024
Less: Adjustment due to execution of IFRS 16 for the first time	-	5,094,024
	-	-
VAT on office rent	737,401	764,106
Total Rent, Rates & Taxes	737,401	764,106
27.1.1 Rents, Rates, Taxes, Insurance & Lighting etc.		
Rents		
Rent (Office)	403,791,678	369,208,140
Rent (Garage)	340,955	338,580
Rent (Godown & others)	6,756,623	6,570,388
	410,889,256	376,117,108
Rates and Taxes	9,124,310	10,498,246
Total Rents, Rates & Taxes	420,013,566	386,615,353
27.2 Insurances		
Insurance Premium in Counter	1,110,764	1,055,338
Insurance Premium in Transit	6,220,729	7,498,369
Insurance Premium Safe/Vault	7,878,274	7,739,869
Insurance Premium on deposit	192,382,292	96,184,464
Insurance Premium on Vehicle	1,198,019	1,886,030
Other Insurance	1,588,052	1,810,705
	210,378,129	116,174,774
27.3 Lighting & Electricity		
Lighting & Electricity Bill (Office)	92,436,923	82,396,953
Lighting & Electricity Charges (Office)	5,320,659	4,915,332
Sub Total	97,757,582	87,312,285
Water & Sewerage	3,857,558	3,857,869
	101,615,140	91,170,155
28 Legal Expenses		
Legal Fees & Charge	3,804,599	5,063,206
Stamp Duties	51,046	70,704
Other Legal Expenses	3,627,941	4,240,360
	7,483,586	9,374,270
29 Postage, Stamps, Telecommunication etc.		
Cable Network rent	272,649	467,202
Telephone charges	2,030,960	2,330,470
Mobile phone charges	4,461,503	3,561,603
	6,765,111	6,359,275
29(a) Consolidated expenses for Postage, Stamps, Telecommunication etc.		
Social Islami Bank Limited	6,765,111	6,359,275
Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries	1,899,912	974,494
SIBL Securities Ltd.	1,899,912	974,494
SIBL Investment Ltd.	-	-
	8,665,023	7,333,769
30 Stationery, Printing, Advertisements etc.		
Table Stationery	8,154,025	11,921,489
Printing & Stationery	46,032,881	42,374,132
News Paper & Magazine	11,281,083	20,125,696
Television & Radio	30,443,900	31,651,160
Neon Sign, Banner etc.	736,092	531,889
Other Publicity	8,056,949	16,003,209
	104,704,930	122,607,574



	31.12.2021 Taka	31.12.2020 Taka
30(a) Consolidated expense of Stationery, Printing, Advertisement etc.		
Social Islami Bank Ltd.	104,704,930	122,607,574
Stationery, Printing, Advertisement expense of Subsidiaries of SIBL	573,421	301,991
SIBL Securities Limited.	573,421	301,991
SIBL Investment Limited.	-	-
	105,278,351	122,909,565
31 Managing Director's salary and allowances		
Basic Salary	8,350,645	8,056,113
Allowances	3,613,872	3,101,613
Festival & other Bonus	2,290,000	2,464,100
	14,254,517	13,621,826
32 Directors' Fees & Meeting Expenses		
Directors Fee	2,141,936	2,014,200
Meeting Expenses	305,882	2,772,636
	2,447,818	4,786,836
32(a) Consolidated Directors' fees & Meeting Expenses:		
Social Islami Bank Limited	2,447,818	4,786,836
Directors' Fees & Meeting Expenses of Subsidiaries of SIBL	353,000	536,000
SIBL Securities Limited	353,000	536,000
SIBL Investment Limited	-	-
	2,800,818	5,322,836
33 Shariah Supervisory Committee's Fees & Expenses		
Shariah Council Meeting Expenses	144,284	74,629
	144,284	74,629
34 Depreciation and Repair of Bank's Assets		
a) Depreciation of Bank's Assets (Annexure A)		
Land	-	-
Building	46,067,345	47,904,346
Furniture & Fixtures	82,969,028	81,779,457
Office Appliance & Equipment	154,904,020	148,850,317
Computer Software	19,751,616	18,923,554
Vehicles	10,054,201	11,959,117
Right of use Assets (RoU)	205,880,240	191,010,137
Books	70,020	72,187
	519,696,469	500,499,115
b) Repair on Bank's Assets		
Building	45,300	331,740
Motor Car/ Vehicle	17,200,964	15,115,446
Furniture Fixture	3,321,587	3,281,586
Mechanical Appliances	23,264,904	13,924,926
Software Maintenance fee	7,165	1,315,800
Hardware Maintenance fee	620	18,180
IT Enable Service Charges	69,886,042	50,178,841
	113,726,582	84,166,518
Total of Depreciation and repair of Bank's Assets	633,423,051	584,665,633
34(a) Consolidated balance of Depreciation		
Social Islami Bank Ltd.	633,423,051	584,665,633
Add: Depreciation on assets of subsidiaries	5,563,270	5,822,570
SIBL Securities Ltd.	5,563,270	5,822,570
SIBL Investment Ltd.	-	-
Add: Repairs & Maintainance on assets of subsidiaries	1,224,715	703,590
SIBL Securities Ltd.	1,224,715	703,590
SIBL Investment Ltd.	-	-
	640,211,037	591,191,793



	31.12.2021 Taka	31.12.2020 Taka
35 Other Expenses		
Local conveyance	12,360,515	20,249,156
Petroleum, oil & lubricants	15,012,247	13,763,887
Entertainment expenses	42,552,612	34,107,282
Traveling allowances	8,558,039	13,397,742
Travelling Foreign	-	1,419,385
Bank charges	5,304,622	9,924,553
Uniform charges	2,236,764	1,613,771
Subscriptions to Institutions & Others	8,034,912	13,543,177
Banks' clearing house charges	6,730	16,634
CIB Charges	1,405,560	558,860
Transportation charges	6,271,605	6,700,787
News paper, Journal & periodicals	139,596	98,162
Washing charges	1,010,312	1,463,624
Training expenses Academy/ Internal	500	26,940
Training expenses at outside Banks	724,900	499,227
Commission Paid to Agent Banking	58,325,725	36,951,690
Direct expenses on investment	58,613	3,078
Up keep of branches/office premises	6,261,873	6,909,990
Excise duty	1,649,000	1,603,345
Computer charges	15,047,653	13,315,012
Security Services	239,531,190	202,282,596
Cleaner Services	8,249,704	7,824,644
Others wages	244,335,828	218,034,048
Photocopy expenses	549,671	763,774
Photography expenses	82,240	113,255
Cash & Bank remittance charges	6,242,070	5,627,534
Honorarium	1,955,900	2,004,485
On-Line Expenses	37,425,563	36,682,138
ATM Rent Hardware	6,421,423	5,388,532
Professional & Rating Fees	45,953,840	11,867,274
Other Utility	35,334,219	35,957,380
Bond issue related Expense	442,500	11,185,000
Donation to Government	50,050,000	180,000,000
Donation to Others	160,040	557,695
CSR Related Expenditure	53,741,214	55,167,633
Business Development Exp	7,236,779	18,124,915
Fees Form @ Renewal	24,535,821	2,749,658
Network sharing fees (Visa)	7,864,038	4,187,570
Service Charges	9,704,731	9,230,497
Fair value adjustment for shares and securities	17,190,627	-
Gratuity expense	133,908,355	126,929,022
Finance cost on lease liabilities as per IFRS-16	47,907,376	48,400,969
Miscellaneous expenses	11,721,180	11,528,452
	1,175,506,087	1,170,773,372
35(a) Consolidated Other Expenses		
Social Islami Bank Limited	1,175,506,087	1,170,773,372
Add: Other Expenses for SIBL Securities Limited	27,020,673	10,437,832
License, fees, renewals and incorporation expenses	24,706,683	8,752,272
Entertainment	1,092,661	782,891
Others	1,221,329	902,669
Other Expenses for SIBL Investment Limited	160,185	58,030
Incorporation and Other Regulatory expenses	-	-
Bank charge and Excise duty	57,185	57,530
Others	103,000	500
	1,202,686,945	1,181,269,234
36 Other Provision		
Provision for other assets (note: 14.2)	-	-
Mudaraba Profit Distribution (note: 14.6)	-	5,000,000
Provision for good borrower (note: 14.7)	-	-
Provision for Climate Risk Fund (note: 13.8)	-	10,000,000
Provision for Start-Up Fund (note: 14.9)	16,597,056	15,509,355
	16,597,056	30,509,355



	31.12.2021 Taka	31.12.2020 Taka
36(a) Consolidated other provision		
Social Islami Bank Ltd.	16,597,056	30,509,355
<i>Add: Provision for subsidiaries</i>		
SIBL Securities Ltd.		
Provision for general reserve	2,624,339	1,470,702
Provision for impairment of margin loan	72,134,103	4,193,333
Provision for capital reserve	8,500,000	-
Provision for diminution in value of investment	-	2,498,746
	83,258,442	8,162,781
SIBL Investment Ltd. (Provision for diminution in value of investment)	-	(2,660,502)
	99,855,498	36,011,634
37 Provision against Investment, Off-Balance Sheet items & Others		
Provision on classified investment	1,111,441,687	230,209,106
Provision on unclassified investment	(893,980,701)	329,524,380
Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020)	597,373,154	732,164,047
(As per BRPD Circular letter No.52 dt. 30.12.2021)	768,946,219	-
Provision on Off-Balance Sheet items	51,485,240	(19,843,540)
Other provisions (note: 36)	16,597,056	30,509,355
	1,651,862,655	1,302,563,348
37(a) Consolidated Provision against Investment, Off-Balance Sheet items & Others		
Social Islami Bank Ltd.	1,651,862,655	1,302,563,348
<i>Add: Provision for subsidiaries</i>	83,258,442	5,502,279
SIBL Securities Ltd.	83,258,442	8,162,781
SIBL Investment Ltd.	-	(2,660,502)
	1,735,121,097	1,308,065,627
38 Provision for Income Tax		
Current year provision (Note: 38.1)	1,179,106,673	1,482,531,120
Deferred Tax expense/(income) (Note: 38.2)	35,558,510	7,181,158
	1,214,665,183	1,489,712,278
38(a) Consolidated Provision for Income Tax		
Social Islami Bank Limited	1,214,665,183	1,489,712,278
SIBL Securities Limited	34,114,809	15,601,738
Current year provision	34,815,821	15,676,408
Deferred Tax expense/(income)	(701,012)	(74,670)
SIBL Investment Limited	1,611,373	1,186,754
	1,250,391,364	1,506,500,770
38.1 Current Year Tax Provision		
Provision on tax has been calculated based on Income Tax Ordinance, 1984 as amended upto 2021 by the Finance Act, considering the allowances and disallowances.		
38.2 Deferred Tax Expenses/(Income)		
Deferred tax expense/(income) for liability/(asset) has been calculated as per Bangladesh Accounting Standard 12.		
39 Earning Per Share (EPS)		
SIBL has issued 1:1 right share for an amount of Taka- 2,987,815,750 as approved in its 242nd Board Meeting held on 02 March 2011 by the Directors of the Board. Before right issue SIBL had a total capital of Taka- 2,987,815,750 as on 31.12.2010. The paid up capital was further enhanced by an amount of Taka- 418,294,200, Taka-637,489,940, Taka-351,570,780, Taka-738,298,640, 812,128,500 and Taka-446,670,670 issued as bonus share for the years ended 31 December 2010, 2012, 2015, 2017, 2018, 2019 and 2020. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 9,849,088,440 with a total no. of 984,908,844 shares having face value @ Taka- 10/share.		
Net Profit after Tax	1,659,705,580	1,550,935,483
Number of ordinary shares outstanding	984,908,844	984,908,844
Earning Per Share (EPS) (Prior year Restated)	1.69	1.57
39(a) Consolidated Earning Per Share (CEPS)		
Net Profit after Tax	1,750,183,569	1,567,271,105
Number of ordinary shares outstanding	984,908,844	984,908,844
Consolidated Earning Per Share (CEPS) (Prior year Restated)	1.78	1.59
Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".		
Earnings per share (EPS) increased compare to the last year mainly due to increase of net profit after tax.		



	31.12.2021	31.12.2020
	Taka	Taka
39 (i) Net Asset Value (NAV) Per Share:		
Net Asset Value (Consolidated)	19,397,068,299	18,096,429,231
Net Asset Value (Solo)	19,237,423,835	18,038,387,095
Number of ordinary shares outstanding	984,908,844	984,908,844
Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated)	19.69	18.37
Net Asset Value (NAV) Per Share (Solo) (Prior year Restated)	19.53	18.31
39 (ii) Net Operating Cash Flows per share (NOCFPS):		
Net Cash flow from operating activities (Consolidated)	(1,698,537,229)	3,627,418,172
Net Cash flow from operating activities (Solo)	(1,702,153,979)	3,612,826,261
Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated)	984,908,844	984,908,844
Net Operating Cash Flow Per Share (NOCFPS)(Consolidated) (prior year restated)	(1.72)	3.68
Net Operating Cash Flow Per Share (NOCFPS)(Solo) (prior year restated)	(1.73)	3.67

Net Operating Cash Flow per share decreased mainly due to higher cash outflow in respect of deposit & Investment compare to previous year.

Notes for Cash Flow Statement (Note-40 to Note-45)

40 Income from Investment		
Investment profit receipt	23,960,778,190	27,036,266,956
Add: Opening profit receivable	528,810,265	665,595,298
Less: Closing profit receivable	(451,382,168)	(528,810,265)
	24,038,206,287	27,173,051,989
40(a) Consolidated income from investment		
Income from investment of SIBL	24,038,206,287	27,173,051,989
Income from investment of Subsidiaries of SIBL	141,379,265	78,569,068
SIBL Securities Ltd.	141,183,086	75,475,009
SIBL Investment Ltd.	196,179	3,094,059
Grand total	24,179,585,553	27,251,621,057
41 Receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
Exchange income	719,459,224	737,593,057
Rent receipts	3,277,572	3,381,450
P & T charge recovered	1,847,828	1,104,446
Courier Charges Recovery & Others	6,995,707	7,749,768
Notice pay earnings	5,240,730	6,773,104
Miscellaneous income	172,817,483	170,086,049
Services & charges	310,856,350	293,035,374
SWIFT/ Return charge recovered	45,627,920	44,920,212
Service charge on SIBL Cards	131,120,901	103,868,978
Income from sale of forms	201,600	89,900
	1,397,445,315	1,368,602,337
41(a) Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
Receipts from Other Operating Activities of SIBL	1,397,445,315	1,368,602,337
Receipts from other operating activities of Subsidiaries of SIBL	5,389,540	1,775,222
SIBL Securities Ltd.	3,084,874	1,775,222
SIBL Investment Ltd.	2,304,666	-
	1,402,834,855	1,370,377,559
42 Payment to others		
Rent (Office)	403,791,678	369,208,140
Rent (Garage)	340,955	338,580
Rent (Godown)	6,756,623	6,570,388
Rates and Taxes	9,124,310	10,498,246
Insurance Premium for cash in counter	1,110,764	1,055,338
Insurance Premium for cash in transit	6,220,729	7,498,369
Insurance Premium for cash in safe/ vault	7,878,274	7,739,869
Insurance Premium on deposit	192,382,292	96,184,464
Insurance Premium for vehicle	1,198,019	1,886,030
Other Insurance	1,588,052	1,810,705
Lighting and Electricity Bill (Office)	92,436,923	82,396,953
Lighting and Electricity Charges (Office)	5,320,659	4,915,332
Water and Sewerage	3,857,558	3,857,869
Legal Expenses	7,483,586	9,374,270
Directors Fees and Meeting Expenses	2,447,818	4,786,836
Shariah Supervisory Fees & Expenses	144,284	74,629
Audit Fees	920,000	920,000
Repairs and Maintenance	113,726,582	84,166,518
Zakat expenses	181,384,083	165,694,341
Other Expenses (note: 35)	1,175,506,087	1,170,773,372
	2,213,619,275	2,029,750,248



	31.12.2021 Taka	31.12.2020 Taka
42(a) Consolidated payment to others		
Social Islami Bank Limited	2,213,619,275	2,029,750,248
<i>Payment to others- Subsidiaries</i>	29,561,724	12,557,058
SIBL Securities Limited	29,378,539	12,476,028
SIBL Investment Limited	183,185	81,030
	2,243,180,999	2,042,307,306
43 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities		
Cash flows from operating activities		
Net Profit after Taxation	1,659,705,580	1,550,935,483
(Increase)/Decrease Profit Receivable	77,428,098	136,785,033
(Increase)/Decrease Profit Payable on Deposit	1,119,524,431	1,007,229,908
Effects of exchange rate changes on cash & cash equivalents	(57,740,805)	(37,251,544)
Provision for Tax	1,214,665,183	1,489,712,278
Provision for Investment, Contingent Liability & Others	1,651,862,655	1,302,563,348
Depreciation & Amortization of Fixed Assets	519,696,469	500,499,115
Lease rent payable as per IFRS-16	(227,133,969)	(203,959,543)
Income tax paid	(1,926,928,903)	(1,296,182,842)
Operating Profit before changes in operating assets & liabilities	4,031,078,739	4,450,331,235
43(a) Consolidated Cash flows from operating activities		
Net Profit after Taxation	1,750,183,666	1,567,271,131
(Increase)/Decrease Profit Receivable	77,428,098	136,785,033
(Increase)/Decrease Profit Payable on Deposit	1,119,524,431	1,007,229,908
Effects of exchange rate changes on cash & cash equivalents	(57,740,805)	(37,251,544)
Provision for Tax	1,250,391,364	1,506,500,770
Provision for Investment, Contingent Liability & Others	1,735,121,097	1,308,065,627
Depreciation & Amortization of Fixed Assets	525,259,739	506,321,685
Lease rent payable as per IFRS-16	(227,133,969)	(203,959,543)
Income tax paid	(1,970,235,272)	(1,312,378,550)
Operating Profit before changes in operating assets & liabilities	4,202,798,348	4,478,584,513
44 Cash Increase/ Decrease in Other Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	41,842,032	36,210,869
Advance rent	82,826,821	81,946,417
Security Deposit	3,433,149	3,495,026
Branch Adjustments (SIBG) (Note: 9.1)	824,507,472	1,561,206,224
Suspense Accounts (Note: 9.2)	287,840,919	285,122,898
Other Prepayments	86,608,018	64,517,296
Share Trading A/C Receivable from SIBL Securities Ltd.	624,820,743	239,242,987
Advance Income Tax	13,908,264,598	11,981,335,696
Profit Receivable from SIBL Securities Limited	70,747,842	72,049,180
Receivable from SIBL Investment Limited	1,903,690	1,903,690
Protested Bills against Investment	325,014,570	325,014,570
Receivable from Off-shore Banking Unit	43,694,699	77,990,079
Dividend Receivable Account	505,242,759	555,193,696
Profit Receivable from Mudaraba Subordinated Bond	52,926,027	56,815,069
Investment in subsidiary: SIBL Securities Limited	1,537,499,000	1,229,999,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
Profit Receivable for SME Stimulus fund	80,385,089	-
Profit Receivable from Mudaraba Perpetual Bond	94,477,398	-
Profit Receivable from Beximco Green Sukuk	3,164,835	-
Others (Note: 9.3)	22,211,772	37,425,491
	18,847,410,833	16,859,467,587
Difference between (2021, 2020)	(1,987,943,246)	(79,619,753)
Advance Income Tax	1,926,928,903	1,296,182,842
Net change in Other Assets	(61,014,344)	1,216,563,089



	<u>31.12.2021</u>	<u>31.12.2020</u>
	<u>Taka</u>	<u>Taka</u>
44(a) Consolidated cash increase/decrease in other assets		
Social Islami Bank Limited	18,847,410,833	15,379,469,188
<i>Cash Increase/ Decrease in Other Assets of subsidiaries</i>	934,038,431	2,323,335,443
	19,781,449,264	17,702,804,631
Difference between (2021, 2020)	(2,078,644,633)	(225,333,091)
Advance Income Tax	1,970,235,272	1,312,378,550
Consolidated net change in Other Assets	(108,409,362)	1,087,045,459
45 Cash Increase/ Decrease in Other Liabilities		
Adjusting A/C (Cr.) Balance	14,015,512	17,485,085
Other Payable	9,330,154	13,929,175
Compensation and Rent Suspense (note: 14.3)	3,762,471,567	3,579,826,001
Other Settlement Account	-	-
BEFTN Adjustment Account	20,301,508	43,539,542
Parking Account	3,182,591	3,890
Lease liabilities as per IFRS-16 *	615,828,689	724,602,327
ATM & Other Settlement for Q-Cash	6,908,947	31,962,950
	4,432,038,967	4,411,348,970
Cash Increase/ (Decrease) in Other Liabilities	20,689,997	1,458,554,840
Difference between (2021 & 2020)	20,689,997	1,458,554,840
Add: Transfer to Provision for Investment from Write-off (In Yr. 2021)	7,075,700	9,647,534
Add: Zakat expense transferred to Sadaka Fund	181,384,083	165,694,341
Add: Lease rent Payable as per IFRS-16	227,133,969	203,959,543
Less: Zakat distributed during the year	103,558,963	93,451,718
Less: Mudaraba Profit distribution transferred during the year	5,000,000	15,000,000
Less: Written off/ Waiver of investment during the year	1,331,928,908	25,361,653
	(1,004,204,122)	1,704,042,885
45(a) Consolidated cash increase/decrease in other liabilities		
Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited	4,432,038,967	4,411,348,970
<i>Cash Increase/ Decrease in Other Liabilities of subsidiaries</i>	1,140,096,519	408,558,265
	5,572,135,486	4,819,907,235
Difference between (2021, 2020)	752,228,251	1,538,346,657
Other changes in other liabilities of Social Islami Bank Limited	(1,024,894,119)	245,488,047
Net change in Other Liabilities-Social Islami Bank Limited	(272,665,868)	1,783,834,704
46 Cash and Cash Equivalent		
Cash in Hand	3,415,594,063	2,972,709,048
Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank)	20,075,647,654	30,400,773,390
Balance with Other Banks & Financial Institutions-in Bangladesh	16,693,175,142	10,089,833,958
Balance with Other Banks & Financial Institutions-outside Bangladesh	2,540,793,342	611,795,207
	42,725,210,201	44,075,111,603
46(a) Consolidated Cash and Cash Equivalent		
Social Islami Bank Limited	42,725,210,201	44,075,111,603
<i>Cash and Cash Equivalent of subsidiaries</i>	1,036,348	569,358
SIBL Securities Limited.	750,418	544,157
SIBL Investment Limited.	285,930	25,201
	42,726,246,549	44,075,680,961
47 Number of Employees		
The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a or above were 3192.		



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 Shafiqul 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 149 nos. (One hundred forty nine) Meetings in the previous years since inception in the year 2003, out of which 06 Meetings were conducted in the Year 2021 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 Shafiqul Alam Bhuiyan Ph.D	21.03.2018 to till date	6	6
2	Mr. Md. Kamal Uddin	21.03.2018 to till date	6	6
3	Dr. Md. Jahangir Hossain	21.03.2018 to till date	6	6

Disclosure by Audit Committee:

The Committee reviewed the Quarterly Financial Statements as well as the yearly financial statements for the year 2021 of the Bank and subsequently recommended to the Board for consideration and approval.

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

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

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

The Committee discussed and reviewed compliance position of inspection report on various Branches, Division as well as Core Risk Management" conducted by Bangladesh Bank based on 30 June 2020 and the "Management Letter on financial statements" for the year ended 31 December 2020" of SIBL submitted by the external auditors for onward submission to the Board if needed.

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

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

The Committee reviewed the Integrated Annual Health Report of SIBL for the year-2020 and recommended to the Board for consideration and approval

The Committee approved the risk based yearly audit plan and gave direction to the internal auditors where appropriate for carrying out in depth audit to ensure that the company or its assets are not exposed to undue risk.

The Committee reviewed the Internal Audit Reports and suggested appropriate actions where needed. The Internal Auditors were advised to carryout audit of all the branches, sub-branches, agent banking outlet and other subsidiaries of the Bank as per risk based yearly audit plan. The Committee reviewed IC&CD Manual for the year 2021 and suggested appropriate actions where needed. The Internal Auditors were advised to carry out the instruction of the IC&CD Manual.

The Committee recognized the observations of the Internal Audit Division regarding internal control, activities and suggestions made to improve operational systems and procedures and their implementation.

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

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



49 Related Party Disclosures

49.1 Name of the Firms / Business Organizations where the Directors of the Social Islami Bank Limited have got interest as on 31 December 2021:

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



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

49.3 **Lending Policies to Related Parties:**

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

A Related Party Transaction

Name of Party	Name of the Director	Relationship	Nature of Investment	Outstanding Amount (Taka)	Status
Funded Liability					
SIBL Securities Ltd.	N/A	Subsidiary	Quard	7900.00 lac	UC
SIBL Foundation Hospital & Diagnostic Center	N/A	A concern of SIBL Foundation	Quard- E- Hasana	10980.07 lac	UC

B Investment Policies to Related Parties

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

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

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

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

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

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

1. Dividend

The Board of Director has authorized the financial statements for issue on and recommended stock dividend @ 5% & Cash dividend @ 5% for the year ended 31 December 2021.

51 **General**

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

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

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

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

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

(vi) As per FRC letter no.178/FRC/APR/2021/27(47), dated: 09 December 2021 and BRPD Circular no-04 and 35 of 2021, at the time of investment approval or renewal, bank collects latest audited Financial Statements of the Investment Client as available and preserve the same in the particular investment account. Currently we are collecting the audited financial statements as per the Bangladesh Bank circulars in all the relevant investment cases.



SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021
SCHEDULE OF FIXED ASSETS INCLUDING PREMISES

(Amounts in Taka)

Particulars	C O S T / R E A L U E D *				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2021
	Balance as on 01 January 2021	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2021		Balance as on 01 January 2021	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2021	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	451,943,280	-	46,067,345	498,010,625	1,822,210,090
Furniture & Fixtures	1,348,301,260	103,718,940	-	1,452,020,200	10%	547,891,338	-	82,969,028	630,860,366	821,159,834
Office Equipment	1,790,969,871	153,965,407	-	1,944,935,278	20%	1,079,806,659	-	154,904,020	1,234,710,679	710,224,598
Software	291,981,062	13,973,798	-	305,954,860	10%	91,645,655	-	19,751,616	111,397,271	194,557,589
Vehicles	150,527,921	128,769	-	150,656,690	20%	133,011,069	-	10,054,201	143,065,270	7,591,420
Right of use Assets (Ro	1,011,325,434	64,692,763	-	1,076,018,197		191,010,137		205,880,240	396,890,377	679,127,820
Books	1,764,278	4,342	-	1,768,620	10%	1,102,226	-	70,020	1,172,246	596,375
31 December 2021	6,927,420,540	336,484,018	-	7,263,904,558		2,496,410,364	-	519,696,469	3,016,106,833	4,247,797,726
31 December 2020	5,601,960,993	1,325,459,546	-	6,927,420,539		1,995,911,251	-	500,499,115	2,496,410,364	4,431,010,176

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



SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021
CONSOLIDATED SCHEDULE OF FIXED ASSETS

(Amounts in Taka)

Particulars	C O S T / R E A L U E D				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2021
	Balance as on 01 January 2021	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2021		Balance as on 01 January 2021	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2021	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	451,943,280	-	46,067,345	498,010,625	1,822,210,089
Furniture & Fixtures	1,355,645,282	103,828,429		1,459,473,711	10%	550,620,164	-	83,787,162	634,407,326	825,066,385
Office Equipment	1,803,000,144	154,715,935		1,957,716,079	20%	1,089,630,184	-	155,622,279	1,245,252,463	712,463,616
Software	295,154,702	13,973,798		309,128,500	10%	94,326,644	-	20,244,267	114,570,911	194,557,589
Vehicles	150,527,922	128,769	-	150,656,691	20%	133,011,069	-	10,054,201	143,065,270	7,591,421
Right of use Assets (RoU)	1,024,437,539	66,982,504		1,091,420,043		195,463,982		209,414,467	404,878,449	686,541,594
Books	1,764,279	4,342	-	1,768,621	10%	1,102,227	-	70,020	1,172,247	596,374
31 December 2021	6,963,080,582	339,633,776	-	7,302,714,358		2,516,097,550	-	525,259,739	3,041,357,289	4,261,357,069
31 December 2020	5,623,492,761	1,339,587,820	-	6,963,080,582		2,009,775,866	-	506,321,685	2,516,097,550	4,446,983,032



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	31.12.2021			31.12.2020		
			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	781,452.22	85.80	67,048,600	28,014.80	84.80	2,375,686
2	SUMMIT Bank, KARACHI	ACUD	23,784.82	85.80	2,040,738	30,436.82	84.80	2,581,076
3	SONALI Bank, KOLKATA	ACUD	299,250.29	85.80	25,675,675	114,495.92	84.80	9,709,380
4	MASHREQ Bank, MUMBAI	ACUD	540,085.65	85.80	46,339,349	15,464.88	84.80	1,311,439
5	NEPAL BANGLADESH Bank	ACUD	56,422.86	85.80	4,841,081	39,231.86	84.80	3,326,905
6	Bank OF BHUTAN, PHUENTSHOLING	ACUD	228,340.71	85.80	19,591,633	101,416.35	84.80	8,600,218
7	UNITED Bank OF INDIA	ACUD	125,167.03	85.80	10,739,331	43,121.30	84.80	3,656,734
8	AB Bank, MUMBAI	ACUD	14,907.28	85.80	1,279,045	228,255.70	84.80	19,356,334
9	MEEZAN Bank LIMITED	ACUD	213,522.39	85.80	18,320,221	331,179.89	84.80	28,084,419
10	MCB Bank, KARACHI, PAKISTAN	ACUD	395.34	85.80	33,920	1,105.78	84.80	93,771
11	AXIS Bank LIMITED	ACUD	140,028.93	85.80	12,014,482	109,377.58	84.80	9,275,339
12	HDFC Bank LTD., MUMBAI	ACUD	235,625.31	85.80	20,216,652	337,035.08	84.80	28,580,946
13	MASHREQ Bank, NEW YORK, (OBU)	USD	1,193,888.47	85.80	102,435,631	402,578.04	84.80	34,139,061
14	MASHREQ Bank PSC, NEW YORK, USA	USD	10,836,769.18	85.80	929,794,796	596,346.70	84.80	50,570,856
15	SCB, NY, USA	USD	10,814,153.56	85.80	927,854,375	4,209,384.53	84.80	356,960,438
16	KOREA EXCH. Bank, KOREA	USD	5,081.06	85.80	435,955	4,364.42	84.80	370,108
17	HABIB AMERICAN Bank	USD	3,436,339.13	85.80	294,837,897	410,025.39	84.80	34,770,604
18	COMMERZ Bank AG, FRANKFURT	USD	416,220.42	85.80	35,711,712	34,437.27	84.80	2,920,318
19	COMMERZ Bank AG, CHF	CHF	8,337.32	93.71	781,282	-	-	-
20	MASHREQ Bank, PSC MUMBAI	ACU		97.25	48,425	437.92	104.14	45,607
		EURO	497.92					
21	SCB, FRANKFURT	EURO	101,096.20	97.25	9,832,040	20,171.91	104.14	2,100,683
22	COMMERZ Bank AG, FRANKFURT	EURO	27,102.85	97.25	2,635,869	25,712.97	104.14	2,677,857
23	SCB, LONDON, UK	GBP	16,262.78	115.72	1,881,905	6,082.13	114.79	698,148
24	SCB, TOKYO	JPY	3,191,421.00	0.75	2,379,524	502,880.00	0.82	412,663
25	Bank AL JAZIRA	RIYAL	1,702.50	22.85	38,902	702.50	22.60	15,874
25	RIYAD BANK	RIYAL	174,367.00	22.85	3,984,303	405,400.00	22.60	9,160,743
	Total				2,540,793,342			611,795,207



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

Taka in Crore

Sl no.	Name of client	Outstanding as on 31 December 2021		
		Funded	Non-funded	Total
1	i. 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	612.68	67.12	679.80
2	i. Bashundhara Import Export Limited ii. Bashundhara Steel & Engineering Ltd. iii. Bashundhara City Development Limited.	321.39	0.42	321.81
3	i. Bashundhara Industrial Complex Ltd. East West Media Group iii. Bashundhara Infrastructure Ltd.	503.62	168.69	672.31
4	Bashundhara Multi Food Products Ltd & Sundarban Industrial Complex Ltd.	313.24	335.81	649.05
5	Infinia Spinning Mills Ltd.	557.61	53.16	610.77
6	i. Western Dresses Ltd. & its sister concerns- ii. MNC Apparels Ltd. iii. Kimia Washing Industries Limited iv. NASSA BASIC WASH LTD.	452.71	74.43	527.14
7	i. Orion Infrastructure Ltd. & its sister concerns ii. Orion Agro Products Ltd. iii. Orion Power Meghnaghat Ltd. iv. Belhasa Accom JV. Ltd. v. Panbo Bangla Mushroom Limited vi. Orion Power Unit-2 Dhaka Limited vii. Orion Pharma Ltd.	614.16	2.58	616.74
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.	334.83	252.16	586.99
9	SQ Birichina Limited	206.40	11.14	217.54
10	Afser Resources Management and Consultancy Servoces Ltd.	355.57	-	355.57
11	Mir Akhter Hossain Limited, Mir Telecom Limited	151.55	9.03	160.58
12	M/S. Shah Amanat Agency	467.51	-	467.51
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	337.66	75.04	412.70
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.	505.77	-	505.77
15	M/S. Sonali Traders	436.12	-	436.12
16	Dong Bang Dyeing Ltd.	403.51	42.30	445.81
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.	452.33	0.00	452.33



18	i.M/S. Millennium Enterprise, & its sister concerns- ii.Panama Composite Textile Mills Ltd. iii.O.N Spinning Mills Ltd. iv. M/S. Mosharaf & Brothers and its sister Concern, M.N Enterprise, Orange Textiles Industries & M.N Filament & Twisting Industries.	220.74	239.63	460.37
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	477.68	-	477.68
20	M/S Mars Textile Ltd.	317.46	49.61	367.07
21	Dong Bang Textile Ltd.	326.35	41.01	367.36
22	Ronghdhanu Builders (Pvt) Ltd., Mehedi Mart	395.46	-	395.46
23	i. DADA ENGINEERING LIMITED & sister concerns- ii. DADA ACCESSORIES LTD. iii. DADA ZIPPER LTD iv. DADA BAG INDUSTRIES LTD v. JAMUNA SPINNING MILLS LTD. vi. SHAMEEM SPINNING MILLS LTD. vii. JAMUNA ELECTRONICS AND AUTOMOBILES LTD. viii. Jamuna Denims Ltd. ix. JAMUNA SPINNING MILLS LTD. (Unit 02) x. Daily Jugantor.	84.10	11.19	95.29
24	i. Abul Khair Steel Ltd. & its sister concerns- ii. Abul Khair Ltd. iii. A.K.CORPORATION LTD iv.Abul Khair Consumer v. Shah Cement Industries Ltd. vi. Abul Khair Ceramic Industries Ltd. vii.Abul Khair Steel Melting Ltd. viii. Abul Khair Strip Processing Ltd. ix. Abul Khair Ltd.	5.25	110.17	115.42
25	i. Thermax Textile Mills Ltd. & its sister concerns- ii. Thermax Knit Yarn Ltd. iii. Thermax Spinning Ltd. iv. Thermax Melange Spinning Mills Ltd., v.Thermax Check Fabrics Limited vi. Adury Apparels Ltd. vii.Adury knit compsite.	294.22	98.68	392.90
26	i. Infinia Composite Textiles Limited & its sister Concern ii. Infinia Chemicals Limited	105.71	160.87	266.58
27	i. Mahbab Brothers(Pvt.) Ltd. & sister concerns- ii. M/s. Pubali Traders, iii. Rishad Enterprise iv. ARK-MBPL JV. v. Best Golden Flour Mills Ltd	245.89	37.88	283.77
28	Ruby Food Products Ltd.	261.29	41.26	302.55
29	LUB-RREF (BANGLADESH) LIMITED	245.67	37.70	283.37
30	i. Nasrin Agriculture Industries Limited & its sister concerns- ii. M/s. Al-Habib Enterprise and its sister concern M/s. H R Feed iii. M/s. Nutrila Feed	547.60	1.48	549.08
31	TecTonics	378.01	-	378.01
32	i. Rahimafrooz Batteries Limited. & its sister Concerns- ii. Rahimafrooz Gloabatt Limited. iii. Rahimafrooz Bangladesh Ltd. iv. Rahimafrooz CIC Agroo Ltd.	320.79	3.27	324.06
33	i. Opal Trading House ii. Ibrahim Consortium Ltd. iii. Ibrahim Composite Textile Mills Ltd.	313.58	0.00	313.58
Grand Total		11,566.46	1,924.63	13,491.09



Social Islami Bank Limited
History of Paid-Up Capital

Years	Declaration	No. of Share	Face Value per Share (Taka)	Cumulative no. of Shares	Value of issued Capital for the year (Taka)	Cumulative value of Capital (Taka)
1995	Initial Capital	118,380	1,000	118,380	118,380,000	118,380,000
1996	No Dividend	-	-	118,380	-	118,380,000
1997	6.43% Bonus issue for the year 1996	7,620	1,000	126,000	7,620,000	126,000,000
1998	No Dividend	-	-	126,000	-	126,000,000
1999	Right Share Issued	74,000	1,000	200,000	74,000,000	200,000,000
2000	Placement	50,000	1,000	250,000	50,000,000	250,000,000
	Initial Public Offer	10,000	1,000	260,000	10,000,000	260,000,000
2001	20% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2002	25% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2003	50% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2004	Bonus Issue (For the years 2001, 2002, 2003)	325,000	1,000	585,000	325,000,000	585,000,000
2005	No dividend	-	-	585,000	-	585,000,000
2006	No dividend	-	-	585,000	-	585,000,000
2007	1:1 Right Share	5,345,550	100	11,195,550	534,555,000	1,119,555,000
2008	17% Bonus Issue for the year 2007	1,903,243	100	13,098,793	190,324,300	1,309,879,300
2009	10% Bonus Issue for the year 2008	1,309,879	100	14,408,672	130,987,900	1,440,867,200
	1:1 Right Share	12,508,587	100	26,917,259	1,250,858,700	2,691,725,900
2010	11% Bonus Issue for the year 2009	2,960,899	100	29,878,158	296,089,850	2,987,815,750
2011	14% Bonus Issue for the year 2010	41,829,420	10	340,610,995	418,294,200	3,406,109,950
	1:1 Right Share	298,781,575	10	639,392,570	2,987,815,750	6,393,925,700
2013	10% Bonus Issue for the year 2012	63,748,994	10	703,141,564	637,489,940	7,031,415,640
2014	12% Cash dividend for the year 2013	-	10	703,141,564	-	7,031,415,640
2015	18% Cash dividend for the year 2014	-	10	703,141,564	-	7,031,415,640
2016	5% Bonus Issue for the year 2015	35,157,078	10	738,298,642	351,570,780	7,382,986,420
2017	20% Cash dividend for the year 2016	-	10	738,298,642	-	7,382,986,420
2018	10% bonus issue for the year 2017	73,829,864	10	812,128,506	738,298,640	8,121,285,060
2019	10% bonus issue for the year 2018	81,212,850	10	893,341,356	812,128,500	8,933,413,560
2020	5% Bonus & 5% cash Issue for the year 2019	44,667,067	10	938,008,423	446,670,670	9,380,084,230
2021	5% Bonus & 5% cash Issue for the year 2020	46,900,421	10	984,908,844	469,004,210	9,849,088,440



Social Islami Bank Limited
Statement of Corporate Income Tax status
as at 31 December 2021

(Amount in Taka)

Accounting Year	Assessment Year	Tax Provision as per accounts	Advance Tax/TDS /Settlement fee/Appeal fee	Tax as per assessment Order	Present Status
2004	2005-2006	68,610,851	81,410,851	139,584,498	Pending at High Court Division of Supreme Court
2005	2006-2007	24,391,126	42,284,322	42,101,314	Completed
2006	2007-2008	59,825,178	85,135,927	85,135,927	Completed
2007	2008-2009	128,000,000	134,490,189	168,503,748	Pending at High Court Division of Supreme Court
2008	2009-2010	150,300,000	157,333,015	175,548,021	Pending at High Court Division of Supreme Court
2009	2010-2011	278,914,968	283,427,344	298,644,511	Pending at High Court Division of Supreme Court
2010	2011-2012	515,149,014	523,404,506	498,853,789	Pending at High Court Division of Supreme Court
2011	2012-2013	816,364,597	820,951,354	819,889,378	Pending at High Court Division of Supreme Court
2012	2013-2014	1,301,591,387	1,344,746,694	1,455,548,339	Pending at High Court Division of Supreme Court
2013	2014-2015	802,951,284	876,386,844	1,223,045,189	Pending at High Court Division of Supreme Court
2014	2015-2016	1,400,446,160	1,160,345,616	1,397,825,207	Pending at High Court Division of Supreme Court
2015	2016-2017	1,403,060,382	1,021,914,182	1,481,927,423	Pending at High Court Division of Supreme Court
2016	2017-2018	1,887,664,569	1,433,555,743	1,934,958,507	Pending at High Court Division of Supreme Court
2017	2018-2019	2,063,450,826	1,326,968,492	1,949,246,472	Pending at High Court Division of Supreme Court
2018	2019-2020	2,227,743,967	1,277,752,529	2,533,816,521	Tribunal Completed but High Court not submitted
2019	2020-2021	1,593,092,009	1,126,392,864	2,399,450,271	First Appeal submitted
2020	2020-2021	1,482,531,120	1,491,289,509	-	Return Submitted
2021	2021-2022	1,179,106,673	1,111,476,465	-	Return not yet Submitted



Social Investment Bank Limited
Calculation of Deferred Tax Liability
For the year ended 31.12.2021

Assets:

Assets Description	Tax Base	Accounting Base	Difference	Tax Rate	D. Tax Liability / (Assets)
Building	483,573,094	946,531,526	462,958,433	37.50%	173,609,412
Furniture & Fixture	570,140,907	821,159,834	251,018,927	37.50%	94,132,098
Office Equipment	877,116,216	710,224,598	(166,891,618)	37.50%	(62,584,357)
Software Local	13,614,826	22,379,328	8,764,502	37.50%	3,286,688
Software Foreign	104,747,431	172,178,261	67,430,830	37.50%	25,286,561
Books	620,759	596,375	(24,384)	37.50%	(9,144)
Motor Vehicles	17,344,959	7,591,420	(9,753,540)	37.50%	(3,657,577)
Sub-total	2,067,158,192	2,680,661,342	613,503,150		230,063,681

DTL on revaluation surplus

Land	-	10,218,377		4.00%	408,735
Building	-	875,678,564		37.50%	328,379,462
Sub-total					328,379,462

DTL on lease liability

Right use of asset		679,127,820			
Less: lease liability		615,828,689			
Sub-total		63,299,131		37.50%	23,737,174

582,180,317

Total deferred tax liability**Liability:**

Amount to be written off in future	289,106,540	(289,106,540)	37.50%	(108,414,953)
Sub-total	-	289,106,540	(289,106,540)	(108,414,953)

Grand Total of deferred Tax Liability as on 31.12.2021

473,765,365

Deferred tax (asset)/liability as on 01.01.2021	438,206,855
Deferred tax (asset)/liability as on 31.12.2021	473,765,365
Deferred Tax Expense/(Income) during this year	35,558,510



SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
BALANCE SHEET
AS AT 31 DECEMBER 2021

Annexure-II

	Note(s)	31.12.2021		31.12.2020	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)		-	-	-	-
Balance with other Banks and Financial Institutions					
In Bangladesh	3	-	-	-	-
Outside Bangladesh		2,064,819	177,161,497	815,963	69,194,558
Placement with Banks & other Financial Institutions					
Investments in Shares & Securities					
Government		-	-	-	-
Others		-	-	-	-
Investments					
General Investment etc.		-	-	-	-
Bills Purchased and Discounted	4	59,103,195	5,071,054,090	50,801,816	4,308,095,641
Fixed Assets including Premises, Furnitures and Fixtures					
Other Assets	5	176	15,102	223	18,878
Non Banking Assets	6	509,262	43,694,699	484,756	41,107,801
Total Assets		61,677,452	5,291,925,388	52,102,758	4,418,416,878
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from Banks & other Financial Institution					
Deposits and Other Accounts	7	6,430,333	551,722,606	47,801,174	4,053,637,881
Mudaraba Savings Deposits	8	53,866,750	4,621,767,115	3,403,220	288,596,821
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits	8.1	53,500,732	4,590,362,806	3,000,000	254,403,300
Al-Wadeeah Current & Other Deposit Accounts		-	-	-	-
Bills Payable	8.2	366,018	31,404,309	403,220	34,193,521
Other Liabilities		1,380,369	118,435,667	898,363	76,182,177
Deffered Tax Liabilities/ (Assets)		-	-	-	-
Total Liabilities		61,677,452	5,291,925,388	52,102,758	4,418,416,878
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign currency translation gain/(Loss)		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities & Shareholders' Equity		61,677,452	5,291,925,388	52,102,758	4,418,416,878



	31.12.2021		31.12.2020	
	<u>USD</u>	<u>Taka</u>	<u>USD</u>	<u>Taka</u>
Off-Balance Sheet Items				
CONTINGENT LIABILITIES				
Acceptances and Endorsements	-	-	-	-
Irrevocable Letters of Credit (including Back to Back Bills)	-	-	-	-
Letters of Guarantee	-	-	-	-
Bills for Collection	-	-	-	-
Other Contingent Liabilities	-	-	-	-
Total	-	-	-	-
OTHER COMMITMENTS				
Documentary credits and short term trade related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
Total	-	-	-	-
Total Off Balance Sheet Items including Contingent Liabilities	-	-	-	-



SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.2021		31.12.2020	
	<u>USD</u>	<u>Taka</u>	<u>USD</u>	<u>Taka</u>
Investment Income	2,923,818	250,863,599	2,477,113	210,061,926
Less: Profit paid on Deposits	(1,552,341)	(133,190,853)	(1,589,724)	(134,810,330)
Net Investment Income	1,371,477	117,672,746	887,389	75,251,596
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	8,716	747,818	10,751	911,703
Total Operating Income	1,380,193	118,420,565	898,140	76,163,298
Salary & allowances	86,038	7,382,024	87,051	7,382,024
Rent & Utilities	-	-	-	-
Depreciation on fixed assets	44	3,776	56	4,720
Others	-	-	-	-
Total Operating Expenses	86,082	7,385,799	87,107	7,386,743
Profit(Loss) before Provision				
Specific provisions for Investment	-	-	-	-
General Provisions for Investment	-	-	-	-
General Provisions for off-Balance Sheet exposure	-	-	-	-
Total Provision	-	-	-	-
Total Profit(Loss) before Tax	1,294,111	111,034,766	811,034	68,776,555
Provision for Income Tax	-	-	-	-
Net Profit(Loss) after Tax	1,294,111	111,034,766	811,034	68,776,555



SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.2021		31.12.2020
	USD	Taka	Taka
Cash Flow from operating activities			
Investment Income receipt	2,923,818	250,863,599	210,061,926
Profit paid on deposits	(1,552,341)	(133,190,853)	(134,810,330)
Dividend receipts	-	-	-
Fees & commission receipt	-	-	-
Cash payments to employees	(86,038)	(7,382,024)	(7,382,024)
Cash payments to suppliers	-	-	-
Income tax paid	-	-	-
Receipts from other operating activities	8,716	747,818	911,703
Payments for other operating activities	-	-	-
Operating profit before changes in operating assets and liabilities	1,294,155	111,038,541	68,781,275
Changes in operating assets and liabilities			
Statutory deposits	-	-	-
Net trading securities	-	-	-
Investments to other banks	-	-	-
Investment to customers	(8,301,379)	(762,958,449)	(2,094,616,142)
Other assets	(24,506)	(2,586,898)	(4,225,523)
Deposits from other banks	(41,370,841)	(3,501,915,275)	2,565,747,591
Deposits received from customers	50,463,530	4,333,170,294	(477,237,709)
Other liabilities on account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities	(812,149)	(68,785,051)	(98,908,598)
Sub Total	(45,345)	(3,075,379)	(109,240,381)
A. Net Cash flow from operating activities	1,248,810	107,963,162	(40,459,106)
Cash flows from investing activities			
Proceeds from sale of securities	-	-	-
Payment for purchases of securities	-	-	-
Proceeds from sale of fixed assets	-	-	-
Purchases of property, plant & equipment's	44	3,776	4,720
Purchase/Sale of subsidiaries	-	-	-
B. Net Cash flows from investing activities	44	3,776	4,720
Cash flows from financing activities			
Receipts from issue of debt instruments	-	-	-
Payments for redemption of debt instruments	-	-	-
Receipts from issue of right shares/ordinary share	-	-	-
Dividend paid in cash	-	-	-
C. Net Cash flow from financing activities	-	-	-
D. Net Increase/(decrease) in cash & cash equivalents (A+B+C)	1,248,854	107,966,938	(40,454,387)
E. Cash and cash equivalents at the beginning of the year	815,963	69,194,558	109,648,944
F. Cash and cash equivalents at the end of the year (D+E)	2,064,819	177,161,497	69,194,558



**Social Islami Bank Limited
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
For the year ended 31 December 2021**

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, 2021.

- 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. Abu Dhabi Islami Bank
2. Indusind Bank Ltd. India
3. Commercial Bank of Dubai
4. United Arab Bank
5. RAK Bank UAE
6. Dubai Islami Bank



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 85.80 closing rate as at 31st December 2021.
- c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.



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

(Amount in Taka)

SL no.	Particulars	31.12.2021	31.12.2020
1	Paid up Capital	9,849,088,440	9,380,084,230
2	Total Capital (Core + Supplementary)	32,447,948,152	30,368,899,942
3	Capital Surplus/(Deficit)	4,470,433,342	7,866,838,192
4	Capital to Risk-weighted Asset Ratio (CRAR)	11.60%	13.50%
5	Total Assets	408,203,155,663	384,999,710,859
6	Total Deposit	341,661,064,252	322,383,510,566
7	General Investment	312,773,820,529	300,617,943,566
8	Total Contingent Liabilities and Commitments	59,463,904,333	52,439,934,267
9	Investment-Deposit (ID) Ratio (%)	90.19%	90.65%
10	Percentage of classified investment against total investments	5.18%	6.05%
11	Profit before Tax and Provision	4,526,233,418	4,343,211,109
12	Profit after Tax and Provision	1,659,705,580	1,550,935,483
13	Amount of classified investment	16,194,076,632	18,201,163,878
14	Provisions kept against classified investment	7,598,676,652	7,812,088,173
15	Provisions surplus	-	-
16	Cost of Deposits	4.72%	6.88%
17	Profit Earning Assets	361,165,323,218	329,806,940,393
18	Non-Profit Earning Assets	47,037,832,445	55,192,770,466
19	Return on Investment in Securities	2.72%	4.12%
20	Return (after tax) on average Assets (ROA)	0.42%	0.42%
21	Return (after tax) on equity (ROE)	8.91%	8.78%
22	Income from Investment in Securities	793,239,363	762,379,471
23	Earning Per Share (EPS) (Prior year restated)	1.69	1.57
24	Consolidated Earning Per Share (CEPS) (Prior year restated)	1.78	1.59
25	Net Income Per Share	1.69	1.57
26	Price Earning Ratio (Times)	8.78	7.86

