

**AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
OF
SOCIAL ISLAMI BANK LIMITED (SIBL) AND ITS
SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2022**



**Independent Auditor's 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 2022 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 2022 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 note 16.5 of notes to the financial statements, which describes that the Bank is required to maintain minimum capital to risk weighted assets (CRAR) as 10% and 12.5% with conservation buffer as per Basel III guidelines where the Bank has maintained CRAR of 11.89%. 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 the year ended 31 December 2022. 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
<p>Measurement of provision for Investments</p> <p>The process for estimating the provision for Investments portfolio associated with credit risk is significant, judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none">• Future business performance of the borrower;• Key assumptions relating to further business performance of the borrower;• Market value of the collateral;• Ability to repossess collateral; and• Recovery rates etc. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>Due to high level of judgement involved and using some manual process in estimating the provision for Investments,</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none">• Credit monitoring and provisioning process;• Identification of loss events, including early warning and default warning indicators; and• Review of quarterly Classification of Investment.• Follow Bangladesh Bank's circular and guidelines; <p>Our substantive procedures in relation to the provision for Investments portfolio comprised the following:</p> <ul style="list-style-type: none">• Reviewed general and specific provisions kept by the bank;• Assessed the methodologies on which the provision amounts based, checked the calculations of the provisions and tested the completeness and accuracy of the underlying information



we considered this to be a key audit matter.

For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows.

Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.

At the year end the Bank reported total gross Investments of BDT 342,944,157,503 (2021: BDT 312,773,820,529) and total provision for Investments BDT 12,928,607,395 (2021: BDT 13,042,220,188). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:

- Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 17 dated 28 September 2020, BRPD circular no. 56 dated 10 December 2020 and BRPD Circular no. 51 dated 18 December 2022, 50% instead of 75% for the quarter October-December 2022.

Bangladesh Bank has taken into consideration the further negative impact on business and economy due to the subsequent waves of Covid-19 and issued BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no, 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021 and BRPD Circular No. 14 dated 22 June 2022 respectively through which the

- Assessed 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 to the actual amount of provision maintained.



<p>Banks are allowed to continue moratorium on further downgrading of the classification of Investments subject to certain conditions. One of such conditions is to receive by 31 December 2021, at least 15% of the total instalment amounts due on 2021 from the concerned Client as per the Banker and Client relationship and by 30 September 2022, at least 50% of the total instalment due for the quarter April-June 2022 and 60% of the total instalment due for the quarter July-September 2022 and further circular no. 51 dated: 18 December 2022, 50% instead of 75% for the quarter October-December 2022.</p>	
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See note no 7 and 14.1 to the financial statements

Recognition of investment income

<p>Recognition of investment income has significant and wide influence on financial statements. Recognition and measurement of investment income has involvement of complex IT environment. We identify recognition of investment income from Investments as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of investment income by management to meet specific targets or expectations.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no 53 dated 30 December 2021 and circular no 14 dated 22 June 2022, considering future risk banks were allowed to recognize outstanding arrear investment income on investment where deferral facilities were given upon receiving at least 15% of the total receivable amount of 31 December 2021 and 50% of the total instalment due for the quarter April-June 2022 and 60% of the total instalment due</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of investment income on Investments. We performed test of operating effectiveness on automated control in place to measure and recognise investment income. We have also performed substantive procedure to check whether investment income is recognised completely and accurately. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Finally, we also conducted substantive analytical procedures to asses reasonableness of investment income recognized during the year with reference to the product wise outstanding investment balances.</p> <p>We performed several analytical and substantive procedures to check whether the calculations relating to the investment</p>
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<p>for the quarter July-September 2022 and further circular no. 51 dated: 18 December 2022, 50% instead of 75% for the quarter October-December 2022.</p> <p>The bank has reported investment income of BDT 21,643,793,225 which is 9.67% lower than the previous year (2021: BDT 23,960,778,190).</p> <p>The Bank has reported BDT 3,803,725,179 as commission, exchange and brokerage which is 160.32% higher than previous year (2021: 1,461,194,791). Basically, due to this increment the total operating income has been increased.</p> <p>As such EPS has been increased 23.125% as compared to last year.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>income, profit paid on deposits and borrowings etc. and the EPS are accurate or not.</p>
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See note no 21 to the financial statements

Liquidity shortage and significant Increase in Borrowing from Bangladesh Bank

<p>At several point of time in the reporting year, the bank encountered multiple instances of liquidity challenges.</p> <p>It resulted the bank to seek external financing as borrowing from Bangladesh Bank. The year ended balance has come to BDT 3,000 crore (2021: nil) which includes BDT 275 crore as Bangladesh Government Islamic Bond, BDT 1,225 crore as Islami Bank liquidity facility and BDT 1,500 crore as special liquidity facility. The profit rate of all of the borrowings is determined under Mudaraba Principle.</p> <p>The consequence of the liquidity challenge and increase in the borrowing from the central bank and the associated risk with it have made us determine it as key audit matter.</p>	<p>Our audit procedures in connection of the borrowing are as follows:</p> <ul style="list-style-type: none"> Assessed the effectiveness of the bank's management of liquidity risk in light of the current economic conditions and market volatility, as well as any changes in the bank's liquidity profile, such as changes in funding sources etc. Assessed whether the borrowing has been appropriately disclosed in the financial statements and whether it has been valued correctly. Assessed the terms of the borrowing agreement with the Bangladesh Bank, including any covenants or conditions attached to the borrowing.
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	<ul style="list-style-type: none"> • Checked that any non-compliance with these terms has been appropriately disclosed in the financial statements. • Assessed the adequacy of the borrower's internal controls over the borrowing process, including the management of the borrowing agreement and the monitoring of any associated risks.
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See note no 10 to the financial statements

Significant increase in Exchange Income

During the year under audit, the bank has recorded a major increase in exchange Income i.e., BDT 3,050,608,945 (2021: 777,200,029), which indicates 292% rise in comparison to the previous year.

In the case of the bank, the increase is largely due to external market forces, mostly the rise in the exchange rate of the USD has resulted in such increase in its exchange gains.

Since, this increase in exchange gains is a significant financial matter that has an impact on the bank's profitability and earnings per share (EPS), we considered the matter as key audit matter.

Our audit procedures in connection of this are as follows:

- Assessed the adequacy of the bank's accounting policies and procedures for recognizing and measuring exchange gains and losses, to evaluate whether the bank's accounting policies and procedures comply with applicable accounting standards and industry best practices.
- Conducted substantive procedure to assess whether the exchange gains are properly disclosed and explained.
- Evaluated the materiality and sustainability of the exchange gain, particularly in relation to the bank's overall financial performance and earnings per share (EPS).

See note no 24 to the financial statements

Impairment assessment of unquoted investment

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.

We have assessed the process and controls put in place by the company to ensure all major investment decisions are undertaken through a proper due diligence process.

We tested a sample of investment valuation as at 31 December 2022 and compared our results to the recorded value.

Finally, we assessed the appropriateness and



	presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 7 to the financial statements	
Investments	
<p>Investments are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of Investments. Management performance is highly dependent on the target achievement of Investments. Investment disbursement requires robust documentation followed by approval from appropriate level of authority. We have identified Investments as key audit matter because there is an inherent risk of fraud in disbursement of Investments by management to meet specific targets or expectations.</p> <p>In addition, the bank reported non-performing investment of BDT 16,391,255,053, 1.62% lower than the previous year (2021: BDT 16,129,989,657), which is 4.78% of the total Investments.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, investment disbursement procedures and monitoring process as well as the percentage of non-performing Investments. We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of Investments. In addition, we have performed procedure to check whether the Investments is recorded completely and accurately and that are existed at the reporting date. Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>
See note no 7.7 to the financial statements	
Implementation of IFRS 16 Leases	
<p>IFRS 16 modifies the accounting treatment of operating lease at inception, with the recognition of a right of use (ROU) on the list 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</p>	<p>In responding to the identified key audit matter, we complete 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</p>



assumptions applied to determine the discount rates for lease are inappropriate.	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 Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.
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See note no 14 to the financial statements

Measurement of deferred tax liabilities (DTL)

<p>At the year end of 31 December 2022, the Bank reported total deferred tax liabilities of BDT 471,979,987 (31 December 2021: BDT 465,429,994) and deferred tax expenses of BDT 14,676,980 (31 December 2021 BDT 35,558,510) of deferred tax expense.</p> <p>Significant judgment is required in relation to deferred tax assets, as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>Accordingly, this area has been considered as key audit matter.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTLs and the assumptions used.</p> <p>We also assessed the completeness and accuracy of the data used. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
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See note no 15, 38(a) to the financial statements

IT Systems and controls

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

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

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

When read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the consolidated and separate Financial Statements and Internal Controls

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

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



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

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgment 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 bank 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 consolidated and separate financial statements of the current year 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 (as amended up to date), the Securities and Exchange Rules, 1987, the Bank Companies Act, 1991 (as amended up to date) 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 do verification thereof;
- (ii) To the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank 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 and the Bank 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's subsidiaries namely, SIBL Securities Limited and SIBL Investment Limited was audited by Kazi Zahir Khan & co. and given Unmodified Opinion and has been consolidated in the consolidated financial statements of the group.
- (iv) In our opinion, proper books of account as required by law have been kept by the Group and 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 of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) Provisions have been made for Investment and other based on the financial statements for the year ended on 31 December 2022 which are in our opinion, doubtful of recovery as per Bangladesh Bank approval given vide letter no DBI-7/4(2)/2023-427, dated-16 April 2023, and letter no DOS (CAMS) 1157/41 (Dividend)/2023-2114, dated 25 April 2023.
- (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 9,650 person hours; and
- (xii) The Bank is required to maintain minimum Capital to Risk-weighted Asset Ratio (CRAR) 10% and 12.5% with conservation buffer, where the bank has maintained CRAR 11.89%.

Md. Nurul Hossain Khan FCA
 Enrolment no. 0240
 Managing Partner
Kazi Zahir Khan & Co.
 Chartered Accountants

DVC No. 2304260240AS927315

Place of Issue:

Date of Issue: 26 APR 2023



Mohammad Shaheed FCA, FCMA
 Enrolment no. 1016
 Senior Partner
Khan Wahab Shafique Rahman & Co.
 Chartered Accountants

DVC No. 2304261016AS804131



SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

As at 31 December 2022

Particulars	Note(s)	31.12.2022 Taka	31.12.2021 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3(a)	4,836,155,932	3,416,614,856
Balance with Bangladesh Bank & its Agent Banks (including foreign currencies)	3.1	22,086,752,023	20,075,647,654
		26,922,907,955	23,492,262,510
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)	3,226,099,234	7,030,447,503
Outside Bangladesh	4.2	2,520,897,414	2,540,793,342
		5,746,996,648	9,571,240,845
Placement with Banks and other Financial Institutions	5	6,822,973,794	9,662,743,194
Investments in shares and securities			
Government	6(a)	14,789,330,000	20,165,050,000
Others		9,306,243,627	9,223,905,847
		24,095,573,627	29,388,955,847
Investments			
General investment etc.	7 (a)	325,968,535,809	296,821,586,727
Bills purchased and discounted		16,185,621,694	15,162,233,802
		342,154,157,503	311,983,820,529
Fixed assets including premises	8(a)	4,413,627,223	4,261,357,069
Other assets	9(a)	30,200,499,189	20,232,831,433
Non Banking assets		-	-
Total assets		440,356,735,940	408,593,211,428
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
Deposits and other accounts	11		
Mudaraba savings deposits		40,084,046,928	37,308,169,943
Mudaraba term deposits		168,510,358,684	176,256,112,820
Other mudaraba deposits		79,636,478,408	80,399,200,511
Al-wadeeah current and other deposit accounts	11.2(a)	45,280,664,632	40,988,703,603
Bills payable	11.3	6,327,507,930	5,064,269,305
Cash waqf fund		415,930,983	382,356,998
		340,254,987,565	340,398,813,180
Bond			
SIBL mudaraba subordinated bond	12	4,800,000,000	5,600,000,000
SIBL mudaraba perpetual bond	13	5,000,000,000	5,000,000,000
		9,800,000,000	10,600,000,000
Other liabilities	14(a)	38,942,445,231	37,731,786,286
Deferred tax liabilities/ (assets)	15 (a)	472,091,718	465,541,725
Total liabilities		419,469,524,515	389,196,141,192
Capital/shareholders' equity			
Paid-up capital	16.2	10,341,542,860	9,849,088,440
Statutory reserve	17	8,386,157,907	7,605,264,974
General Reserve	17(a)	13,938,397	13,938,397
Others Reserve		16,149,999	8,500,000
Revaluation reserve on fixed assets	18	543,259,152	557,024,130
Retained earnings	19(a)	1,586,161,147	1,363,252,358
Total shareholders' equity of parent Company, SIBL		20,887,209,462	19,397,068,299
Non controlling interest	19(b)	1,963	1,937
Total shareholders' equity of parent Company, SIBL with non controlling interest		20,887,211,425	19,397,070,236
Total liabilities and shareholders' equity of the group		440,356,735,940	408,593,211,428

<u>Particulars</u>	<u>Note(s)</u>	31.12.2022 <u>Taka</u>	31.12.2021 <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and endorsements	20.1	43,467,019,251	21,739,997,400
Irrevocable letters of credit (including back to back bills)	20.2	16,835,039,038	21,109,424,352
Letters of guarantee	20.3	8,965,901,893	9,340,583,965
Bills for collection	20.4	8,492,000,669	7,273,898,617
Other contingent liabilities	20.5	-	-
Total		77,759,960,851	59,463,904,333
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		77,759,960,851	59,463,904,333

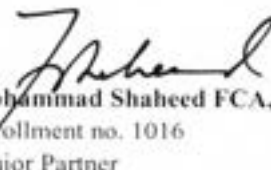
Consolidated Net Asset Value per share (CNAV/share) (Prior year restated)	39(i)	20.20	18.76
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Annexed notes (1 to 51) form an integral part of these financial statements

 Chairman
  Director
  Director
  Managing Director & CEO

Signed as per our report of same date


Md. Nurul Hossain Khan FCA
 Enrollment no. 0230
 Managing Partner
Kazi Zahir Khan & Co.
 Chartered Accountants
 DVC No. 2304260240AS927315
 Dhaka, Bangladesh
 Date: 26 APR 2023


Mohammad Shaheed FCA, FCMA
 Enrollment no. 1016
 Senior Partner
Khan Wahab Shafique Rahman & Co.
 Chartered Accountants
 DVC No.

2304261016AS804131


SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

<u>Particulars</u>	<u>Note(s)</u>	31.12.2022	31.12.2021
		<u>Taka</u>	<u>Taka</u>
Investment income	21(a)	21,760,902,836	24,102,157,455
Profit paid on deposits	22(a)	15,720,427,535	16,217,759,192
Net investment income		6,040,475,301	7,884,398,263
Income from investment in shares/securities	23(a)	1,437,128,763	825,534,629
Commission, exchange and brokerage	24(a)	3,909,875,163	1,635,295,855
Other operating income	25(a)	889,273,628	683,375,632
		6,236,277,555	3,144,206,117
Total operating income		12,276,752,857	11,028,604,380
Salaries and allowances	26(a)	4,392,570,297	3,623,403,593
Rent, taxes, insurances, electricity etc.	27(a)	585,047,123	505,610,267
Legal expenses	28	9,203,342	7,483,586
Postage, stamps, telecommunication etc.	29(a)	7,878,063	8,665,023
Stationery, printings, advertisements etc.	30(a)	120,297,660	105,278,351
Managing Director's salary and allowances	31	17,121,670	14,254,517
Directors' fees & expenses	32(a)	4,113,162	2,800,818
Shariah supervisory committee's fees & expenses	33	444,666	144,284
Auditors' fees		977,500	985,750
Charges on investment losses		-	-
Depreciation & repair of Bank's assets	34(a)	639,036,460	640,211,037
Zakat expenses		196,215,836	181,384,083
Other expenses	35(a)	1,459,047,243	1,202,686,945
Total operating expenses		7,431,953,021	6,292,908,253
Profit/(Loss) before provision		4,844,799,835	4,735,696,127
Provision for investments		671,509,077	1,635,265,599
Other provisions	36(a)	216,691,867	99,855,498
Total provision	37(a)	888,200,945	1,735,121,097
Total profit/(loss) before income taxes		3,956,598,891	3,000,575,030
Provision for taxation	38(a)	1,495,107,426	1,250,391,364
Current tax		1,480,430,446	1,215,533,867
Deferred tax		14,676,980	34,857,498
Net profit/(loss) after taxation		2,461,491,465	1,750,183,666
Appropriations			
Statutory reserve		780,892,933	574,874,153
Start up Fund		24,297,828	-
Coupon/dividend on perpetual bond		393,500,011	-
		1,198,690,772	574,874,153
Attributable to:			
Equity holders' of the Bank		1,262,800,666	1,175,309,416
Non controlling interest		26	97
		2,461,491,465	1,750,183,666
Consolidated Earning Per Share (CEPS) (Prior year restated)	39(a)	2.00	1.69

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


Chairman
Md. Nurul Hossain Khan FCA
 Enrollment No. 0240
 Managing Partner
Kazi Zahir Khan & Co.
 Chartered Accountants
 DVC No. 2304260240AS927315
 Dhaka, Bangladesh
 Date: 26 APR 2023


Director
 Signed as per our report of same date


Managing Director & CEO
Mohammad Shaheed FCA, FCMA
 Enrollment no. 1016
 Senior Partner
Khan Wahab Shafique Rahman & Co.
 Chartered Accountants
 DVC No. 2304261016AS804131

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2022</u> <u>Taka</u>	<u>31.12.2021</u> <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	40(a)	21,516,207,626	24,376,879,413
Profit paid on deposits		(14,527,851,384)	(15,098,234,761)
Income /dividend receipt from Investments in Shares and Securities		1,437,128,763	825,534,629
Fees & commission receipt		859,266,218	858,095,827
Cash payments to employees		(4,409,691,967)	(3,637,658,110)
Cash payments to suppliers		(128,175,723)	(113,943,374)
Income tax paid		(1,325,246,974)	(1,970,235,272)
Receipts from other operating activities	41(a)	3,731,510,739	1,402,834,855
Payments for other operating activities	42(a)	(2,374,018,735)	(2,016,047,028)
Operating profit before changes in operating assets and liabilities	43(a)	4,779,128,563	4,627,226,179
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		5,293,382,220	(10,651,221,574)
Investments to other Banks		-	-
Investment to customers		(30,170,336,975)	(12,265,876,963)
Other assets	44(a)	(8,397,725,571)	(305,703,222)
Placement from banks & other financial institutions		30,000,000,000	-
Deposits from other Banks		13,043,068,092	(20,767,172,886)
Deposits received from customers		(14,379,469,859)	38,164,011,076
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	45(a)	(1,251,495,274)	(499,799,837)
Sub Total		(5,862,577,366)	(6,325,763,406)
A. Net Cash flow from operating activities		(1,083,448,803)	(1,698,537,228)
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		(672,336,750)	(339,633,776)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(672,336,750)	(339,633,776)
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
SIBL Mudaraba Subordinated Bond		(800,000,000)	(2,400,000,000)
SIBL mudaraba perpetual bond		-	3,500,000,000
Receipts from issue of right shares/ordinary share		-	-
Coupon/ dividend on perpetual bond		(393,500,011)	-
Dividend paid in cash		(492,454,422)	(469,004,212)
C. Net Cash flow from financing activities		(1,685,954,433)	630,995,788
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		(3,441,739,986)	(1,407,175,217)
E. Effects of exchange rate changes on cash & cash equivalents		208,371,834	57,740,805
F. Cash and cash equivalents at the beginning of the year		42,726,246,549	44,075,680,961
G. Cash and cash equivalents at the end of the year (D+E+F)	46(a)	39,492,878,397	42,726,246,549
Consolidated Net Operating Cash Flow Per Share (NOCFPS) (prior year restated)	39(ii)	(1.05)	(1.64)

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

 Chairman

 Director

 Director

 Managing Director & CEO

Dhaka, Bangladesh

Date: **26 APR 2023**

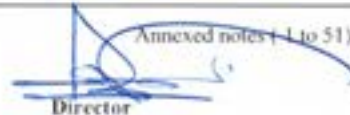
SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

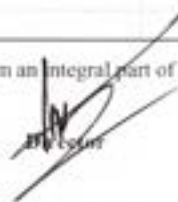
(Amount in Taka)

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 2022	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
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Properties	-	-	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Investment	-	-	-	-	-	-	-	-	-
Currency translation Difference	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the Income Statement	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	2,461,491,439	26	2,461,491,465
Start-up fund for the year	-	-	-	-	-	-	(24,297,828)	-	(24,297,828)
Coupon/dividend on perpetual bond	-	-	-	-	-	-	(393,500,011)	-	(393,500,011)
Appropriation made during the year	-	-	780,892,933	-	7,649,999	-	(780,892,933)	-	7,649,999
Dividend:									
Cash Dividend	-	-	-	-	-	-	(492,454,422)	-	(492,454,422)
Bonus shares	492,454,420	-	-	-	-	-	(492,454,420)	-	-
Transferred to retained earnings	-	-	-	-	-	(13,764,977)	13,764,977	-	-
Transferred from deferred Tax	-	-	-	-	-	-	8,126,987	-	8,126,987
Non-controlling interest	-	-	-	-	-	-	-	-	-
Total group shareholders' equity as on 31 December 2022	10,341,542,860	-	8,386,157,907	13,938,397	16,149,999	543,259,152	1,586,161,147	1,963	20,887,211,425
CET 1 Capital Under Basel III:	10,341,542,860	-	8,386,157,907	13,938,397	-	-	1,586,161,147	1,963	20,327,802,274
Less: Adjustment in CET-1 Capital	-	-	-	-	-	-	-	-	219,437,677
Add: SIBL Mudaraba Perpetual bond (AT-1 Capital)	-	-	-	-	-	-	-	-	4,312,791,595
Total Eligible Tier I Capital									24,421,156,191
Add: General provision for unclassified investment	-	-	-	-	-	-	-	-	5,982,734,936
Add: SIBL Mudaraba Subordinated Bond	-	-	-	-	-	-	-	-	3,000,000,000
Add: Others (As per RBCA Guideline of BB)	-	-	-	-	-	-	-	-	687,208,405
Total Tier II Capital									9,669,943,341
Total Eligible Tier II Capital (as per RBCA guideline)									9,669,943,341
Total eligible capital as on 31 December 2022									34,091,099,532

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


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh

Date: **26 APR 2023**

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

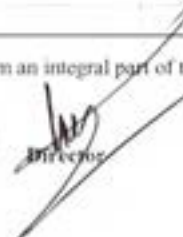
(Amount in Taka)

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
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 1 Capital Under Basel III:	9,849,088,440		7,605,264,974	13,938,397			1,363,252,358	1,937	18,831,546,106
Less: Adjustment in CET-1 Capital									194,557,589
Add: SIBL Mudaraba Perpetual bond (AT-1 Capital)									4,201,942,382
Total Eligible Tier I Capital									22,838,930,899
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									32,604,409,712

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


Chairmah


Director


Director


Managing Director & CEO

Dhaka, Bangladesh

Date: **26 APR 2023**





SOCIAL ISLAMI BANK LIMITED
BALANCE SHEET
As at 31 December 2022

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2022</u> <u>Taka</u>	<u>31.12.2021</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (Including foreign currencies)	3	4,835,583,834	3,415,594,063
Balance with Bangladesh Bank & its Agent Banks (Including foreign currencies)	3.1	22,086,752,023	20,075,647,654
		26,922,335,857	23,491,241,717
Balance with other Banks and Financial Institutions			
	4		
In Bangladesh		3,226,074,618	7,030,431,948
Outside Bangladesh		2,520,897,414	2,540,793,342
		5,746,972,032	9,571,225,290
Placement with Banks & other Financial Institutions	5	6,822,973,794	9,662,743,194
Investments in shares & securities			
	6		
Government		14,789,330,000	20,165,050,000
Others		8,877,927,163	8,992,484,206
		23,667,257,163	29,157,534,206
Investments			
	7		
General investments etc.		326,758,535,809	297,611,586,727
Bills purchased and discounted		16,185,621,694	15,162,233,802
		342,944,157,503	312,773,820,529
Fixed assets including premises	8	4,400,288,555	4,247,797,726
Other assets	9	29,464,700,031	19,298,793,002
Non Banking assets			
Total assets		439,968,684,936	408,203,155,663
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
	10	30,000,000,000	-
Deposits and other accounts			
	11		
Mudaraba savings deposits		40,084,046,928	37,308,169,943
Mudaraba term deposits		168,510,358,684	176,256,112,820
Other mudaraba deposits		79,636,478,408	80,399,200,511
Al-wadceah current & other deposit accounts	11.2	45,975,991,996	42,250,954,675
Bills payable	11.3	6,327,507,930	5,064,269,305
Cash waqf fund		415,930,983	382,356,998
		340,950,314,928	341,661,064,252
Bond			
SIBL mudaraba subordinated bond	12	4,800,000,000	5,600,000,000
SIBL mudaraba perpetual bond	13	5,000,000,000	5,000,000,000
		9,800,000,000	10,600,000,000
Other liabilities	14	37,981,308,615	36,239,237,582
Deferred tax liabilities/ (assets)	15	471,979,987	465,429,994
Total liabilities		419,203,603,530	388,965,731,828
Capital/Shareholders' equity			
Paid-up capital	16.2	10,341,542,860	9,849,088,440
Statutory reserve	17	8,386,157,907	7,605,264,974
Revaluation reserve on fixed assets	18	543,259,152	557,024,130
Retained earnings	19	1,494,121,487	1,226,046,292
Total shareholders' equity		20,765,081,406	19,237,423,835
Total liabilities & shareholders' equity		439,968,684,936	408,203,155,663

<u>Particulars</u>	<u>Note(s)</u>	31.12.2022 <u>Taka</u>	31.12.2021 <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and Endorsements	20.1	43,467,019,251	21,739,997,400
Irrevocable Letters of Credit (including Back to Back Bills)	20.2	16,835,039,038	21,109,424,352
Letters of Guarantee	20.3	8,965,901,893	9,340,583,965
Bills for Collection	20.4	8,492,000,669	7,273,898,617
Other Contingent Liabilities	20.5	-	-
Total		77,759,960,851	59,463,904,333
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		77,759,960,851	59,463,904,333

Net Asset Value per share (NAV/share) (Prior year restated)	39 (i)	20.08	18.60
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Annexed notes (1 to 51) form an integral part of these financial statements

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


Md. Nurul Hossain Khan FCA
Enrollment no. 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC No. 2304260240AS927315
Dhaka, Bangladesh

Date: 26 APR 2023


Mohammad Shaheed FCA, FCMA
Enrollment no. 1016
Senior Partner
Khan Wahab Shafique Rahman & Co.
Chartered Accountants
DVC No.

2304261016AS804131

SOCIAL ISLAMI BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

<u>Particulars</u>	<u>Note(s)</u>	31.12.2022	31.12.2021
		<u>Taka</u>	<u>Taka</u>
Investment income	21	21,643,793,225	23,960,778,190
Profit paid on deposits	22	15,648,810,651	16,146,371,912
Net investment income		5,994,982,574	7,814,406,278
Income from investment in shares and securities	23	1,407,929,007	793,239,363
Commission, Exchange and Brokerage	24	3,803,725,179	1,461,194,791
Other operating income	25	888,118,466	677,986,092
		6,099,772,652	2,932,420,246
Total operating income		12,094,755,226	10,746,826,524
Operating expenses			
Salaries and allowances	26	4,347,776,677	3,588,686,773
Rent, taxes, insurances, electricity etc.	27	584,985,073	504,872,866
Legal expenses	28	9,203,342	7,483,586
Postage, stamps, telecommunication etc.	29	5,996,488	6,765,111
Stationery, printings, advertisements etc.	30	120,093,105	104,704,930
Managing Director's salary and allowances	31	17,121,670	14,254,517
Directors' fees & expenses	32	3,780,162	2,447,818
Shariah supervisory committee's fees & expenses	33	444,666	144,284
Auditors' fees		920,000	920,000
Charges on investment losses		-	-
Depreciation & repair to Bank's assets	34	631,420,596	633,423,051
Zakat expenses		196,215,836	181,384,083
Other expenses	35	1,441,774,366	1,175,506,087
Total operating expenses		7,359,731,980	6,220,593,106
Profit/(loss) before provision		4,735,023,246	4,526,233,418
Provision for investments		671,509,077	1,635,265,599
Other provisions	36	159,049,505	16,597,056
Total provision	37	830,558,582	1,651,862,655
Total profit/(loss) before income taxes		3,904,464,664	2,874,370,763
Provision for taxation	38	1,474,681,819	1,214,665,183
Current tax		1,460,004,839	1,179,106,673
Deferred tax		14,676,980	35,558,510
Net profit/(loss) after taxation		2,429,782,845	1,659,705,580
Appropriations:			
Statutory reserve		780,892,933	574,874,153
Start up Fund		24,297,828	-
Coupon/dividend on perpetual bond		393,500,011	-
		1,198,690,772	574,874,153
Retained earnings for the year		1,231,092,073	1,084,831,428
		2,429,782,845	1,659,705,580
Earning per share (EPS) (prior year restated)	39	1.97	1.60

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


Md. Nurul Hossain Khan FCA
Enrollment no. 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC No. 2304260240AS927315
Dhaka, Bangladesh
Date: 26 APR 2023


Mohammad Shaheed FCA, FCMA
Enrollment no. 1016
Senior Partner
Khan Wahab Shafique Rahman & Co.
Chartered Accountants
DVC No. 2304261016AS804131

SOCIAL ISLAMI BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2022</u> <u>Taka</u>	<u>31.12.2021</u> <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	40	21,399,098,015	24,235,500,147
Profit paid on deposits		(14,456,234,500)	(15,026,847,480)
Income /dividend receipt from Investments in Shares and Securities		1,407,929,007	793,239,363
Fees & commission receipt		753,116,234	683,994,762
Cash payments to employees		(4,364,898,347)	(3,602,941,290)
Cash payments to suppliers		(126,089,593)	(111,470,041)
Income tax paid		(1,300,415,312)	(1,926,928,903)
Receipts from other operating activities	41	3,730,355,577	1,397,445,315
Payments for other operating activities	42	(2,355,418,054)	(1,986,485,306)
Operating profit before changes in operating assets and liabilities	43	4,687,443,026	4,455,506,568
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		5,490,277,042	(10,670,166,544)
Investments to other Banks		-	-
Investment to customers		(30,170,336,975)	(12,155,876,963)
Other assets	44	(8,620,796,506)	(258,308,204)
Placement from banks & other financial institutions		30,000,000,000	-
Deposits from other Banks		13,043,068,092	(20,767,172,886)
Deposits received from customers		(14,946,393,567)	38,925,202,141
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	45	(572,790,315)	(1,231,338,091)
Sub Total		(5,776,972,229)	(6,157,660,547)
A. Net Cash flow from operating activities		(1,089,529,203)	(1,702,153,979)
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		(665,816,715)	(336,484,018)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(665,816,715)	(336,484,018)
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
SIBL Mudaraba Subordinated Bond		(800,000,000)	(2,400,000,000)
SIBL mudaraba perpetual bond		-	3,500,000,000
Receipts from issue of right shares/ordinary share		-	-
Coupon/ dividend on perpetual bond		(393,500,011)	-
Dividend paid in cash		(492,454,422)	(469,004,212)
C. Net Cash flow from financing activities		(1,685,954,433)	630,995,788
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		(3,441,300,352)	(1,407,642,209)
E. Effects of exchange rate changes on cash & cash equivalents		208,371,834	57,740,805
F. Cash and cash equivalents at the beginning of the year		42,725,210,201	44,075,111,603
G. Cash and cash equivalents at the end of the year (D+E+F)	46	39,492,281,683	42,725,210,201
Net Operating Cash Flow Per Share (NOCFPS) (prior year restated)	39(ii)	(1.05)	(1.65)

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

 Chairman
  Director
  Director
  Managing Director & CEO

Dhaka, Bangladesh

Date: **26 APR 2023**

SOCIAL ISLAMI BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amount in Taka)

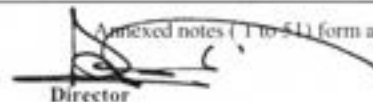
Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Total
1	2	3	4	5	6	7	8=(2+3+4+5+6+ 7)
Balance as at 01 January 2022	9,849,088,440	-	7,605,264,974	-	557,024,130	1,226,046,292	19,237,423,835
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Properties	-	-	-	-	-	-	-
Surplus / (Deficit) on account of Revaluation of Investment	-	-	-	-	-	-	-
Currency translation Difference	-	-	-	-	-	-	-
Net gain and losses not recognized in the Income Statement	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	2,429,782,845	2,429,782,845
Start-up fund for the year	-	-	-	-	-	(24,297,828)	(24,297,828)
Coupon/dividend on perpetual bond	-	-	-	-	-	(393,500,011)	(393,500,011)
Appropriation made during the year	-	-	780,892,933	-	-	(780,892,933)	-
Dividend:							
Cash dividend	-	-	-	-	-	(492,454,422)	(492,454,422)
Bonus Shares	492,454,420	-	-	-	-	(492,454,420)	-
Transferred to retained earnings	-	-	-	-	(13,764,977)	13,764,977	-
Transferred from deferred Tax	-	-	-	-	-	8,126,987	8,126,987
Total shareholders' equity as on 31 December 2022	10,341,542,860	-	8,386,157,907	-	543,259,152	1,494,121,487	20,765,081,406
CET 1 Capital Under Basel III:	10,341,542,860	-	8,386,157,907	-	-	1,494,121,487	20,221,822,254
Less: Adjustment in CET-1 Capital	-	-	-	-	-	-	218,436,829
Add: SIBL Mudaraba Perpetual bond (AT-1 Capital)	-	-	-	-	-	-	4,287,807,544
Total Eligible Tier I Capital	-	-	-	-	-	-	24,291,192,969
Add: General provision for unclassified investment	-	-	-	-	-	-	5,982,734,936
Add: SIBL Mudaraba Subordinated Bond	-	-	-	-	-	-	3,000,000,000
Add: Others (As per RBCA Guideline of BB)	-	-	-	-	-	-	712,192,456
Total Tier II Capital	-	-	-	-	-	-	9,694,927,392
Total Eligible Tier II Capital (as per RBCA guideline)	-	-	-	-	-	-	9,694,927,392
Total eligible capital as on 31 December 2022	-	-	-	-	-	-	33,986,120,360

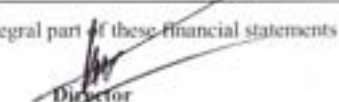
Annexed notes (1 to 51) form an integral part of these financial statements


Chairman

Dhaka, Bangladesh

Date: **26 APR 2023**


Director


Director


Managing Director & CEO

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	-	557,024,130	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-1 Capital							194,557,589
Add: SIBL Mudaraba Perpetual bond (AT-1 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

Dhaka, Bangladesh

Date: **26 APR 2023**


Director


Director


Managing Director & CEO

SOCIAL ISLAMI BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES ANALYSIS
AS AT 31 DECEMBER 2022

(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	13,687,227,857	-	-	-	13,235,108,000	26,922,335,857	23,491,241,717
Balance with other Banks and Financial Institutions	2,786,400,106	2,960,571,927	-	-	-	5,746,972,032	9,571,225,290
Placement with Banks & other Financial Institutions	3,650,000,000	2,761,680,600	225,000,000	186,293,194	-	6,822,973,794	9,662,743,194
Investment (in Shares & Securities)	1,597,199,412	1,250,000,000	790,000,000	15,430,057,751	4,600,000,000	23,667,257,163	29,157,534,206
Investments	52,225,581,427	77,570,992,239	151,117,156,837	48,331,578,000	13,698,849,000	342,944,157,503	312,773,820,529
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	2,200,144,277	2,200,144,277	4,400,288,555	4,247,797,726
Other Assets	25,155,899	308,278,647	2,891,447,136	13,045,810,015	13,194,008,334	29,464,700,031	19,298,793,002
Non-Banking Assets	-	-	-	-	-	-	-
Total Assets	73,971,564,701	84,851,523,413	155,023,603,973	79,193,883,238	46,928,109,611	439,968,684,936	408,203,155,663
Liabilities							
Placement from Banks & other financial institutions	28,000,000,000	2,000,000,000	-	-	-	30,000,000,000	-
Deposits and other accounts	63,371,360,561	64,622,660,469	146,884,679,394	46,747,021,870	19,324,592,634	340,950,314,928	341,661,064,252
Provision and other liabilities	30,833,335	2,871,889	1,966,045,709	20,669,927,774	25,111,629,907	47,781,308,615	46,839,237,582
Deferred tax liability	-	-	-	471,979,987	-	471,979,987	465,429,994
Total Liabilities	91,402,193,896	66,625,532,358	148,850,725,104	67,888,929,631	44,436,222,541	419,203,603,530	388,965,731,827
Net Liquidity Gap	(17,430,629,195)	18,225,991,054	6,172,878,869	11,304,953,607	2,491,887,070	20,765,081,406	19,237,423,835


Chairman


Director


Director


Managing Director & CEO

Dhaka, Bangladesh

Date: **26 APR 2023**

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

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 Bank 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 upto) and directives as received from time to time from Bangladesh Bank. 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 nine (179) 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 the 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) & Bangladesh Financial Reporting Council, 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 H" 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 BRPD circular no. 14 dated 25 June 2003, investments in shares and securities are classified under held to maturity (HTM) or held for trading (HFT) and measured at cost. Transaction costs that are directly attributable to the acquisition added to the initial fair value except for financial assets classified as HFT where they should be recognized in profit or loss.

After initial recognition, HFT govt. securities are measured according to DOS circular no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009, where amortization loss is charged to profit and loss account, mark-to-market loss on revaluation is charged to profit and loss account, but any unrealized gain on such revaluation is recognized in revaluation reserve account. HTM govt. securities are measured at amortized cost and increase/decrease related to amortization is recognized in equity.

As per BRPD circular no. 14 dated 25 June 2003 and DOS circular No.4 dated 24 November 2011, investments in quoted and unquoted shares are revalued at the year-end at market price and at Book Value of last audited balance sheet respectively. As such, provision is made against the diminution in value of investments considering netting of gain/loss. Investment in mutual fund (open-end) is revalued at lower of cost and higher of (market value and 95% of NAV) as per instruction of DOS circular no. 03 dated 12 March 2015 and closed end mutual fund is revalued at lower of cost and higher of (market value and 85% of NAV) as per DOS circular no. 10 dated 28 June 2015. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognized at costs.

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 of 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 dated 09 November 2009, 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 dated 09 November 2009, 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 dated 09 November 2009, 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 dated 09 November 2009.

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 dated 09 November 2009, provision on investments are presented separately as a liability and cannot be netted off against investments.

xv Charges on tax on retained earnings, reserve & surplus 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 dated 09 November 2009, no comparative is suggested for statements changes in equity.

xvii Revaluation gains/losses on government securities

As per requirement of IFRS, "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 31.12.2022 as under:

Quoted Bond & Shares	At cost or Market Value whichever is lower
Unquoted Shares	At cost
Bangladesh Govt. Islamic Bond	At cost
CDBL Share, Preference Share & 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 has been 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. At the year-end the company's market value and book value of quoted and unquoted shares was lower than cost price by Taka 13.95 million. Required provision have been ascertained as per DOS circular no: 04, dated-15 June 2010 and 24 November 2011 respectively. However as per requirements of Bangladesh Accounting Standard (BAS)-39, investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

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 2022.

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 2022 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 2022 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: "lease" 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 Balance sheet, 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 financial statements.

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 179 branches and sub-branches SIBL has applied IFRS-16 on only 144 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 2022 as on its 495th board meeting held on 26 April 2023 and authorized the financial statements on 26 April 2023.

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 2022 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:

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

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-16.2.

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 2022 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.



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 2022 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, Every employee is entitled to get gratuity (i) 1 (one) month's last basic salary if he/she completes seven years & above continuous service but below twelve years of service (ii) 1.5 month's last basic salaries if he/she completes twelve years & above but below 20 years of service (iii) 2 months last basic salaries if he/she completes twenty years & above service (iv) 2 month's last basic salaries in case of premature death during the tenure of active service multiplied by the number of years completed in service. The Bank has complied with International Accounting Standard (IAS) -19, "Employee Benefits" and necessary provision i.e @ 10.20% of basic salary of the regular employees have been made as per actuary valuation of Actuary Bangladesh, Actuarial & Pension Consultants for the period ended 31 December 2022.

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 LC commitments and other remittance of single borrower limit shown in note.

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



(c) Asset liability management risk

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

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

(d) Money laundering risk

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

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

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

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

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

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

(e) Internal control and compliance risk

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

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

(f) Operational risk

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

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



SIBL manages operational risks in the following manner:

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

(g) Legal risks

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

(h) Business risk

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

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

(i) Reputational risk

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

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

(j) Compliance risk

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

(k) Information and communication technology security risk

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

(l) Internal audit

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

(m) Fraud and forgeries

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



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 2022 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:

- Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
- 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:

- That engages in business activities from which it may earn revenues and incur expenses (include revenues and expenses
- 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
- 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 review its 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 2022, 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 segments 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, 2022.

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.



				31.12.2022	31.12.2021
				Taka	Taka
3	Cash				
	<i>In hand:</i>				
	In local currency			4,403,419,591	2,689,606,676
	In foreign currencies			19,915,993	36,952,461
	ATM balance			412,248,250	689,034,927
				4,835,583,834	3,415,594,063
	In Foreign Currencies				
		<u>Foreign Currency</u>	<u>Amount in FC</u>	<u>Exchange Rate</u>	
		USD	82,240	103.2970	8,495,145
		EURO	90,565	109.6808	9,933,242
		GBP	11,950	124.2560	1,484,859
		S. Riyal	100	27.4653	2,747
				19,915,993	36,952,461
3(a)	Consolidated balance of cash in hand				
	Social Islami Bank Limited			4,835,583,834	3,415,594,063
	<i>Cash in hand of Subsidiary companies</i>			572,098	1,020,793
	SIBL Securities Limited			127,146	734,863
	SIBL Investment Limited			444,952	285,930
				4,836,155,932	3,416,614,856
3.1	Balance with Bangladesh Bank and its agent Bank (Sonali Bank)				
	Balance with Bangladesh Bank (Note-3.1.1)			21,710,736,536	19,784,191,100
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)			376,015,487	291,456,554
				22,086,752,023	20,075,647,654
3.1.1	Balance with Bangladesh Bank (Including foreign currencies)				
	In local currency			19,283,301,315	17,916,790,090
	In foreign currencies			2,427,435,221	1,867,401,010
				21,710,736,536	19,784,191,100
3.1.2	Balance with Sonali Bank (as an agent of Bangladesh Bank)				
	In local currency			376,015,487	291,456,554
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			11,560,171,000	11,639,111,000
	Actual Reserve held as per GL balance (in local currency)			19,283,301,315	17,916,790,090
	Excess Reserve			7,723,130,315	6,277,679,090
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			13,235,108,000	13,314,424,000
	Actual Reserve held as per GL balance (in local currency)			19,283,301,315	17,916,790,090
	Excess Reserve			6,048,193,315	4,602,366,090
3.5	Statutory Liquidity Ratio (SLR)				
	Required Reserve			18,424,316,000	18,428,438,000
	Actual Reserve held as per GL balance (Note- 3.6)			26,049,122,636	28,474,466,708
	Surplus			7,624,806,636	10,046,028,708
3.6	Held for Statutory Liquidity Ratio				
	Cash in hand (Note- 3)			4,835,583,834	3,415,594,063
	Balance with Bangladesh Bank and its Agent Banks (Note-3.1)			-	-
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)			376,015,487	291,456,554
	Excess reserve of CRR (Note-3.4)			6,048,193,315	4,602,366,090
	Balance with Islamic Refinance Fund (Note-6)			250,000,000	250,000,000
	Bangladesh Govt. Islamic Bond (Note- 6)			14,539,330,000	19,915,050,000
				26,049,122,636	28,474,466,708
4	Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)				
	In Bangladesh (Note- 4.1)			3,226,074,618	7,030,431,948
	Outside Bangladesh (Note- 4.2)			2,520,897,414	2,540,793,347
				5,746,972,032	9,571,225,295



	31.12.2022	31.12.2021
	Taka	Taka
4(a) Consolidated balance of other Banks and Financial Institutions		
In Bangladesh		
Social Islami Bank Limited	3,226,074,618	7,030,431,948
<i>Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch</i>	<i>695,327,365</i>	<i>1,262,251,073</i>
SIBL Securities Limited (Current account and MTDR)	589,734,614	1,155,890,554
SIBL Investment Limited (Current account and SND)	105,592,751	106,360,519
	3,921,401,983	8,292,683,022
<i>Less: Inter Company balance eliminated</i>	<i>695,327,365</i>	<i>1,262,251,073</i>
SIBL Securities Limited (Current account and MTDR)	589,734,614	1,155,890,554
SIBL Investment Limited (Current account and SND)	105,592,751	106,360,519
<i>Add: Account Balance of subsidiaries of SIBL with other Banks and financial institutions</i>	<i>24,616</i>	<i>15,555</i>
SIBL Securities Limited	24,616	15,555
SIBL Investment Limited	-	-
Consolidated balance with Banks and Financial Institutions	3,226,099,234	7,030,447,503

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	6,083,326	53,654
Sonali Bank Limited	40,786,634	44,940,487
Agrani Bank Limited	28,625	1,425,930
Pubali Bank Limited	86,452	2,261
Rupali Bank Limited	32,724,418	70,658,115
Trust Bank Limited (ATM settlement Account)	139,747,259	37,643,899
Standard Chartered Bank (ATM settlement Account)	46,045,979	21,239,157
	265,502,691	175,963,498
b) Mudaraba Short Notice Deposits		
Al- Arafah Islami Bank Limited	8,557,312	806,212,944
ICB Islami Bank Limited	8,575	8,805
Shahjalal Islami Bank Limited	20,561,472	515,504,860
Prime Bank Limited (Islami Banking Branch)	1,262,141	7,539
Bank Asia Limited (Islami Banking Branch)	598,743	591,058
Islami Bank Bangladesh Limited	170,606,605	292,756,041
Jamuna Bank Limited (Islami Banking Branch)	565,376	561,966
Pubali Bank Limited (Islami Banking Branch)	123,976,102	1,749,386,613
Exim Bank Ltd.	9,117,940	38,257,175
Janata Bank Limited	18,050	18,713
Southeast Bank Ltd.	3,385,622	3,359,067
AB Bank Ltd.	1,018,128	23,569,964
The City Bank Ltd.	10,808	11,316
Agrani Bank Ltd.	108,920,375	702,751,461
First Security Islami Bank Ltd.	504,213,841	30,907,601
NRB Global Banl Ltd.	703,300,040	748,373,127
Union Bank Ltd.	1,304,450,796	1,942,190,201
	2,960,571,927	6,854,468,450
c) Mudaraba Savings Deposits		
Total	3,226,074,618	7,030,431,948

31.12.2022

4.2 Outside Bangladesh (NOSTRO Account)					
Current Account with					
	Currency	F.C. Amount	Rate	Taka	
1	SCB, MUMBAI	ACUD	406,153.34	103.2970	41,954,422
2	SUMMIT Bank, KARACHI	ACUD	23,784.82	103.2970	2,456,901
3	SONALI Bank, KOLKATA	ACUD	81,988.60	103.2970	8,469,176
4	MASHREQ Bank, MUMBAI	ACUD	239,730.22	103.2970	24,763,413
5	NEPAL BANGLADESH Bank	ACUD	276,510.36	103.2970	28,562,691
6	Bank OF BHUTAN, PHUENTSHOLING	ACUD	32,764.44	103.2970	3,384,468
7	UNITED Bank OF INDIA	ACUD	257,227.16	103.2970	26,570,794
8	AB Bank, MUMBAI	ACUD	1,451,039.83	103.2970	149,888,061
9	MEEZAN Bank LIMITED	ACUD	348,774.27	103.2970	36,027,336
10	MCB Bank, KARACHI, PAKISTAN	ACUD	394.50	103.2970	40,751
11	AXIS Bank LIMITED	ACUD	20,463.16	103.2970	2,113,783
12	HDFC Bank LTD., MUMBAI	ACUD	510,270.44	103.2970	52,709,406
13	MASHREQ Bank, NEW YORK, (OBU)	USD	1,015,149.56	103.2970	104,861,904
14	MASHREQ Bank PSC, NEW YORK, USA	USD	5,760,478.95	103.2970	595,040,194
15	SCB, MUMBAI	USD	8,010,990.00	103.2970	827,409,964
					1,904,253,262

balance carried forward



31.12.2022

Current Account with	Currency	E.C. Amount	Rate	Taka
		<i>balance brought forward</i>		1,994,253,262
16 KOREA EXCH. Bank, KOREA	USD	13,061.06	103.2970	1,349,168
17 HABIB AMERICAN Bank	USD	526,776.76	103.2970	54,414,459
18 COMMERZ Bank AG, FRANKFURT	USD	147,554.07	103.2970	15,241,893
19 Zhejiang Commercial Bank, China	USD	412,252.45	103.2970	42,584,441
20 COMMERZ Bank AG, CHF	CHF	26,132.48	111.3474	2,909,784
21 ABU DHABI ISLAMI BANK, UAE	AED	571,416.00	28.1218	16,069,246
22 Zhejiang Commercial Bank, China	CNY	6,795,874.74	14.8111	100,654,380
23 MASHREQ Bank, PSC MUMBAI	ACU EURO	497.92	109.6808	54,617
24 SCB, FRANKFURT	EURO	2,852,283.09	109.6808	312,840,691
25 COMMERZ Bank AG, FRANKFURT	EURO	32,601.13	109.6808	3,575,718
26 SCB, LONDON, UK	GBP	66,740.43	124.2560	8,292,899
27 SCB, TOKYO	JPY	5,329,820.00	0.7719	4,114,088
28 RIYAD BANK	RIYAL	1,984,176.83	27.4653	54,496,012
29 Bank AL JAZIRA	RIYAL	1,702.50	27.4653	46,760
			Total	2,520,897,414

Currency wise Distribution:

Foreign Currency

	31.12.2022 Composition	31.12.2021 Composition	31.12.2022 Taka	31.12.2021 Taka
USD/ACU	80.04%	97.75%	2,017,843,224	2,483,499,381
CHF	0.12%	0.03%	2,909,784	781,282
AED	0.64%	-	16,069,246	-
CNY	3.99%	-	100,654,380	-
GBP	0.33%	0.07%	8,292,899	1,881,905
EUR	12.55%	1.90%	316,471,021	48,228,046
YEN	0.16%	0.09%	4,114,088	2,379,524
RIYAL	2.16%	0.16%	54,542,772	4,023,200
	100%	100%	2,520,897,414	2,540,793,342

Please see 'Annexure-C' for details comparative statement of 31.12.2022 & 31.12.2021 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	2,786,400,106	2,716,756,840
Not more than 3 months	2,960,571,927	6,854,468,450
Over 3 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
More than 5 years	-	-
	5,746,972,032	9,571,225,290

5 Placement with Banks & other Financial Institutions

Placement with Banks (Note-5.1)

Placement with other Financial Institutions (Note-5.2 & 5.3)

	2,436,293,194	3,636,293,194
	4,386,680,600	6,026,450,000
	6,822,973,794	9,662,743,194

5.1 Mudaraba Term Deposits with Banks

ICB Islamic Bank Limited

Union Bank Limited

Bangladesh Commerce Bank Limited

Al-Arafah Islami Bank Limited

EXIM Bank Limited

	186,293,194	186,293,194
	1,800,000,000	1,800,000,000
	450,000,000	-
	-	150,000,000
	-	1,500,000,000
	2,436,293,194	3,636,293,194

5.2 Mudaraba Term Deposits with Other Financial Institutions

IPDC Finance Ltd.

International Leasing & Financial Services Ltd.

Union Capital Limited

Bay Leasing & Investment Ltd.

Fas Finance and Investment Limited

First Finance Limited

Islamic Finance & Investment Ltd.

AVIVA Finance Limited/Realiance

Investment Corporation of BD Ltd. (ICB)

	300,000,000	-
	355,000,000	355,000,000
	200,000,000	200,000,000
	15,000,000	50,000,000
	300,000,000	300,000,000
	100,000,000	100,000,000
	400,000,000	25,000,000
	1,680,000,000	1,680,000,000
	830,000,000	1,000,000,000
	4,180,000,000	3,710,000,000

5.3 FC Placement with Banks & other Financial Institutions

Islami Bank Ltd.

Al-Arafah Islami Bank Ltd.

First Security Islami Bank Ltd.

Shahjalal Islami Bank Ltd.

	206,680,600	1,287,000,000
	-	343,200,000
	-	257,250,000
	-	429,000,000
	206,680,600	2,316,450,000



	31.12.2022 Taka	31.12.2021 Taka
5.4 Maturity-wise groupings of placement with Banks and other Financial Institutions		
On Demand	3,650,000,000	3,455,000,000
Not more than 3 months	2,761,680,600	4,316,450,000
More than 3 months but less than 1 year	225,000,000	1,705,000,000
More than 1 year but less than 5 years	186,293,194	186,293,194
More than 5 years	-	-
	6,822,973,794	9,662,743,194
6 Investment in Shares & Securities		
Government		
Government Bond (Islamic Investment Bond) (Note 6.1)	1,000,000,000	11,100,000,000
7 Years Treasury BOND (5%)	319,300,000	319,300,000
7 Years Treasury BOND (0%)	123,000,000	123,000,000
Investment in BD GOVT. Investment Sukuk	13,097,030,000	8,372,750,000
	14,539,330,000	19,915,050,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	14,789,330,000	20,165,050,000
Others		
Investment in Shares, Quoted (Note 6.3 & 6.6)	1,597,199,412	428,947,081
Investment in Shares, Unquoted/bond (Note 6.4 & 6.5)	7,280,727,751	8,580,727,751
	8,877,927,163	9,009,674,832
Fair value adjustment through profit or loss (FVTPL) (note: 6.6)	-	(17,190,627)
Value of Investment in Shares and securities, Others	8,877,927,163	8,992,484,206
Grand Total	23,667,257,163	29,157,534,206
Maturity-wise Grouping of Investment in Securities:		
Up to one month	1,597,199,412	4,066,434,215
Not more than 3 months	1,250,000,000	1,750,000,000
Over 3 months but not more than 1 year	790,000,000	5,700,000,000
Over 1 year but not more than 5 years	15,430,057,751	12,394,331,045
More than 5 years	4,600,000,000	5,246,768,945
	23,667,257,163	29,157,534,206
6(a) Consolidated Investment in Shares and Securities		
Social Islami Bank Limited		
Government		
Investment in Government Islamic Bond	1,000,000,000	11,100,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
7 Years Treasury BOND (5%)	319,300,000	319,300,000
7 Years Treasury BOND (0%)	123,000,000	123,000,000
Investment in BD GOVT. Investment Sukuk	13,097,030,000	8,372,750,000
	14,789,330,000	20,165,050,000
Others sectors	8,877,927,163	8,992,484,206
Add: Investment in Shares and Securities by subsidiary companies	428,316,464	231,421,642
SIBL Securities Limited	266,205,648	191,318,687
SIBL Investment Limited	162,110,816	40,102,955
	9,306,243,627	9,223,905,847
Total consolidated balance of Investment in shares and securities	24,095,573,627	29,388,955,847
6.1	<p>Bangladesh Bank introduced a new type of investment opportunity solely for the purpose of Shariah Banks in the year 2005 being inherent limitation on the part of Shariah Compliant Banks to take part in buying and selling of treasury bill etc as a very common form of treasury management. The fund has been operated under Mudaraba Principle and are being used as a part of SLR (Statutory Liquidity Requirement) vide Bangladesh Bank Circular Letter ref. no: AMA/AUSOBI/SANCHAY/S-03/2004/262 dated September 2, 2004.</p> <p>The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed amongst the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenure of the bond. So, the rate of return from Islamic Bond is not prefixed rather dependent on fund deployment by Bangladesh Bank.</p>	
6.2	<p>Investment (Cost) in Shares (Quoted)</p>	
Aamra Tech	-	10,624,861
MBL 1st Mutual Fund	2,539,407	2,219,993
IFIC 1ST Mutual Fund	4,447,000	2,010,000
Trust Bank 1ST Mutual Fund	1,102,750	-
IFIL Islami Mutual Fund	2,032,000	2,159,000
AB 1st Mutual Fund	3,836,731	-
ICB Agrani Mutual Fund	2,529,900	2,529,900
Exim 1st Mutual Fund	8,843,463	-
Green Delta Mutual Fund	7,375,126	-
	32,706,377	19,543,754



	31.12.2022	31.12.2021
	Taka	Taka
<i>balance brought forward</i>	32,706,377	19,543,754
PHP Mutual Fund	4,296,093	-
Vanguard Mutual Fund	1,688,141	-
National Bank Limited	91,529,844	-
Shahjalal Islami Bank Limited	11,455,555	-
Standard Bank Limited	19,971,770	6,246,346
Global Islami Bank Limited	13,173,670	-
Titas Gas Limited	7,260,000	8,950,000
Jamuna Oil	22,327,446	16,240,000
ACME Pesticide	-	133,800
ICICL	87,980	-
BSRM Ltd.	4,585,642	-
Beximco Sukuk Al Isti	10,000,000	10,000,000
SS Steel	8,816,104	-
ACI Formulations Ltd.	10,194,629	-
Walton Ltd.	-	1,416,566
Shasha Denim Ltd.	2,907,256	-
Summit Alliance Port	5,365,258	-
BBS Cables	2,775,233	-
United Power Generation	2,488,729	-
Lub-ref Bd.	75,400,000	96,400,000
Square Pharmaceuticals	32,191,490	6,465,000
IFADAUTO Ltd.	4,968,636	-
Meghna Petroleum	19,680,000	18,260,000
	383,869,853	183,655,466
6.3 Capital Market (special fund)		
Aama Tech	-	18,290,060
ACI	28,492,664	9,687,174
Baraka Power	6,505,825	2,776,508
BSRM LTD	13,061,513	15,916,274
BSRM Steel	5,238,409	7,152,058
Confident Cement	33,106,777	28,425,590
Desco	7,657,460	5,754,553
GPH Ispat	10,205,205	-
ACI Formula	3,107,750	-
Exim Bank Limited	12,245,900	12,245,860
Shahjalal Islami Bank Limited	36,610,560	23,545,598
Al- Arafah Islami Bank Limited	7,716,090	-
IFADAUTO Ltd.	20,261,766	8,971,082
Jamuna Oil	16,805,922	15,993,867
Padma Oil	6,192,519	6,192,520
MILBD	9,279,210	3,993,960
ICB Agrani 1st Mutual Fund	3,007,640	3,007,635
EHBL	7,194,750	-
Linde BD.	-	2,636,374
Meghna Petroleum	18,294,198	17,971,399
ACMELAB	13,972,890	-
Renata	7,820,817	2,131,062
Singerbd	8,515,530	8,515,528
Square Pharmaceuticals	31,909,890	16,871,930
Summit Power Limited	40,594,300	17,246,549
Titas Gas Limited	-	17,966,034
BEXGSUKUK	800,000,000	-
BXPHERMA	18,731,784	-
MARICO	1,213,471	-
OLYMPIC	16,185,429	-
POWERGRID	11,792,620	-
SILCO PHARMA	10,681,680	-
SQUARE PHARMA	6,926,990	-
	1,213,329,559	245,291,615
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
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
	880,727,751	1,680,727,751



	31.12.2022	31.12.2021
	Taka	Taka
6.5 Subordinated Bond		
FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond)	1,000,000,000	1,300,000,000
UBL Mudaraba Subordinate Bond	800,000,000	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
	6,400,000,000	6,900,000,000
Total Investment (Cost) in Shares (Unquoted)/Bond	7,280,727,751	8,580,727,751

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- 2022	31.12.2022	
				Cost price as on 31-12-2022	Fair value adjustment
Quoted Shares					
MBL 1st Mutual Fund	320,286	6.60	2,113,888	2,539,407	(425,519)
IFIC 1ST Mutual Fund	800,000	5.10	4,080,000	4,447,000	(367,000)
Trust Bank 1ST Mutual Fund	200,000	5.60	1,120,000	1,102,750	17,250
IFIL Islami Mutual Fund	317,500	6.40	2,032,000	2,032,000	-
AB 1st Mutual Fund	704,846	5.20	3,665,199	3,836,731	(171,532)
ICB Agrani Mutual Fund	281,100	9.20	2,586,120	2,529,900	56,220
Exim 1st Mutual Fund	1,400,000	5.80	8,120,000	8,843,463	(723,463)
Green Delta Mutual Fund	1,000,000	6.90	6,900,000	7,375,126	(475,126)
PHP Mutual Fund	800,000	5.20	4,160,000	4,296,093	(136,093)
Vanguard Mutual Fund	215,342	7.40	1,593,531	1,688,141	(94,610)
National Bank Limited	11,000,000	8.30	91,300,000	91,529,844	(229,844)
Shahjalal Islami Bank Lim	601,055	18.80	11,299,834	11,455,555	(155,721)
Standard Bank Limited	2,000,000	8.80	17,600,000	19,971,770	(2,371,770)
Global Islami Bank Limited	1,317,367	9.00	11,856,303	13,173,670	(1,317,367)
Titas Gas Limited	200,000	40.90	8,180,000	7,260,000	920,000
Jamuna Oil	130,000	167.30	21,749,000	22,327,446	(578,446)
ICICL	8,798	28.10	247,224	87,980	159,244
BSRM Ltd.	50,000	90.00	4,500,000	4,585,642	(85,642)
Beximco Sukuk Al Isti	100,000	89.00	8,900,000	10,000,000	(1,100,000)
SS Steel	500,000	16.60	8,300,000	8,816,104	(516,104)
ACI Formulations Ltd.	60,000	155.00	9,300,000	10,194,629	(894,629)
Shasha Denim Ltd.	100,000	27.00	2,700,000	2,907,256	(207,256)
Summit Alliance Port	150,000	30.00	4,500,000	5,365,258	(865,258)
BBS Cables	52,500	49.90	2,619,750	2,775,233	(155,483)
United Power Generation	10,000	233.70	2,337,000	2,488,729	(151,729)
Lub-ref Bd.	2,000,000	36.10	72,200,000	75,400,000	(3,200,000)
Square Pharmaceuticals	150,000	209.80	31,470,000	32,191,490	(721,490)
IFADAUTO Ltd.	105,000	44.10	4,630,500	4,968,636	(338,136)
Meghna Petroleum	100,000	198.60	19,860,000	19,680,000	180,000
			369,920,348	383,869,853	(13,949,505)
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	-
FSIBL Mudaraba Subordinate Bond (2nd & 3rd Bond)			1,000,000,000	1,000,000,000	-
UBL Mudaraba Subordinate Bond			800,000,000	800,000,000	-
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 SJBL Mud. Per. Bond			1,500,000,000	1,500,000,000	-
			6,610,827,751	6,610,827,751	-
Grand Total			8,845,977,660	8,877,927,163	(13,949,505)

	31.12.2022 Taka	31.12.2021 Taka
6.7 Industry wise classification of shares		
Quoted shares		
Banks	136,130,839	6,246,346
Mutual Funds	38,690,611	8,918,893
Others	209,048,403	168,490,727
	383,869,853	183,655,466
6.8 Cost of shares and securities of quoted and unquoted, other than investment in subsidiaries	8,877,927,163	9,009,674,832
Fair value adjustment (Profit/(Loss)) to be made through profit and loss account	-	(17,190,627)
Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries	8,877,927,163	8,992,484,206
To test the total value of the portfolios as shown above as on 31.12.2022, management of the Bank has carefully reviewed whether it is necessary to provide any provision to cover any expected loss that may arise from decrease in market value. The monthly review: December 2022, published from Dhaka Stock Exchange Limited has been followed to test the market value and found that the total market value of the securities Tk. 36.99 crore as against purchase price Tk. 38.38 crore and provision for an amount of Tk. 1.39 crore is made in the financial statements as on 31 December 2022 in compliance with DOS Circular no: 04, Dated: 24 November 2011 and related Accounting Standards applicable in Bangladesh.		
7 Investments		
In Bangladesh		
General Investments etc. (Note-7.1)	326,758,535,809	297,611,586,727
Bills purchased and discounted-net (Note- 7.2)	4,508,910,753	3,469,088,561
Outside Bangladesh		
Bills purchased and discounted-net (Note- 7.2)	11,676,710,941	11,693,145,241
	342,944,157,502	312,773,820,529
7 (a) Consolidated Investment		
General Investments etc.	326,758,535,809	297,611,586,727
Less: InterCompany balance eliminated		
SIBL Securities Limited Quard Investment with SIBL- Principal branch	790,000,000	790,000,000
SIBL Investment Limited	-	-
Total consolidated general investment	325,968,535,809	296,821,586,727
Bills purchased and discounted-net	16,185,621,694	15,162,233,802
Grand total	342,154,157,503	311,983,820,529
Maturity wise Classification of Investments:		
With a residual maturity of		
Re-payable on Demand	52,225,581,427	42,843,682,047
Not more than 3 months	77,570,992,239	64,254,404,260
Over 3 months but not more than 1 year	151,117,156,837	133,176,792,222
Over 1 year but not more than 5 years	48,331,578,000	60,687,949,000
Over 5 years	13,698,849,000	11,810,993,000
	342,944,157,503	312,773,820,529
7.1 Mode-Wise Investment (General)		
a) In Bangladesh		
Musharaka	173,858,656	247,948,307
Murabaha	9,734,443,463	9,783,345,114
Mudaraba	14,521,541,191	5,071,054,090
Bai-Muazzal	219,134,720,518	204,476,232,728
Hire-Purchase Sirkatul Meeek	61,528,389,120	60,528,283,545
Quard	17,045,124,824	13,511,828,373
Bai-Salam	1,110,964,831	569,928,680
Staff Loan	2,086,774,124	2,156,635,896
Ijarah	362,427,485	412,031,312
Visa Card	1,060,291,598	854,298,684
	326,758,535,809	297,611,586,727
Mode-Wise Investment (General)		
b) Outside Bangladesh		
Musharaka	-	-
Murabaha	-	-
Bai-Muazzal	-	-
Hire-Purchase Sirkatul Meeek	-	-
Installment Investment Scheme	-	-
Quard	-	-
Bai-Salam	-	-
Others	-	-
	-	-
7.2 Bills Purchased and discounted		
In land Bill Purchase	4,508,910,753	3,469,088,561
Outside Bangladesh		
Foreign Bill Purchased	47,252,448	79,202,046
Murabaha Bill of Exchange	1,318,436,039	1,722,350,710
Baim-Wes bills	10,311,022,453	9,891,592,484
	11,676,710,941	11,693,145,241
Grand total of net Bills Purchased and Discounted	16,185,621,694	15,162,233,802



	31.12.2022	31.12.2021
	Taka	Taka
7.2.1 Bills Purchased and Discounted		
Payable in Bangladesh	5,899,422,176	5,292,226,212
Payable outside Bangladesh	10,488,387,740	10,153,727,970
Gross Bills Purchased and Discounted	16,387,809,916	15,445,954,182
Less: Profit receivable on Bills Purchased and Discounted	202,188,223	283,720,381
Net Bills Purchased and Discounted	16,185,621,694	15,162,233,802
Maturity wise Classification of Bills Purchased and Discounted:		
On demand	3,237,124,339	3,032,446,762
Over 1 month but less than 3 months	8,092,810,847	7,581,116,900
Over 3 months but less than 1 year	4,855,686,508	4,548,670,140
1 year or more	-	-
	16,185,621,694	15,162,233,802

7.3 Investments on the basis of significant concentration	31.12.2022	31.12.2021		
Investments to allied concern of Directors	0.00%	0.00%	-	-
Investments to Executives & Staffs	0.64%	0.69%	2,207,617,983	2,167,849,176
Investments to Industries	47.56%	52.82%	163,090,295,905	145,388,028,398
Industrial to Trade & Commerce	31.56%	46.48%	108,243,332,400	104,621,337,334
Others	20.24%	0.00%	69,402,911,214	60,596,605,670
	100.00%	100.00%	342,944,157,503	312,773,820,529

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. 3,398.61 Crore as on 31.12.2022 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 509.79 crore (3,398.61 crore x 15%) till 31.12.2022. 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)

Nil Nil

Number of such types of customers

Nil Nil

Amount of Classified Investments thereon

Nil Nil

Measures taken for recovery

Not applicable Not applicable

* 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-849.65 crore as on 31.12.2022.

7.4 Business Segment Wise Investment

(Amount in Taka)

Sector	2022		2021	
	Amount	Composition	Amount	Composition
Corporate Investment	255,620,757,130	74.54%	241,834,131,112	77.32%
SME Investment	70,432,840,675	20.54%	57,263,505,578	18.31%
Retail & Quard MTDR-DPS to Individuals	8,179,088,739	2.38%	6,178,954,811	1.98%
Ari & Microfinance Investment	2,078,759,146	0.61%	1,822,221,333	0.58%
Credit Card Investment	1,060,291,598	0.31%	854,298,683	0.27%
Others Investment	5,572,420,215	1.62%	4,820,709,011	1.54%
Total	342,944,157,503	100.00%	312,773,820,529	100.00%

7.5 Investment Concentration on Major Sectors

(Amount in Taka)

Sector	2022		2021	
	Amount	Composition	Amount	Composition
RMG	21,854,395,976	6.37%	18,831,157,242	6.02%
Textile	23,454,130,344	6.84%	25,502,206,633	8.15%
Food and allied industries	18,744,312,583	5.47%	14,171,054,554	4.53%
Pharmaceutical Industries	1,489,012,956	0.43%	1,791,887,029	0.57%
Chemical, Fertilizer, etc.	5,257,533,755	1.53%	4,194,710,889	1.34%
Cement and Ceramic Industries	5,555,868,687	1.62%	5,014,614,486	1.60%
Ship building industries	559,630,774	0.16%	469,535,287	0.15%
Ship breaking industries	1,652,999,391	0.48%	1,931,866,672	0.62%
Power and Gas	11,104,212,179	3.24%	10,603,421,125	3.39%
Other manufacturing or extractive industries	42,026,222,733	12.25%	33,582,713,429	10.74%
Service Industries	26,514,794,266	7.73%	26,043,502,948	8.33%
Other Agro-based industries	4,877,182,262	1.42%	3,251,358,104	1.04%
Investment to Trade & Commerce	108,243,332,400	31.56%	104,621,337,334	33.45%
Investment to Consumer Finance	4,188,171,402	1.22%	3,206,079,550	1.03%
Other Investments	67,422,357,795	19.66%	59,558,375,247	19.04%
Total	342,944,157,503	100.00%	312,773,820,529	100.00%



7.5 Geographical Location-wise Classification of Investments

(Amount in Taka)

Sector	2022		2021	
	Amount	Composition	Amount	Composition
i) Within Bangladesh				
a) In Rural Areas	30,095,633,846	8.78%	28,766,289,119	9.20%
b) In Urban Areas	312,848,523,656	91.22%	284,007,531,409	90.80%
Sub-total (a+b)	342,944,157,503	100.00%	312,773,820,529	100.00%
ii) Outside Bangladesh	-	-	-	-
Total (i+ii)	342,944,157,503	100.00%	312,773,820,529	100.00%

7.6 Division-wise Investments

(Amount in Taka)

Division	As at 31 December 2022		As at 31 December 2021	
	Amount	Composition	Amount	Composition
Dhaka	254,009,383,933	74.07%	229,706,004,293	73.44%
Chattogram	69,266,638,635	20.20%	64,502,642,480	20.62%
Sylhet	790,794,787	0.23%	536,130,298	0.17%
Rajshahi	6,560,741,567	1.91%	6,352,500,803	2.03%
Khulna	7,009,059,035	2.04%	6,296,518,408	2.01%
Rangpur	2,060,156,874	0.60%	2,165,276,204	0.69%
Barisal	1,290,198,009	0.38%	1,346,655,415	0.43%
Mymensingh	1,957,184,661	0.57%	1,868,092,627	0.60%
Total	342,944,157,503	100.00%	312,773,820,529	100.00%

7.7 Investments (Classification wise)

Unclassified

Standard

Special Mentioned Account

Classified

Substandard

Doubtful

Bad or Loss

Standard (short term agri / micro inv.)

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

Substandard (short term agri / micro inv.)

Doubtful (short term agri / micro inv.)

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

Staff Investment

308,721,059,389	279,421,381,293
13,545,465,932	13,232,379,120
873,577,145	697,785,173
393,260,819	134,017,193
15,124,417,090	15,298,187,291
338,657,780,374	308,783,750,070
1,993,449,678	1,758,134,358
-	-
1,003,680	958,949
16,889,474	11,968,211
67,416,314	51,159,815
2,078,759,146	1,822,221,333
2,207,617,983	2,167,849,126
342,944,157,503	312,773,820,529

7.8 Particulars of provision required for general investment

Unclassified (Excluding Off-balance sheet exposures)

Classified

Unclassified- Off-balance sheet exposures

5,290,055,334	5,443,543,536
7,638,552,062	7,598,676,652
692,679,602	521,935,277
13,621,286,997	13,564,155,465

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.)

Special General Provision-COVID-19

(As per BRPD Circular letter No.53 dt 3 .12.2022.)

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	
Standard	1%	241,888,580,841	2,418,885,808	2,225,335,347
Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020)	1%	-	468,241,949	597,373,154
Special General Provision-COVID-19 (As per BRPD Circular letter No.52 dt 29.12.2021.)	1.5% & 2%	-	445,788,215	768,946,219
Special General Provision-COVID-19 (As per BRPD Circular letter No.53 dt 3 .12.2022.)	1.5% & 2%	-	72,626,772	-
Staff Investment	0%	-	-	-
Consumer Finance (Other than HF and LP)	2%	1,210,914,872	24,218,297	20,591,266
Small and Medium Enterprise	0.25%	61,080,073,788	152,700,184	128,988,272
Housing Finance (HF)	1%	1,956,342,862	19,563,429	18,147,712
Loan for Professionals (LP)	2%	667,495,640	13,349,913	-
Share	2%	2,420,481,583	48,409,632	48,964,067
SMA Investment (Same as UC i.e 0.25%, 1%, 2%)	2%	13,219,653,168	1,606,336,638	1,617,616,156
Unclassified Off Balance Sheet Items	1%	69,267,960,200	692,679,602	521,935,277
<u>Classified</u>				
Substandard	20%	515,883,693	103,176,739	91,695,040
Substandard (CMSME)	5%	-	-	-
Doubtful (CMSME)	20%	42,230,205	8,446,041	2,438,396
Doubtful	50%	1,667,777,286	83,388,643	14,366,968
Bad or Loss	100%	7,426,904,538	7,426,904,538	7,479,924,058
			13,584,716,400	13,536,321,933



			31.12.2022	31.12.2021
			Taka	Taka
Provision Required (Short term Agricultural & Micro Credit)	Rate	Base for Provision	Provision Required	
Unclassified				
Standard (short term agri /micro credit)	1%	1,993,449,678	19,934,497	17,581,344
Classified				
Substandard (short term agri ,micro credit & CMSME)	5%	43,518,344	2,175,917	1,464,513
Doubtful (short term agri /micro credit)	5%	10,966,673	548,334	151,920
Bad or Loss (Short term agri /micro credit)	100%	13,911,850	13,911,850	8,635,756
			36,570,598	27,833,532
Required provision for Investments (Grand Total)			13,621,286,997	13,564,155,465
Total provision maintained			13,621,286,997	13,564,155,465
Provision Surplus/(Shortfall)			-	-
Provision Made: (Other than Short term Agricultural & Micro Credit)				
Unclassified				
Standard			4,356,463,801	4,330,281,314
SMA			1,606,336,638	1,617,616,156
Classified				
Substandard			103,176,739	91,695,040
Doubtful			91,834,684	16,805,364
Bad or Loss			7,426,904,538	7,479,924,058
			13,584,716,400	13,536,321,933
Provision Made: (Short term Agricultural & Micro Credit)				
Standard (short term agri credit)			19,934,497	17,581,344
Substandard (short term agri credit)			2,175,917	1,464,513
Doubtful (short term agri credit)			548,334	151,920
Bad or Loss (Short term agri credit)			13,911,850	8,635,756
			36,570,598	27,833,532
Grand Total			13,621,286,997	13,564,155,465
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%	77,759,960,851	692,679,602	521,935,277
Required provision for Investments			692,679,602	521,935,277
Provision maintained [note # 14.1(c)]			692,679,602	521,935,277
Surplus Provision			-	-
7.9 Particulars of Investments:				
(i) Investment considered good in respect of which the Banking Company is fully secured			165,413,924,047	175,303,117,106
(ii) Investment considered good for which the Banking Company holds no other security other than the debtor's personal security			169,372,667,809	129,986,698,242
(iii) Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors			8,157,565,648	7,484,005,182
(iv) Investment considered bad or doubtful not provided for			-	-
Total			342,944,157,503	312,773,820,529
(v) Investment due by directors or officers of the Banking Company or any of them either severally or jointly with any other person			2,207,617,983	2,167,849,126
(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.			8,742,050	9,153,724
(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			15,191,833,404	15,349,347,106
(xi) Particulars of written off investments				
a) Cumulative amount of written off/Waiver of Investments since inception to 31 December last year			7,347,136,886	6,015,207,978
b) Amount of written off/ waiver of Investment during the year			691,088,872	1,331,928,908
Total amount of written off (a+b)			8,038,225,758	7,347,136,886
c) Amount recovered against debts which are previously written off (cumulative balance)			547,434,768	470,723,441
d) Amount of Investments written off/waiver against which cases have been filed for recovery			8,038,225,758	7,347,136,886
(xii) e) Amount of compensation suspense as at year end.			3,932,091,419	3,762,471,567
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 2022 amounts to Taka- 78.03 crore.				



	31.12.2022	31.12.2021
	Taka	Taka
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	1,771,331,954	1,452,020,200
Office Equipment	2,248,023,968	1,944,935,278
Software	349,352,199	305,954,860
Vehicles	150,656,690	150,656,690
Right of use Assets as per IFRS-16 *	1,076,018,197	1,076,018,197
Books	1,787,652	1,768,620
	7,929,721,375	7,263,904,559
B. Accumulated Depreciation		
Land	-	-
Building	543,565,690	498,010,625
Furniture & Fixtures	732,203,865	630,860,366
Office Equipment	1,403,254,185	1,234,710,679
Software	130,915,370	111,397,271
Vehicles	146,057,222	143,065,270
Right of use Assets as per IFRS-16	572,196,012	396,890,377
Books	1,240,476	1,172,246
	3,529,432,820	3,016,106,833
Carrying value	4,400,288,555	4,247,797,726
* 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-349,352,199.00 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 31.12.2022 is Taka -218,436,829.00		
For details please refer to Annexure-A		
8(a) Consolidated written down value of Fixed Assets including intangible assets		
Social Islami Bank Ltd.	4,400,288,555	4,247,797,726
Fixed assets of subsidiaries	13,338,668	13,559,344
SIBL Securities Ltd.	13,338,668	13,559,344
SIBL Investment Ltd.	-	-
Carrying value of Fixed assets of the Group	4,413,627,223	4,261,357,069
9 Others Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	39,368,382	41,842,032
Advance rent	102,048,769	82,826,821
Security Deposit	3,401,359	3,433,149
Branch Adjustments (SIBG) (Note: 9.1)	8,750,090,444	824,507,472
Suspense Accounts (Note: 9.2)	425,166,833	287,840,919
Other Prepayments	59,241,494	86,608,018
Share Trading A/C Receivable from SIBL Securities Ltd.	308,278,647	624,820,743
Advance Income Tax	15,208,679,910	13,908,264,598
Investment in subsidiary: SIBL Securities Limited	1,537,499,000	1,537,499,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
Profit Receivable from SIBL Securities Limited	218,722,842	70,747,842
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.	498,783,519	254,088,308
Investment with Off-shore Banking Unit	8,663,735,120	551,722,606
Receivable from Off-shore Banking Unit	300,912,435	43,694,699
Dividend Receivable Account	785,424,619	702,536,619
Profit Receivable from Mudaraba Subordinated Bond	40,898,630	52,926,027
Profit Receivable for SME Stimulus fund	79,411,985	80,385,089
Profit Receivable from Mudaraba Perpetual Bond	356,627,411	94,477,398
Profit Receivable from Beximco Green Sukuk	38,268,491	3,164,835
Others (Note: 9.3)	134,957,602	22,211,772
	38,128,435,151	19,850,515,608
Less: Balance with OBU for elimination		
Investment with Off-shore Banking Unit	8,663,735,120	551,722,606
Grand total after elimination of balance with OBU	29,464,700,031	19,298,793,002



	31.12.2022 Taka	31.12.2021 Taka
9(a) Consolidated other Assets		
Social Islami Bank Limited	29,464,700,031	19,298,793,002
<i>Add: Other assets of subsidiary companies</i>		
SIBL Securities Limited	2,735,487,352	2,666,365,438
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	170,035,198	146,372,333
Advance to Vendor	30,000	-
Advance for IPO	-	34,172,500
Receivable from Regulators	4,761,192	14,016,896
Receivable from client	1,432,614,881	1,393,839,599
Receivable from DSE, CSE, Bai-Muajjal & Dividend Income	138,055,398	87,973,426
Security Deposit to CDBL, DSE	200,000	200,000
Security Deposit to BTCL & Duncan Products	20,000	20,000
	8,436,737	127,822,925
SIBL Investment Limited	3,695,103	2,526,305
Advance Income Tax	4,741,634	125,296,619
Accounts receivable	1,787,498,400	1,787,498,400
Less: InterCompany balance eliminated Investments in Subsidiaries	1,537,499,000	1,537,499,000
Investment in subsidiary: SIBL Securities Limited	249,999,400	249,999,400
Investment in subsidiary: SIBL Investment Limited	220,626,532	72,651,532
Less: Inter Company transactions eliminated:	218,722,842	70,747,842
Receivable from SIBL Securities Limited	1,903,690	1,903,690
Receivable from SIBL Investment Limited	30,200,499,189	20,232,831,433
9.1	The balance of Branch adjustment (SIBG) represents unresponded Inter branch and head office transactions at balance sheet date. The balance of Debit and Credit unresponded entries as on 26 April 2023 were Taka 289,99,03,075/- Details of which are as follows:	
	Number of Unresponded entries	Amount (in Tk) of Unresponded entries
	31.12.2022	31.12.2021
	31.12.2022	31.12.2021
Upto 3 months	127	-
Over 3 months but within 6 months	14	-
Over 6 months but within 9 months	4	-
Over 9 months	-	-
	145	-
	2,265,848,349	566,087,058
	67,967,667	-
	2,899,903,075	-
9.2	Suspense Account represents advance against TA/DA, Entertainment Expenses, Advertisement Expenses, Branch Decoration Expenses, Legal Charges and suspense -others. Necessary provision on others assets has been made in the accounts according to the BRPD Circular no: 14 dated June 25, 2001 para Kha (1) & (2).	
9.3	Others	
Clearing Adjustment	28,800,000	-
D.D. Paid without advice	650	650
Adjusting A/c debit balance	6,157,616	10,004,610
Advance VAT paid	3,843,402	3,833,285
BEFTN adjustment A/c	(10,338,402)	-
Cards Accrued Income	536,036	666,993
Incentive disbursement Fund	105,958,299	7,706,233
	134,957,602	22,211,772
10	Placement from Banks & Other Financial Institutions	
	Borrowing from Bangladesh Bank	
	30,000,000,000	-
	The Bank has an outstanding balance of borrowing Tk. 3000.00 crore as on 31.12.2022 taken from Tk. 275.00 crore Bangladesh Govt. Islamic Bond, Tk. 1225.00 crore Islami Bank liquidity facility and 1500.00 crore Special liquidity facility fund having different maturity dates. Profit rate of such borrowings is determined under Mudaraba Principle. A demand promissory note favoring Bangladesh Bank has been kept as security to Bangladesh Bank against the borrowings.	
	Maturity Grouping of Borrowings	
Upto 1 month	28,000,000,000	-
More than 1 month but less than 3 months	2,000,000,000	-
More than 3 month but less than 6 months	-	-
6 months and above	-	-
	30,000,000,000	-
11	Deposits and Other Accounts	
Mudaraba Savings Deposits (MSD)	40,084,046,928	37,308,169,943
Mudaraba Term Deposits (MTDR)	168,510,358,684	176,256,112,820
Other Mudaraba Deposit	79,636,478,408	80,599,200,511
Mudaraba Short Notice Deposits (MSND)	19,061,241,571	19,970,707,175
Mudaraba Scheme Deposits (Note-11.1)	60,575,236,837	60,428,493,336
Al- Wadeeah Current Deposit and other accounts (AWCD) (Note- 11.2)	45,975,991,996	42,250,954,675
Bills payable (Note-11.2)	6,327,507,930	5,064,269,305
Cash Waqf Fund	415,930,983	382,356,998
	340,950,314,928	341,661,064,252



	31.12.2022	31.12.2021
	Taka	Taka
11.1 Mudaraba Scheme Deposits		
Mud. Hajj/ Umrah Savings Scheme	173,547,415	159,658,362
Mud. Pension Savings Scheme	969,073,238	1,165,116,800
Mud. Education Savings Scheme	34,354,161	33,494,517
Mud. Monthly Sav. Deposit Sche	62,132,829	55,192,581
Mud. Monthly Profit Deposit	1,589,021,178	2,088,726,027
Mud. Bashstan Savings Scheme	330,533,820	428,520,446
Mud. Millionaire Scheme	719,770,419	855,154,998
M.Lakhopoti Deposit Scheme	13,508,052	15,267,899
M. Double Benefit Deposit Scheme	255,765,584	562,870,200
M.Marriage Savings Scheme	78,546,549	70,623,288
M.Mohorana Savings Scheme	21,322,428	22,143,873
Subarnalata Special Scheme(Women)	12,375,596	21,954,222
Subarna Rekha Special Deposit(Women)	1,154,364,475	1,592,916,210
Shabug Chya Special Deposit	20,256,862	23,255,492
Shabuj Shayanna Special Deposit	245,551,003	489,573,074
Sanchita Special Deposit scheme	206,438,790	279,694,378
Sonali Din Pension Deposit Scheme	12,602,908,347	14,522,654,792
Sukher Thikana Savings Scheme	20,975,124	19,673,857
Sacchandeey Protidin Monthly Profit Deposit	851,134,742	1,110,359,351
Samriddir Sopan Scheme Deposit	62,267,319	111,407,856
Sopner Siri Deposit Scheme	69,863,192	71,146,047
Sharma Shikhar (Mudaraba Billinior Deposit S	1,301,143,546	1,269,931,771
Proshanti (Mudaraba Zakat Savings Deposit S	19,315,793	27,246,698
SIBL Astha (Mudaraba Monthly Pension scheme)	30,513,018,918	28,998,139,447
SIBL Super DPS (Mudaraba Pension scheme)	6,578,660,881	4,499,511,474
SIBL Digun Protasha (Double Benefits Scheme)	1,895,921,007	1,927,222,165
Al-Wasiah bill Waqf	11,017,277	7,037,511
SIBL Education Savings Scheme	185,927,626	-
SIBL Medical Savings Scheme	452,600,875	-
SIBL Marriage Savings Scheme	66,215,638	-
Internet Banking Deposit Scheme (IB DPS)	1,840,161	-
SIBL Probashi Deposit Scheme	2,627,415	-
Retired Citizen Monthly Benefits	50,000,000	-
Hawkers Deposit & Business Development	3,236,579	-
	60,575,236,837	60,428,493,336
<i>Amount of Mudaraba Scheme Deposit mentioned above are inclusive of Profit payable on the scheme deposits.</i>		
11.2 Al-Wadeeah Current Deposit & other A/c		
Al Wadeeah current deposit	13,370,940,500	12,102,949,908
Un-claimed dividend (Note: 11.2.1)	82,465,322	79,312,047
Sundry deposit	12,628,688,645	8,162,678,626
Social fund deposit	17,075	17,075
Supervision charge	841,161	847,161
Risk fund deposit	10,930,736	2,920,921
FC deposit	11,610,297,610	11,415,547,205
Convertible Taka A/c*	165,125,281	188,928,019
F. C. held against B.B. L/C	4,286,699,567	4,400,834,559
Bangladesh Bank Fund for COVID	1,921,257,661	3,937,061,938
Profit payable A/c	1,875,535,819	1,941,229,633
Compensation Realized	23,192,621	18,627,587
	45,975,991,996	42,250,954,675
11.2.1 Unclaimed Dividend		
<i>Dividend remained unclaimed which were declared for the year:-</i>		
SIBL dividend Payable A/C	480,068	480,068
SIBL Fraction dividend (Bonus share)	77,120	77,120
Initially primary offer (IPO)	2,801,380	2,801,380
SIBL rights Share	-	3,662,231
Cash dividend 2001	297,434	297,434
Fraction dividend & Rights share issue 2008	343,986	343,986
SIBL rights Issue 2010	1,374,202	1,374,202
SIBL cash dividend 2011	5,759,284	5,779,925
SIBL cash dividend 2012	4,492,486	4,513,061
SIBL cash dividend 2013	11,432,333	11,733,001
SIBL cash dividend 2014	11,390,302	11,455,713
SIBL cash dividend 2015	7,206,661	7,525,029
SIBL cash dividend 2016	12,457,258	12,521,562
SIBL cash dividend 2019	7,731,338	8,013,396
SIBL cash dividend 2020	8,534,544	8,733,940
SIBL cash dividend 2021	8,086,926	-
	82,465,322	79,312,047



31.12.2022

31.12.2021

Taka

Taka

*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

45,975,991,996 42,250,954,675

Less: InterCompany balance eliminated

695,327,365 1,262,251,073

SIBL Securities Limited

589,734,614 1,155,890,554

SIBL Investment Limited

105,592,751 106,360,519

Consolidated balance of Current deposit and other accounts

45,280,664,632 40,988,703,603

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)

5,223,801,288 5,062,059,023

Demand Draft (DD)

1,724,011 1,725,611

B/P awaiting remittance

1,101,982,631 484,671

6,327,507,930 5,064,269,305

11.4 Maturity wise classification of Deposits

Payable on demand

27,804,166,931 25,930,464,283

Up to 1 month

35,567,193,630 35,920,842,126

More than 1 month but up to 6 months

120,955,966,633 125,314,505,895

More than 6 months but up to 1 year

90,551,373,230 89,115,588,937

More than 1 year but up to 5 years

46,747,021,870 51,830,641,730

More than 5 years but up to 10 years

19,324,592,634 13,549,021,281

340,950,314,928 341,661,064,252

11.5 Segregation of deposits & other accounts

i) Client Deposit

Al-Wadeeah Current deposit & other accounts

45,975,187,763 42,250,641,808

Bills Payable

6,327,507,930 5,064,269,305

Mudaraba Savings Deposits

40,021,293,657 36,892,529,213

Mudaraba Short Notice Deposits

14,114,732,782 19,884,562,571

Mudaraba Term Deposit

158,365,258,684 174,646,112,820

Mudaraba Scheme Deposits

60,575,236,837 60,428,493,336

Cash Waqf Fund

415,930,983 382,356,998

325,795,148,635 339,548,966,052

ii) Bank Deposit

Mudaraba Term Deposit Receipt (MTDR)

10,145,100,000 1,610,000,000

Mudaraba Short Notice Deposit (MSND)

4,946,508,789 86,144,603

Al-Wadeeah Current deposit (AWCD)

804,233 312,868

Mudaraba Savings Deposit (MSD)

62,753,271 415,640,730

15,155,166,293 2,112,098,201

Grand Total of deposits and other accounts

340,950,314,928 341,661,064,252

4,800,000,000 5,600,000,000

12 SIBL Mudaraba Subordinated Bond

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.

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

20,000,000 40,000,000

Central Depository Bangladesh Ltd

40,000,000 80,000,000

Dhaka Stock Exchange Limited

80,000,000 160,000,000

Eastern Bank Limited

50,000,000 100,000,000

Mercantile Bank Limited

50,000,000 100,000,000

Midland Bank Limited

40,000,000 80,000,000

National Life Insurance Co. Ltd

20,000,000 40,000,000

Pubali Bank Limited

100,000,000 200,000,000

400,000,000 800,000,000

balance carried forward



	31.12.2022	31.12.2021
	Taka	Taka
<i>balance brought forward</i>	400,000,000	800,000,000
Rupali Bank Limited	100,000,000	200,000,000
Shahjalal Islami Bank Limited	100,000,000	200,000,000
Trust Bank Limited	100,000,000	200,000,000
Uttara Bank Limited	100,000,000	200,000,000
	800,000,000	1,600,000,000

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/C1/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	1,500,000,000	2,000,000,000
EXIM Bank Limited	300,000,000	400,000,000
Islami Bank Bangladesh Limited	1,200,000,000	1,600,000,000
	3,000,000,000	4,000,000,000

SIBL 4th Mudaraba Subordinated Bond of Tk.600 Crore

Social Islami Bank Limited issued SIBL 4th Mudaraba Subordinated Bond of Tk. 600 Crore in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/C1/DS-192/2022/1117 & BRPD(BS)661/14B(P)/2022-8466, Dated: 29 December 2022 & 21 August 2022 respectively. An amount of Tk. 100,00,00,000/- has been subscribed on 30.12.2022 and the rest amount will be capitalized within stipulated time as per regulatory guideline. The list of investor with present outstanding balance is as follows:

Investors of SIBL 4th Mudaraba Subordinated Bond

Al-Arafah Islami Bank Limited	1,000,000,000	-
	1,000,000,000	-

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/C1/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	1,500,000,000
AIBL Employees' Provident Fund	500,000,000	500,000,000
AIBL Employees' Gratuity Fund	500,000,000	500,000,000
Al-Arafah Islami Bank Limited	1,000,000,000	1,000,000,000
	5,000,000,000	5,000,000,000

14 Other Liabilities

FC Charge	2,000	-
Adjusting A/C (Cr.) Balance	11,555,186	14,015,512
Other Payable	1,863,613	9,330,154
BEFTN Adjustment Account	30,778,270	20,301,508
Parking Account	53,065	3,182,591
ATM & Other Settlement for Q-Cash	(10,546,910)	6,908,947
Provision for Investments (note: 14.1)	13,621,286,997	13,564,155,465
Provision for other Assets (note: 14.2)	560,127,557	425,027,557
Compensation and Rent Suspense (note: 14.3)	3,932,091,419	3,762,471,567
Provision for Taxation (note: 14.4)	19,151,629,907	17,618,044,129
Zakat Fund (note: 14.5)	122,634,898	113,365,052
Lease liabilities as per IFRS-16 *	449,478,868	615,828,689
Mudaraba Profit Distribution (note: 14.6)	10,000,000	24,500,000
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)	56,404,239	32,106,411
Provision for diminution of shares & securities	13,949,505	-
	37,981,308,615	36,239,237,582

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



	31.12.2022 Taka	31.12.2021 Taka
14(a) Consolidated Other Liabilities		
Social Islami Bank Limited	37,981,308,615	36,239,237,582
<i>Add: Other Liabilities of subsidiaries</i>		
SIBL Securities Limited	1,746,132,183	2,279,026,419
Payable to SIBL-Term loan	790,000,000	790,000,000
Payable to regulators	2,202,621	2,178,424
Payable to clients	512,380,206	1,116,409,814
Profit Payable on CCA to Client	25,959,700	-
Liabilities for payment to the issuer	6,000	23,171,000
Other provisions	255,161,588	201,723,538
Lease Liability	-	2,989,151
Lease Liability, Current Portion	613,734	2,901,560
Provision for Income Tax	159,808,334	139,652,937
	5,004,433	3,522,286
SIBL Investment Limited	92,000	69,000
Accrued Expenses	1,188,942	-
Provision for diminution in value of investment	3,723,491	3,453,280
Provision for Income Tax	-	-
	39,732,445,231	38,521,786,286
Less: InterCompany balance eliminated		
SIBL Securities Limited	790,000,000	790,000,000
Payable to SIBL-Term loan	-	-
Grand total	38,942,445,231	37,731,786,286
14.1 Provision for Investment		
(a) Specific Provision on Investment		
Provision held at the beginning of the year	7,598,676,652	7,812,088,173
Fully provided Investment written off/Waiver	(677,304,432)	(1,331,928,908)
Transferred from doubtful income/compensation realized/recovery	76,711,327	7,075,700
Provision made during this year	640,468,515	1,111,441,687
Provision held at the end of the year	7,638,552,062	7,598,676,652
(b) General Provision on Investment		
Provision held at the beginning of the year	5,443,543,536	4,971,204,865
Fully provided Investment written off/Waiver	(13,784,440)	-
Addition during the year	(1,126,360,699)	(893,980,701)
Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020)	468,241,949	597,373,154
Special General Provision-COVID-19 (As per BRPD Circular letter No.52 dt. 29.12.2021)	445,788,215	768,946,219
Special General Provision-COVID-19 (As per BRPD Circular letter No.53 dt. 22.12.2022)	72,626,772	-
Balance at the end of the year	5,290,055,334	5,443,543,536
Total Provision on Investments	12,928,607,395	13,042,220,188
(c) General Provision on Off-Balance Sheet items		
Provision held at the beginning of the year	521,935,277	470,450,037
Addition during the year	170,744,325	51,485,240
Balance at the end of the year	692,679,602	521,935,277
Total Provision for Investments & Off-Balance Sheet items (a+b+c)	13,621,286,997	13,564,155,465
14.2 Provision for other Assets		
Provision held at the beginning of the year	425,027,557	449,527,557
Provision written back during the year	-	(24,500,000)
Addition during the year	135,100,000	-
Balance at the end of the year	560,127,557	425,027,557
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	100,012,987	124,512,987
Provision written back during the year	-	(24,500,000)
Addition during the year	15,000,000	-
Balance at the end of the year	115,012,987	100,012,987
14.2.3 Provision for contingent liability		
Provision held at the beginning of the year	-	-
Addition during the year	120,100,000	-
Balance at the end of the year	120,100,000	-

Bangladesh Bank has instructed us to keep provision regarding Cash reserve & other Statutory liability as contingent liability.



	31.12.2022 Taka	31.12.2021 Taka
14.3 Compensation & Rent Suspense A/C		
Compensation Receivable A/C		
Murabaha (General)	126,333,063	126,042,112
Murabaha (Post Import)	45,248,469	46,617,848
Musharaka (Preshipment)	26,457,297	16,416,709
Bai-Muazzal	311,972,319	313,002,829
Bai-Muazzal Trust Receipt	276,665,852	276,655,599
Baim Wes bills	261,702	130,626
Bai-Muazzal (ME)	465,746,859	459,335,178
	1,252,685,561	1,238,200,900
Compensation Suspense A/C		
Murabaha (General)	9,933,462	10,014,098
Murabaha (Post Import)	16,105,918	16,276,035
Bai-Muazzal	508,575,189	481,808,796
Bai-Muazzal- House hold	7,856	7,856
Bai-Muazzal Trust Receipt	31,116,279	24,585,363
Musharaka (Preshipment)	2,988,289	2,988,289
Others	211,479,223	174,501,294
	780,206,216	710,181,731
Rent Suspense A/C	1,899,199,642	1,814,088,935
Total Compensation & Rent Suspense	3,932,091,419	3,762,471,567
14.3.1 Movement of Compensation and Rent Suspense A/C		
Balance at the beginning of the year	3,762,471,567	3,579,826,001
Add: Amount transferred to suspense account during the year	192,812,473	201,273,153
Less: Amount recovered from suspense account during the year	(23,192,621)	(18,627,587)
Balance at the end of the year	3,932,091,419	3,762,471,567
14.4 Provision for Taxation		
Provision for Current tax		
Balance at the beginning of the year	17,618,044,129	16,370,918,424
Add: Provision made during the year (Zakat Fund)(Note:14.5)	73,580,939	68,019,031
Add: Provision made during the year (Note:14.4.1)	1,460,004,839	1,179,106,673
	19,151,629,907	17,618,044,129
Advance tax		
Balance at the beginning of the year	13,908,264,599	11,981,335,696
Paid during the year	1,300,415,312	1,926,928,903
	15,208,679,911	13,908,264,599
Balance at the end of the year	3,942,949,997	3,709,779,531
14.4.1 Provision made during the year		
Operating Profit before provision & tax	4,735,023,246	4,526,233,418
Accounting Depreciation	338,020,352	313,816,229
Fair value adjustment of shares & securities	-	17,190,627
Excess perquisites	55,000,000	103,000,000
Add: Inadmissible expense	393,020,352	434,006,856
Less: Items to be deducted		
Dividend Income receipt	551,827,426	285,036,178
Capital Gain from Shares & Securities	40,622,402	184,218,839
Written off Bad Investment as per BRPD Circular	691,088,872	1,331,928,908
Depreciation under 3rd Schedule as per ITO 1984 and amendment	256,299,262	215,916,205
Less: Inadmissible expense and for separate consideration	1,539,837,962	2,017,100,131
Total Taxable Income	3,888,205,635	2,943,140,143
Total Tax liability for current year		
Business Tax @ 37.50% for year 2022 and @37.50% for year 2021	1,345,577,113	1,103,677,554
Dividend Tax @ 20%	110,365,485	57,007,236
Tax on gain on shares & securities @ 10%	4,062,240	18,421,884
Provision required	1,460,004,839	1,179,106,673
Provision made	1,460,004,839	1,179,106,673
14.4.2 Reconciliation of effective tax rate of the Bank		
Particulars	Effective Rate	
Profit before income tax as per profit and loss account		4,735,023,246
Income tax as per applicable tax rate	37.50	1,775,633,717
Factors affecting the tax charge for current year:		
Inadmissible	3.11	147,382,632
Abmissible Expenses in the current year (i.e. write-off etc.)	(7.50)	(355,270,550)
Tax savings from reduced tax rates for dividend	(2.04)	(96,569,800)
Tax loss/(savings) from reduced tax rates for capital gain	(0.24)	(11,171,160)
Total Income Tax Expenses	30.83	1,460,004,839
		1,179,106,673

	31.12.2022 Taka	31.12.2021 Taka
14.5 Zakat fund		
Opening Balance	181,384,083	165,694,341
Addition this year	196,215,837	181,384,083
To sadaka fund	122,634,898	113,365,052
To provision for tax	73,580,939	68,019,031
Less: Paid during the year	-	-
Less: Transferred to Provision for Taxation	(68,019,031)	(62,135,379)
Less: Transferred to Sadaka fund (Balance of Zakat Fund)	(113,365,052)	(103,558,963)
Closing Balance at the end of the year	196,215,837	181,384,083
14.6 Mudaraba Profit Distribution		
Opening Balance	-	-
Addition the year	10,000,000	24,500,000
Less: Paid during the year	-	-
Closing Balance at the end of the year	10,000,000	24,500,000
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
14.8 Provision for Climate Risk Fund		
Opening balance	20,000,000	20,000,000
Addition during the year	-	-
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	32,106,411	15,509,355
Addition during the year	24,297,828	16,597,056
Paid during the year	-	-
Closing Balance at the end of the year	56,404,239	32,106,411
Provision for Start-Up Fund has been maintained in accordance with Bangladesh bank SMESPD circular no: 05, dated: 26 April 2021.		
15 Deferred Tax Liability/(Asset)		
Balance at the beginning of the year	136,557,182	100,998,672
Add: Provision made during the year	14,676,980	35,558,510
	151,234,162	136,557,182
Deferred Tax Liability/(Asset)		
Revaluation reserve beginning of the year	328,872,812	337,208,183
Less: Transferred to Retained earnings	8,126,987	8,335,371
	320,745,825	328,872,812
Closing balance at the end of the year	471,979,987	465,429,994
Deferred tax detailed calculation disclosed in annexure-G		
15 (a) Consolidated Deferred Tax Liability/(Asset)		
Social Islami Bank Limited	471,979,987	465,429,994
SIBL Securities Limited		
Balance at the beginning of the year	111,731	812,743
Add: Provision made during the year	-	(701,012)
Closing balance at the end of the year	111,731	111,731
Grand total	472,091,718	465,541,725
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. 10,341,542,860 divided into 1,034,154,286 Ordinary Shares of Tk 10 each	10,341,542,860	9,849,088,440
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	469,004,210
	492,454,420	492,454,420
	10,341,542,860	9,849,088,440



	31.12.2022 Taka	31.12.2021 Taka
Sponsor and Directors	3,315,997,210	3,358,092,740
General Shareholders	7,025,545,650	6,690,995,700
	10,341,542,860	9,849,088,440

16.3 Classification of Shareholders by holding

Year 2022

Less than 500 shares	10,918	1,775,299	0.17%
501 to 5,000 shares	11,261	20,911,396	2.02%
5,001 to 10,000 shares	1,635	11,376,164	1.10%
10,001 to 20,000 shares	823	11,390,396	1.10%
20,001 to 50,000 shares	418	12,907,166	1.25%
50,001 to 99,999 shares	399	975,793,865	94.36%
Total	25,454	1,034,154,286	100.00%

Year 2021

Shareholding range	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%

16.4 Particulars of shareholding and Percentage Analysis

Particulars of shareholding:

Year 2022

	Number of Share holders	Number of Shares		
Sponsors & Placement	21	98,445,496	984,454,960	1,134,757,820
Sponsors Foreign	10	12,222,609	122,226,090	130,277,700
Sponsors & Placement Company	11	233,154,225	2,331,542,250	2,220,516,470
General Public	24,914	192,869,774	1,928,697,740	1,675,508,420
Institutions (Bank & Insurance)	42	35,367,189	353,671,890	350,504,980
Institution (Others)	422	434,823,756	4,348,237,560	4,100,106,500
ICB Account Holders	22	61,308	613,080	826,240
ICB	1	13,285,046	132,850,460	121,961,540
ICB Unit Fund	1	11,182,555	111,825,550	90,676,310
Employee	3	2,542,045	25,420,450	21,907,580
Non-Resident Bangladeshi	7	200,283	2,002,830	2,044,880
	25,454	1,034,154,286	10,341,542,860	9,849,088,440

Percentage of shareholding Analysis:

	Percentage	Percentage
Sponsors & Placement	9.52%	11.52%
Sponsors Foreign	1.18%	1.32%
Sponsors & Placement Company	22.55%	22.55%
General Public	18.65%	17.01%
Institutions (Bank & Insurance)	3.42%	3.56%
Institution (Others)	42.05%	41.63%
ICB Account Holders	0.01%	0.01%
ICB	1.28%	1.24%
ICB Unit Fund	1.08%	0.92%
Employee	0.25%	0.22%
Non-Resident Bangladeshi	0.02%	0.02%
	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	10,341,542,860	9,849,088,440
ii) Statutory Reserve (Note: 17)	8,386,157,907	7,605,264,974
iii) Retained Earnings (Note: 19)	1,494,121,487	1,226,046,797
	20,221,822,254	18,680,399,705
Adjustment to CET-I (Intangible Assets i.e Software)	218,436,829	194,557,589
Eligible Common Equity Tier I Capital	20,003,385,425	18,485,842,117



	31.12.2022 Taka	31.12.2021 Taka
Additional Tier I (AT-I) Capital		
i) SIBLMudaraba Perpetual Bonds	5,000,000,000	5,000,000,000
Available Additional Tier I Capital	5,000,000,000	5,000,000,000
Limit for Additional Tier I Capital	4,287,807,544	4,196,627,222
Total Eligible Tier I Capital	24,291,192,969	22,682,469,338
b) Gone Concern Capital (Tier-II)		
i) General Provision (Note 14.1(b+c))	5,982,734,936	5,965,478,813
ii) SIBLMudaraba Subordinated Bonds	3,000,000,000	3,800,000,000
iii) Others (As per RBCA Guideline of BB)	712,192,456	-
Available Tier II Capital	9,694,927,392	9,765,478,813
Limit for Tier II Capital	11,434,153,451	11,191,005,924
Total Eligible Tier II Capital	9,694,927,392	9,765,478,813
c) Total eligible capital (a +b)	33,986,120,360	32,447,948,152
d) Total Risk Weighted Assets	285,853,836,276	279,775,148,100
e) Minimum Required Capital (10% of Risk Weighted Assets)	28,585,383,628	27,977,514,810
f) Minimum Required Capital including conservation buffer (12.5% of Risk weighted assets)	35,731,729,535	34,971,893,513
g) Total Capital Surplus (c-e)	5,400,736,733	4,470,433,342

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	10,341,542,860	9,849,088,440
ii) Statutory Reserve (Note: 17)	8,386,157,907	7,605,264,974
iii) General Reserve	13,938,397	13,938,397
iv) Retained Earnings (Note: 19(a))	1,586,161,147	1,363,252,358
v) Minority Interest in Subsidiaries	1,963	1,937
	20,327,802,274	18,831,546,106
Adjustment in CET-I (Intangible Assets i.e Software)	219,437,677	194,557,589
Eligible Common Equity Tier I Capital	20,108,364,596	18,636,988,517

Additional Tier I (AT-I) Capital

i) SIBLMudaraba Perpetual Bonds	5,000,000,000	5,000,000,000
Available Additional Tier I (AT-I) Capital	5,000,000,000	5,000,000,000
Limit for Additional Tier I Capital	4,312,791,595	4,201,942,382
Total Eligible Tier I Capital	24,421,156,191	22,838,930,898

b) Gone Concern Capital (Tier-II)

i) General Provision (Note 14.1(b+c))	5,982,734,936	5,965,478,813
ii) SIBLMudaraba Subordinated Bonds	3,000,000,000	3,800,000,000
iii) Others (As per RBCA Guideline of BB)	687,208,405	-
Available Tier II Capital	9,669,943,341	9,765,478,813
Limit for Eligible Tier II Capital	11,500,780,826	11,205,179,684
Total Eligible Tier II Capital	9,669,943,341	9,765,478,813
c) Total eligible capital (a +b)	34,091,099,532	32,604,409,712
d) Total Risk Weighted Assets	286,799,462,864	280,129,492,100
e) Minimum Required Capital (10% of Risk Weighted Assets)	28,679,946,286	28,012,949,210
f) Minimum Required Capital including conservation buffer (12.5% of Risk Weighted Assets)	35,849,932,858	35,016,186,513
g) Total Capital Surplus (c-e)	5,411,153,246	4,591,460,502



Capital to Risk Weighted Asset Ratio (Solo basis)

Particulars	31.12.2022		31.12.2021	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.50%	6.00%	8.11%
Common Equity Tier I Capital: (CET-1)	4.50%	7.00%	4.50%	6.61%
CET-1 Plus Conservation Buffer	7.00%	7.00%	7.00%	6.61%
Going Concern Capital: (Tier-II)	0.00%	3.39%	0.00%	3.49%
Minimum CRAR	10.00%	11.89%	10.00%	11.60%
Minimum CRAR Plus Conservation Buffer	12.50%	11.89%	12.50%	11.60%

Capital Adequacy Ratio (Consolidated basis)

Particulars	31.12.2022		31.12.2021	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.52%	6.00%	8.15%
Common Equity Tier I Capital: (CET-1)	4.50%	7.01%	4.50%	6.65%
CET-1 Plus Conservation Buffer	7.00%	7.01%	7.00%	6.65%
Going Concern Capital: (Tier-II)	0.00%	3.37%	0.00%	3.49%
Minimum CRAR	10.00%	11.89%	10.00%	11.64%
Minimum CRAR Plus Conservation Buffer	12.50%	11.89%	12.50%	11.64%

16.6

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

Solo Basis

a) Risk Weights for Credit Risk

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2022		31.12.2021	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	56,917,996,764	-	57,273,000,000	-
20%	57,469,311,043	11,493,862,209	47,806,397,000	9,561,279,400
40%	1,086,680,602	434,672,241	1,258,073,000	503,229,200
50%	116,727,856,887	58,363,928,444	107,553,953,000	53,776,976,500
60%	24,110,356,596	14,466,213,958	22,269,400,000	13,361,640,000
75%	18,499,079,549	13,874,309,662	30,042,621,000	22,531,965,750
80%	8,799,533,679	7,039,626,943	8,390,000,000	6,712,000,000
100%	121,182,686,985	121,182,686,985	95,831,426,000	95,831,426,000
120%	-	-	-	-
125%	34,412,570,981	22,143,371,758	45,372,561,000	46,420,801,250
150%	6,534,260,612	9,801,390,917	6,193,320,000	9,289,980,000
Total	445,740,333,699	258,800,063,116	421,990,751,000	257,989,298,100

b) Risk Weights for Operational Risk

2,138,231,378 21,382,313,784 2,078,595,000 20,785,950,000

c) Risk Weights for Market Risk

567,145,938 5,671,459,376 99,990,000 999,900,000

Total Risk Weighted Assets

285,853,836,276 279,775,148,100

Consolidate basis

a) Risk Weights for Credit Risk

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2022		31.12.2021	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	56,919,218,362	-	57,423,000,000	-
20%	57,469,326,598	11,493,865,320	47,806,397,000	9,561,279,400
40%	1,086,680,602	434,672,241	1,258,073,000	503,229,200
50%	116,727,856,887	58,363,928,444	107,553,953,000	53,776,976,500
60%	24,110,356,596	14,466,213,958	22,269,400,000	13,361,640,000
75%	18,499,079,549	13,874,309,662	30,042,621,000	22,531,965,750
80%	8,799,533,679	7,039,626,943	8,390,000,000	6,712,000,000
100%	121,842,334,559	121,842,334,559	98,190,545,000	98,190,545,000
120%	-	-	-	-
125%	33,719,101,145	21,276,534,463	43,274,661,000	43,798,426,250
150%	6,534,260,612	9,801,390,917	6,193,320,000	9,289,980,000
Total	445,707,748,590	258,592,876,506	422,401,970,000	257,726,042,100

b) Risk Weights for Operational Risk

2,167,450,507 21,674,505,072 2,094,675,000 20,946,750,000

c) Risk Weights for Market Risk

653,208,129 6,532,081,262 145,670,000 1,456,700,000

Total Risk Weighted Assets

286,799,467,864 280,129,492,100



	31.12.2022	31.12.2021
	Taka	Taka
17 Statutory Reserve		
Opening balance	7,605,264,974	7,030,390,821
Add: Addition during the year	780,892,933	574,874,153
	8,386,157,907	7,605,264,974
17(a) General Reserve		
Opening balance	13,938,397	11,314,088
Add: Addition during the year	-	2,624,339
Less: Adjustment during the year	-	-
	13,938,397	13,938,397
18 Revaluation Reserve on fixed assets		
Carrying (Revalued) amount of fixed assets (Land and Building)	557,024,130	571,142,055
Less: Adjustment made based on difference amount of depreciation	13,764,977	14,117,926
Remaining balance of revaluation reserve	543,259,152	557,024,130

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 31.12.2022	Depreciation on revalued amount	Depreciation on cost	Amount of adjustment for the year 2022
City Center, Head Office	Building	304,465,461	727,121,339	25,789,670	7,611,637	18,178,033
Chandaikona Branch	Land	2,111,623	10,218,377	-	-	-
	Building	896,803	1,001,655	47,461	22,420	25,041
Savar Branch	Building	24,445,179	22,165,330	1,165,263	611,129	554,133
Panthapath Branch	Building	20,339,053	41,072,543	1,535,290	508,476	1,026,814
Rampura Branch	Building	30,274,089	28,806,519	1,477,015	756,852	720,163
Khulna Branch	Building	14,263,265	11,238,342	637,540	356,582	280,959
Nawabpur Road Branch	Building	49,781,731	44,272,838	2,351,364	1,244,543	1,106,821
		446,577,203	885,896,943	33,003,604	11,111,640	21,891,964

19 Retained Earnings		
Opening balance	1,226,046,292	1,056,769,989
Less: Issue of cash dividend 5%	(492,454,422)	(469,004,212)
Less: Issue of Stock dividend 5%	(492,454,420)	(469,004,210)
Add: Transferred from Profit & Loss Account	1,231,092,073	1,084,831,428
Add: Transferred from Revaluation Reserve for Fixed Assets	21,891,964	22,453,297
	1,494,121,487	1,226,046,292
19(a) Consolidated retained earnings		
Opening Balance	1,363,252,358	1,103,498,067
Less: Issue of cash dividend for SIBL shareholders 5%	(492,454,422)	(469,004,212)
Less: Issue of Stock dividend 5%	(492,454,420)	(469,004,210)
Add: Transferred from current year retained earnings of SIBL & its subsidiaries (note 19.1(a))	1,262,800,666	1,175,309,416
Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL	21,891,964	22,453,297
Less: Common income (Dividend) for elimination SIBL Securities Ltd.	(76,875,000)	-
	1,586,161,147	1,363,252,358

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	99.999622%	99.99968%
2	Alhaj Nasiruddin	1	1	100	100	0.000007%	0.00004%
3	Mr. Md. Sayedur Rahman	1	-	100	-	0.000007%	-
4	Major (Retd.) Dr. Md. Rezaul Haque	1	1	100	100	0.000007%	0.00004%
5	Alhaj Sultan Mahmood Chowdhury	1	1	100	100	0.000007%	0.00004%
6	Mr. Abdul Awal Patwary	1	1	100	100	0.000007%	0.00004%
7	Hamdard Laboratories (Waqf) Bangladesh, Represented by: Mr. Anisul Hoque	1	-	100	-	0.000007%	-
8	Mrs. Nargis Mannan	1	-	100	-	0.000007%	-
9	Mr. Kamaluddin Ahmed	1	1	100	100	0.000007%	0.00004%
10	Alhaj Sk. Mohammad Rabban Ali	1	1	100	100	0.000007%	0.00004%
11	Mr. A. Jabbar Mollah	1	-	100	-	0.000007%	-
12	Mr. Md. Kamal Uddin	1	1	100	100	0.000007%	0.00004%
13	Mr. Belal Ahmed	1	1	100	100	0.000007%	0.00004%
		15,375,000	2,500,000	1,537,500,000	250,000,000	100.00%	100.00%

19.1 Current year retained earnings

Social Islami Bank Limited

Profit after tax	2,429,782,845	1,659,705,580
Less : Statutory Reserve	780,892,933	574,874,153
Less : Start up Fund	24,297,828	-
Less : Coupon/dividend on perpetual bond	393,500,011	-
	1,231,092,073	1,084,831,428

19.1.(a) Consolidated Current year retained earnings

Profit after tax of SIBL	2,461,491,465	1,750,183,666
Less :Statutory Reserve	780,892,933	574,874,153
Less : Start up Fund	24,297,828	-
Less : Coupon/dividend on perpetual bond	393,500,011	-
Profit/(Loss) attributable to Group	1,262,800,692	1,175,309,513

Add: Profit/(loss) of subsidiaries

Add: Current year profit/(loss) of subsidiaries

SIBL Securities Limited	31,177,838	76,499,992
SIBL Investment Limited	530,781	13,978,092
	31,708,619	90,478,084

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

SIBL Securities Limited	24	60
SIBL Investment Limited	2	37
	26	97

Less: Common income (Dividend) for elimination

SIBL Securities Limited	-	-
Profit/(Loss) attributable to parent	1,262,800,666	1,175,309,416

19(b) Non-controlling interest

SIBL Securities Limited

Paid up capital	1,537,500,000	1,537,500,000
Retained earnings	72,362,892	118,060,054
Net Assets	1,609,862,892	1,655,560,054

SIBL Investment Limited

Paid up capital	250,000,000	250,000,000
Retained earnings	19,677,133	19,146,352
Net Assets	269,677,133	269,146,352

Non-controlling interests

SIBL Securities Limited @ 0.000078% of net assets	1,311	1,287
SIBL Investment Limited @ 0.00032% of net assets	652	650
Total non-controlling interests	1,963	1,937



	31.12.2022	31.12.2021
	Taka	Taka
20	Contingent liabilities	
20.1	Acceptances and Endorsements	
	Bill Bankers' liabilities (DP)	15,214,068,400
	Bill Bankers' liabilities (BB/FO)	1,153,003,000
	Bill Bankers' liabilities (BB/LO)	6,107,786,000
	Bill Bankers' liabilities (EPZ)	677,541,000
	Bill Bankers' liabilities Others	314,620,851
		43,467,019,251
20.2	Letter of Credit	
	L/C Bankers' liabilities (DP)	2,650,787,000
	L/C Bankers' liabilities (BB/FO)	996,426,000
	L/C Bankers' liabilities (BB/LO)	2,427,391,100
	L/C Bankers' liabilities (Cash)	8,931,263,438
	L/C Bankers' liabilities (EPZ)	1,745,474,000
	L/C Bankers' liabilities (Others)	83,697,500
		16,835,039,038
20.3	Letters of guarantees	
	Letters of guarantee	8,965,901,893
20.4	Bills for collection	
	In-ward bills for collection	-
	Out-ward Bills for Collection	8,492,000,669
		8,492,000,669
20.5	Other Contingent Liabilities	-
20.6	Other Commitments	-
	Total Off-balance sheet items	77,759,960,851

Income Statement (Note-21 to Note-39)

Income:

Income from Investment (Note-21)	21,643,793,225	23,960,778,190
Income from Investment in Shares & Securities (Note-23)	1,407,929,007	793,239,363
Commission, Exchange and Brokerage Income (Note-24)	3,803,725,179	1,461,194,791
Other operating income (Note-25)	888,118,466	677,986,092
	27,743,565,877	26,893,198,435

Expenses:

Profit paid on Deposits (Note-22)	15,648,810,651	16,146,371,917
Administrative expenses	4,364,898,347	3,602,941,290
Other operating expenses	2,363,413,037	1,984,228,765
Depreciation on Banking assets	631,420,596	633,423,051
	23,008,542,631	22,366,965,018

Income over expenditure

	4,735,023,246	4,526,233,418
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21	Income from Investment		
	Profit on Murabaha	226,301,142	108,159,934
	Profit on Bai-Muazzal	13,744,973,302	16,707,154,497
	Profit on Hire-Purchase	4,082,743,327	4,410,787,567
	Profit on Musharka	14,460,206	16,067,284
	Profit on Bai-Salam	71,620,656	60,405,980
	Profit on Quard against MTDR, Scheme and others	747,573,310	675,808,427
	Profit on Inland Document Bill Purchased	385,594,401	269,652,889
	Profit on Foreign Document Bill Purchased	1,230,823,088	901,076,716
	Profit on Ijarah	33,155,926	43,898,002
	Profit on Investment against Mudaraba Deposit with other Banks and NBFIs	574,995,157	521,577,525
	Profit on other investments (Card, Wakalat fee etc.)	270,801,357	205,758,881
	Profit on Mudaraba	260,751,352	40,430,486
		21,643,793,225	23,960,778,190
21(a)	Consolidated income from investment		
	Social Islami Bank Ltd.	21,643,793,225	23,960,778,190
	<i>Add: Income from investment of subsidiaries of SIBL</i>	117,109,611	141,379,265
	SIBL Securities Ltd.	117,109,611	141,183,086
	SIBL Investment Ltd.	-	196,179
	Grand total of consolidated investment income	21,760,902,836	24,102,157,455



	31.12.2022	31.12.2021
	Taka	Taka
22 Profit paid on Deposits		
<i>Profit paid on deposits</i>		
Mudaraba Savings Deposits (MSD)	932,782,616	830,489,681
Mudaraba short notice deposit (MSND)	555,661,121	480,312,992
Mudaraba term deposit (MTDR)	9,942,619,163	10,178,731,873
Cash waqf fund deposit	26,789,358	26,997,067
Profit paid on Scheme Deposits & others	3,598,095,035	3,801,275,415
	15,055,947,292	15,317,807,029
<i>Profit paid on borrowings</i>	187,293,830	85,322,013
<i>SIBL Mudaraba Subordinate Bond</i>	405,569,529	743,242,869
Total profit paid on deposits and borrowings	15,648,810,651	16,146,371,912
22(a) Consolidated Profit paid on Deposits		
Social Islami Bank Ltd.	15,648,810,651	16,146,371,912
<i>Add: Income from investment of subsidiaries of SIBL</i>	71,616,883	71,387,281
SIBL Securities Ltd.	71,616,883	71,387,281
SIBL Investment Ltd.	-	-
Grand total of consolidated Profit paid on Deposits	15,720,427,535	16,217,759,192
23 Income from Investment in Shares & Securities		
Income from Investment in Islamic Bond	583,023,697	141,471,857
Income from Investment in Shares	40,622,402	184,218,839
Income from Mudaraba Subordinate Bond	150,371,826	170,347,654
Income from Mudaraba Perpetual Bond	364,809,684	94,477,398
Income from Beximeo Green Sukuk bond	82,083,656	3,164,835
Dividend Income	187,017,742	190,558,781
	1,407,929,007	793,239,363
Social Islami Bank Ltd. has investment of Tk. 100.00 crore in Bangladesh Govt. Islamic Investment Bond for which 1.20% average rate of income has been provided for January-December 2022. The nature of the Fund is to generate profit according to Mudaraba Principle.		
23(a) Consolidated income from Investment in Shares & Securities		
Social Islami Bank Ltd.	1,407,929,007	793,239,363
<i>Add: Income from Investment in Shares & Securities of subsidiaries of SIBL</i>	29,199,755	32,295,266
SIBL Securities Ltd.	27,119,297	19,023,461
SIBL Investment Ltd.	2,080,458	13,271,805
<i>Less: Common income for elimination</i>	-	-
SIBL Securities Ltd.	-	-
Grand total of consolidated income from Investment in Shares & Securities	1,437,128,763	825,534,629
24 Commission, Exchange & Brokerage		
Commission	753,116,234	683,994,762
Exchange income	3,050,608,945	777,200,029
	3,803,725,179	1,461,194,791
24(a) Consolidated income from commission, exchange & brokerage		
Social Islami Bank Ltd.	3,803,725,179	1,461,194,791
<i>Add: Income from commission, exchange & brokerage of subsidiaries of SIBL</i>	106,149,985	174,101,064
SIBL Securities Ltd.	106,149,985	174,101,064
SIBL Investment Ltd.	-	-
Grand total of consolidated income from commission, exchange & brokerage	3,909,875,163	1,635,295,855
25 Other Operating Income		
P & T charge recovered	472,396	1,847,828
Courier Charges Recovery & Others	10,137,574	6,995,707
Services & charges	429,126,749	310,856,350
SWIFT/ Return charge recovered	54,469,130	45,627,920
Other charges (Note: 25.1)	393,912,618	312,658,286
	888,118,466	677,986,092
25(a) Consolidated other operating income		
Social Islami Bank Ltd.	888,118,466	677,986,092
<i>Add: Other operating Income of subsidiaries of SIBL</i>	1,155,163	5,389,540
SIBL Securities Ltd.	1,155,163	3,084,874
SIBL Investment Ltd.	-	2,304,666
Grand total of consolidated income from other operating income	889,273,628	683,375,632
25.1 Other Charges		
Rent receipts	4,008,002	3,277,572
Income from sale of forms	159,365	201,600
Service charge on SIBL Cards	165,165,880	131,120,901
Notice pay earnings	9,012,349	5,240,730
Miscellaneous income	215,567,022	172,817,483
	393,912,618	312,658,286



	31.12.2022	31.12.2021
	<u>Taka</u>	<u>Taka</u>
26 Salary & Allowances		
Basic Salary	1,779,595,867	1,471,520,386
Allowances	1,748,452,777	1,364,627,493
Bonus	519,563,762	445,987,997
L/E Salary & Allowances	120,029,982	151,683,537
Bank's Contribution to Provident fund	159,598,897	140,791,169
Bank's Contribution to Social Insurance fund	15,986,710	14,072,362
SIBL Group life Insurance Premium	4,548,682	3,833
	4,347,776,677	3,588,686,773
26(a) Consolidated expenses for Salary and Allowance		
Social Islami Bank Ltd.	4,347,776,677	3,588,686,773
Add: Salary and Allowance for subsidiaries	44,793,620	34,716,820
SIBL Securities Ltd.	44,793,620	34,716,820
SIBL Investment Ltd.	-	-
	4,392,570,297	3,623,403,593
27 Rent, Taxes, Insurance & Electricity etc.		
Rent, Rates & Taxes (note: 27.1)	259,824,228	192,879,597
Insurance (note: 27.2)	210,672,082	210,378,129
Electricity, Lighting & Water (note: 27.3)	114,488,763	101,615,140
	584,985,073	504,872,866
27.1 Rent, Rates & Taxes		
Rent, Rates & Taxes (note: 27.1.1)	464,315,156	420,013,566
Less: rent expenses under IFRS-16 *	204,490,929	227,133,969
	259,824,228	192,879,597
*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 204,490,929 (excluding VAT) in 2022 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.		
27(a) Consolidated expenses for rent, taxes, insurance & electricity		
Social Islami Bank Ltd.	584,985,073	504,872,866
Add: Rent, Taxes, Insurance & Electricity etc. of subsidiaries	62,050	737,401
SIBL Securities Ltd.	62,050	737,401
SIBL Investment Ltd.	-	-
	585,047,123	505,610,267
Rent, Rates & Taxes		
Office rent	62,050	-
Less: Adjustment due to execution of IFRS 16 for the first time	-	-
	62,050	-
VAT on office rent	-	737,401
Total Rent, Rates & Taxes	62,050	737,401
27.1.1 Rents, Rates, Taxes, Insurance & Lighting etc.		
Rents		
Rent (Office)	446,500,832	403,791,678
Rent (Garage)	344,480	340,955
Rent (Godown & others)	10,492,389	6,756,623
	457,337,701	410,889,256
Rates and Taxes	6,977,455	9,124,310
Total Rents, Rates & Taxes	464,315,156	420,013,566
27.2 Insurances		
Insurance Premium in Counter	1,342,045	1,110,764
Insurance Premium in Transit	6,035,474	6,220,729
Insurance Premium Safe/Vault	8,413,508	7,878,274
Insurance Premium on deposit	192,370,691	192,382,297
Insurance Premium on Vehicle	905,849	1,198,019
Other Insurance	1,604,515	1,588,057
	210,672,082	210,378,129
27.3 Lighting & Electricity		
Lighting & Electricity Bill (Office)	105,310,679	92,436,973
Lighting & Electricity Charges (Office)	5,213,231	5,320,659
Sub Total	110,523,910	97,757,632
Water & Sewerage	3,964,853	3,857,558
	114,488,763	101,615,140



	31.12.2022 Taka	31.12.2021 Taka
28 Legal Expenses		
Legal Fees & Charge	4,512,593	3,804,599
Stamp Duties	68,114	51,046
Other Legal Expenses	4,622,635	3,627,941
	9,203,342	7,483,586
29 Postage, Stamps, Telecommunication etc.		
Cable Network rent	229,127	272,649
Telephone charges	1,487,948	2,030,960
Mobile phone charges	4,279,414	4,461,503
	5,996,488	6,765,111
29(a) Consolidated expenses for Postage, Stamps, Telecommunication etc.		
Social Islami Bank Limited	5,996,488	6,765,111
Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries	1,881,575	1,899,912
SIBL Securities Ltd.	1,881,575	1,899,912
SIBL Investment Ltd.	-	-
	7,878,063	8,665,023
30 Stationery, Printing, Advertisements etc.		
Table Stationery	20,247,773	8,154,025
Printing & Stationery	44,434,005	46,032,881
News Paper & Magazine	8,700,210	11,281,083
Television & Radio	33,999,750	30,443,900
Neon Sign, Banner etc.	864,942	736,092
Other Publicity	11,846,425	8,056,949
	120,093,105	104,704,930
30(a) Consolidated expense of Stationery, Printing, Advertisement etc.		
Social Islami Bank Ltd.	120,093,105	104,704,930
Stationery, Printing, Advertisement expense of Subsidiaries of SIBL	204,555	573,421
SIBL Securities Limited.	204,555	573,421
SIBL Investment Limited.	-	-
	120,297,660	105,278,351
31 Managing Director's salary and allowances		
Basic Salary	7,800,000	8,350,645
Allowances	7,141,670	3,613,872
Festival & other Bonus	2,180,000	2,290,000
	17,121,670	14,254,517
32 Directors' Fees & Meeting Expenses		
Directors Fee	1,999,335	2,141,936
Meeting Expenses	1,780,826	305,882
	3,780,162	2,447,818
32(a) Consolidated Directors' fees & Meeting Expenses:		
Social Islami Bank Limited	3,780,162	2,447,818
Directors' Fees & Meeting Expenses of Subsidiaries of SIBL	333,000	353,000
SIBL Securities Limited	333,000	353,000
SIBL Investment Limited	-	-
	4,113,162	2,800,818
33 Shariah Supervisory Committee's Fees & Expenses		
Shariah Council Meeting Expenses	444,666	144,284
	444,666	144,284
34 Depreciation and Repair of Bank's Assets		
a) Depreciation of Bank's Assets (Annexure A)		
Land	-	-
Building	45,555,065	46,067,345
Furniture & Fixtures	101,343,499	82,969,028
Office Appliance & Equipment	168,543,506	154,904,020
Computer Software	19,518,099	19,751,616
Vehicles	2,991,952	10,054,201
Right of use Assets (RoU)	175,305,635	205,880,240
Books	68,230	70,020
	513,328,986	519,696,469



	31.12.2022	31.12.2021
	Taka	Taka
b) Repair on Bank's Assets		
Building	148,519	45,300
Motor Car/ Vehicle	17,210,616	17,200,964
Furniture Fixture	4,272,335	3,321,587
Mechanical Appliances	18,773,846	23,264,904
Software Maintenance fee	4,294	7,165
Hardware Maintenance fee	5,980	620
IT Enable Service Charges	77,679,019	69,886,047
	118,094,609	113,726,582
Total of Depreciation and repair of Bank's Assets	631,420,596	633,423,051
34(a) Consolidated balance of Depreciation		
Social Islami Bank Ltd.	631,420,596	633,423,051
<i>Add: Depreciation on assets of subsidiaries</i>	6,740,610	5,563,270
SIBL Securities Ltd.	6,740,610	5,563,270
SIBL Investment Ltd.	-	-
<i>Add: Repairs & Maintenance on assets of subsidiaries</i>	875,254	1,224,715
SIBL Securities Ltd.	875,254	1,224,715
SIBL Investment Ltd.	-	-
	639,036,460	640,211,037
35 Other Expenses		
Local conveyance	18,581,955	12,360,515
Petroleum, oil & lubricants	23,743,260	15,012,247
Entertainment expenses	50,938,985	42,552,612
Traveling allowances	22,154,095	8,558,039
Travelling Foreign	1,745,834	-
Bank charges	11,801,043	5,304,622
Uniform charges	2,451,251	2,236,764
Subscriptions to Institutions & Others	15,315,981	8,034,912
Banks' clearing house charges	3,005,548	6,730
CIB Charges	1,651,830	1,405,560
Transportation charges	5,781,669	6,271,605
News paper, Journal & periodicals	201,181	139,596
Washing charges	1,298,256	1,010,317
Training expenses Academy/ Internal	5,500	500
Training expenses at outside Banks	773,100	724,900
Commission Paid to Agent Banking	90,651,806	58,325,725
Direct expenses on investment	130,060	58,613
Up keep of branches/office premises	7,463,000	6,261,873
Excise duty	2,233,000	1,649,000
Computer charges	13,731,986	15,047,653
Security Services	275,326,093	239,531,190
Cleaner Services	8,076,499	8,249,704
Others wages	268,096,067	244,335,828
Photocopy expenses	644,297	549,671
Photography expenses	166,575	82,240
Cash & Bank remittance charges	8,025,340	6,242,070
Honorarium	6,339,800	1,955,900
On-Line Expenses	39,081,872	37,425,563
ATM Rent Hardware	6,750,140	6,421,423
Professional & Rating Fees	11,665,205	45,953,840
Other Utility	45,561,164	35,334,219
Bond issue related Expense	10,968,250	442,500
Donation to Government	100,329,000	50,050,000
Donation to Others	303,137	160,040
CSR Related Expenditure	99,481,961	53,741,214
Business Development Exp	18,894,972	7,236,779
Fees Form @ Renewal	6,932,926	24,535,821
Network sharing fees (Visa)	11,078,870	7,864,038
Service Charges	10,749,798	9,704,731
Fair value adjustment for shares and securities	-	17,190,627
Gratuity expense	181,518,778	133,908,355
Finance cost on lease liabilities as per IFRS-16	38,141,108	47,907,376
Miscellaneous expenses	19,983,193	11,721,180
	1,441,774,366	1,175,506,087



	31.12.2022	31.12.2021
	Taka	Taka
35(a) Consolidated Other Expenses		
Social Islami Bank Limited	1,441,774,366	1,175,506,087
<i>Add: Other Expenses for SIBL Securities Limited</i>	17,205,347	27,020,673
License, fees, renewals and incorporation expenses	14,734,625	24,706,683
Entertainment	1,099,851	1,092,661
Others	1,370,872	1,221,329
<i>Other Expenses for SIBL Investment Limited</i>	67,530	160,185
Bank charge and Excise duty	67,530	57,185
Others	-	103,000
	1,459,047,243	1,202,686,945
36 Other Provision		
Provision for other assets (note: 14.2.2)	15,000,000	-
Provision for others (note: 14.2.3)	120,100,000	-
Mudaraba Profit Distribution (note: 14.6)	10,000,000	-
Provision for Start-Up Fund (note:14.9)	-	16,597,056
Provision for diminution in value of shares and securities (note:14.10)	13,949,505	-
	159,049,505	16,597,056
36(a) Consolidated other provision		
Social Islami Bank Ltd.	159,049,505	16,597,056
<i>Add: Provision for subsidiaries</i>		
SIBL Securities Ltd.		
Provision for general reserve	-	2,624,339
Provision for impairment of margin loan	45,000,000	72,134,103
Provision for capital reserve	7,649,999	8,500,000
Provision for diminution in value of investment	3,803,421	-
	56,453,420	83,258,442
SIBL Investment Ltd. (Provision for diminution in value of investment)	1,188,942	-
	216,691,867	99,855,498
37 Provision against Investment, Off-Balance Sheet items & Others		
Provision on classified investment	640,468,515	1,111,441,687
Provision on unclassified investment	(1,126,360,699)	(893,980,701)
Special General Provision-COVID-19 (As per BRPD Circular letter No.56 dt. 10.12.2020)	468,241,949	597,373,154
(As per BRPD Circular letter No.52 dt. 30.12.2021)	445,788,215	768,946,219
(As per BRPD Circular letter No.52 dt. 22.12.2022)	72,626,772	-
Provision on Off-Balance Sheet items	170,744,325	51,485,240
Other provisions (note: 36)	159,049,505	16,597,056
	830,558,582	1,651,862,655
37(a) Consolidated Provision against Investment, Off-Balance Sheet items & Others		
Social Islami Bank Ltd.	830,558,582	1,651,862,655
<i>Add: Provision for subsidiaries</i>	57,642,363	83,258,442
SIBL Securities Ltd.	56,453,420	83,258,442
SIBL Investment Ltd.	1,188,942	-
	888,200,945	1,735,121,097
38 Provision for Income Tax		
Current year provision (Note: 38.1)	1,460,004,839	1,179,106,673
Deferred Tax expense/(income) (Note: 38.2)	14,676,980	35,558,510
	1,474,681,819	1,214,665,183
38(a) Consolidated Provision for Income Tax		
Social Islami Bank Limited	1,474,681,819	1,214,665,183
SIBL Securities Limited	20,155,402	34,114,809
Current year provision	20,155,402	34,815,871
Deferred Tax expense/(income)	-	(701,012)
SIBL Investment Limited	270,205	1,611,373
	1,495,107,426	1,250,391,364
38.1 Current Year Tax Provision		
Provision on tax has been calculated based on Income Tax Ordinance,1984 as amended upto 2022 by the Finance Act, considering the allowances and disallowances.		
38.2 Deferred Tax Expenses/(Income)		
Deferred tax expense/(income) on 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, 2020 and 2021. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 10,341,542,860 with a total no. of 1,034,154,286 shares having face value @ Taka- 10/share.		
	Net Profit after Tax	2,429,782,845	1,659,705,580
	Less: Coupon/dividend on perpetual bond	393,500,011	-
	Attributable profit for the year	2,036,282,834	1,659,705,580
	Number of ordinary shares outstanding	1,034,154,286	1,034,154,286
	Earning Per Share (EPS) (Prior year Restated)	1.97	1.60
39(a)	Consolidated Earning Per Share (CEPS)		
	Net Profit after Tax	2,461,491,439	1,750,183,569
	Less: Coupon/dividend	393,500,011	-
	Attributable profit for the year	2,067,991,428	1,750,183,569
	Number of ordinary shares outstanding	1,034,154,286	1,034,154,286
	Consolidated Earning Per Share (CEPS) (Prior year Restated)	2.00	1.69
	Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)". Earnings per share (EPS) increased compare to the last year mainly due to increase of net profit after tax.		
39 (i)	Net Asset Value (NAV) Per Share:		
	Net Asset Value (Consolidated)	20,887,209,462	19,397,068,299
	Net Asset Value (Solo)	20,765,081,406	19,237,423,835
	Number of ordinary shares outstanding	1,034,154,286	1,034,154,286
	Net Asset Value (NAV) Per Share (Consolidated) (Prior year Restated)	20.20	18.76
	Net Asset Value (NAV) Per Share (Solo) (Prior year Restated)	20.08	18.60
39 (ii)	Net Operating Cash Flows per share (NOCFPS):		
	Net Cash flow from operating activities (Consolidated)	(1,083,448,803)	(1,698,537,229)
	Net Cash flow from operating activities (Solo)	(1,089,529,203)	(1,702,153,979)
	Number of ordinary shares outstanding	1,034,154,286	1,034,154,286
	Net Operating Cash Flow Per Share (NOCFPS)(Consolidated) (prior year restated)	(1.05)	(1.64)
	Net Operating Cash Flow Per Share (NOCFPS)(Solo) (prior year restated)	(1.05)	(1.65)
	Net Operating Cash Flow per share has slightly improved 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	21,643,793,225	23,960,778,190
	Add: Opening profit receivable	254,088,308	528,810,265
	Less: Closing profit receivable	(498,783,519)	(254,088,308)
		21,399,098,015	24,235,500,147
40(a)	Consolidated income from investment	21,399,098,015	24,235,500,147
	Income from investment of SIBL	117,109,611	141,379,265
	Income from investment of Subsidiaries of SIBL:		
	SIBL Securities Ltd.	117,109,611	141,183,086
	SIBL Investment Ltd.	-	196,179
	Grand total	21,516,207,626	24,376,879,413
41	Receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
	Exchange income	2,842,237,111	719,459,324
	Rent receipts	4,008,002	3,277,572
	P & T charge recovered	472,396	1,847,828
	Courier Charges Recovery & Others	10,137,574	6,995,707
	Notice pay earnings	9,012,349	5,240,730
	Miscellaneous income	215,567,022	172,817,483
	Services & charges	429,126,749	310,856,350
	SWIFT/ Return charge recovered	54,469,130	45,627,920
	Service charge on SIBL Cards	165,165,880	131,120,901
	Income from sale of forms	159,365	301,600
		3,730,355,577	1,397,445,315
41(a)	Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)	3,730,355,577	1,397,445,315
	Receipts from Other Operating Activities of SIBL	1,155,163	5,389,540
	Receipts from other operating activities of Subsidiaries of SIBL:		
	SIBL Securities Ltd.	1,155,163	3,084,874
	SIBL Investment Ltd.	-	2,304,660
	Grand total	3,731,510,739	1,402,834,855



	31.12.2022	31.12.2021
	Taka	Taka
42 Payment to others		
Rent (Office)	242,009,904	176,657,709
Rent (Garage)	344,480	340,955
Rent (Godown)	10,492,389	6,756,623
Rates and Taxes	6,977,455	9,124,310
Insurance Premium for cash in counter	1,342,045	1,110,764
Insurance Premium for cash in transit	6,035,474	6,220,729
Insurance Premium for cash in safe/ vault	8,413,508	7,878,274
Insurance Premium on deposit	192,370,691	192,382,292
Insurance Premium for vehicle	905,849	1,198,019
Other Insurance	1,604,515	1,588,052
Lighting and Electricity Bill (Office)	105,310,679	92,436,923
Lighting and Electricity Charges (Office)	5,213,231	5,320,659
Water and Sewerage	1,964,853	3,857,558
Legal Expenses	9,203,342	7,483,586
Directors Fees and Meeting Expenses	3,780,162	2,447,818
Shariah Supervisory Fees & Expenses	444,666	144,284
Audit Fees	920,000	920,000
Repairs and Maintenance	118,094,609	113,726,582
Zakat expenses	196,215,836	181,384,083
Other Expenses (note: 35)	1,441,774,366	1,175,506,087
	2,355,418,054	1,986,485,306
42(a) Consolidated payment to others		
Social Islami Bank Limited	2,355,418,054	1,986,485,306
<i>Payment to others- Subsidiaries</i>	18,600,681	29,561,724
SIBL Securities Limited	18,510,151	29,378,539
SIBL Investment Limited	90,530	183,185
	2,374,018,735	2,016,047,029
43 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities		
Cash flows from operating activities		
Net Profit after Taxation	2,429,782,845	1,659,705,580
(Increase)/Decrease Profit Receivable	(244,695,211)	77,428,098
(Increase)/Decrease Profit Payable on Deposit	1,192,576,151	1,119,524,431
Effects of exchange rate changes on cash & cash equivalents	(208,371,834)	(57,740,805)
Profit Receivable from B.Bank, NBF1 and BD Govt.	-	197,293,859
Provision for Tax	1,474,681,819	1,214,665,183
Provision for Investment, Contingent Liability & Others	830,558,582	1,651,862,655
Depreciation & Amortization of Fixed Assets	513,325,986	519,696,469
Income tax paid	(1,300,415,312)	(1,926,928,903)
Operating Profit before changes in operating assets & liabilities	4,687,443,026	4,455,506,568
43(a) Consolidated Cash flows from operating activities		
Net Profit after Taxation	2,461,491,465	1,750,183,666
(Increase)/Decrease Profit Receivable	(244,695,211)	77,428,098
(Increase)/Decrease Profit Payable on Deposit	1,192,576,151	1,119,524,431
Effects of exchange rate changes on cash & cash equivalents	(208,371,834)	(57,740,805)
Profit Receivable from B.Bank, NBF1 and BD Govt.	-	197,293,859
Provision for Tax	1,495,107,426	1,250,391,364
Provision for Investment, Contingent Liability & Others	888,200,945	1,735,121,097
Depreciation & Amortization of Fixed Assets	520,066,596	525,259,739
Income tax paid	(1,325,246,974)	(1,970,235,272)
Operating Profit before changes in operating assets & liabilities	4,779,128,563	4,627,226,179
44 Cash Increase/ Decrease in Other Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	39,368,382	41,842,032
Advance rent	102,048,769	82,826,821
Security Deposit	3,401,359	3,433,149
Branch Adjustments (SIBG) (Note: 9.1)	8,750,090,444	824,507,473
Suspense Accounts (Note: 9.2)	425,166,833	287,840,919
Other Prepayments	59,241,494	86,608,018
Share Trading A/C Receivable from SIBL Securities Ltd.	308,278,647	624,820,743
Advance Income Tax	15,208,679,910	13,908,264,598
Profit Receivable from SIBL Securities Limited	218,722,842	70,747,842
Receivable from SIBL Investment Limited	1,903,690	1,903,690
Protested Bills against Investment	325,014,570	325,014,570
<i>balance carried forward</i>	25,441,916,940	16,257,809,854



	31.12.2022	31.12.2021
	Taka	Taka
<i>balance brought forward</i>	25,441,916,940	16,257,809,854
Receivable from Off-shore Banking Unit	300,912,435	43,694,699
Dividend Receivable Account	785,424,619	702,536,619
Profit Receivable from Mudaraba Subordinated Bond	40,898,630	52,926,077
Investment in subsidiary: SIBL Securities Limited	1,537,499,000	1,537,499,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
Profit Receivable for SME Stimulus fund	79,411,985	80,385,089
Profit Receivable from Mudaraba Perpetual Bond	356,627,411	94,477,398
Profit Receivable from Beximco - Green Sakuk	38,268,491	3,164,835
Others (Note: 9.3)	134,957,602	22,211,772
	28,965,916,511	19,044,704,693
Difference between (2022, 2021)	(9,921,211,818)	(2,185,237,106)
Advance Income Tax	1,300,415,312	1,926,928,903
Net change in Other Assets	(8,620,796,506)	(258,308,204)
44(a) Consolidated cash increase/decrease in other assets		
Social Islami Bank Limited	28,965,916,511	19,044,704,693
<i>Cash Increase/ Decrease in Other Assets of subsidiaries</i>	735,799,158	934,038,431
	29,701,715,669	19,978,743,124
Difference between (2022, 2021)	(9,722,972,545)	(2,275,938,493)
Advance Income Tax	1,325,246,974	1,970,235,272
Consolidated net change in Other Assets	(8,397,725,571)	(305,703,222)
45 Cash Increase/ Decrease in Other Liabilities		
FC Charge	2,000	-
Adjusting A/C (Cr.) Balance	11,555,186	14,015,512
Other Payable	1,863,613	9,330,154
Compensation and Rent Suspense (note: 14.3)	3,932,091,419	3,762,471,567
BEFTN Adjustment Account	30,778,270	20,301,508
Parking Account	53,065	3,182,591
Lease liabilities as per IFRS-16 *	449,478,868	615,828,089
ATM & Other Settlement for Q-Cash	(10,546,910)	6,908,947
	4,415,275,511	4,432,038,967
Cash Increase/ (Decrease) in Other Liabilities	(16,763,556)	20,689,997
Difference between (2022 & 2021)	(16,763,556)	20,689,997
Add: Transfer to Provision for Investment from Write-off (In Yr. 2022)	76,711,327	7,075,700
Add: Zakat expense transferred to Sadaka Fund	196,215,837	181,384,083
Less: Zakat distributed during the year	113,365,052	103,558,963
Less: Mudaraba Profit distribution transferred during the year	24,500,000	5,000,000
Less: Written off/ Waiver of investment during the year	691,088,872	1,331,928,908
	(572,790,315)	(1,231,338,091)
45(a) Consolidated cash increase/decrease in other liabilities		
<i>Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited</i>	4,415,275,511	4,432,038,967
<i>Cash Increase/ Decrease in Other Liabilities of subsidiaries</i>	488,737,428	1,140,096,519
	4,904,012,939	5,572,135,486
Difference between (2022, 2021)	(668,122,546)	752,228,251
Other changes in other liabilities of Social Islami Bank Limited	(583,372,728)	(1,252,028,088)
Net change in Other Liabilities-Social Islami Bank Limited	(1,251,495,274)	(499,799,837)
46 Cash and Cash Equivalent		
Cash in Hand	4,835,583,834	3,415,594,063
Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank)	22,086,752,023	20,075,647,654
Balance with Other Banks & Financial Institutions-in Bangladesh	10,049,048,412	16,693,175,142
Balance with Other Banks & Financial Institutions-outside Bangladesh	2,520,897,414	2,540,793,342
	39,492,281,683	42,725,210,201
46(a) Consolidated Cash and Cash Equivalent		
Social Islami Bank Limited	39,492,281,683	42,725,210,201
<i>Cash and Cash Equivalent of subsidiaries</i>	596,714	1,036,348
SIBL Securities Limited	151,762	750,418
SIBL Investment Limited	444,952	285,930
	39,492,878,397	42,726,246,549



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 4039.

48 Audit Committee

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

Sl. No.	Name	Status with the Bank	Status with the Committee
1	Professor A J M 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 155 nos. (One hundred fifty five) Meetings in the previous years since inception in the year 2003, out of which 06 Meetings were conducted in the Year 2022 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 2022 of the Bank and subsequently recommended to the Board for consideration and approval.

The Committee also 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 2021 and the "Management Letter on financial statements" for the year ended 31 December 2021" of SIBL submitted by the external auditors for onward submission to the Board if needed.

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

Pursuant to Condition No. 5.(6).(a) of the Corporate Governance Guidelines issued by BSEC, the Committee reviewed the Internal Control System and Financial Statements. The Committee observed that there was no conflict of interest or material defect in the internal control system of the Bank.

The Committee reviewed the Integrated Annual Health Report of SIBL for the year-2021 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 2022 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 2022:

Sl. No	Name	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
1	Dr. Md. Mahbub 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)	Chairman Rans Real Estate Ltd. Managing Director LAKSHMI LAKSHMI LAKSHMI 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 Machine House Limited Merchant Auto Limited CBM Housing Limited South Green Limited Director ASM Chemical Industries Ltd. Central Hospital (Pvt.) Ltd. Sifang Securities Limited Hurdeo International School. Universal Health Services & Research Ltd. Advisor Mercantile Insurance Company Ltd. Mercantile Islami Life Insurance Ltd. Proprietor CBM Parts House 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)	Chairman Jaba and Brothers C&F (Pvt.) Ltd. Jesco Bangladesh Ltd. Managing Director Jesco Capital Management Ltd. Director Uni-Trade International Ltd. Nishat Traders Ltd.
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 M/S. Morshedul Alam
11	Professor A J M Shafiqul Alam Bhuiyan Independent Director	Nil
12	Professor Mohammad 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	10980.57 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 2022.

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, dated January 04,2021 and July 06, 2021. Moreover, the bank has already signed a MOU with the Institutions of Chartered Accountants of Bangladesh (ICAB) to obtain necessary access to the Document Verification System (DVS) for checking information of the Investment client financial statements. In this regard, we have collected the audited financial statements as per the FRC & Bangladesh Bank circulars in all the relevant Investment client cases and the current status of the bank is as follows:

Particular	Number	%
Completed Files	408	54%
Total Files	759	100%



SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022
SCHEDULE OF FIXED ASSETS INCLUDING PREMISES

(Amounts in Taka)

Particulars	C O S T / R E V A L U E D *				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2022
	Balance as on 01 January 2022	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2022		Balance as on 01 January 2022	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2022	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	498,010,625	-	45,555,065	543,565,690	1,776,655,025
Furniture & Fixtures	1,452,020,300	319,311,654	-	1,771,331,954	10%	630,860,366	-	101,343,499	732,203,865	1,039,128,089
Office Equipment	1,944,935,278	303,088,690	-	2,248,023,968	20%	1,234,710,679	-	168,543,506	1,403,254,185	844,769,782
Software	305,954,860	43,397,339	-	349,352,199	10%	111,397,271	-	19,518,099	130,915,370	218,436,829
Vehicles	150,656,690	-	-	150,656,690	20%	143,065,270	-	2,991,952	146,057,222	4,599,468
Right of use Assets (RoU)	1,076,018,197	-	-	1,076,018,197		396,890,377	-	175,305,635	572,196,012	503,822,185
Books	1,768,620	19,032	-	1,787,652	10%	1,172,246	-	68,230	1,240,476	547,176
31 December 2022	7,263,904,658	665,816,715	-	7,929,721,374		3,016,106,833	-	513,325,986	3,529,432,820	4,400,288,555
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

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



SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022
CONSOLIDATED SCHEDULE OF FIXED ASSETS

(Amounts in Taka)

Particulars	C O S T / R E V A L U E D				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2022
	Balance as on 01 January 2021	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2022		Balance as on 01 January 2022	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2022	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	498,010,625	-	45,555,065	543,565,690	1,776,655,024
Furniture & Fixtures	1,459,473,711	320,057,811	-	1,779,531,522	10%	634,407,326	-	101,745,358	736,152,684	1,043,378,838
Office Equipment	1,957,716,079	307,750,514	-	2,265,466,593	20%	1,245,252,463	-	170,050,478	1,415,302,941	850,163,652
Software	309,128,500	44,509,393	-	353,637,893	10%	114,570,911	-	19,629,304	134,200,215	219,437,677
Vehicles	150,656,691	-	-	150,656,691	20%	143,065,270	-	2,991,952	146,057,222	4,599,469
Right of use Assets (RoU)	1,091,420,043	-	-	1,091,420,043		404,878,449	-	180,026,209	584,904,658	506,515,386
Books	1,768,621	19,032	-	1,787,653	10%	1,172,247	-	68,230	1,240,477	547,176
31 December 2022	7,302,714,358	672,336,750	-	7,975,051,108		3,041,357,289	-	520,066,596	3,561,423,886	4,413,627,223
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



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	31.12.2022			31.12.2021		
			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	406,153.34	103.30	41,954,422	781,452.22	85.80	67,048,600
2	SUMMIT Bank, KARACHI	ACUD	23,784.82	103.30	2,456,901	23,784.82	85.80	2,040,738
3	SONALI Bank, KOLKATA	ACUD	81,988.60	103.30	8,469,176	299,250.29	85.80	25,675,675
4	MASHREQ Bank, MUMBAI	ACUD	239,730.22	103.30	24,763,413	540,085.65	85.80	46,339,349
5	NEPAL BANGLADESH Bank	ACUD	276,510.36	103.30	28,562,691	56,422.86	85.80	4,841,081
6	Bank OF BHUTAN, PHUENTSHOLING	ACUD	32,764.44	103.30	3,384,468	228,340.71	85.80	19,591,633
7	UNITED Bank OF INDIA	ACUD	257,227.16	103.30	26,570,794	125,167.03	85.80	10,739,331
8	AB Bank, MUMBAI	ACUD	1,451,039.83	103.30	149,888,061	14,907.28	85.80	1,279,045
9	MEEZAN Bank LIMITED	ACUD	348,774.27	103.30	36,027,336	213,522.39	85.80	18,320,221
10	MCB Bank, KARACHI, PAKISTAN	ACUD	394.50	103.30	40,751	395.34	85.80	33,920
11	AXIS Bank LIMITED	ACUD	20,463.16	103.30	2,113,783	140,028.93	85.80	12,014,482
12	HDFC Bank LTD., MUMBAI	ACUD	510,270.44	103.30	52,709,406	235,625.31	85.80	20,216,652
13	MASHREQ Bank, NEW YORK, (OBU)	USD	1,015,149.56	103.30	104,861,904	1,193,888.47	85.80	102,435,631
14	MASHREQ Bank PSC, NEW YORK, USA	USD	5,760,478.95	103.30	595,040,194	10,836,769.18	85.80	929,794,796
15	SCB, NY, USA	USD	8,010,009.62	103.30	827,409,964	10,814,153.56	85.80	927,854,375
16	KOREA EXCH. Bank, KOREA	USD	13,061.06	103.30	1,349,168	5,081.06	85.80	435,955
17	HABIB AMERICAN Bank	USD	526,776.76	103.30	54,414,459	3,436,339.13	85.80	294,837,897
18	COMMERZ Bank AG, FRANKFURT	USD	147,554.07	103.30	15,241,893	416,220.42	85.80	35,711,712
19	Zhejiang Commercial Bank, China	USD	412,252.45	103.30	42,584,441	-	-	-
20	COMMERZ Bank AG, CHF	CHF	26,132.48	111.35	2,909,784	8,337.32	93.71	781,282
21	ABU DHABI ISLAMI BANK, UAE	AED	571,416.00	28.12	16,069,246	-	-	-
22	Zhejiang Commercial Bank, China	CNY	6,795,874.74	14.81	100,654,380	-	-	-
23	MASHREQ Bank, PSC MUMBAI	ACU	497.92	109.68	54,612	497.92	97.25	48,425
24	SCB, FRANKFURT	EURO	2,852,283.09	109.68	312,840,691	101,096.20	97.25	9,832,040
25	COMMERZ Bank AG, FRANKFURT	EURO	32,601.13	109.68	3,575,718	27,102.85	97.25	2,635,869
26	SCB, LONDON, UK	GBP	66,740.43	124.26	8,292,899	16,262.78	115.72	1,881,905
27	SCB, TOKYO	JPY	5,329,820.00	0.77	4,114,088	3,191,421.00	0.75	2,379,524
28	Bank AL JAZIRA	RIYAL	1,702.50	27.47	46,760	1,702.50	22.85	38,902
29	RIYAD BANK	RIYAL	1,984,176.83	27.47	54,496,012	174,367.00	22.85	3,984,303
	Total				2,520,897,414			2,540,793,342



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 2022		
		Funded	Non-funded	Total
1	1. PowerPac Mutiara Keraniganj Power Plant Limited & its sister concerns, 2. PowerPac Mutiara Jamalpur Power Plant Limited, 3. PowerPac Holdings Ltd. 4. PowerPac Mutiara Khulna Power Plant Ltd. 5. Powerpac	612.71	63.97	676.68
2	i. Nabil Naba Foods Limited and its sister concerns ii. Nabil Feed Mills Limited and iii. M/S. Shimul Enterprise	333.06	-	333.06
3	i. Bashundhara Industrial Complex Ltd. ii. East West Media Group iii. Bashundhara Infrastructure Ltd. iv. East West property Development (Pvt.) Ltd. v. Bashundhara Multi Paper Ind. Ltd. vi. Bashundhara Paper Mills Ltd.	558.52	199.93	758.45
4	Bashundhara Multi Food Products Ltd & Bashundhara Food & Beverage Industries Ltd.	427.43	360.11	787.54
5	Infinia Spinning Mills Ltd.	462.21	102.11	564.32
6	i. Western Dresses Ltd. & its sister concerns- ii. MNC Apparels Ltd. iii. Kimia Washing Industries Limited iv. NASSA BASIC WASH LTD. v. Nazrul Islam Nazumder LTD.	439.10	78.52	517.62
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.	603.71	2.58	606.29
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.	327.45	161.49	488.94
9	SQ Birichina Limited	274.46	206.36	480.82
10	Afser Resources Management and Consultancy Services Ltd.	390.30	-	390.30
11	Mir Akhter Hossain Limited, Mir Telecom Limited	160.32	7.50	167.82
12	M/S. Shah Amanat Agency	391.06	-	391.06
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	338.12	42.63	380.75
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.	542.64	-	542.64
15	i. M/S. Sonali Traders ii. S. Alam Vegetable Oil Limited iii) Shahidul Alam	502.55	605.66	1,108.21
16	Dong Bang Dyeing Ltd.	416.54	47.56	464.10



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.	485.23	0.00	485.23
18	LM/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 Filement & Twisting Industries.	305.07	760.13	1,065.20
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 v. Alam Bag Manufacturing Mills Limited Millennium Information Solution Limited vi.	411.14	289.40	700.54
20	M/S Mars Textile Ltd.	361.11	80.36	441.47
21	Dong Bang Textile Ltd.	334.45	36.88	371.33
22	Ronghdhanu Builders (Pvt) Ltd., Mehedi Mart	407.99	-	407.99
23	i. Deshbandhu Sugar Mills Ltd. ii. Deshbandhu Food & Beverage Ltd. iii. Deshbandhu Cement Mills Limited. iv. Deshbandhu Consumer & Agro Product Limited	322.54	25.02	347.56
24	S.Alam Super Eadible Oil Ltd.	209.99	829.67	1,039.66
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.	360.34	59.69	420.03
26	i. Infinia Composite Textiles Limited & its sister Concern ii. Infinia Chemicals Limited	210.67	141.27	351.94
27	Trust Knitwear Industries Ltd.	210.96	77.53	288.49
28	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	588.47	-	588.47
29	TecTonics	378.02	-	378.02
30	i. Rahimafrooz Batteries Limited. & its sister Concerns- ii. Rahimafrooz Globatt Limited. iii. Rahimafrooz Bangladesh Ltd. iv. Rahimafrooz CIC Agroo Ltd.	339.36	6.50	345.86
	Grand Total	11,705.52	4,184.87	15,890.39



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
2021	5% Bonus & 5% cash Issue for the year 2021	49,245,442	10	1,034,154,286	492,454,420	10,341,542,860



Social Islami Bank Limited
Statement of Corporate Income Tax status
as at 31 December 2022

(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	1,506,789,158	2,533,816,521	Pending at High Court Division of Supreme Court
2019	2020-2021	1,593,092,009	1,191,224,803	2,399,450,271	Tribunal submitted
2020	2020-2021	1,482,531,120	1,491,289,509	1,596,531,337	First Appeal submitted
2021	2021-2022	1,179,106,673	1,169,568,223	-	Return Submitted
2022	2022-2023	1,460,004,839	877,176,166	-	Return not yet Submitted



Social Islami Bank Limited
Calculation of Deferred Tax Liability
For the year ended 31.12.2022

Assets:

Assets Description	Tax Base	Accounting Base	Difference	Tax Rate	D. Tax Liability / (Assets)
Building	459,394,439	922,868,423	463,473,984	37.50%	173,802,744
Furniture & Fixture	800,507,305	1,039,128,089	238,620,784	37.50%	89,482,794
Office Equipment	1,062,184,416	844,769,782	(217,414,633)	37.50%	(81,530,488)
Software Local	6,807,413	80,021,870	73,214,457	37.50%	27,455,421
Software Foreign	133,330,293	138,414,959	5,084,666	37.50%	1,906,750
Books	575,812	547,176	(28,636)	37.50%	(10,738)
Motor Vehicles	13,875,967	4,599,468	(9,276,499)	37.50%	(3,478,687)
Sub-total	2,476,675,644	3,030,349,767	553,674,123		207,627,796

DTL on revaluation surplus

Land	-	10,218,377		4.00%	408,735
Building	-	853,786,602		37.50%	320,169,976
Sub-total					320,169,976

DTL on lease liability

Right use of asset		503,822,185			
Less: lease liability		449,478,868			
Sub-total		54,343,317		37.50%	20,378,744

548,176,516**Total deferred tax liability****Liability:**

Gratuity Provision	-		(181,518,778)	37.50%	(68,069,542)
Sub-total	-	-	(181,518,778)		(68,069,542)

Grand Total of deferred Tax Liability as on 31.12.2022**480,106,974**

Deferred tax (asset)/liability as on 01.01.2022	465,429,994
Deferred tax (asset)/liability as on 31.12.2022	480,106,974
Deferred Tax Expense/(Income) during this year	14,676,980



SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note(s)	31.12.2022		31.12.2021	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)		-	-	-	-
Balance with other Banks and Financial Institutions	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		1,049,358	108,395,520	2,064,819	177,161,497
		1,049,358	108,395,520	2,064,819	177,161,497
Placement with Banks & other Financial Institutions		-	-	-	-
Investments in Shares & Securities					
Government		-	-	-	-
Others		-	-	-	-
Investments					
General Investment etc.	4	140,580,474	14,521,541,191	59,103,195	5,071,054,090
Bills Purchased and Discounted		-	-	-	-
		140,580,474	14,521,541,191	59,103,195	5,071,054,090
Fixed Assets including Premises, Furnitures and Fixtures	5	117	12,082	176	15,102
Other Assets	6	2,913,080	300,912,435	509,262	43,694,699
Non Banking Assets		-	-	-	-
Total Assets		144,543,029	14,930,861,227	61,677,452	5,291,925,388
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from Banks & other Financial Institution:	7	83,872,088	8,663,735,120	6,430,333	551,722,606
Deposits and Other Accounts	8	57,723,535	5,962,667,975	53,866,750	4,621,767,115
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits	8.1	50,000,000	5,164,850,000	53,500,732	4,590,367,806
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	8.2	7,723,535	797,817,975	366,018	31,404,309
Bills Payable		-	-	-	-
Other Liabilities		2,947,405	304,458,133	1,380,369	118,435,667
Deffered Tax Liabilities/ (Assets)		-	-	-	-
Total Liabilities		144,543,029	14,930,861,227	61,677,452	5,291,925,388
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign currency translation gain/(Loss)		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities & Shareholders' Equity		144,543,029	14,930,861,227	61,677,452	5,291,925,388



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

	31.12.2022		31.12.2021	
	USD	Taka	USD	Taka
Acceptances and Endorsements	-	-	-	-
Irrevocable Letters of Credit (including Back to Back Bills)	-	-	-	-
Letters of Guarantee	-	-	-	-
Bills for Collection	-	-	-	-
Other Contingent Liabilities	-	-	-	-
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

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 2022

	31.12.2022		31.12.2021	
	USD	Taka	USD	Taka
Investment Income	5,657,748	584,428,421	2,923,818	250,863,599
Less: Profit paid on Deposits	(2,718,215)	(280,783,429)	(1,552,341)	(133,190,853)
Net Investment Income	2,939,533	303,644,992	1,371,477	117,672,746
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	7,755	801,059	8,716	747,818
Total Operating Income	2,947,288	304,446,051	1,380,193	118,420,564
Salary & allowances	45,020	4,650,430	86,038	7,382,024
Rent & Utilities	-	-	-	-
Depreciation on fixed assets	29	3,020	44	3,776
Others	-	-	-	-
Total Operating Expenses	45,049	4,653,450	86,082	7,385,799
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	2,902,239	299,792,600	1,294,111	111,034,766
Provision for Income Tax	-	-	-	-
Net Profit/(Loss) after Tax	2,902,239	299,792,600	1,294,111	111,034,766



SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	31.12.2022		31.12.2021
	USD	Taka	Taka
Cash Flow from operating activities			
Investment Income receipt	5,657,748	584,428,421	250,863,599
Profit paid on deposits	(2,718,215)	(280,783,429)	(133,190,853)
Dividend receipts	-	-	-
Fees & commission receipt	-	-	-
Cash payments to employees	(45,020)	(4,650,430)	(7,382,024)
Cash payments to suppliers	-	-	-
Income tax paid	-	-	-
Receipts from other operating activities	7,755	801,059	747,818
Payments for other operating activities	-	-	-
Operating profit before changes in operating assets and liabilities	2,902,268	299,795,621	111,038,541
Changes in operating assets and liabilities			
Statutory deposits	-	-	-
Net trading securities	-	-	-
Investments to other banks	-	-	-
Investment to customers	(81,477,279)	(9,450,487,101)	(762,958,449)
Other assets	(2,403,818)	(257,217,736)	(2,586,898)
Borrowing from Banks & other Financial Institutions	77,441,755	8,112,012,514	(3,501,915,275)
Deposits received from customers	3,856,785	1,340,900,860	4,333,170,294
Other liabilities on account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities	(1,335,203)	(113,773,155)	(68,785,051)
Sub Total	(3,917,760)	(368,564,618)	(3,075,379)
A. Net Cash flow from operating activities	(1,015,491)	(68,768,997)	107,963,162
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	29	3,020	3,776
Purchase/Sale of subsidiaries	-	-	-
B. Net Cash flows from investing activities	29	3,020	3,776
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)	(1,015,462)	(68,765,977)	107,966,938
E. Cash and cash equivalents at the beginning of the year	2,064,819	177,161,497	69,194,558
F. Cash and cash equivalents at the end of the year (D+E)	1,049,358	108,395,520	177,161,497



Social Islami Bank Limited
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
For the year ended 31 December 2022

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, 2022.

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

2.6 Profit income

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

Fees and commission income

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

2.7 Profit paid and other expenses

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

2.8 Allocation of common expenses

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

3 Balance with other Banks and Financial Institutions

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

4 General Investments

- a) General investments of Off-shore Banking Units are stated in the balance sheet on net basis.
- b) Profit is calculated on a daily product basis but charged and accounted for on accrual basis. Profit is not charged on bad and loss investments as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

5 Fixed Assets

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

6 Other Assets

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

7 Borrowing from Banks & other Financial Institutions

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

8 Deposits and Other Accounts

8.1 Mudaraba Term Deposits

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

1. Ajman Bank, UAE (AJB) 2. Islamic Cooperation for the Development of the Private Sector (ICD) 3. Ras Al Khaima Bank UAE (RAK)



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 103.2970 closing rate as at 31st December 2022.
- 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	31.12.2022	31.12.2021
1	Paid up Capital	10,341,542,860	9,849,088,440
2	Total Capital (Core + Supplementary)	33,986,120,360	32,447,948,152
3	Capital Surplus/(Deficit)	5,400,736,733	4,470,433,342
4	Capital to Risk-weighted Asset Ratio (CRAR)	11.89%	11.60%
5	Total Assets	439,968,684,936	408,203,155,663
6	Total Deposit	340,950,314,928	341,661,064,252
7	General Investment	342,944,157,503	312,773,820,529
8	Total Contingent Liabilities and Commitments	77,759,960,851	59,463,904,333
9	Investment-Deposit (ID) Ratio (%)	93.70%	90.19%
10	Percentage of classified investment against total investments	4.80%	5.18%
11	Profit before Tax and Provision	4,735,023,246	4,526,233,418
12	Profit after Tax and Provision	2,429,782,845	1,659,705,580
13	Amount of classified investment	16,476,564,521	16,194,076,632
14	Provisions kept against classified investment	7,638,552,062	7,598,676,652
15	Provisions surplus	-	-
16	Cost of Deposits	4.72%	4.72%
17	Profit Earning Assets	379,181,360,493	361,165,323,218
18	Non-Profit Earning Assets	60,787,324,443	47,037,832,445
19	Return on Investment in Securities	5.95%	2.72%
20	Return (after tax) on average Assets (ROA)	0.57%	0.42%
21	Return (after tax) on equity (ROE)	12.15%	8.91%
22	Income from Investment in Securities	1,407,929,007	793,239,363
23	Earning Per Share (EPS) (Prior year restated)	1.97	1.60
24	Consolidated Earning Per Share (CEPS) (Prior year restated)	2.00	1.69
25	Net Income Per Share	1.97	1.60
26	Price Earning Ratio (Times)	6.25	8.78

