

Financial Statements

Social Islami Bank Limited (SIBL) and Its Subsidiaries for
the year ended 31 December 2013



Auditor's
Report

Auditors' Report

to the Shareholders of Social Islami Bank Limited

We have audited the accompanying 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 balance sheet and the separate balance sheet as at 31 December 2013, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also 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 2013, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the 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:
 - i) internal audit, internal control and risk management arrangements of the Group and the Bank (as disclosed in note 2 of the financial statements) appeared to be materially adequate;
 - ii) 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 Bank and its related entities;
- (c) financial statements of all subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) 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 with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,698 person hours for the audit of the books and accounts of the Bank.

Kazi Zahir Khan & Co.
KAZI ZAHIR KHAN & CO.
Chartered Accountants

Dated: Dhaka
31 March, 2014

Social Islami Bank Limited

Consolidated balance sheet

As at 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|--|---------|------------------------|------------------------|
| PROPERTY AND ASSETS | | | |
| Cash | | | |
| Cash in hand (Including Foreign Currencies) | 3(a) | 1,267,213,967 | 1,104,657,620 |
| Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies) | 3.1 | 7,627,790,250 | 10,020,554,834 |
| | | <u>8,895,004,217</u> | <u>11,125,212,454</u> |
| Balance with other Banks and Financial Institutions | | | |
| In Bangladesh | 4(a) | 1,899,243,196 | 2,726,839,850 |
| Outside Bangladesh | | 1,178,527,956 | 849,779,375 |
| | | <u>3,077,771,152</u> | <u>3,576,619,225</u> |
| Placement with Banks & other Financial Institutions | | | |
| | 5 | 9,064,879,564 | 9,015,879,564 |
| Investments in Shares & Securities | | | |
| Government | 6(a) | 5,500,000,000 | 2,900,000,000 |
| Others | | 1,558,185,070 | 1,764,016,584 |
| | | <u>7,058,185,070</u> | <u>4,664,016,584</u> |
| Investments | | | |
| General Investment etc. | 7 (a) | 76,348,581,962 | 66,459,100,077 |
| Bills Purchased and Discounted | | 9,523,749,964 | 9,565,873,831 |
| | | <u>85,872,331,926</u> | <u>76,024,973,908</u> |
| Fixed Assets including Premises, Furnitures and Fixtures | | | |
| | 8(a) | 2,662,660,343 | 2,256,597,940 |
| Other Assets | | | |
| | 9(a) | 9,770,561,641 | 8,165,811,105 |
| Non Banking Assets | | | |
| | | - | - |
| Total Assets | | <u>126,401,393,912</u> | <u>114,829,110,780</u> |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Placement from Banks & other Financial Institutions | | | |
| Deposits and Other Accounts | | | |
| Mudaraba Savings Deposits | 10 | 4,700,000,000 | 4,700,000,000 |
| | 11 | | |
| Mudaraba Term Deposits | | 6,468,729,754 | 4,905,319,144 |
| Other Mudaraba Deposits | | 62,746,867,195 | 62,267,653,508 |
| Al-Wadeeah Current & Other Deposit Accounts | 11.2(a) | 19,288,768,828 | 13,984,000,422 |
| Bills Payable | 11.3 | 11,936,321,181 | 10,585,704,537 |
| Cash Waqf Fund | | 1,316,909,958 | 1,465,257,228 |
| | | 84,577,685 | 68,903,770 |
| | | <u>101,842,174,601</u> | <u>93,276,838,609</u> |
| Other Liabilities | | | |
| | 12(a) | 8,765,394,391 | 6,699,267,451 |
| Deferred Tax Liabilities/ (Assets) | | | |
| | 13 | 1,577,248 | 70,528 |
| Total Liabilities | | <u>115,309,146,240</u> | <u>104,676,176,587</u> |
| Shareholders' Equity | | | |
| Paid-up Capital | 14.2 | 7,031,415,640 | 6,393,925,700 |
| Statutory Reserve | 15 | 2,122,994,344 | 1,718,062,455 |
| General reserve | | 6,666,534 | 742,432 |
| Revaluation reserve on Fixed Assets | 16 | 1,082,485,102 | 1,109,979,121 |
| Retained Earnings | 17(a) | 848,684,454 | 930,222,915 |
| Total Shareholders' Equity of Parent Company, SIBL | | <u>11,092,246,074</u> | <u>10,152,932,622</u> |
| Non controlling Interest | | | |
| | 17(b) | 1,597 | 1,570 |
| Total Liabilities & Shareholders' Equity of the Group | | <u>126,401,393,912</u> | <u>114,829,110,780</u> |

Social Islami Bank Limited

Consolidated balance sheet

As at 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|---|---------|-----------------------|-----------------------|
| CONTINGENT LIABILITIES | | | |
| Acceptances and Endorsements | 18.1 | 14,986,882,397 | 12,634,753,997 |
| Irrevocable Letters of Credit (including Back to Back Bills) | 18.2 | 9,854,239,886 | 7,395,594,893 |
| Letters of Guarantee | 18.3 | 3,246,076,013 | 4,949,826,296 |
| Bills for Collection | 18.4 | 2,383,031,491 | 2,784,274,732 |
| Other Contingent Liabilities | 18.5 | - | - |
| Total | | 30,470,229,787 | 27,764,449,918 |
| 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 | | 30,470,229,787 | 27,764,449,918 |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director

Signed as per our report of same date


Kazi Zahir Khan & Co.
Chartered Accountants

Dhaka, Bangladesh
Date: 31 March 2014

Social Islami Bank Limited

Consolidated profit and loss account

For the year ended 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|---|---------|----------------------|----------------------|
| Investment Income | 19(a) | 13,652,592,262 | 11,325,266,334 |
| Less: Profit paid on Deposits | 20 | 9,706,867,767 | 7,541,679,221 |
| Net Investment Income | | 3,945,724,495 | 3,783,587,112 |
| Income from Investment in Shares/securities | 21 | 325,466,389 | 233,816,722 |
| Commission, Exchange and Brokerage | 22(a) | 1,056,116,571 | 1,194,479,560 |
| Other Operating Income | 23(a) | 233,154,130 | 337,568,377 |
| | | 1,614,737,090 | 1,765,864,659 |
| Total Operating Income | | 5,560,461,585 | 5,549,451,771 |
| Salaries and Allowances | 24(a) | 1,511,746,541 | 1,081,286,476 |
| Rent, Taxes, Insurances, Electricity etc. | 25(a) | 228,445,375 | 181,760,278 |
| Legal Expenses | 26(a) | 7,943,388 | 8,618,710 |
| Postage, Stamps, Telecommunication etc. | 27(a) | 32,286,323 | 28,799,564 |
| Stationery, Printings, Advertisements etc. | 28(a) | 91,543,834 | 80,776,376 |
| Managing Director's Salary and Allowances | 29 | 8,602,260 | 10,000,000 |
| Directors' Fees & Expenses | 30(a) | 4,805,075 | 4,094,874 |
| Shariah Supervisory Committee's Fees & Expenses | 31 | 254,362 | 117,801 |
| Auditors' Fees | | 534,750 | 910,455 |
| Depreciation & Repair of Bank's Assets | 32(a) | 174,744,640 | 149,523,899 |
| Other Expenses | 33(a) | 534,797,848 | 360,733,108 |
| Total Operating Expenses | | 2,595,704,395 | 1,906,621,541 |
| Profit/(Loss) before Provision | | 2,964,757,190 | 3,642,830,229 |
| Specific provisions for Investment | | 752,687,954 | 285,356,045 |
| General Provisions for Investment | | 84,746,527 | 173,483,062 |
| General Provisions for off-Balance Sheet exposure | | 27,057,799 | 104,482,499 |
| Other Provisions | 34(a) | 41,322,381 | 307,355,083 |
| Total Provision | 35(a) | 905,814,660 | 870,676,689 |
| Total Profit/(Loss) before Tax | | 2,058,942,530 | 2,772,153,541 |
| Provision for Income Tax | 36(a) | 806,808,184 | 1,306,935,483 |
| Net Profit/(Loss) after Tax attributable to equity holders of the group | | 1,252,134,346 | 1,465,218,057 |
| Non-controlling Interest | | 27 | 20 |
| Net Profit/(Loss) after Tax attributable to equity holders of the parent | | 1,252,134,320 | 1,465,218,037 |
| Appropriation | | | |
| Statutory Reserve | | 404,931,889 | 549,578,194 |
| Retained Earnings | | 847,202,431 | 915,639,843 |
| | | 1,252,134,320 | 1,465,218,037 |
| Earning Per Share (CEPS) (Restated for year 2012) | 37(a) | 1.78 | 2.08 |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman

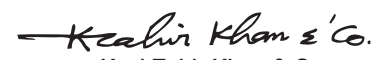

Director


Director


Managing Director

Signed as per our report of same date

Dhaka, Bangladesh
Date: 31 March 2014


Kazi Zahir Khan & Co.
Chartered Accountants

Social Islami Bank Limited

Consolidated cash flow statement

For the year ended 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|--|---------|------------------------|-----------------------|
| Cash Flow from operating activities | | | |
| Investment Income receipt | 38(a) | 13,652,592,262 | 11,325,266,334 |
| Profit paid on deposits | | (6,901,278,644) | (5,247,109,745) |
| Dividend receipts | | 325,466,389 | 233,816,722 |
| Fees & commission receipt | | 584,822,183 | 601,843,415 |
| Cash payments to employees | | (1,520,348,801) | (1,091,286,476) |
| Cash payments to suppliers | | (123,830,157) | (109,575,940) |
| Income tax paid | | (1,356,696,826) | (929,894,508) |
| Receipts from other operating activities | 39(a) | 704,448,518 | 930,204,521 |
| Payments for other operating activities | 40(a) | (794,669,804) | (569,670,338) |
| Operating profit before changes in operating assets and liabilities | | 4,570,505,121 | 5,143,593,986 |
| Changes in operating assets and liabilities | | | |
| Statutory deposits | | - | - |
| Net trading securities | | (2,394,168,486) | (902,656,827) |
| Investments to other banks | | - | - |
| Investment to customers | | (9,847,358,018) | (22,116,398,136) |
| Other assets | 41(a) | (248,053,710) | (140,718,961) |
| Deposits from other banks | | (6,383,245,811) | 2,311,519,035 |
| Deposits received from customers | | 12,142,992,679 | 22,209,028,350 |
| Other liabilities on account of customers | | - | - |
| Trading liabilities | | - | - |
| Other liabilities | 42(a) | 360,934,923 | 80,878,423 |
| Sub Total | | (6,368,898,423) | 1,441,651,884 |
| A. Net Cash flow from operating activities | | (1,798,393,302) | 6,585,245,870 |
| 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 & equipments | | (562,918,036) | (257,483,184) |
| Purchase/Sale of subsidiaries | | - | - |
| B. Net Cash flows from investing activities | | (562,918,036) | (257,483,184) |
| Cash flows from financing activities | | | |
| Receipts from issue of debt instruments | | - | 1,000,000,000 |
| Payments for redemption of debt instruments | | - | - |
| Receipts from issue of right shares/ordinary share | | - | - |
| Dividend paid in cash | | (318,744,971) | (671,362,199) |
| C. Net Cash flow from financing activities | | (318,744,971) | 328,637,802 |
| D. Net increase/(decrease) in cash & cash equivalents (A+B+C) | | (2,680,056,309) | 6,656,400,487 |
| E. Cash and cash equivalents at the beginning of the year | | 23,717,711,242 | 17,061,310,755 |
| F. Cash and cash equivalents at the end of the year (D+E) | 43(a) | 21,037,654,933 | 23,717,711,242 |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director

Dhaka, Bangladesh
Date: 31 March 2014

Social Islami Bank Limited

Consolidated statement of changes in equity

For the year ended 31 December 2013

(amount in Taka)


| Particulars | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9=(2 to 7) |
|--|----------------------|-----------------------|----------------------|--------------------------|---------------------------|--------------------|--------------------------|-----------------------|------------|
| | Paid-up Capital | Share Premium Account | Statutory Reserve | General / Other Reserves | Asset Revaluation Reserve | Retained Earnings | Non-Controlling Interest | Total | |
| Balance as at 01 January 2013 | 6,393,925,700 | - | 1,718,062,455 | 742,432 | 1,109,979,121 | 930,222,916 | 1,570 | 10,152,934,193 | |
| 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 | - | - | - | - | - | 1,252,134,320 | - | 1,252,134,320 | - |
| Appropriation made during the year | - | - | 404,931,889 | 5,924,102 | - | (404,931,889) | - | 5,924,102 | - |
| Issue of Cash Dividend | - | - | - | - | - | (318,744,971) | - | (318,744,971) | - |
| Issue of Share Capital (Bonus Share) | 637,489,940 | - | - | - | - | (637,489,940) | - | - | - |
| Transferred to retained earnings | - | - | - | - | (27,494,019) | 27,494,019 | - | - | - |
| Non-controlling interest | - | - | - | - | - | - | 27 | 27 | - |
| Total group shareholders' equity as on 31 December 2013 | 7,031,415,640 | - | 2,122,994,344 | 6,666,534 | 1,082,485,102 | 848,684,455 | 1,597 | 11,092,247,672 | |
| Add: General provision for unclassified investment | | | | | | | | 1,081,331,886 | |
| Less: 50% of assets revaluation reserve | | | | | | | | 541,242,551 | |
| Total eligible capital as on 31 December 2013 | | | | | | | | 11,632,337,007 | |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director

Dhaka, Bangladesh
Date: 31 March 2014

Social Islami Bank Limited

Balance sheet

As at 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|--|---------|------------------------|------------------------|
| PROPERTY AND ASSETS | | | |
| Cash | | | |
| Cash in hand (Including Foreign Currencies) | 3 | 1,266,962,343 | 1,104,528,222 |
| Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies) | 3.1 | 7,627,790,250 | 10,020,554,834 |
| | | 8,894,752,593 | 11,125,083,056 |
| Balance with other Banks and Financial Institutions | | | |
| In Bangladesh | 4 | 1,870,113,449 | 2,713,496,766 |
| Outside Bangladesh | | 1,178,527,956 | 849,779,375 |
| | | 3,048,641,405 | 3,563,276,141 |
| Placement with Banks & other Financial Institutions | | | |
| | 5 | 9,064,879,564 | 9,015,879,564 |
| Investments in Shares & Securities | | | |
| Government | 6 | 5,500,000,000 | 2,900,000,000 |
| Others | | 3,038,183,470 | 3,244,014,984 |
| | | 8,538,183,470 | 6,144,014,984 |
| Investments | | | |
| General Investment etc. | 7 | 76,398,581,962 | 66,459,100,077 |
| Bills Purchased and Discounted | | 9,523,749,964 | 9,565,873,831 |
| | | 85,922,331,926 | 76,024,973,908 |
| Fixed Assets including Premises, Furnitures and Fixtures | | | |
| Other Assets | 8 | 2,653,882,382 | 2,249,954,737 |
| Non Banking Assets | 9 | 8,493,893,405 | 7,042,770,623 |
| Total Assets | | 126,616,564,745 | 115,165,953,013 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Placement from Banks & other Financial Institutions | | | |
| | 10 | 4,700,000,000 | 4,700,000,000 |
| Deposits and Other Accounts | | | |
| Mudaraba Savings Deposits | 11 | 6,468,729,754 | 4,905,319,144 |
| Mudaraba Term Deposits | | 62,746,867,195 | 62,267,653,508 |
| Other Mudaraba Deposits | | 19,288,768,828 | 13,984,000,422 |
| Al-Wadeeah Current & Other Deposit Accounts | 11.2 | 12,198,626,163 | 10,903,158,399 |
| Bills Payable | 11.3 | 1,316,909,958 | 1,465,257,228 |
| Cash Waqf Fund | | 84,577,685 | 68,903,770 |
| | | 102,104,479,583 | 93,594,292,471 |
| Other Liabilities | | | |
| Deferred Tax Liabilities/ (Assets) | 12 | 8,727,079,569 | 6,689,618,137 |
| | 13 | 1,577,248 | 70,528 |
| Total Liabilities | | 115,533,136,400 | 104,983,981,136 |
| Capital/Shareholders' Equity | | | |
| Paid-up Capital | 14.2 | 7,031,415,640 | 6,393,925,700 |
| Statutory Reserve | 15 | 2,122,994,344 | 1,718,062,455 |
| Revaluation reserve on Fixed Assets | 16 | 1,082,485,102 | 1,109,979,121 |
| Retained Earnings | 17 | 846,533,259 | 960,004,602 |
| Total Shareholders' Equity | | 11,083,428,345 | 10,181,971,877 |
| Total Liabilities & Shareholders' Equity | | 126,616,564,745 | 115,165,953,013 |

Social Islami Bank Limited

Balance sheet

As at 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|---|---------|-----------------------|-----------------------|
| CONTINGENT LIABILITIES | | | |
| Acceptances and Endorsements | 18.1 | 14,986,882,397 | 12,634,753,997 |
| Irrevocable Letters of Credit (including Back to Back Bills) | 18.2 | 9,854,239,886 | 7,395,594,893 |
| Letters of Guarantee | 18.3 | 3,246,076,013 | 4,949,826,296 |
| Bills for Collection | 18.4 | 2,383,031,491 | 2,784,274,732 |
| Other Contingent Liabilities | 18.5 | - | - |
| Total | | 30,470,229,787 | 27,764,449,918 |
| 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 | | 30,470,229,787 | 27,764,449,918 |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director

Signed as per our report of same date

Dhaka, Bangladesh
Date: 31 March 2014


Kazi Zahir Khan & Co.
Chartered Accountants

Social Islami Bank Limited

Profit and loss account

For the year ended 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|---|---------|----------------------|----------------------|
| Investment Income | 19 | 13,629,421,075 | 11,319,014,211 |
| Less: Profit paid on Deposits | 20 | 9,706,867,767 | 7,541,679,221 |
| Net Investment Income | | 3,922,553,308 | 3,777,334,989 |
| Income from Investment in Shares and Securities | 21 | 325,466,389 | 233,816,722 |
| Commission, Exchange and Brokerage | 22 | 1,026,570,990 | 1,178,954,865 |
| Other Operating Income | 23 | 228,021,115 | 324,986,845 |
| Total Operating Income | | 1,580,058,494 | 1,737,758,432 |
| | | 5,502,611,802 | 5,515,093,421 |
| Salaries and Allowances | 24 | 1,505,503,042 | 1,078,563,216 |
| Rent, Taxes, Insurances, Electricity etc. | 25 | 227,846,521 | 181,239,535 |
| Legal Expenses | 26 | 7,926,138 | 8,618,710 |
| Postage, Stamps, Telecommunication etc. | 27 | 31,544,647 | 28,130,288 |
| Stationery, Printings, Advertisements etc. | 28 | 90,997,426 | 80,593,969 |
| Managing Director's Salary and Allowances | 29 | 8,602,260 | 10,000,000 |
| Directors' Fees & Expenses | 30 | 4,264,575 | 3,795,874 |
| Shariah Supervisory Committee's Fees & Expenses | 31 | 254,362 | 117,801 |
| Auditors' Fees | | 517,500 | 882,855 |
| Depreciation & Repair of Bank's Assets | 32 | 173,161,578 | 148,750,842 |
| Other Expenses | 33 | 527,443,752 | 356,575,106 |
| Total Operating Expenses | | 2,578,061,801 | 1,897,268,196 |
| Profit/(Loss) before Provision | | 2,924,550,001 | 3,617,825,225 |
| Specific provisions for Investment | | 752,687,954 | 285,356,045 |
| General Provisions for Investment | | 84,746,527 | 173,483,062 |
| General Provisions for off-Balance Sheet exposure | | 27,057,799 | 104,482,499 |
| Other Provisions | 34 | 35,398,279 | 306,612,651 |
| Total Provision | 35 | 899,890,558 | 869,934,257 |
| Total Profit/(Loss) before Tax | | 2,024,659,443 | 2,747,890,968 |
| Provision for Income Tax | 36 | 804,458,005 | 1,306,763,692 |
| Net Profit/(Loss) after Tax | | 1,220,201,438 | 1,441,127,276 |
| Appropriation | | | |
| Statutory Reserve | | 404,931,889 | 549,578,194 |
| Retained Earnings | | 815,269,549 | 891,549,083 |
| | | 1,220,201,438 | 1,441,127,276 |
| Earning Per Share (EPS) (Restated for year 2012) | 37 | 1.74 | 2.05 |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director

Signed as per our report of same date

Dhaka, Bangladesh
Date: 31 March 2014


Kazi Zahir Khan & Co.
Chartered Accountants

Social Islami Bank Limited

Cash flow statement

For the year ended 31 December 2013

| | Note(s) | 2013 Taka | 2012 Taka |
|--|---------|------------------------|-----------------------|
| Cash Flow from operating activities | | | |
| Investment Income receipt | 38 | 13,629,421,075 | 11,319,014,211 |
| Profit paid on deposits | | (6,901,278,644) | (5,247,109,745) |
| Dividend receipts | | 325,466,389 | 233,816,722 |
| Fees & commission receipt | | 555,276,602 | 586,318,720 |
| Cash payments to employees | | (1,514,105,302) | (1,088,563,216) |
| Cash payments to suppliers | | (122,542,073) | (108,724,257) |
| Income tax paid | | (1,352,761,601) | (926,823,440) |
| Receipts from other operating activities | 39 | 699,315,503 | 917,622,990 |
| Payments for other operating activities | 40 | (786,141,855) | (564,664,993) |
| Operating profit before changes in operating assets and liabilities | | 4,532,650,094 | 5,120,886,993 |
| Changes in operating assets and liabilities | | | |
| Statutory deposits | | - | - |
| Net trading securities | | (2,394,168,486) | (902,656,827) |
| Investments to other banks | | - | - |
| Investment to customers | | (9,897,358,018) | (22,116,398,136) |
| Other assets | 41 | (98,361,181) | (55,882,097) |
| Deposits from other banks | | (6,383,245,811) | 2,311,519,035 |
| Deposits received from customers | | 12,087,843,800 | 22,135,652,878 |
| Other liabilities on account of customers | | - | - |
| Trading liabilities | | - | - |
| Other liabilities | 42 | 334,619,590 | 71,569,496 |
| Sub Total | | (6,350,670,106) | 1,443,804,349 |
| A. Net Cash flow from operating activities | | (1,818,020,012) | 6,564,691,342 |
| 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 & equipments | | (559,200,216) | (250,397,905) |
| Purchase/Sale of subsidiaries | | - | - |
| B. Net Cash flows from investing activities | | (559,200,216) | (250,397,905) |
| Cash flows from financing activities | | | |
| Receipts from issue of debt instruments | | - | 1,000,000,000 |
| Payments for redemption of debt instruments | | - | - |
| Receipts from issue of right shares/ordinary share | | - | - |
| Dividend paid in cash | | (318,744,971) | (671,362,199) |
| C. Net Cash flow from financing activities | | (318,744,971) | 328,637,801 |
| D. Net increase/(decrease) in cash & cash equivalents (A+B+C) | | (2,695,965,199) | 6,642,931,239 |
| E. Cash and cash equivalents at the beginning of the year | | 23,704,238,761 | 17,061,307,522 |
| F. Cash and cash equivalents at the end of the year (D+E) | 43 | 21,008,273,562 | 23,704,238,761 |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman


Director


Director


Managing Director

Dhaka, Bangladesh
Date: 31 March 2014

Social Islami Bank Limited

Statement of changes in equity

For the year ended 31 December 2013

(amount in Taka)

| Particulars | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8=(2 to 7) |
|---|----------------------|-----------------------|----------------------|-------------------------|---------------------------|--------------------|-----------------------|------------|
| | Paid-up Capital | Share Premium Account | Statutory Reserve | General / Other Reserve | Asset Revaluation Reserve | Retained Earnings | Total | |
| Balance as at 01 January 2013 | 6,393,925,700 | - | 1,718,062,455 | - | 1,109,979,121 | 960,004,602 | 10,181,971,878 | |
| 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 | - | - | - | - | - | 1,220,201,438 | 1,220,201,438 | |
| Appropriation made during the year | - | - | 404,931,889 | - | - | (404,931,889) | - | |
| Issue of cash dividend | - | - | - | - | - | (318,744,971) | (318,744,971) | |
| Issue of Share Capital (Bonus Dividend) | 637,489,940 | - | - | - | - | (637,489,940) | - | |
| Transferred to retained earnings | - | - | - | - | (27,494,019) | 27,494,019 | - | |
| Total shareholders' equity as on 31 December 2013 | 7,031,415,640 | - | 2,122,994,344 | - | 1,082,485,102 | 846,533,259 | 11,083,428,345 | |
| Add: General provision for unclassified investment | - | - | - | - | - | - | 1,081,331,886 | |
| Less: 50% of assets revaluation reserve | - | - | - | - | - | - | 541,242,551 | |
| Total eligible capital as on 31 December 2013 | | | | | | | 11,623,517,680 | |

Annexed notes (1 to 48) form an integral part of these financial statements


Chairman

Dhaka, Bangladesh
Date: 31 March 2014


Director


Managing Director

Social Islami Bank Limited

Liquidity statement

Assets and liabilities analysis

As at 31 December 2013

(amount in Taka)

| Particulars | Upto 01 Month | 01-03 Months | 03-12 Months | 01-05 Years | More than 05 years | Total |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Assets | | | | | | |
| Cash in hand | 3,212,713,462 | - | - | - | 5,682,039,130 | 8,894,752,593 |
| Balance with other Banks and Financial Institutions | 1,830,254,726 | 609,193,340 | 609,193,340 | - | - | 3,048,641,405 |
| Placement with Banks & other Financial Institutions | 500,000,000 | 3,350,000,000 | 5,214,879,564 | - | - | 9,064,879,564 |
| Investment (in Shares & Securities) | 1,406,615,620 | 700,000,000 | 4,300,000,000 | 501,569,450 | 1,629,998,400 | 8,538,183,470 |
| Investments | 9,537,431,276 | 21,180,472,524 | 39,240,356,958 | 15,592,813,699 | 371,257,469 | 85,922,331,926 |
| Fixed Assets including premises, furniture & fixtures etc. | 16,422,514 | 32,845,028 | 141,281,962 | 776,782,356 | 1,686,550,522 | 2,653,882,382 |
| Other Assets | 387,751,359 | 2,689,141,422 | 533,789,958 | 4,112,476,843 | 770,733,825 | 8,493,893,405 |
| Non-Banking Assets | - | - | - | - | - | - |
| Total Assets | 16,991,188,957 | 28,561,652,313 | 50,039,501,782 | 20,983,642,348 | 10,140,579,346 | 126,616,564,745 |
| Liabilities | | | | | | |
| Placement from Banks & other financial institutions | 800,000,000 | 2,000,000,000 | 1,900,000,000 | - | - | 4,700,000,000 |
| Deposits and other accounts | 15,966,503,945 | 22,021,498,284 | 47,104,285,319 | 12,752,119,641 | 4,260,072,393 | 102,104,479,583 |
| Provision and other liabilities | - | - | - | 4,250,572,172 | 4,476,507,397 | 8,727,079,569 |
| Deferred tax liability | - | - | - | 1,577,248 | - | 1,577,248 |
| Total Liabilities | 16,766,503,945 | 24,021,498,284 | 49,004,285,319 | 17,004,269,062 | 8,736,579,791 | 115,533,136,400 |
| Net Liquidity Gap | 124,685,012 | 4,540,154,029 | 1,035,216,463 | 3,979,373,287 | 1,403,999,556 | 11,083,428,345 |


Chairman


Director


Director


Managing Director

Dhaka, Bangladesh
Date: 31 March 2014

Social Islami Bank Limited

Notes to the financial statements

As at and for the year ended 31 December 2013

1 The Bank and its activities

1.1 Status of the Bank

The Bank was incorporated as a Public Limited Company in Bangladesh in the year 1995 under Companies Act, 1994. The Bank is one of the interest-free Shariah based banks in the country and its modus- operandi are substantially different from other conventional Banks. The Bank within the stipulations laid down by Bank Companies Act, 1991 and directives as received from time to time from Bangladesh Bank, provides all types of commercial Banking services. Besides as a matter of policy the Bank conducts its business on the principles of Mudaraba, Musharaka, Murabaha, Bai-Muazzal & Hire Purchase transaction approved by Bangladesh Bank. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company. The Bank carries its Banking activities through Ninety four (94) branches operating as per Islamic Shariah prevailing in the country.

The Registered Office of the bank was located at 15, Dilkusha C/A, Dhaka-1000. But from November 2011 SIBL has shifted its Corporate and Registered head office to a new location situated at 'City Center', 90/1 Motijheel Commercial Area.

1.2 Enlistment with the Stock Exchanges

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

Subsidiaries of SIBL :

1.3 SIBL Securities Limited

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

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

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

1.4 SIBL Investment Limited

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

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

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

1.5 Off-Shore Banking Unit (OBU)

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

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

| In compliance with | BAS No. | Status |
|--|----------|--|
| Presentation of Financial Statements | 1 | Applied |
| Inventories | 2 | N/A |
| Statement of Cash Flows | 7 | Applied |
| Accounting Policies, Changes in Accounting Estimates and Errors | 8 | Applied |
| Events After the Reporting Period | 10 | Applied |
| Construction Contracts | 11 | N/A |
| Income Taxes | 12 | Applied |
| Property, Plant and Equipment | 16 | Applied |
| Leases | 17 | Applied |
| Revenue | 18 | Applied |
| Employee Benefits | 19 | Applied |
| Accounting for Government Grants and Disclosure of Government | 20 | N/A |
| The Effects of Changes in Foreign Exchange Rates | 21 | Applied |
| Borrowing Costs | 23 | Applied |
| Related Party Disclosures | 24 | Applied |
| Accounting and Reporting by Retirement Benefit Plans | 26 | N/A |
| Consolidated and Separate Financial Statements | 27 | Applied |
| Investments in Associates | 28 | N/A |
| Interests In Joint Ventures | 31 | N/A |
| Financial Instruments: Presentation | 32 | Applied to the context of compliance with BRPD circular no. 15, Dated: 09.11.2009, DOS Circular No. 5, Dated: 28.01.2009. |
| Earnings Per Share | 33 | Applied |
| Interim Financial Reporting | 34 | Applied |
| Impairment of Assets | 36 | Applied |
| Provisions, Contingent Liabilities and Contingent Assets | 37 | Applied to the context of compliance with BRPD Circular No. 5, Dated: 05.06.2006 and BRPD circular no. 14 Dated: 14.09.2012. |
| Intangible Assets | 38 | Applied |
| Financial Instruments: Recognition and Measurement | 39 | Applied to the context of compliance with BRPD Circular No. 15, Dated: 09.11.2009, DOS circular no. 5, Dated: 26.05.2008 and DOS Circular No. 5, Dated:28.01.2009. |
| Investment Property | 40 | N/A |
| Agriculture | 41 | N/A |
| | | |
| In compliance with | BFRS No. | Status |
| First-time Adoption of International Financial Reporting Standards | 1 | N/A |
| Share-based Payment | 2 | N/A |
| Business Combinations | 3 | Applied |
| Insurance Contracts | 4 | N/A |
| Non-current Assets Held for Sale and Discontinued Operations | 5 | N/A |
| Exploration for and Evaluation of Mineral Assets | 6 | N/A |
| Financial Instruments: Disclosures | 7 | Applied to the extent of compliance with core risk management guideline of Bangladesh Bank. |
| Operating Segments | 8 | N/A |
| Consolidated Financial Statements | 10 | Applied |

2 Basis of Presentation of Financial Statements and Significant Accounting Policies

2.1 Basis of Preparation of the Financial Statements

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.

2.1.1 Statement of Compliance

The Financial Statements of the Bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), and the requirements of Bank Companies Act 1991(as ammended upto year 2013), BRPD Circular no: 15 dated 09.11.2009 Along with other rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Bank Companies act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material and partial departures from the requirements of BFRS as well as the compliance with the Bangladesh Bank circulars are as follows:

i) Investment in Shares and Securities

The bank investment in different securities has been valued on 31.12.2013 as under:

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

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

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

ii) Revaluation gains/losses on Government Securities

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

iii) Investments and Provisions

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

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

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

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

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

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

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

iv) Recognition of profit suspense

Profit / Rent / Compensation Suspense account and Doubtful Income

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

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

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

v) Other comprehensive income

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

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

vi) Financial instruments-presentation and disclosure

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

vii) Financial guarantees

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

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

viii) Cash and cash equivalent

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

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

ix) Non-banking asset

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

x) Cash Flow Statement

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

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

BAS 7 requires balance with Bangladesh Bank to be treated as other assets. However, as per BRPD circular 15, SIBL treats balance with Bangladesh Bank as cash and cash equivalent though the amount is restricted for CRR purpose and can not be used in our day to day operational requirement.

xii) Presentation of intangible asset

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

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

xiii) Off-balance sheet items**Contingent Liabilities**

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

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

* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

* the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated. Contingent assets are not recognised in the financial statements as this may 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 15, contingent liabilities are recognised as off balance sheet items in absence of any recommendation in BFRS.

xiv) Investments net off provisions

Investments are presented at its actual value without netting off as per BRPD circular 15 though it is to be presented at net off value as per related BFRS.

2.2 Consolidation Procedures (BAS-27)

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

The consolidated financial statements have been prepared in accordance with **Bangladesh Accounting Standard (BAS)27: Consolidated and Separate Financial Statements**, Bangladesh Financial Reporting Standards (BFRS):3- Business Combinations and Bangladesh Financial Reporting Standards (BFRS):10- Consolidated Financial Statements. The consolidated financial statements are prepared to a common financial period ended 31 December 2013.

2.3 Subsidiary

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

2.4 Functional and Presentation Currency

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

2.5 Use of estimates and judgements

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

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

2.6 Foreign Currency Transactions /Translation

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

Assets and Liabilities in foreign currencies as on 31 December 2013 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 2013 have been adjusted by debiting or crediting to the Profit and Loss Account.

2.7 Reporting Period

These financial statements cover twelve months from 01 January to 31 December 2013.

2.8 Statement of Changes in Equity

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

2.9 Liquidity Statement

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

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

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

| Particulars | Rate (%) | Estimated life(Years) |
|----------------------|----------|-----------------------|
| Building | 2.5 | 40 |
| Furniture | 10 | 10 |
| Decoration | 10 | 10 |
| Mechanical Appliance | 20 | 5 |
| Motor Car | 20 | 5 |
| Books | 10 | 10 |

Revaluation

Land and building are revalued as per Bangladesh Accounting Standard (BAS)-16, ‘Property, Plant and Equipment’ as well as Bangladesh Bank BCD Circular Letter No. 12 & 18, dated: 20 April 1993 & 15 June 1993, respectively and BRPD Circular No. 10 and 09, Dated: 25 November 2002 and 31 December 2008.

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

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

2.11 Capital/Shareholders’ Equity

Authorised capital

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

Paid up Capital

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders’ meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. **Details are shown in Note-14.2.**

Statutory Reserve

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

2.12 Revenue Recognition (BAS-18)

(i) Investment income & Revenue recognition

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

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

Sharing of Investment Income

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

(ii) Profit Paid on Deposits and Other Expenses

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

As per Mudaraba Principle of Islamic Shari'ah, the Mudaraba Depositors are entitled to get minimum 75% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba Deposit. In the year 2013, SIBL paid 76.68% of investment income earned through deployment of Mudaraba fund. 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.

2.13 Provision for Taxation (BAS-12)**(a) Current Tax**

Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2013 considering all applicable allowances and disallowances.

(b) Deferred Tax

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

2.14 Zakat Fund

The Bank has created a Zakat Fund @ 2.58% for the period ended 31 December 2013 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.

2.15 Retirement Benefits (BAS-19)**Defined contribution plans:****Provident Fund**

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

Defined benefit plans:**Gratuity**

As per service rules of the Bank, employee who has completed five years regular service, are eligible for yearly gratuity @ 1 (one) month basic salary for every full year of regular service and employee who has completed seven years regular service are eligible for yearly gratuity @ 2 basic salary for full year regular service. The Bank has complied with **Bangladesh Accounting Standard (BAS) -19, "Employee Benefits"** and necessary provision i.e @ 12.6% of basic salary of the regular employees have been made as per actuary valuation of Z. Halim & Associates, Actuarial & Pension Consultants for the period ended 31 December 2013.

2.16 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.

2.17 Risk Management

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

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

The bank has established an independent Risk Management Unit (RMU) as per DOS circular no:02 (15 February 2012). The

RMU conducts stress testing as per DOS circular no: 01 (23 February 2011), for examining the Bank's capacity of handling futur shocks, as well as deals with all potential risks that might occur in future.

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

(a) Investment Risk Management

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

The Bank has segregated duties of the Officers / Executives involved in investment related activities. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. Moreover, investment approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Investment 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 investment, formulating policy / strategy for lending operation etc.

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

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

(b) Foreign Exchange Risk Management

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

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

(c) Asset Liability Management Risk

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

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

(d) Money Laundering Risk

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

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

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

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

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

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

(e) Internal Control and Compliance Risk

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

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

(f) Information and Communication Technology Security Risk

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

g) Internal Audit

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

h) Fraud and Forgeries

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

2.18 Earning Per Share (BAS-33)

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

| | | | 2013 Taka | 2012 Taka |
|--------------|--|-----------------------------|----------------------|--------------------------|
| 3 | Cash | | | |
| | In hand: | | | |
| | In local currency | | 1,243,774,013 | 1,086,536,063 |
| | In foreign currencies | | 7,870,630 | 5,128,359 |
| | ATM balance | | 15,317,700 | 12,863,800 |
| | | | 1,266,962,343 | 1,104,528,222 |
| | In Foreign Currencies | | | |
| | | Foreign Currency | Amount in FC | Exchange Rate |
| | | USD | 100,701 | 77.75 |
| | | S. Rial | 1,940 | 21.20 |
| | | | 7,829,502 | 5,128,359 |
| | | | 41,128 | - |
| | | | 7,870,630 | 5,128,359 |
| 3(a) | Consolidated balance of cash in hand | | | |
| | Social Islami Bank Limited | | 1,266,962,343 | 1,104,528,222 |
| | Cash in hand of Subsidiary companies | | 251,624 | 129,398 |
| | SIBL Securities Limited | | 250,004 | 116,228 |
| | SIBL Investment Limited | | 1,620 | 13,170 |
| | | | 1,267,213,967 | 1,104,657,620 |
| 3.1 | Balance with Bangladesh Bank and its agent bank (Sonali Bank) | | | |
| | Balance with Bangladesh Bank (Note-3.1.1) | | 7,528,272,016 | 9,912,135,883 |
| | Balance with Sonali Bank (as agent of BB) (Note-3.1.2) | | 99,518,234 | 108,418,951 |
| | | | 7,627,790,250 | 10,020,554,834 |
| 3.1.1 | Balance with Bangladesh Bank (Including foreign currencies) | | | |
| | In local currency | | 6,434,688,027 | 8,702,803,548 |
| | In foreign currencies | | 1,093,583,989 | 1,209,332,335 |
| | | | 7,528,272,016 | 9,912,135,883 |
| 3.1.2 | Balance with Sonali Bank (as agent of Bangladesh Bank) | | | |
| | In local currency | | 99,518,234 | 108,418,951 |
| 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 Section 33 of the Bank Companies Act, 1991 and subsequent BCD Circular No.13 dated May 24, 1992; BRPD Circular No. 12 dated September 20, 1999 and BRPD Circular No. 22 dated November 6, 2003; BRPD Circular No. 12 dated August 25, 2005 and DOS Circular No.01 dated March 03, 2009 and MPD circular no: 04 and 05 dated 01 December 2010. | | | |
| | The statutory cash reserve requirement on bank's time and demand liabilities at the rate of 6.00% has been calculated and maintained with Bangladesh Bank in current account and 11.5% statutory liquidity ratio including CRR on the same liabilities has also been maintained in the form of BD Govt. Islamic Bond including FC (Foreign Currency) balances with Bangladesh Bank, Cash in vault and transit. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below: | | | |
| 3.3 | Cash Reserve Requirement (CRR): 6.00% of average Demand and Time Liabilities) | | | |
| | Required Reserve | | 5,682,039,130 | 4,349,977,184 |
| | Actual Reserve held (in local currency) | | 6,534,206,261 | 8,811,222,499 |
| | Surplus | | 852,167,130 | 4,461,245,315 |
| 3.4 | Statutory Liquidity Ratio (SLR): 11.5% (including 6.00% CRR) of Average Demand and Time Liabilities | | | |
| | Required Reserve | | 10,890,575,000 | 8,337,456,270 |
| | Actual Reserve held (Note- 3.5) | | 14,394,752,593 | 14,025,083,056 |
| | Surplus | | 3,504,177,593 | 5,687,626,786 |

| | 2013 Taka | 2012 Taka |
|--|-----------------------|-----------------------|
| 3.5 Held for Statutory Liquidity Ratio | | |
| Cash in hand (Note- 3) | 1,266,962,343 | 1,104,528,222 |
| Balance with Bangladesh Bank and its agent banks (Note-3.1) | 7,627,790,250 | 10,020,554,834 |
| Bangladesh Govt. Islamic Bond (Note- 6.4) | 5,500,000,000 | 2,900,000,000 |
| | 14,394,752,593 | 14,025,083,056 |
| 4 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit) | | |
| In Bangladesh (Note - 4.1) | 1,870,113,449 | 2,713,496,766 |
| Outside Bangladesh (Note- 4.4) | 1,178,527,956 | 849,779,375 |
| | 3,048,641,405 | 3,563,276,141 |
| 4(a) Consolidated balance of other Banks and Financial Institutions In Bangladesh | | |
| Social Islami Bank Limited | 1,870,113,449 | 2,713,496,766 |
| Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch | 262,304,982 | 317,453,862 |
| SIBL Securities Limited (Current account and MTDR) | 12,350,525 | 67,498,715 |
| SIBL Investment Limited | 249,954,457 | 249,955,147 |
| | 2,132,418,431 | 3,030,950,628 |
| Less: Inter company balance eliminated | 262,304,982 | 317,453,862 |
| SIBL Securities Limited (Current account and MTDR) | 12,350,525 | 67,498,715 |
| SIBL Investment Limited | 249,954,457 | 249,955,147 |
| | 29,129,747 | 13,343,084 |
| Add: Account Balance of subsidiaries of SIBL with other banks and financial institutions | 29,129,747 | 13,343,084 |
| SIBL Securities Limited | 29,129,747 | 13,343,084 |
| SIBL Investment Limited | - | - |
| | 1,899,243,196 | 2,726,839,850 |
| Consolidated balance with Banks and Financial Institutions | 1,899,243,196 | 2,726,839,850 |
| The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively. | | |
| 4.1 Inside Bangladesh | | |
| Current Account | | |
| Islami Bank Bangladesh Limited | 620,568 | 5,132,544 |
| Sonali Bank Limited | 20,201,422 | 16,742,099 |
| Rupali Bank Limited | 608 | - |
| Brac Bank Limited (Remittance settlement Account) | 5,470,364 | 7,936,152 |
| Trust Bank Limited (ATM settlement Account) | 4,805,052 | 4,207,787 |
| Standard Chartered Bank (ATM settlement Account) | 4,906,750 | 2,787,307 |
| | 36,004,763 | 36,805,889 |
| 4.2 Mudaraba Short Notice Deposits | | |
| Al- Arafah Islami Bank Limited | 829,409 | 790,819 |
| ICB Islami Bank Limited | 13,442 | 16,092 |
| Shahjalal Islami Bank Limited | 366,738,442 | 1,671,876 |
| Prime Bank Limited (Islami Banking Branch) | 7,004 | 8,272 |
| United Commercial Bank Limited | 348 | 1,456 |
| Bank Asia Limited (Islami Banking Branch) | 502,205 | 487,240 |
| Islami Bank Bangladesh Limited | 6,684,335 | 1,003,221 |
| Jamuna Bank Limited (Islami Banking Branch) | 30,037,506 | 866,873,778 |
| Pubali Bank Limited (Islami Banking Branch) | 75,522,077 | 280,426,511 |
| Janata Bank Limited | 10,940 | 7,008,090 |
| | 480,345,708 | 1,158,287,355 |

4.3 Mudaraba Saving Deposit

| | 2013 Taka | 2012 Taka |
|--|----------------------|----------------------|
| Al- Arafah Islami Bank Limited | 432,449,439 | 310,957,544 |
| ICB Islami Bank Limited | 82,004 | 82,814 |
| Dhaka Bank Limited (Islami Banking Branch) | 2,446,407 | 2,262,515 |
| Dhaka Bank Limited (Local Office) | 102,786 | - |
| AB Bank Limited (Islami Banking Branch) | 1,614,888 | 4,766,449 |
| Exim Bank Limited | 24,581,248 | 57,724,211 |
| Prime Bank Limited (Islami Banking Branch) | 11,476,239 | 404,460,677 |
| Shahjalal Islami Bank Limited | 109,527,985 | 305,830,073 |
| The City Bank Limited (Islami Banking Branch) | 2,894,458 | 57,657,256 |
| Southeast Bank Limited (Islami Banking Branch) | 760,484,529 | 366,932,088 |
| First Security Islami Bank Limited | 8,102,995 | 7,729,895 |
| | 1,353,762,977 | 1,518,403,522 |
| Total | 1,870,113,449 | 2,713,496,766 |

4.4 Outside Bangladesh (NOSTRO Account)
Current Account with

| | Currency | F.C. Amount | Rate | Taka |
|--|----------|---------------|--------|----------------------|
| Mashreqe Bank, Mumbai | ACUE | 1,228.92 | 106.84 | 131,293 |
| Mashreqe Bank, Mumbai | ACU | 3,405.97 | 77.75 | 264,814 |
| Mashreqe Bank, New York | USD | 2,742,313.48 | 77.75 | 213,201,242 |
| Mashreqe Bank, New York (OBU) | USD | 100.00 | 77.75 | 7,775 |
| Standard Chartered Bank Limited, Mumbai | ACU | 6,241.32 | 77.75 | 485,263 |
| Standard Chartered Bank Limited, Frankfurt | EUR | 626.76 | 106.84 | 66,961 |
| Standard Chartered Bank Limited, London | GBP | 3,532.48 | 128.10 | 452,514 |
| Standard Chartered Bank Limited, Tokyo | JPY | 764,955.00 | 0.74 | 564,764 |
| Standard Chartered Bank Limited, New York | USD | 12,356,973.44 | 77.75 | 960,754,685 |
| United National Bank of London | GBP | 314.05 | 128.10 | 40,230 |
| Sonali Bank (UK) Limited | USD | 6,056.34 | 77.75 | 470,886 |
| Sonali Bank (UK) Limited | GBP | 2,020.00 | 128.10 | 258,764 |
| Sonali Bank (UK) Limited | EUR | 440.33 | 106.84 | 47,043 |
| Sonali Bank, Kolkata | ACU | 1,593.88 | 77.75 | 123,924 |
| United Bank of India, Kolkata | ACU | 2,689.16 | 77.75 | 209,082 |
| Summit Bank Ltd., Karachi | ACU | 2,049.41 | 77.75 | 159,342 |
| Nepal Bangladesh Bank Ltd.,Kathmandu | ACU | 1,375.36 | 77.75 | 106,934 |
| AB Bank Ltd., Mumbai | ACU | 2,591.07 | 77.75 | 201,456 |
| Habib Bank Ltd. Karachi | ACU | 4,889.83 | 77.75 | 380,184 |
| Bank of Bhutan | ACU | 1,326.05 | 77.75 | 103,100 |
| Commerz Bank Frankfurt | EUR | 4,658.53 | 106.84 | 497,700 |
| | | | | 1,178,527,956 |

**Currency wise Distribution:
Foreign Currency**

| | 2013 Composition | 2012 Composition | 2013 Taka | 2012 Taka |
|---------|---------------------|---------------------|----------------------|--------------------|
| USD/ACU | 99.83% | 96.89% | 1,176,468,687 | 823,412,290 |
| GBP | 0.06% | 1.82% | 751,508 | 15,427,628 |
| EUR | 0.06% | 1.22% | 742,997 | 10,340,033 |
| YEN | 0.05% | 0.07% | 564,764 | 599,424 |
| | 100% | 100% | 1,178,527,956 | 849,779,375 |

Please see 'Annexure-C' for details comparative statement of 2013 & 2012 of foreign currency amount and rate.

| | 2013 Taka | 2012 Taka |
|---|-----------------------------|-----------------------------|
| 4.5 Maturity-wise groupings of balance with other Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh) | | |
| On Demand | 1,830,254,726 | 2,196,712,971 |
| Not more than 3 months | 609,193,340 | 683,281,585 |
| Over 3 months but not more than 1 year | 609,193,340 | 683,281,585 |
| Over 1 year but not more than 5 years | - | - |
| More than 5 years | - | - |
| | <u><u>3,048,641,405</u></u> | <u><u>3,563,276,141</u></u> |
| 5 Placement with Banks & other Financial Institutions | | |
| Placement with Banks (Note-5.1) | 5,524,879,564 | 6,225,879,564 |
| Placement with other Financial Institutions (Note-5.2) | 3,540,000,000 | 2,790,000,000 |
| | <u><u>9,064,879,564</u></u> | <u><u>9,015,879,564</u></u> |
| 5.1 Mudaraba Term Deposits with Banks | | |
| ICB Islamic Bank Limited | 224,879,564 | 225,879,564 |
| Al-Arafah Islami Bank Limited | 800,000,000 | 900,000,000 |
| Dhaka Bank Limited (Islami Banking Branch) | 400,000,000 | 400,000,000 |
| South East Bank Limited (Islami Banking Branch) | - | 200,000,000 |
| Shahjalal Islami Bank Limited | 1,700,000,000 | 1,800,000,000 |
| Exim Bank Limited | 1,000,000,000 | 1,000,000,000 |
| Bank Asia Limited (Islami Banking Branch) | - | 300,000,000 |
| First Security Islami Bank Limited | 1,000,000,000 | 1,200,000,000 |
| The City Bank Limited (Islami Banking Branch) | 200,000,000 | 200,000,000 |
| Union Bank Limited | 200,000,000 | - |
| | <u><u>5,524,879,564</u></u> | <u><u>6,225,879,564</u></u> |
| 5.2 Mudaraba Term Deposits with Other Financial Institutions | | |
| United Leasing Company Limited | 250,000,000 | 450,000,000 |
| Islamic Finance & Investment Limited | - | 30,000,000 |
| IIDFC | 280,000,000 | 150,000,000 |
| International Leasing Finance & Services Limited | 400,000,000 | 750,000,000 |
| Prime Finance & Investment Limited | 750,000,000 | 700,000,000 |
| IDLC Finance Limited | 1,000,000,000 | 400,000,000 |
| Union Capital Limited | 450,000,000 | 150,000,000 |
| Lanka Bangla Finance Limited | 100,000,000 | - |
| Fareast Finance and Investment Limited | 250,000,000 | 150,000,000 |
| Hajj Finance Company Limited | 60,000,000 | 10,000,000 |
| | <u><u>3,540,000,000</u></u> | <u><u>2,790,000,000</u></u> |
| 5.3 Maturity-wise groupings of placement with Banks and other Financial Institutions | | |
| On Demand | 500,000,000 | 950,000,000 |
| Not more than 3 months | 3,350,000,000 | 1,980,000,000 |
| More than 3 months but less than 1 year | 5,214,879,564 | 6,085,879,564 |
| More than 1 year but less than 5 years | - | - |
| More than 5 years | - | - |
| | <u><u>9,064,879,564</u></u> | <u><u>9,015,879,564</u></u> |

| | 2013 Taka | 2012 Taka |
|--|----------------------|----------------------|
| 6 Investment in Shares & Securities | | |
| Government | | |
| Government Bond (Islamic Investment Bond) (Note 6.1) | 5,500,000,000 | 2,900,000,000 |
| | <u>5,500,000,000</u> | <u>2,900,000,000</u> |
| Others | | |
| Investment in Shares, Quoted (Note 6.2) | 1,089,519,317 | 738,620,499 |
| Investment in Shares, Unquoted (Note 6.3) | 2,131,567,850 | 2,631,567,850 |
| | <u>3,221,087,167</u> | <u>3,370,188,349</u> |
| Fair value adjustment through profit or loss (FVTPL) (note: 6.5) | <u>(182,903,697)</u> | <u>(126,173,365)</u> |
| Value of Investment in Shares and securities, Others | <u>3,038,183,470</u> | <u>3,244,014,984</u> |
| Grand Total | <u>8,538,183,470</u> | <u>6,144,014,984</u> |
| Maturity-wise Grouping of Investment in Securities: | | |
| Upto one month | 1,406,615,620 | 812,447,134 |
| Not more than 3 months | 700,000,000 | 400,000,000 |
| Over 3 months but not more than 1 year | 4,300,000,000 | 2,300,000,000 |
| Over 1 year but not more than 5 years | 501,569,450 | 1,001,569,450 |
| More than 5 years | 1,629,998,400 | 1,629,998,400 |
| | <u>8,538,183,470</u> | <u>6,144,014,984</u> |
| 6(a) Consolidated Investment in Shares and Securities | | |
| Social Islami Bank Limited | | |
| Government | | |
| Investment in Government Islamic Bond | 5,500,000,000 | 2,900,000,000 |
| | <u>5,500,000,000</u> | <u>2,900,000,000</u> |
| Others sectors | <u>3,038,183,470</u> | <u>3,244,014,984</u> |
| Less: Intercompany balance eliminated | | |
| Investments in Subsidiaries | <u>1,479,998,400</u> | <u>1,479,998,400</u> |
| Investment in SIBL Securities Limited | 1,229,999,000 | 1,229,999,000 |
| Investment in SIBL Investment Limited | 249,999,400 | 249,999,400 |
| | <u>1,558,185,070</u> | <u>1,764,016,584</u> |
| Consolidated Investment in others sectors | <u>1,558,185,070</u> | <u>1,764,016,584</u> |
| Total consolidated balance of Investment in shares and securities | <u>7,058,185,070</u> | <u>4,664,016,584</u> |

- 6.1** Bangladesh Bank introduced a new type of investment opportunity solely for the purpose of Shariah Banks in the year 2005 being inherent limitation on the part of Shariah Compliant Banks to take part in buying and selling of treasury bill etc as a very common form of treasury management. The fund has been operating under Mudaraba Principle and are being used as a part of SLR (Statutory Liquidity Requirement) vide Bangladesh Bank Circular Letter Ref. No: AMA/AUSOBI/SANCHAY/S-03/2004/262 dated September 2, 2004.

The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed amongst the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenure of the bond. So, the rate of return from Islamic Bond is not prefixed rather dependent on fund deployment by Bangladesh Bank.

| | 2013 Taka | 2012 Taka |
|--|----------------------|----------------------|
| 6.2 Investment (Cost) in Shares (Quoted) | | |
| ICB 1st Mutual Fund | 12,155,000 | 11,965,679 |
| ICB 2nd Mutual Fund | 478,500 | 1,071,536 |
| ICB 3rd Mutual Fund | 8,370,625 | 13,448,025 |
| ICB 4th Mutual Fund | 3,891,000 | 8,352,234 |
| ICB 5th Mutual Fund | 1,606,500 | 4,633,704 |
| ICB 7th Mutual Fund | 13,572,000 | 17,639,340 |
| ICB 8th Mutual Fund | 11,460,034 | 17,144,838 |
| Popular 1st Mutual Fund | 631,575 | - |
| ICB Sonali Mutual Fund | 852,326 | - |
| MBL 1st Mutual Fund | 651,074 | - |
| AIBL 1st Mutual Fund | 728,973 | - |
| AB 1st Mutual Fund | 739,845 | - |
| National Life Insurance 1st Mutual Fund | 4,600,000 | 20,000,000 |
| Al-Arafah Islami Bank Limited | 50,201,255 | 65,945,448 |
| AB Bank Limited | 27,297,000 | 59,533,246 |
| Exim Bank Limited | 31,163,200 | 42,489,473 |
| Bank Asia Limited | 15,365,400 | 28,687,500 |
| Dhaka Bank Limited | 22,888,466 | 34,856,688 |
| Titas Gas Limited | 19,599,905 | 27,362,281 |
| City Bank Limited | 10,720,000 | 16,106,827 |
| Beximco Limited | 11,270,000 | 25,248,318 |
| MJ Bangladesh Limited | 9,564 | 10,580 |
| Shahjalal Islami Bank Limited | 43,640,625 | 59,048,343 |
| IBBL Mudaraba Perpetual Bond | 297,626,450 | 285,076,438 |
| Orion Pharma Limited | 500,000,000 | - |
| | 1,089,519,317 | 738,620,499 |
| 6.3 Investment (Cost) in Shares (Unquoted) | | |
| CDBL Share | 1,569,450 | 1,569,450 |
| Belhasha Accom JV Limited | 500,000,000 | 500,000,000 |
| Investment in subsidiary: SIBL Securities Limited | 1,229,999,000 | 1,229,999,000 |
| Investment in subsidiary: SIBL Investment Limited | 249,999,400 | 249,999,400 |
| Orin Laboratories Limited | - | 500,000,000 |
| FSIBL Mudaraba Subordinate Bond | 150,000,000 | 150,000,000 |
| | 2,131,567,850 | 2,631,567,850 |
| 6.4 Government Bond (BD Govt. Islamic Bond) | 5,500,000,000 | 2,900,000,000 |

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

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

| Particulars | No. of Shares/ Securities | Market price per Share | Fair value/ Market value as on 31-12-2013 | Cost price as on 31-12-2013 | 2013 |
|---------------------------------|------------------------------|---------------------------|---|--------------------------------|--------------------------|
| | | | | | Taka |
| | | | | | Fair value adjustment |
| Quoted Shares | | | | | |
| ICB 1st Mutual Fund | 14,300 | 850.00 | 12,155,000 | 12,155,000 | - |
| ICB 2nd Mutual Fund | 1,500 | 256.80 | 385,200 | 478,500 | (93,300) |
| ICB 3rd Mutual Fund | 56,750 | 190.50 | 10,810,875 | 8,370,625 | 2,440,250 |
| ICB 4th Mutual Fund | 30,000 | 190.10 | 5,703,000 | 3,891,000 | 1,812,000 |
| ICB 5th Mutual Fund | 15,000 | 159.40 | 2,391,000 | 1,606,500 | 784,500 |
| ICB 7th Mutual Fund | 174,000 | 86.00 | 14,964,000 | 13,572,000 | 1,392,000 |
| ICB 8th Mutual Fund | 229,660 | 52.20 | 11,988,252 | 11,460,034 | 528,218 |
| National Life Insurance | | | | | |
| Ist Mutual Fund | 550,000 | 9.20 | 5,060,000 | 4,600,000 | 460,000 |
| Popular Ist Mutual Fund | 100,000 | 6.00 | 600,000 | 631,575 | (31,575) |
| ICB Sonali Mutual Fund | 100,000 | 7.90 | 790,000 | 852,326 | (62,326) |
| MBL 1st Mutual Fund | 100,000 | 6.30 | 630,000 | 651,074 | (21,074) |
| AIBL 1st Mutual Fund | 100,000 | 7.20 | 720,000 | 728,973 | (8,973) |
| AB 1st Mutual Fund | 100,000 | 6.90 | 690,000 | 739,845 | (49,845) |
| Al-Arafah Islami Bank Limited | 2,340,058 | 19.10 | 44,695,108 | 50,201,255 | (5,506,147) |
| AB Bank Limited | 911,250 | 26.20 | 23,874,750 | 27,297,000 | (3,422,250) |
| Exim Bank Limited | 1,647,800 | 12.90 | 21,256,620 | 31,163,200 | (9,906,580) |
| Bank Asia Limited | 786,160 | 23.00 | 18,081,680 | 15,365,400 | 2,716,280 |
| Dhaka Bank Limited | 1,070,589 | 18.80 | 20,127,073 | 22,888,466 | (2,761,393) |
| Titas Gas Limited | 300,000 | 73.80 | 22,140,000 | 19,599,905 | 2,540,095 |
| City Bank Limited | 440,000 | 20.20 | 8,888,000 | 10,720,000 | (1,832,000) |
| Beximco Limited | 201,25 | 32.20 | 6,480,250 | 11,270,000 | (4,789,750) |
| MJ Bangladesh Limited | 120 | 75.10 | 9,012 | 9,564 | (552) |
| Shahjalal Islami Bank Limited | 1,837,500 | 16.80 | 30,870,000 | 43,640,625 | (12,770,625) |
| Orion Pharma Limited | 6,000,000 | 58.70 | 352,200,000 | 500,000,000 | (147,800,000) |
| | | | 615,509,820 | 791,892,867 | (176,383,047) |
| Quoted Bond | | | | | |
| IBBL Mudaraba Perpetual Bond | 299,800 | 971.00 | 291,105,800 | 297,626,450 | (6,520,650) |
| | | | 291,105,800 | 297,626,450 | (6,520,650) |
| Preference Shares | | | | | |
| Belhasha Accom JV Limited | 50,000,000 | - | 500,000,000 | 500,000,000 | - |
| | | | 500,000,000 | 500,000,000 | - |
| Unquoted Shares/ Bond | | | | | |
| CDBL Share | 456,945 | - | 1,569,450 | 1,569,450 | - |
| FSIBL Mudaraba Subordinate Bond | 300 | - | 150,000,000 | 150,000,000 | - |
| | | | 151,569,450 | 151,569,450 | - |
| Grand Total | | | 1,558,185,070 | 1,741,088,767 | (182,903,697) |

| | 2013 Taka | 2012 Taka |
|---|----------------------|--------------|
| 6.6 Cost of shares and securities under the head quoted and unquoted other than investment in subsidiaries | | |
| Fair value adjustment {Profit/(Loss)} to be made through profit and loss account | 1,741,088,767 | - |
| Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries | (182,903,697) | - |
| | <u>1,558,185,070</u> | <u>-</u> |

Investments in Shares and Securities' other than investments in subsidiaries under the category 'Financial Assets at fair value through profit or loss (FVTPL)' has been recognised at fair value and the unrealized profit or loss i.e. difference between fair value and cost has been charged to profit and loss account and value of the investment has been reduced by the same amount as per requirements of Bangladesh Accounting Standard (BAS)-39, Financial Instruments: Recognition and Measurement.

7 Investments

In Bangladesh

General Investments etc. (Note-7.1)
Bills purchased and discounted-net (Note- 7.2)

| | |
|----------------|----------------|
| 76,398,581,962 | 66,459,100,077 |
| 4,539,818,951 | 2,546,846,049 |

Outside Bangladesh

Bills purchased and discounted-net (Note- 7.2)

| | |
|---------------|---------------|
| 4,983,931,013 | 7,019,027,782 |
|---------------|---------------|

| | |
|-----------------------|-----------------------|
| <u>85,922,331,926</u> | <u>76,024,973,908</u> |
|-----------------------|-----------------------|

7 (a) Consolidated Investment

General Investments etc.
Less: Intercompany balance eliminated
SIBL Securities Limited

| | |
|----------------|----------------|
| 76,398,581,962 | 66,459,100,077 |
|----------------|----------------|

Quard Investment with SIBL- Principal branch

| | |
|------------|---|
| 50,000,000 | - |
|------------|---|

SIBL Investment Limited

| | |
|---|---|
| - | - |
|---|---|

Total consolidated general investment

| | |
|-----------------------|-----------------------|
| <u>76,348,581,962</u> | <u>66,459,100,077</u> |
|-----------------------|-----------------------|

Bills purchased and discounted-net

| | |
|---------------|---------------|
| 9,523,749,964 | 9,565,873,831 |
|---------------|---------------|

Grand total

| | |
|-----------------------|-----------------------|
| <u>85,872,331,926</u> | <u>76,024,973,908</u> |
|-----------------------|-----------------------|

Maturity wise Classification of Investments:

With a residual maturity of

Re-payable on Demand
Not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

| | |
|----------------|----------------|
| 4,242,313,145 | 5,130,683,788 |
| 26,475,590,655 | 16,970,988,616 |
| 39,240,356,958 | 43,460,289,892 |
| 15,592,813,699 | 6,770,166,468 |
| 371,257,469 | 3,692,845,144 |

| | |
|-----------------------|-----------------------|
| <u>85,922,331,926</u> | <u>76,024,973,908</u> |
|-----------------------|-----------------------|

7.1 Mode-Wise Investment (General)

a) In Bangladesh

Musharaka
Murabaha
Mudaraba
Bai-Muazzal
Hire-Purchase Sirkatul Meelk
Installment Investment Scheme
Quard
Bai-Salam
Staff Loan
Ijarah
Visa Card

| | |
|-----------------------|-----------------------|
| 580,258,358 | 541,697,156 |
| 3,090,245,590 | 5,571,248,529 |
| 2,147,088,153 | 203,153,922 |
| 49,304,237,348 | 40,705,723,827 |
| 12,069,609,964 | 12,156,391,561 |
| 195,154 | 245,009 |
| 7,895,556,887 | 6,361,565,166 |
| 38,043,913 | 59,592,522 |
| 944,293,881 | 591,391,402 |
| 180,063,656 | 185,294,803 |
| 148,989,056 | 82,796,180 |
| <u>76,398,581,962</u> | <u>66,459,100,077</u> |

| | | 2013 Taka | 2012 Taka |
|---------------------------------------|--|-----------------------|-----------------------|
| Mode-Wise Investment (General) | | | |
| b) Outside Bangladesh | | | |
| | Musharaka | - | - |
| | Murabaha | - | - |
| | Bai-Muazzal | - | - |
| | Hire-Purchase Sirkatul Meelk | - | - |
| | Installment Investment Scheme | - | - |
| | Quard | - | - |
| | Bai-Salam | - | - |
| | Others | - | - |
| | | - | - |
| 7.2 | Bills Purchased and discounted | | |
| | <i>Inside Bangladesh</i> | | |
| | In land Bill Purchase | <u>4,539,818,951</u> | <u>2,546,846,049</u> |
| | <i>Outside Bangladesh</i> | | |
| | Foreign Bill Purchased | 113,086,049 | 53,498,799 |
| | Murabaha Bill of Exchange | 1,062,509,738 | 2,670,155,998 |
| | Murabaha Wes Bills L/C | 1,712,491,073 | 1,586,192,651 |
| | Baim-Wes bills | 2,095,844,154 | 2,709,180,334 |
| | | <u>4,983,931,013</u> | <u>7,019,027,782</u> |
| | Grand total of net Bills Purchased and Discounted | <u>9,523,749,964</u> | <u>9,565,873,831</u> |
| 7.2.1 | Bills Purchased and Discounted | | |
| | Payable inside Bangladesh | 4,539,818,951 | 2,546,846,049 |
| | Payable outside Bangladesh | 5,356,860,964 | 7,820,912,687 |
| | Gross Bills Purchased and Discounted | <u>9,896,679,915</u> | <u>10,367,758,736</u> |
| | Less: Profit receivable on Bills Purchased and Discounted | 372,929,951 | 801,884,905 |
| | Net Bills Purchased and Discounted | <u>9,523,749,964</u> | <u>9,565,873,831</u> |
| | Maturity wise Classification of Bills Purchased and Discounted: | | |
| | On demand | 2,095,224,992 | 3,348,055,841 |
| | Over 1 month but less than 3 months | 4,571,399,983 | 3,348,055,841 |
| | Over 3 months but less than 1 year | 2,857,124,989 | 2,869,762,149 |
| | 1 year or more | - | - |
| | | <u>9,523,749,964</u> | <u>9,565,873,831</u> |
| 7.3 | Investments on the basis of significant concentration | 2013 | 2012 |
| | Investments to allied concern of Directors | 0.00% | 0.00% |
| | | | 1,418,206 |
| | Investments to Executives & Staffs | 1.31% | 0.88% |
| | | | 1,128,178,199 |
| | Investments to Customer Groups | 63.05% | 65.82% |
| | | | 54,169,735,521 |
| | Industrial Investment | 35.64% | 33.29% |
| | | | 30,623,000,000 |
| | Others | 0.00% | 0.00% |
| | | | - |
| | | <u>100.00%</u> | <u>100.00%</u> |
| | | <u>85,922,331,926</u> | <u>76,024,973,908</u> |

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

Number of Client with amount of outstanding Investment to whom Investments sanctioned exceeds 15% of total capital of the bank is reported hereunder. Total capital of the Bank was Tk. 1,162.26 Crore as on 31.12.2013 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 174.35 crore (1,162.26 crore x 15%) till 31.12.2013. It is mentioned here that as per Bank Companies Act, 1991, single party exposure limit has been fixed at 15% for funded and 20% non-funded investment based on capital maintained for non export oriented clients whereas 15% funded and 35% non-fundend limit for 100% export oriented clients.

| | 2013 <u>Taka</u> | 2012 <u>Taka</u> |
|--|----------------------------|----------------------------|
| Total outstanding amount to such customers at end of the year (Funded) | Nil | Nil |
| Number of such types of customers | Nil | Nil |
| Amount of Classified Investments thereon | Nil | Nil |
| Measures taken for recovery | Not applicable | Not applicable |

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

(Figure in Crore Taka)

| Sl no. | Name of client | Outstanding as on 31 December 2013 | Outstanding as on 31 December 2012 |
|--------|--|------------------------------------|------------------------------------|
| | | Total (Funded and Non funded) | Total (Funded and Non funded) |
| 1 | M/s. Agrani Traders, Ovi Traders and A M Trading | - | 108.84 |
| 2 | M/s. Panama Composite Textile Mills Ltd | 218.32 | - |
| 3 | Dong Bang Textile Limited | 247.94 | 215.50 |
| 4 | Mars Textile Limited | 194.67 | 198.42 |
| 5 | Thermax Textile Mills Ltd. | 184.87 | - |
| 6 | Bashundhara Group | 146.49 | - |
| 7 | Dong Bang Dyeing Limited | 144.23 | 151.76 |
| 8 | Islam Brothers & Co. | - | 126.14 |
| 9 | FMC Dockyard Ltd. | - | 112.93 |
| 10 | Rabiul Islam, M/s Rhythm Trading, AR Center | 119.86 | 109.54 |
| 11 | Bashundhara Paper Mills Ltd. (BPML) and its subsidiaries | 0.00 | - |
| 12 | M/s. Western Dresses Ltd. | 113.60 | - |
| 13 | M/s Abdul Monem Ltd. | 109.69 | - |
| 14 | M/s. Mabiya Ship Breakers | 124.40 | - |

7.4 Customer group and industry wise classification of Investment

| Sector | 2013 | | 2012 | |
|--|-----------------------|----------------|-----------------------|---------------|
| | Amount | Composition | Amount | Composition |
| Commercial lending | 23,058,648,740 | 26.84% | 27,465,574,275 | 36.13% |
| Export Financing | 4,850,941,148 | 5.65% | 6,209,299,904 | 8.17% |
| House Building Investment | 2,596,711,263 | 3.02% | 3,039,253,391 | 4.00% |
| Consumer Investment Scheme | 1,635,570,074 | 1.90% | 630,487,762 | 0.83% |
| Small and Medium Enterprises | 8,242,397,820 | 9.59% | 6,468,970,678 | 8.51% |
| Micro Investment | 19,270,951 | 0.02% | 2,467,586 | 0.00% |
| Other Investments | 13,766,195,525 | 16.02% | 6,225,270,841 | 8.19% |
| Allied concern of Directors of SIBL | 1,418,206 | 0.00% | 2,050,000 | 0.00% |
| Executives & Staffs of SIBL | 1,128,178,199 | 1.31% | 669,332,251 | 0.88% |
| Agricultural Industries | 922,802,251 | 1.07% | 911,387,936 | 1.20% |
| Textile Industries | 14,194,788,660 | 16.52% | 7,860,528,990 | 10.34% |
| Food & Allied Industries | 1,601,338,497 | 1.86% | 1,533,409,397 | 2.02% |
| Pharmaceutical Industries | 109,194,225 | 0.13% | 222,720,897 | 0.29% |
| Leather, Chemical, Cosmetic etc. | 222,025,782 | 0.26% | 346,473,330 | 0.46% |
| Construction Industries | 3,428,418,033 | 3.99% | 3,093,782,032 | 4.07% |
| Cement and Ceramic Industries | 632,300,562 | 0.74% | 561,181,572 | 0.74% |
| Service Industries | 755,306,656 | 0.88% | 543,020,302 | 0.71% |
| Transport and Communication Industries | 592,802,760 | 0.69% | 1,007,335,645 | 1.33% |
| Other Industries | 8,164,022,574 | 9.50% | 9,232,427,119 | 12.14% |
| Total | 85,922,331,926 | 100.00% | 76,024,973,908 | 100.00 |

7.5 Geographical Location-wise Investments

| Division | As at 31 December 2013 | | As at 31 December 2012 | |
|--------------|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Dhaka | 60,489,650,493 | 70.40% | 50,654,663,564 | 66.63% |
| Chittagong | 18,658,533,752 | 21.72% | 16,861,249,797 | 22.18% |
| Sylhet | 2,525,946,943 | 2.94% | 4,516,622,008 | 5.94% |
| Rajshahi | 230,352,123 | 0.27% | 236,166,458 | 0.31% |
| Khulna | 3,262,619,829 | 3.80% | 3,103,393,720 | 4.08% |
| Rangpur | 537,888,858 | 0.63% | 489,037,823 | 0.64% |
| Barisal | 217,339,928 | 0.253% | 163,840,538 | 0.22% |
| Total | 85,922,331,926 | 100.00% | 76,024,973,908 | 100.00% |

7.6 Investments (Classification wise)

Unclassified

Standard

Special Mentioned Account

Classified

Substandard

Doubtful

Bad or Loss

Standard (short term agri / micro credit)

Substandard (short term agri / micro credit)

Doubtful (short term agri / micro credit)

Bad or Loss (short term agri/micro credit)

Staff Investment

7.7 Particulars of provision required for general investment

Unclassified (Excluding Off-balance sheet exposures)

Classified

Unclassified- Off-balance sheet exposures

| | 2013 Taka | 2012 Taka |
|--|-----------------------|-----------------------|
| Standard | 79,753,250,407 | 72,769,842,801 |
| Special Mentioned Account | 429,711,876 | 6,953,779 |
| Substandard | 122,872,000 | 247,958,549 |
| Doubtful | 859,562,790 | 66,702,397 |
| Bad or Loss | 3,610,895,840 | 2,216,673,225 |
| | 84,776,292,913 | 75,308,130,751 |
| Standard (short term agri / micro credit) | 17,860,814 | 45,986,583 |
| Substandard (short term agri / micro credit) | - | - |
| Doubtful (short term agri / micro credit) | - | - |
| Bad or Loss (short term agri/micro credit) | - | 1,524,323 |
| | 17,860,814 | 47,510,906 |
| Staff Investment | 1,128,178,199 | 669,332,251 |
| | 85,922,331,926 | 76,024,973,908 |
| Unclassified (Excluding Off-balance sheet exposures) | 775,629,589 | 691,883,063 |
| Classified | 1,692,052,956 | 970,134,818 |
| Unclassified- Off-balance sheet exposures | 304,702,298 | 277,644,499 |
| | 2,772,384,842 | 1,939,662,380 |

7.7.1 Detail Particulars of Provision for Investment

| | Rate | Base for Provision | Provision Required | |
|---|-------|--------------------|----------------------|----------------------|
| | | | 2013 | 2012 |
| Unclassified | | | | |
| Standard | 1% | 71,143,348,773 | 711,433,488 | 654,062,568 |
| Staff Investment | 0% | - | - | - |
| Consumer Finance (Other than HF and LP) | 5% | 195,334,545 | 9,766,727 | 1,010,848 |
| Small and Medium Enterprise | 0.25% | 8,162,512,764 | 20,406,282 | 16,099,675 |
| Housing Finance (HF) | 2% | 1,400,434,520 | 28,008,690 | 17,962,292 |
| Loan for Professionals (LP) | 2% | 4,403,080 | 88,062 | 107,691 |
| Share | 2% | 50,000,000 | 1,000,000 | - |
| SMA Investment | 5% | 426,260,821 | 5,033,299 | 340,660 |
| Unclassified Off Balance Sheet Items | 1% | 30,470,229,787 | 304,702,298 | 277,644,499 |
| Classified | | | | |
| Substandard | 20% | 23,093,201 | 4,618,640 | 29,635,056 |
| Doubtful | 50% | 343,644,095 | 171,822,048 | 6,908,779 |
| Bad or Loss | 100% | 1,515,612,268 | 1,515,612,268 | 933,590,983 |
| | | | 2,772,491,802 | 1,937,363,051 |

Provision Required (Short term Agricultural & Micro Credit)

| | | | | |
|---|------|------------|----------------------|----------------------|
| Unclassified | | | | |
| Standard (short term agri /micro credit) | 5% | 17,860,814 | 893,041 | 2,299,329 |
| Classified | | | | |
| Substandard (short term agri /micro credit) | 5% | | - | - |
| Doubtful (short term agri /micro credit) | 5% | | - | - |
| Bad or Loss (Short term agri /micro credit) | 100% | | - | - |
| | | | 893,041 | 2,299,329 |
| Required provision for Investments | | | 2,773,384,842 | 1,939,662,380 |
| Total provision maintained | | | 2,773,384,842 | 1,939,662,380 |
| Provision Surplus/(Shortfall) | | | - | - |

Provision Made for funded exposures only: (Other than Short term Agricultural & Micro Credit)

| | | | | |
|---|--|--|----------------------|----------------------|
| Unclassified | | | | |
| Standard | | | 1,075,405,547 | 966,887,573 |
| SMA | | | 5,033,299 | 340,660 |
| Classified | | | | |
| Substandard | | | 4,618,640 | 29,635,056 |
| Doubtful | | | 171,822,048 | 6,908,779 |
| Bad or Loss | | | 1,515,612,268 | 933,590,983 |
| | | | 2,772,491,802 | 1,937,363,051 |
| Provision Made: (Short term Agricultural & Micro Credit) | | | | |
| Standard (short term agri credit) | | | 893,041 | 2,299,329 |
| Substandard (short term agri credit) | | | - | - |
| Doubtful (short term agri credit) | | | - | - |
| Bad or Loss (Short term agri credit) | | | - | - |
| | | | 893,041 | 2,299,329 |
| Grand Total | | | 2,773,384,842 | 1,939,662,380 |
| Required provision - Provision made = Surplus/ (Shortfall) | | | - | - |

| | | | 2013 Taka | 2012 Taka |
|---|--|--------------------------------|-----------------------|-----------------------|
| 7.7.2 Particulars of provision for Off-Balance Sheet items | | | | |
| Status | Rate | Basis for Provision | | |
| Off-Balance Sheet Items | 1% | 30,470,229,787 | 304,702,298 | 277,644,499 |
| Required provision for Investments | | | 304,702,298 | 277,644,499 |
| Provision maintained {note # 12.1(c)} | | | 304,702,298 | 277,644,499 |
| Surplus Provision | | | - | - |
| 7.8 Particulars of Investments: | | | | |
| (i) | Investment considered good in respect of which the banking company is fully secured | | 74,619,694,332 | 62,675,946,788 |
| (ii) | Investment considered good for which the banking company holds no other security other than the debtor's personal security | | 8,977,966,781 | 10,073,828,666 |
| (iii) | Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors | | 2,324,670,813 | 3,275,198,454 |
| (iv) | Investment considered bad or doubtful not provided for | | - | - |
| | Total | | 85,922,331,926 | 76,024,973,908 |
| (v) | Investment due by directors or officers of the banking company or any of them either severally or jointly with any other person | | 1,129,596,405 | 671,382,251 |
| (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. | | 2,605,206 | 3,237,000 |
| (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. | | 8,742,850 | 10,403,108 |
| (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 | | 4,593,330,630 | 2,532,858,494 |
| (xi) | Particulars of written off investments | | | |
| | a) Cumulative amount of written off Investments since inception to 31 December last year | | 2,307,438,210 | 2,168,870,700 |
| | b) Amount of written off / waiver of Investment during the year | | 30,769,817 | 138,567,510 |
| | Total amount of written off (a+b) | | 2,338,208,027 | 2,307,438,210 |
| | c) Amount recovered against debts which are previously written off (cumulative balance) | | 121,505,000 | 107,115,000 |
| | d) Amount of Investments written off against which cases have been filed for recovery | | 2,338,208,027 | 2,307,438,210 |
| xii) | Amount of compensation suspense as at year end. | | 461,185,089 | 304,827,189 |
| 8 Fixed Assets including Premises, Furnitures and Fixtures | | | | |
| A. Cost | | | | |
| | Land | | 12,330,000 | 12,330,000 |
| | Building | | 1,934,025,740 | 1,719,061,103 |
| | Furniture & Fixtures | | 511,734,383 | 343,209,238 |
| | Office Equipment | | 693,506,564 | 528,531,089 |
| | Vehicles | | 63,560,310 | 52,918,377 |
| | Books | | 1,136,879 | 1,043,853 |
| | | | 3,216,293,875 | 2,657,093,659 |

| | 2013 Taka | 2012 Taka |
|------------------------------------|----------------------|----------------------|
| B. Accumulated Depreciation | | |
| Land | - | - |
| Building | 102,566,469 | 61,091,670 |
| Furniture & Fixtures | 132,282,995 | 101,740,643 |
| Office Equipment | 285,713,035 | 211,092,910 |
| Vehicles | 41,184,644 | 32,603,319 |
| Books | 664,351 | 610,381 |
| | <u>562,411,494</u> | <u>407,138,922</u> |
| Carrying value | <u>2,653,882,382</u> | <u>2,249,954,737</u> |

8.1 Intangible assets

Core banking solution 'ABABIL' is used in SIBL which was implemented in the year 2010. The value of all the softwares under the head 'Intangible Assets' is included in 'Office Equipment' and being amortized @ 20% following the same method of reducing balancing method as applied for mechanical appliance. Written down value of the software as on 31.12.2013 is Taka 28,110,992 and amortization for the year 2013 was Taka 6,301,993.

For details please refer to Annexure-A

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

Social Islami Bank Ltd.

Fixed assets of subsidiaries

SIBL Securities Ltd.

SIBL Investment Ltd.

Carrying value of Fixed assets of the Group

| 2,653,882,382 | 2,249,954,737 |
|----------------------|----------------------|
| 8,777,961 | 6,643,203 |
| - | - |
| <u>2,662,660,343</u> | <u>2,256,597,940</u> |

9 Others Assets

Stock of stationery, stamps and printing materials etc. (valued at cost)

Advance rent and advertisement

Security Deposit

Branch Adjustments (SIBG) (Note: 9.1)

Suspense Accounts (Note: 9.2)

Capitalized Expenditure

Other Repayments

Receivable from M/S. Stock & Bond and SIBL Securities Ltd.

Advance Income Tax

Receivable from SIBL Securities Limited

Receivable from SIBL Investment Limited

Protested Bills against Investment

Profit Receivable from Banks, NBF1 and BD Govt.

Investment with Off-shore Banking Unit

Due from Off-shore Banking Unit

Others (Note: 9.3)

Less: Balance with OBU for elimination

Investment with Off-shore Banking Unit

Due from Off-shore Banking Unit

Grand total after elimination of balance with OBU

| | |
|-----------------------|----------------------|
| 15,766,865 | 15,992,283 |
| 138,411,134 | 145,434,127 |
| 2,878,447 | 3,948,732 |
| 2,566,384,734 | 2,522,022,946 |
| 122,540,111 | 376,127,658 |
| 33,569 | 33,569 |
| 183,008 | 411,571 |
| 17,976,725 | 955,088 |
| 3,743,882,093 | 2,391,120,492 |
| 5,516,584 | 1,875,347 |
| 1,522,805 | 1,401,205 |
| 368,594,750 | 374,545,000 |
| 372,918,333 | - |
| 2,147,095,928 | 203,132,011 |
| 3,605,388 | 4,144,364 |
| 1,137,284,247 | 1,205,337,688 |
| <u>10,644,594,721</u> | <u>7,246,482,081</u> |
| 2,147,095,928 | 203,132,011 |
| 3,605,388 | 579,447 |
| <u>8,493,893,405</u> | <u>7,042,770,623</u> |

| | 2013 Taka | 2012 Taka |
|---|----------------------|----------------------|
| 9(a) Consolidated other Assets | | |
| Social Islami Bank Limited | 8,493,893,405 | 7,042,770,623 |
| Add: Other assets of subsidiary companies | | |
| SIBL Securities Limited | 1,283,707,625 | 1,126,317,034 |
| Membership of Chittagong Stock Exchange | 307,000,000 | 307,000,000 |
| Membership of Dhaka Stock Exchange | 720,650,000 | 720,650,000 |
| Advance Income Tax | 7,006,293 | 3,071,068 |
| Advance Office Rent | 1,162,993 | 498,102 |
| Advance for floor space at nikunjo, DSE Tower | 850,000 | - |
| Advance to Interior Decorator | - | 1,300,000 |
| Investment in stock dealer activities | 13,157,091 | 167,600 |
| Receivable from Regulators | 30,732,610 | 5,973,754 |
| Receivable from client | 186,408,076 | 74,243,154 |
| Receivable from others | 7,397,224 | 3,213,356 |
| Security Deposit to CDBL, DSE | 5,200,000 | 10,200,000 |
| Security Deposit to BTCL | 4,000 | - |
| Others | 4,139,339 | - |
| SIBL Investment Limited | - | - |
| Less: Inter Company transactions eliminated: | 7,039,389 | 3,276,552 |
| Receivable from SIBL Securities Limited | 5,516,584 | 1,875,347 |
| Receivable from SIBL Investment Limited | 1,522,805 | 1,401,205 |
| | 9,770,561,641 | 8,165,811,105 |

9.1 The balance of Branch adjustment (SIBG) represents unresponded Inter branch and head office transactions at balance sheet date. Details of which are as follows:

| | Number of Unrespondent entries | | Amount (in Tk) of Unrespondent entries | |
|-----------------------------------|-----------------------------------|-----------|---|----------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Upto 3 months | 126 | 38 | 2,283,772,577 | 2,266,666,249 |
| Over 3 months but within 6 months | 25 | 9 | 282,612,157 | 255,356,697 |
| Over 6 months but within 9 months | - | - | - | - |
| Over 9 months | - | - | - | - |
| - | - | - | - | - |
| | 151 | 47 | 2,566,384,734 | 2,522,022,946 |

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 (Note: 9.3.1) | 3,000,000 | 48,877,717 |
| DD paid without Advice | 13,000 | 938,534 |
| Wes fund purchased | 1,134 | 3,289,774 |
| Adjusting A/c debit balance (Note: 9.3.2) | 359,721,110 | 561,798,420 |
| Advance VAT paid | 3,815,178 | 1,907,589 |
| BEFTN adjustment A/c | - | 53,255 |
| Balance with Principal Branch (PF) | 506,934,651 | 383,644,225 |
| Balance with Principal Branch (SIBL/ Social Insurance) | 47,638,442 | 37,695,442 |
| Balance with Principal Branch (SIBL/ Gratuity Fund) | 216,160,732 | 167,132,732 |
| | 1,137,284,247 | 1,205,337,688 |

| | 2013 Taka | 2012 Taka |
|--|------------------------|-----------------------|
| 9.3.1 Clearing Adjustment | | |
| Return clearing advices on 31.12.2013 from the Clearing House Representing Branch (Principal Branch) were sent to different branches, lying un-adjusted on the same date. | | |
| 9.3.2 Adjusting A/c debit balance | 359,721,110 | 561,798,420 |
| Adjusting account debit balance represents Income Receivable from Bangladesh Govt. Islamic Bond on Tk. 550.00 crore, MTDR's with Other Banks as on 31.12.2013 and profit from preference shares etc. | | |
| 10 Placement from Banks & Other Financial Institutions | | |
| Bangladesh Govt. Islamic Bond. | 4,700,000,000 | 4,700,000,000 |
| The Bank has an outstanding balance of borrowing Tk. 470.00 crore as on 31.12.2013 taken from Bangladesh Govt. Islamic Bond Fund having different maturity dates. Profit rate of such borrowings is determined under Mudaraba Principle. Term Deposit Receipts allowed favouring different Banks and Financial Institutions for Tk 470.00 crore have been pledged as security to Bangladesh Bank against the borrowings. | | |
| Maturity Grouping of Borrowings | | |
| Up to 1 month | 800,000,000 | 800,000,000 |
| More than 1 month but less than 3 months | 2,000,000,000 | 2,600,000,000 |
| More than 3 months but less than 6 months | 1,900,000,000 | 1,300,000,000 |
| 6 months and above | - | - |
| | 4,700,000,000 | 4,700,000,000 |
| 11 Deposits and Other Accounts | | |
| Mudaraba Savings Deposits (MSD) | 6,468,729,754 | 4,905,319,144 |
| Mudaraba Term Deposits (MTDR) | 62,746,867,195 | 62,267,653,508 |
| Other Mudaraba Deposit | 19,288,768,828 | 13,984,000,422 |
| Mudaraba Short Notice Deposits (MSND) | 3,909,715,577 | 3,524,027,294 |
| Mudaraba Scheme Deposits (Note-11.1) | 15,379,053,251 | 10,459,973,128 |
| Al- Wadeeah Current Deposit and other accounts (AWCD) (Note- 11.2) | 12,198,626,163 | 10,903,158,399 |
| Bills payable (Note-11.3) | 1,316,909,958 | 1,465,257,228 |
| Cash Waqf Fund | 84,577,685 | 68,903,770 |
| | 102,104,479,583 | 93,594,292,471 |
| 11.1 Mudaraba Scheme Deposits | | |
| Mudaraba Hajj Savings Deposit | 23,663,269 | 15,363,209 |
| Mudaraba Pension Savings Deposit | 3,161,444,037 | 3,015,352,007 |
| Mudaraba Education Deposit | 44,066,037 | 90,148,754 |
| Mudaraba Monthly Savings Deposit | 147,237,136 | 174,239,208 |
| Mudaraba Monthly Profit Deposit | 1,444,736,357 | 1,275,650,566 |
| Mudaraba Bashansthana Savings Deposit | 436,116,509 | 382,359,331 |
| Mudaraba Millionaire Savings Deposit | 365,599,621 | 259,793,833 |
| Mudaraba Lakhpoti Deposit Scheme | 329,073,668 | 365,981,761 |
| Mudaraba Double Benefit Deposit | 1,917,537,282 | 2,186,825,125 |
| Mudaraba Marriage Savings Deposit | 138,383,698 | 149,623,827 |
| Mudaraba Moharana Savings Deposit | 17,153,078 | 11,940,815 |
| Subarnalata Special Deposit (Women) | 48,020,989 | 24,909,572 |
| Balance carried forward | 8,073,031,682 | 7,952,188,009 |

| | 2013 Taka | 2012 Taka |
|--|-----------------------|-----------------------|
| Balance brought forward | 8,073,031,682 | 7,952,188,009 |
| Subarnalata Rekha Special Deposit (Women) | 498,360,868 | 253,316,984 |
| Sabuj Chayanna Special Deposit | 321,613,172 | 187,537,598 |
| Sabuj Chaya Pension Deposit | 190,604,769 | 74,920,687 |
| Sanchita Special Deposit | 92,754,352 | 25,772,406 |
| Shonali Din Pension Deposit | 1,239,935,022 | 294,937,281 |
| Shukher Thikana Savings Deposit | 2,653,759 | 927,442 |
| Sachchandey Protidin Monthly Profit Deposit | 1,248,024,244 | 172,936,700 |
| Shamriddhir Shopan Deposit | 3,532,415,441 | 1,443,001,879 |
| Shopner Shiri Deposit | 89,770,060 | 31,619,273 |
| Sharner Shikhar | 89,364,691 | 22,814,869 |
| Proshanti (Mudaraba Zakat savings scheme) | 525,192 | - |
| | 15,379,053,251 | 10,459,973,128 |
| 11.2 Al-Wadeeah Current Deposit & other A/c | | |
| Al Wadeeah current deposit | 4,314,149,081 | 4,184,770,966 |
| Sundry deposit | 2,962,594,046 | 2,867,259,107 |
| Social fund deposit | 23,575 | 17,075 |
| Supervision charge | 1,337,282 | 1,316,661 |
| Risk fund deposit | 1,213,027 | 1,342,995 |
| FC deposit | 1,257,602,337 | 526,405,519 |
| Convertible Taka A/c* | 10,280,348 | 9,258,398 |
| F. C. held against B.B. L/C | 1,816,128,979 | 1,686,037,343 |
| Profit payable A/c | 1,791,429,921 | 1,619,177,384 |
| Compensation Realized | 43,867,567 | 7,572,951 |
| | 12,198,626,163 | 10,903,158,399 |

*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 | 12,198,626,163 | 10,903,158,399 |
| Less: Intercompany balance eliminated | 262,304,982 | 317,453,862 |
| SIBL Securities Limited | 12,350,525 | 67,498,715 |
| SIBL Investment Limited | 249,954,457 | 249,955,147 |
| Consolidated balance of Current deposit and other accounts | 11,936,321,181 | 10,585,704,537 |

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) | 636,531,686 | 745,531,289 |
| Demand Draft (DD) | 8,967,745 | 13,293,855 |
| B/P awaiting remittance | 671,410,527 | 706,432,085 |
| | 1,316,909,958 | 1,465,257,228 |

11.4 Maturity wise classification of Deposits

| | | |
|--------------------------------------|------------------------|-----------------------|
| Payable on demand | 3,097,234,628 | 971,957,170 |
| Up to 1 month | 12,869,269,317 | 17,378,607,310 |
| More than 1 month but up to 6 months | 33,879,228,129 | 27,947,482,142 |
| More than 6 months but up to 1 year | 35,246,555,474 | 34,158,033,729 |
| More than 1 year but up to 5 years | 12,752,119,641 | 7,325,086,300 |
| More than 5 years but up to 10 years | 4,260,072,393 | 5,813,125,819 |
| | 102,104,479,583 | 93,594,292,471 |

| | 2013 Taka | 2012 Taka |
|--|-------------------------------|------------------------------|
| 11.5 Segregation of deposits & other accounts | | |
| i) Client Deposit | | |
| Al-Wadeeah Current deposit & other accounts | 12,198,626,163 | 10,903,158,399 |
| Bills Payable | 1,316,909,958 | 1,465,257,228 |
| Mudaraba Savings Deposits | 5,468,327,093 | 4,315,923,069 |
| Mudaraba Short Notice Deposits | 3,903,958,691 | 3,520,518,010 |
| Mudaraba Term Deposit | 57,633,367,195 | 50,357,653,508 |
| Mudaraba Scheme Deposits | 15,379,053,251 | 10,459,973,128 |
| Cash Waqf Fund | 84,577,685 | 68,903,770 |
| | <u>95,984,820,034</u> | <u>81,091,387,112</u> |
| ii) Bank Deposit | | |
| Mudaraba Term Deposit Receipt (MTDR) | 5,113,500,000 | 11,910,000,000 |
| Mudaraba Short Notice Deposit (MSND) | 5,756,886 | 3,509,284 |
| Mudaraba Savings Deposit (MSD) | 1,000,402,662 | 589,396,075 |
| | <u>6,119,659,548</u> | <u>12,502,905,359</u> |
| Grand Total of deposits and other accounts | <u>102,104,479,583</u> | <u>93,594,292,471</u> |
| 12 Other Liabilities | | |
| Adjusting A/C (Cr.) Balance | 7,966,080 | 11,623,498 |
| Other Payable | 2,261,025 | 1,291,813 |
| SIBL Employees' PF | 506,934,651 | 383,644,225 |
| SIBL Employees' Gratuity fund (note: 12.1) | 294,261,830 | 221,373,660 |
| SIBL Employees' Social Insurance | 47,638,442 | 37,695,442 |
| BEFTN Adjustment Account | 25,731,488 | 3,184,624 |
| ATM Settlement for Q-Cash | 9,697,144 | 3,820,731 |
| Provision for Investments (note: 12.2) | 2,773,384,842 | 1,939,662,380 |
| Provision for other Assets (note: 12.3) | 393,102,542 | 388,370,542 |
| Compensation and Rent Suspense (note: 12.4) | 461,185,089 | 304,827,189 |
| Provision for Taxation (note: 12.5) | 4,146,098,405 | 3,343,147,121 |
| Provision for Zakat Fund (note: 12.6) | 48,818,029 | 44,381,311 |
| Provision for Mudaraba Profit Distribution (note: 12.7) | 10,000,000 | 6,595,602 |
| | <u>8,727,079,569</u> | <u>6,689,618,137</u> |
| 12(a) Consolidated Other Liabilities | | |
| Social Islami Bank Limited | 8,727,079,569 | 6,689,618,137 |
| Add: Other Liabilities of subsidiaries | | |
| SIBL Securities Limited | 88,292,572 | 9,591,813 |
| Accrued Expenses | 1,657,648 | 1,096,560 |
| Payable to SIBL-Term loan | 50,000,000 | - |
| Profit payable to SIBL | 1,222,221 | - |
| Payable to regulators | 458,997 | 1,294,903 |
| Payable to clients | 31,275,155 | 6,212,959 |
| Payable to service providers and suppliers | 888,481 | 547,500 |
| Security deposit payable | 263,100 | 263,100 |
| Provision for Tax | 2,526,970 | 176,791 |
| SIBL Investment Limited | 22,250 | 57,500 |
| Accrued Expenses | 17,250 | 52,500 |
| Provision for Tax | 5,000 | 5,000 |
| | <u>8,815,394,391</u> | <u>6,699,267,451</u> |
| Less: Intercompany balance eliminated | | |
| SIBL Securities Limited | | |
| Payable to SIBL-Term loan | 50,000,000 | - |
| Grand total | <u>8,765,394,391</u> | <u>6,699,267,451</u> |

| | 2013 Taka | 2012 Taka |
|--|----------------------|----------------------|
| 12.1 SIBL Employees' Gratuity fund | 216,160,732 | 167,132,732 |
| Add: Provision for Gratuity | | |
| Opening balance | 54,240,928 | 46,101,793 |
| Current year required expenditure for gratuity fund | 75,916,493 | 53,811,215 |
| Add: Profit charged and other transfers made during the year | 2,907,478 | 3,826,120 |
| | <u>133,064,899</u> | <u>103,739,128</u> |
| Less: Paid during the year | (5,935,800) | (9,498,200) |
| Less: Transferred to gratuity fund during the year | (49,028,000) | (40,000,000) |
| Balance of provision for gratuity at year end | <u>78,101,099</u> | <u>54,240,928</u> |
| Grand total of gratuity fund balance | <u>294,261,830</u> | <u>221,373,660</u> |
| 12.2 Provision for Investment | | |
| (a) Specific Provision on Investment | | |
| Provision held at the beginning of the year | 970,134,819 | 691,947,212 |
| Fully provided Investment written off | (30,769,817) | (138,567,510) |
| Transferred from doubtful income/compensation realized | - | 71,081,185 |
| Transferred from provision for shares and securities | - | 57,706,167 |
| Transferred from provision for staff benefits | - | 2,611,720 |
| Provision made during this year | 752,687,954 | 285,356,045 |
| Provision held at the end of the year | <u>1,692,052,956</u> | <u>970,134,819</u> |
| (b) General Provision on Investment | | |
| Provision held at the beginning of the year | 691,883,062 | 518,400,000 |
| Addition during the year | 84,746,527 | 173,483,062 |
| Balance at the end of the year | <u>776,629,589</u> | <u>691,883,062</u> |
| Total Provision on Investments | <u>2,468,682,545</u> | <u>1,662,017,881</u> |
| (c) General Provision on Off-Balance Sheet items | | |
| Provision held at the beginning of the year | 277,644,499 | 173,162,000 |
| Addition during the year | 27,057,799 | 104,482,499 |
| Balance at the end of the year | <u>304,702,298</u> | <u>277,644,499</u> |
| Total Provision for Investments & Off-Balance Sheet items (a+b+c) | <u>2,773,384,842</u> | <u>1,939,662,380</u> |
| 12.3 Provision for other Assets | | |
| Provision held at the beginning of the year | 388,370,542 | 166,130,000 |
| Provision written back during the year | (6,364,250) | (414,000) |
| Addition during the year | 11,096,250 | 222,654,542 |
| Balance at the end of the year | <u>393,102,542</u> | <u>388,370,542</u> |
| 12.3.1 Provision for protested bills | | |
| Provision held at the beginning of the year | 374,959,000 | 162,630,000 |
| Provision written back during the year | (6,186,250) | - |
| Waiver/written off during the year | (178,000) | - |
| Addition during the year | - | 212,329,000 |
| | <u>368,594,750</u> | <u>374,959,000</u> |
| 12.3.2 Provision for suspense account | | |
| Provision held at the beginning of the year | 13,411,542 | 3,500,000 |
| Provision written back during the year | - | (414,000) |
| Provision Transferred from provision for protested bills | 6,186,250 | - |
| Addition during the year | 4,910,000 | 10,325,542 |
| | <u>24,507,792</u> | <u>13,411,542</u> |

| | 2013 Taka | 2012 Taka |
|---|----------------------|----------------------|
| 12.4 Compensation & Rent Suspense A/C | | |
| Compensation Receivable A/C | | |
| Murabaha (General) | 26,747,246 | 11,100,091 |
| Murabaha (Post Import) | 4,923,207 | 3,713,758 |
| Musharaka (Preshipment) | 1,533,094 | 1,197,671 |
| Bai-Muazzal | 59,266,797 | 26,460,794 |
| Bai-Muazzal Trust Receipt | 26,024,166 | 6,424,759 |
| Baim Wes bills | 2,103,689 | - |
| Bai-Muazzal (ME) | 6,129,156 | 1,449,594 |
| | 126,727,354 | 50,346,667 |
| Compensation Suspense A/C | | |
| Murabaha (General) | 29,852,308 | 25,632,021 |
| Murabaha (Post Import) | 38,388,808 | 29,432,124 |
| Bai-Muazzal | 113,546,354 | 71,214,856 |
| Bai-Muazzal- House hold | 14,611 | 61,081 |
| Bai-Muazzal Trust Receipt | 18,679,435 | 13,842,860 |
| Musharaka (Preshipment) | 11,730,536 | 11,647,069 |
| Others | 27,650,172 | 25,985,873 |
| | 239,862,224 | 177,815,885 |
| Rent Suspense A/C | 94,595,511 | 76,664,637 |
| Total Compensation & Rent Suspense | 461,185,089 | 304,827,189 |
| 12.4.1 Movement of Compensation and Rent Suspense A/C | | |
| Balance at the beginning of the year | 304,827,189 | 283,964,994 |
| Add: Amount transferred to suspense account during the year | 178,655,415 | 147,013,749 |
| Less: Amount recovered from suspense account during the year | (19,016,649) | (81,460,516) |
| Less: Amount written off/ waived during the year | (3,280,866) | (44,691,039) |
| Balance at the end of the year | 461,185,089 | 304,827,189 |
| 12.5 Provision for Taxation | | |
| Provision for Current tax | | |
| Balance at the beginning of the year | 3,343,147,121 | 2,041,555,734 |
| Add: Provision made during the year (Note:12.6.1) | 802,951,284 | 1,301,591,387 |
| | 4,146,098,405 | 3,343,147,121 |
| Advance tax | | |
| Balance at the beginning of the year | 2,391,120,492 | 1,464,297,052 |
| Paid during the year | 1,352,761,601 | 926,823,440 |
| | 3,743,882,093 | 2,391,120,492 |
| Balance at the end of the year | 402,216,312 | 952,026,629 |
| 12.5.1 Provision made during the year | | |
| Operating Profit before provision & tax | 2,924,550,001 | 3,617,825,225 |
| Add: amount to be deducted for separate consideration | 199,289,944 | 175,331,524 |
| | 1,384,486,987 | 840,010,580 |
| Less: amount to be deducted for separate consideration | 1,739,352,958 | 2,953,146,168 |
| Total Taxable Income | 1,739,352,958 | 2,953,146,168 |
| Total Tax liability for current year | | |
| Business Tax @ 42.5% | 739,225,007 | 1,255,087,122 |
| Dividend Tax @ 20% | 62,359,276 | 46,245,187 |
| Tax on gain on shares & securities @ 10% | 1,367,001 | 259,079 |
| Provision required | 802,951,284 | 1,301,591,387 |
| Provision made | 802,951,284 | 1,301,591,387 |

| | 2013 Taka | 2012 Taka |
|---|-----------------------|-----------------------|
| 12.6 Provision for Zakat | | |
| Opening Balance | 44,381,311 | 33,888,497 |
| Addition this year | 50,488,279 | 30,146,894 |
| Less: Paid during the year | (46,051,561) | (19,654,080) |
| Closing Balance at the end of the year | 48,818,029 | 44,381,311 |
| 12.7 Provision for Mudaraba Profit Distribution | | |
| Opening Balance | 6,595,602 | - |
| Addition the year | 10,000,000 | 6,595,602 |
| Less: Paid during the year | (6,595,602) | - |
| Closing Balance at the end of the year | 10,000,000 | 6,595,602 |
| 13 Deferred Tax Liability | | |
| Balance at the beginning of the year | 70,528 | (5,101,777) |
| Add: Provision made during the year | 1,506,720 | 5,172,304 |
| Closing balance at the end of the year | 1,577,248 | 70,528 |
| 14 Capital | | |
| 14.1 Authorized Capital | | |
| 1,000,000,000 ordinary shares of Tk. 10 each | 10,000,000,000 | 10,000,000,000 |
| 14.2 Issued, Subscribed and Paid up Capital | | |
| The Paid-up Capital of the Bank is currently Tk. 7,031,415,640 divided into 703,141,564 Ordinary Shares of Tk 10 each | 7,031,415,640 | 6,393,925,700 |
| 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 |
| 199,818,619 no.ordinary shares of Tk 10 each issued as bonus shares | 1,998,186,190 | 1,360,696,250 |
| | 7,031,415,640 | 6,393,925,700 |
| Sponsor Shareholders Group | 1,950,933,080 | 2,032,017,980 |
| General Shareholders Group | 5,080,482,560 | 4,361,907,720 |
| | 7,031,415,640 | 6,393,925,700 |

14.3 Classification of Shareholders by holding
Year 2013

| | | | |
|-------------------------|---------------|--------------------|----------------|
| Less than 500 shares | 31,864 | 5,012,253 | 0.71% |
| 501 to 5,000 shares | 42,535 | 71,157,801 | 10.12% |
| 5,001 to 10,000 shares | 4,211 | 29,382,116 | 4.18% |
| 10,001 to 20,000 shares | 2,263 | 30,419,428 | 4.33% |
| 20,001 to 50,000 shares | 1,090 | 32,276,868 | 4.59% |
| 50,001 to 99,999 shares | 651 | 534,893,098 | 76.07% |
| Total | 82,614 | 703,141,564 | 100.00% |

| Year 2013 | | |
|---------------------|--------------------|---------------------------------|
| No. of Shareholders | No. of shares | Percentage of holding of shares |
| 31,864 | 5,012,253 | 0.71% |
| 42,535 | 71,157,801 | 10.12% |
| 4,211 | 29,382,116 | 4.18% |
| 2,263 | 30,419,428 | 4.33% |
| 1,090 | 32,276,868 | 4.59% |
| 651 | 534,893,098 | 76.07% |
| 82,614 | 703,141,564 | 100.00% |

Year 2012

Shareholding range

| | | | |
|-------------------------|---------------|--------------------|----------------|
| Less than 500 shares | 33,009 | 6,530,028 | 1.02% |
| 501 to 5,000 shares | 38,886 | 65,621,940 | 10.26% |
| 5,001 to 10,000 shares | 3,496 | 24,935,347 | 3.90% |
| 10,001 to 20,000 shares | 1,724 | 23,145,340 | 3.62% |
| 20,001 to 50,000 shares | 854 | 24,988,897 | 3.91% |
| 50,001 to 99,999 shares | 544 | 494,171,018 | 77.29% |
| Total | 78,513 | 639,392,570 | 100.00% |

| Year 2012 | | |
|---------------------|--------------------|---------------------------------|
| No. of Shareholders | No. of shares | Percentage of holding of shares |
| 33,009 | 6,530,028 | 1.02% |
| 38,886 | 65,621,940 | 10.26% |
| 3,496 | 24,935,347 | 3.90% |
| 1,724 | 23,145,340 | 3.62% |
| 854 | 24,988,897 | 3.91% |
| 544 | 494,171,018 | 77.29% |
| 78,513 | 639,392,570 | 100.00% |

14.4 Particulars of shareholding and Percentage Analysis

Particulars of shareholding:

| | Year 2013 | | 2013 | 2012 |
|---------------------------------|-------------------------|--------------------|----------------------|----------------------|
| | Number of Share holders | Number of Shares | Taka | Taka |
| Sponsors & Placement | 27 | 170,026,278 | 1,700,262,780 | 1,465,109,560 |
| Sponsors Foreign | 7 | 3,939,914 | 39,399,140 | 40,206,330 |
| Sponsors & Placement Company | 3 | 21,127,116 | 211,271,160 | 526,702,090 |
| General Public | 80,824 | 405,849,477 | 4,058,494,770 | 3,334,703,390 |
| Institutions (Bank & Insurance) | 66 | 20,306,314 | 203,063,140 | 218,745,670 |
| Institution (Others) | 1,593 | 72,979,399 | 729,793,990 | 736,485,010 |
| ICB Account Holders | 68 | 471,973 | 4,719,730 | 33,830,410 |
| ICB | 1 | 4,421,687 | 44,216,870 | 2,562,160 |
| ICB Unit Fund | 2 | 3,495,025 | 34,950,250 | 30,790,460 |
| ICB Mutual Fund | 9 | 262,655 | 2,626,550 | 2,387,810 |
| Non-Resident Bangladeshi | 14 | 261,726 | 2,617,260 | 2,402,810 |
| | 82,614 | 703,141,564 | 7,031,415,640 | 6,393,925,700 |

Percentage of shareholding Analysis:

| | 2013 | 2012 |
|---------------------------------|----------------|----------------|
| | Percentage | Percentage |
| Sponsors & Placement | 24.18% | 22.91% |
| Sponsors Foreign | 0.56% | 0.63% |
| Sponsors & Placement Company | 3.00% | 8.24% |
| General Public | 57.71% | 52.15% |
| Institutions (Bank & Insurance) | 2.89% | 3.42% |
| Institution (Others) | 10.38% | 11.52% |
| ICB Account Holders | 0.07% | 0.53% |
| ICB | 0.63% | 0.04% |
| ICB Unit Fund | 0.50% | 0.48% |
| ICB Mutual Fund | 0.04% | 0.04% |
| Non-Resident Bangladeshi | 0.04% | 0.04% |
| | 100.00% | 100.00% |

14.5 Capital Adequacy (Solo Basis)

Position of capital adequacy are given below:-

a) Core Capital (Tier -I)

| | | |
|-----------------------------------|-----------------------|----------------------|
| i) Paid-up Capital | 7,031,415,640 | 6,393,925,700 |
| ii) Statutory Reserve (Note: 15) | 2,122,994,344 | 1,718,062,455 |
| iii) Retained Earnings (Note: 17) | 846,533,259 | 960,004,602 |
| | 10,000,943,243 | 9,071,992,756 |

b) Supplementary Capital (Tier-II)

- i) General Provision {Note 12.1(b+c)}
 ii) Assets Revaluation Reserve (eligible)
 (As per Bangladesh Bank Guideline 50% is considered as Supplementary Capital)

c) Total eligible capital (a +b)
d) Total Risk Weighted Assets
e) Required Capital (10% of Risk Weighted Assets)
f) Total Capital Surplus (c-e)
Capital Adequacy (Consolidated basis)

Position of capital adequacy are given below:-

a) Core Capital (Tier -I)

- i) Paid-up Capital
 ii) Statutory Reserve (Note: 15)
 iii) General Reserve
 iv) Retained Earnings {Note: 17 (a)}

b) Supplementary Capital (Tier-II)

- i) General Provision {Note 12.1(b+c)}
 ii) Assets Revaluation Reserve (eligible)
 (As per Bangladesh Bank Guideline 50% is considered as Supplementary Capital)

c) Total eligible capital (a +b)
d) Total Risk Weighted Assets
e) Required Capital (10% of Risk Weighted Assets)
f) Total Capital Surplus (c-e)
Capital Adequacy Ratio (Solo basis)

| | 2013 Taka | 2012 Taka |
|-----------------------|-----------------------|-----------------------|
| 1,081,331,886 | 1,081,331,886 | 969,527,561 |
| 541,242,551 | 541,242,551 | 554,989,561 |
| 1,622,574,437 | 1,622,574,437 | 1,524,517,122 |
| 11,623,517,680 | 11,623,517,680 | 10,596,509,878 |
| 99,834,160,000 | 99,834,160,000 | 91,983,417,500 |
| 9,983,416,000 | 9,983,416,000 | 9,198,341,750 |
| 1,640,101,680 | 1,640,101,680 | 1,398,168,128 |
| | | |
| 7,031,415,640 | 7,031,415,640 | 6,393,925,700 |
| 2,122,994,344 | 2,122,994,344 | 1,718,062,455 |
| 6,666,534 | 6,666,534 | 742,431 |
| 848,684,455 | 848,684,455 | 930,222,916 |
| 10,009,760,972 | 10,009,760,972 | 9,042,953,501 |
| 1,081,331,886 | 1,081,331,886 | 969,527,561 |
| 541,242,551 | 541,242,551 | 554,989,560 |
| 1,622,574,437 | 1,622,574,437 | 1,524,517,122 |
| 11,632,335,409 | 11,632,335,409 | 10,567,470,623 |
| 99,547,905,000 | 99,547,905,000 | 91,517,867,500 |
| 9,954,790,500 | 9,954,790,500 | 9,151,786,750 |
| 1,677,544,909 | 1,677,544,909 | 1,415,683,873 |

| Particulars | 2013 | | 2012 | |
|----------------------------------|---------------|--------------------|---------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |
| Core Capital: (Tier-I) | 5.00% | 10.01% | 5.00% | 9.86% |
| Supplementary Capital: (Tier-II) | - | 1.63% | - | 1.66% |
| Total | 10.00% | 11.64% | 10.00% | 11.52% |

Capital Adequacy Ratio (Consolidated basis)

| Particulars | 2013 | | 2012 | |
|----------------------------------|---------------|--------------------|---------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |
| Core Capital: (Tier-I) | 5.00% | 10.06% | 5.00% | 9.88% |
| Supplementary Capital: (Tier-II) | - | 1.63% | - | 1.67% |
| Total | 10.00% | 11.69% | 10.00% | 11.55% |

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

Solo Basis

a) Risk Weights for Credit Risk

| Risk Weights (Both B/S & Off-B/S) | 31.12.2013 | | 31.12.2012 | |
|--------------------------------------|------------------------|-----------------------|------------------------|-----------------------|
| | Principal | Risk Weighted | Principal amount | Risk Weighted |
| | amount | Assets | | |
| 0% | 14,394,900,000 | - | 14,025,100,000 | - |
| 20% | 19,706,300,000 | 3,941,260,000 | 16,510,400,000 | 3,302,080,000 |
| 50% | 22,148,000,000 | 11,074,000,000 | 19,233,600,000 | 9,616,800,000 |
| 75% | 18,180,100,000 | 13,635,075,000 | 23,522,900,000 | 17,642,175,000 |
| 100% | 36,080,500,000 | 36,080,500,000 | 25,079,500,000 | 25,079,500,000 |
| 125% | 19,969,700,000 | 24,962,125,000 | 23,396,450,000 | 29,245,562,500 |
| 150% | 945,800,000 | 1,418,700,000 | 444,100,000 | 666,150,000 |
| Total | 131,425,300,000 | 91,111,660,000 | 122,212,050,000 | 85,552,267,500 |
| b) Risk Weights for Operational Risk | 641,550,000 | 6,415,500,000 | 460,335,000 | 4,603,350,000 |
| c) Risk Weights for Market Risk | 230,700,000 | 2,307,000,000 | 182,780,000 | 1,827,800,000 |
| Total Risk Weighted Assets | | 99,834,160,000 | | 91,983,417,500 |

Consolidate basis

a) Risk Weights for Credit Risk

| Risk Weights (Both B/S & Off-B/S) | 31.12.2013 | | 31.12.2012 | |
|--------------------------------------|------------------------|-----------------------|------------------------|-----------------------|
| | Principal | Risk Weighted | Principal amount | Risk Weighted |
| | amount | Assets | | |
| 0% | 14,395,000,000 | - | 14,025,300,000 | - |
| 20% | 19,735,400,000 | 3,947,080,000 | 16,510,400,000 | 3,302,080,000 |
| 50% | 22,148,000,000 | 11,074,000,000 | 19,233,600,000 | 9,616,800,000 |
| 75% | 18,180,100,000 | 13,635,075,000 | 23,522,900,000 | 17,642,175,000 |
| 100% | 36,103,300,000 | 36,103,300,000 | 25,086,700,000 | 25,086,700,000 |
| 125% | 19,703,800,000 | 24,629,750,000 | 23,018,250,000 | 28,772,812,500 |
| 150% | 945,800,000 | 1,418,700,000 | 444,100,000 | 666,150,000 |
| Total | 131,211,400,000 | 90,807,905,000 | 121,841,250,000 | 85,086,717,500 |
| b) Risk Weights for Operational Risk | 643,300,000 | 6,433,000,000 | 460,335,000 | 4,603,350,000 |
| c) Risk Weights for Market Risk | 230,700,000 | 2,307,000,000 | 182,780,000 | 1,827,800,000 |
| Total Risk Weighted Assets | | 99,547,905,000 | | 91,517,867,500 |

31.12.2013

A) Credit Risk

1. Balance Sheet Exposure

(amounts in crore Taka)

Solo

Consolidated

| Sl. | Exposure Type | BB's Rating Grade | Risk Weight | Exposure | Risk Weighted Asset | Exposure | Risk Weighted Asset |
|-----|--|-------------------|-------------|----------|---------------------|----------|---------------------|
| 1 | 2 | 3 | 4 | 5 | 6 = (4x5) | 7 | 8 = (4x7) |
| a) | Cash and Cash Equivalents | | 0% | 126.71 | - | 126.72 | - |
| b) | Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank (denominated in domestic and foreign currency) | | 0% | 1,312.78 | - | 1,312.78 | - |

31.12.2013

(amounts in crore Taka)

Solo

Consolidated

| | | | | Solo | | Consolidated | |
|----|---|------------------|------|----------|-----------------|--------------|-----------------|
| c) | Claims on other Sovereigns & Central Banks | | 0% | - | - | - | - |
| d) | Claims on Bank for International Settlements, International Monetary Fund and European Central Bank | | 0% | - | - | - | - |
| e) | Claims on Multilateral Development Banks (MDBs): | | | | | | |
| i) | IBRD , IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB | | 0% | | - | | - |
| | ii) Other MDBs | 1 | 20% | - | - | - | - |
| | | 2,3 | 50% | - | - | - | - |
| | | 4,5 | 100% | - | - | - | - |
| | | 6 | 150% | - | - | - | - |
| | | Unrated | 50% | - | - | - | - |
| f) | Claims on Public Sector Entities (excluding equity exposure) in Bangladesh | 1 | 20% | - | - | - | - |
| | | 2,3 | 50% | - | - | - | - |
| | | 4,5 | 100% | - | - | - | - |
| | | 6 | 150% | - | - | - | - |
| | | Unrated | 50% | - | - | - | - |
| g) | Claims on Banks and NBFIs: | | | | | | |
| | i) Original maturity over 3 months | 1 | 20% | 627.63 | 125.53 | 627.63 | 125.53 |
| | | 2,3 | 50% | 60.31 | 30.16 | 60.31 | 30.16 |
| | | 4,5 | 100% | - | - | - | - |
| | | 6 | 150% | - | - | - | - |
| | | Unrated | 100% | - | - | - | - |
| | ii) Original maturity less than 3 months | | 20% | 1,028.85 | 205.77 | 1,031.76 | 206.35 |
| h) | Claims on Corporate (excluding equity exposure) | 1 | 20% | 142.22 | 28.44 | 142.22 | 28.44 |
| | | 2 | 50% | 1,173.40 | 586.70 | 1,173.40 | 586.70 |
| | | 3,4 | 100% | 2,040.70 | 2,040.70 | 2,040.70 | 2,040.70 |
| | | 5,6 | 150% | - | - | - | - |
| | | Unrated | 125% | 440.23 | 550.29 | 440.23 | 550.29 |
| i) | Claims under credit risk mitigation | PSE | | | | | |
| | a) Corporate | Corporate | 125% | 550.29 | 687.86 | 550.29 | 687.86 |
| | b) Retail & Small | Retail and Small | 125% | 6.15 | 7.69 | 6.15 | 7.69 |
| j) | Claims categorized as retail portfolio & Small Enterprise (excluding consumer loan) | | 75% | 1,293.28 | 969.96 | 1,293.28 | 969.96 |
| k) | Consumer Loan | | 100% | 68.33 | 68.33 | 68.33 | 68.33 |

31.12.2013

| | | (amounts in crore Taka) | | | | | |
|----|---|-------------------------|------|--------|---------------|--------|---------------|
| | | Solo | | | Consolidated | | |
| l) | Claims fully secured by residential property | | 50% | 345.38 | 172.69 | 345.38 | 172.69 |
| m) | Claims fully secured by commercial real estate | | 100% | 576.12 | 576.12 | 576.12 | 576.12 |
| n) | 1. Past Due Claims | | | | | | |
| | - Where specific provisions are less than 20 per cent of the outstanding amount of the past due claim ; | | 150% | 94.58 | 141.87 | 94.58 | 141.87 |
| | - Where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim. | | 100% | 58.08 | 58.08 | 58.08 | 58.08 |
| | - Where specific provisions are more than 50 per cent of the outstanding amount of the past due claim. | | 50% | 11.48 | 5.74 | 11.48 | 5.74 |
| | 2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount | | 100% | 73.54 | 73.54 | 73.54 | 73.54 |
| | 3. Loans and claims fully secured against residential property that are past due by 90 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount | | 75% | 52.45 | 39.34 | 52.45 | 39.34 |
| o) | Capital Market Exposure | | 125% | - | - | 121.41 | 151.76 |
| p) | Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book | | 125% | 213.16 | 266.45 | 65.16 | 81.45 |
| q) | Investments in venture capital | | 150% | - | - | - | - |

31.12.2013

(amounts in crore Taka)

Solo

Consolidated

| | | | | | | | |
|----|---|--|------|--------|---------------|--------|---------------|
| r) | Investments in premises, plant and equipment and all other fixed assets | | 100% | 265.39 | 265.39 | 266.35 | 266.35 |
| s) | Claims on all fixed assets under operating lease | | 100% | - | - | - | - |
| t) | All other assets | | | | | | |
| | i) Claims on GOB & BB (eg. Advanced income tax, reimbursement of pratirakka/shdharon sanchay patra, etc.) | | 0% | 374.39 | - | 375.09 | - |
| | ii) Staff loan/Investment | | 20% | 112.82 | 22.56 | 112.82 | 22.56 |
| | iii) Cash items in process for collection | | 20% | - | - | - | - |
| | iv) Claims on Off-shore Banking Units (OBU) | | 100% | 214.71 | 214.71 | 214.71 | 214.71 |
| | v) Other assets (net off specific provisions) | | 100% | 0.40 | 0.40 | 1.72 | 1.72 |

2. Off-Balance Sheet Exposure

| Sl. | Exposure Type | BB's Rating Grade | Risk Weight | Exposure | Risk Weighted Asset | Exposure | Risk Weighted Asset |
|-----|---|-------------------|-------------|----------|---------------------|----------|---------------------|
| 1 | 2 | 3 | 4 | 5 | 6 = (4x5) | 7 | 8 = (4x7) |
| a) | Claims on Bangladesh Government and Bangladesh Bank | | 0% | | | | |
| b) | Claims on other Sovereigns & Central Banks | | 0% | | | | |
| c) | Claims on Bank for International Settlements, International Monetary Fund and European Central Bank | | 0% | | | | |
| d) | Claims on Multilateral Development Banks (MDBs): | | | | | | |
| | i) IBRD , IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB | | 0% | | | | |
| | ii) Other MDBs | 1 | 20% | | | | |
| | | 2,3 | 50% | | | | |
| | | 4,5 | 100% | | | | |
| | | 6 | 150% | | | | |
| | | Unrated | 50% | | | | |

31.12.2013

| | | (amounts in crore Taka) | | | | | |
|-----|--|-------------------------|------|-----------------|-----------------|-----------------|-----------------|
| | | Solo | | | Consolidated | | |
| e) | Claims on Public Sector Entities (other than Government) in Bangladesh | 1 | 20% | | | | |
| | | 2,3 | 50% | | | | |
| | | 4,5 | 100% | | | | |
| | | 6 | 150% | | | | |
| | | Unrated | 50% | | | | |
| f) | Claims on Banks and FIs: | | | | | | |
| i) | Maturity over 3 months | 1 | 20% | - | - | - | - |
| | | 2,3 | 50% | - | - | - | - |
| | | 4,5 | 100% | - | - | - | - |
| | | 6 | 150% | - | - | - | - |
| | | Unrated | 100% | - | - | - | - |
| ii) | Maturity less than 3 months | | 20% | - | - | - | - |
| g) | Claims on Corporate (excluding equity exposure) | 1 | 20% | 59.11 | 11.82 | 59.11 | 11.82 |
| | | 2 | 50% | 624.23 | 312.12 | 624.23 | 312.12 |
| | | 3,4 | 100% | 310.78 | 310.78 | 310.78 | 310.78 |
| | | 5,6 | 150% | - | - | - | - |
| | | Unrated | 125% | 787.14 | 983.93 | 787.14 | 983.93 |
| h) | Against retail portfolio & Small Enterprise (excluding consumer loan) | | 75% | 472.28 | 354.21 | 472.28 | 354.21 |
| i) | Consumer Loan | | 100% | - | - | - | - |
| j) | Claims fully secured by residential property | | 50% | - | - | - | - |
| k) | Claims fully secured by commercial real estate | | 100% | - | - | - | - |
| l) | Investment in venture capital | | 150% | - | - | - | - |
| m) | All other assets | | 100% | - | - | - | - |
| | | | | 2,253.54 | 1,972.85 | 2,253.54 | 1,972.85 |

2013

B) Capital charge for Market Risk

(amounts in crore Taka)

| | | Solo | | | | Consolidated | |
|--------|-----------------------------------|--|---|---|---|---|--|
| Sl no. | Details | Capital Charge for General Market Risk | Total Capital Charge for Specific Market Risk | Total Capital Charge for General & Specific Market Risk | Total Capital Charge for General & Specific Market Risk | Total Capital Charge for General & Specific Market Risk | |
| A. | Interest Rate Related instruments | - | - | - | - | - | |
| B. | Equities | 9.07 | 9.07 | 18.13 | 18.13 | 18.13 | |
| C. | Foreign Exchange Position | - | 4.94 | 4.94 | 4.94 | 4.94 | |
| | Total (A+B+C): | 9.07 | 14.01 | 23.07 | 23.07 | 23.07 | |

2013

**C) Capital Charge for Operational Risk
(Basic Indicator Approach)**

(amounts in crore Taka)

| Year | Solo | | Consolidated | |
|------|----------------------|--|----------------------|--|
| | Average Gross Income | Capital Charge (15% of Average Gross Income) | Average Gross Income | Capital Charge (15% of Average Gross Income) |
| 2012 | 427.70 | 64.16 | 428.85 | 64.33 |
| 2011 | | | | |
| 2010 | | | | |

| | 2013 Taka | 2012 Taka |
|--|----------------------|----------------------|
| 15 Statutory Reserve | | |
| Opening balance | 1,718,062,455 | 1,168,484,261 |
| Add: Addition during the year | 404,931,889 | 549,578,194 |
| | 2,122,994,344 | 1,718,062,455 |
| 16 Revaluation Reserve on fixed assets | | |
| Revalued amount of fixed assets | 1,670,299,434 | 1,712,811,470 |
| Book Value of fixed assets | 560,320,313 | 574,633,356 |
| Balance of revaluation reserve | 1,109,979,121 | 1,138,178,114 |
| Less: Adjustment made based on difference amount of depreciation | 27,494,019 | 28,198,993 |
| Remaining balance of revaluation reserve | 1,082,485,102 | 1,109,979,121 |

Property class under the head 'Land and Building' have been revalued in the year 2011, in accordance with the applicable rules and regulations as per BAS-16, 'Property, Plant and Equipment' and as per Bangladesh Bank BCD circular letter no: 12 & 18, dated: 20 April 1993 & 15 June 1993 and BRPD circular no: 10, dated: 25 November 2002. The valuation firms have used the fair value model to revalue the class of property. The valuation was not reviewed in the year 2013.

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.

(amounts in Taka)

| Location | Class of property | Book Value | Revaluation Surplus | Depreciation on book value | Depreciation on revalued amount | Amount of adjustment |
|--------------------------|-------------------|--------------------|----------------------|----------------------------|---------------------------------|----------------------|
| City Center, Head Office | Building | 382,381,165 | 913,198,835 | 9,559,529 | 32,389,500 | 22,829,971 |
| Chandaikona Branch | Land | 2,111,623 | 10,218,377 | - | - | - |
| | Building | 1,126,304 | 1,257,988 | 28,158 | 59,607 | 31,449 |
| Savar Branch | Building | 30,700,940 | 27,825,083 | 767,524 | 1,463,151 | 695,627 |
| Panthapath Branch | Building | 25,544,016 | 51,583,410 | 638,600 | 1,928,186 | 1,289,586 |
| Rampura Branch | Building | 38,021,525 | 36,178,391 | 950,538 | 1,854,998 | 904,460 |
| Khulna Branch | Building | 17,913,374 | 14,114,344 | 447,834 | 800,693 | 352,859 |
| Nawabpur Road Branch | Building | 62,521,366 | 55,602,693 | 1,563,034 | 2,953,101 | 1,390,067 |
| | | 560,320,313 | 1,109,979,121 | 13,955,217 | 41,449,236 | 27,494,019 |

17 Retained Earnings

Opening balance
 Less: Issue of cash dividend
 Less: Issue of bonus shares
 Add: Transferred from Profit & Loss Account
 Add: Transferred from Revaluation Reserve for Fixed Assets
 Add: Transferred from Revaluation Reserve for building (city center)

| | 2013 Taka | 2012 Taka |
|---|--------------------|--------------------|
| | 960,004,602 | 711,300,013 |
| | (318,744,971) | (671,362,199) |
| | (637,489,940) | - |
| | 815,269,549 | 891,549,083 |
| | 27,494,019 | 28,198,993 |
| | - | 318,712 |
| | 846,533,259 | 960,004,602 |
| 17(a) Consolidated retained earnings | | |
| Opening Balance | 930,222,915 | 657,427,567 |
| Less: Issue of cash dividend | (318,744,971) | (671,362,199) |
| Less: Issue of bonus shares | (637,489,940) | - |
| Add: Transfer from Profit & Loss Account of SIBL | 815,269,549 | 891,549,083 |
| Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL | 27,494,019 | 28,198,993 |
| Add: Transferred from Revaluation Reserve for building (city center) | - | 318,712 |
| | 816,751,572 | 906,132,156 |
| Add: Current year profit/(loss) of subsidiaries | | |
| SIBL Securities Limited | 32,031,499 | 24,163,331 |
| SIBL Investment Limited | (98,590) | (72,551) |
| | 848,684,481 | 930,222,936 |
| Less: Non controlling interests of profit/(loss) attributable for current year | | |
| SIBL Securities Limited | 27 | 20 |
| SIBL Investment Limited | - | - |
| | 848,684,454 | 930,222,915 |

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

Details of the shareholding position is as under:

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

| | 2013 Taka | 2012 Taka |
|---|-----------------------|-----------------------|
| 17.1 Current year retained earnings | | |
| Social Islami Bank Limited | | |
| Profit after tax | 1,220,201,438 | 1,441,127,276 |
| Less : Statutory Reserve | 404,931,889 | 549,578,194 |
| | 815,269,549 | 891,549,083 |
| 17.1.(a) Consolidated Current year retained earnings | | |
| Profit after tax | 1,252,134,346 | 1,465,218,057 |
| Less :Statutory Reserve | 404,931,889 | 549,578,194 |
| Profit/(Loss) attributable to Group | 847,202,458 | 915,639,864 |
| Profit/(Loss) attributable to Subsidiaries | | |
| SIBL Securities Limited | 27 | 20 |
| SIBL Investment Limited | - | - |
| Profit/(Loss) attributable to parent | 847,202,431 | 915,639,844 |
| 17(b) Non-controlling interest | | |
| SIBL Securities Limited | | |
| Paid up capital | 1,230,000,000 | 1,230,000,000 |
| Retained earnings | 3,740,171 | (28,291,328) |
| General Reserve | 6,666,534 | 742,432 |
| Net Assets | 1,240,406,705 | 1,202,451,104 |
| SIBL Investment Limited | | |
| Paid up capital | 250,000,000 | 250,000,000 |
| Retained earnings | (1,588,978) | (1,490,388) |
| Net Assets | 248,411,022 | 248,509,612 |
| Non-controlling interests | | |
| SIBL Securities Limited, @ 0.00008% of net assets | 1,001 | 973 |
| SIBL Investment Limited, @0.00024% of net assets | 596 | 597 |
| Total non-controlling interest | 1,597 | 1,570 |
| 18 Contingent liabilities | | |
| 18.1 Acceptances and Endorsements | | |
| Bill bankers' liabilities (DP) | 8,661,925,200 | 5,189,558,700 |
| Bill bankers' liabilities (BB/FO) | 1,512,247,997 | 1,834,947,997 |
| Bill bankers' liabilities (BB/LO) | 3,887,847,700 | 4,011,699,800 |
| Bill bankers' liabilities (EPZ) | 442,696,000 | 352,278,000 |
| Bill bankers' liabilities Others | 482,165,500 | 1,246,269,500 |
| | 14,986,882,397 | 12,634,753,997 |
| 18.2 Letter of Credit | | |
| L/C bankers' liabilities (DP) | 3,100,423,000 | 1,847,561,500 |
| L/C bankers' liabilities (BB/FO) | 1,051,634,857 | 1,173,500,400 |
| L/C bankers' liabilities (BB/LO) | 1,258,526,700 | 1,301,287,200 |
| L/C bankers' liabilities (Cash) | 3,526,015,455 | 2,575,739,886 |
| L/C bankers' liabilities (EPZ) | 361,362,000 | 315,118,000 |
| L/C bankers' liabilities (Others) | 556,277,874 | 182,387,907 |
| | 9,854,239,886 | 7,395,594,893 |
| 18.3 Letters of guarantees | | |
| Letters of guarantee | 3,246,076,013 | 4,949,826,296 |

| | 2013 Taka | 2012 Taka |
|--|-----------------------|-----------------------|
| 18.4 Bills for collection | | |
| In-ward bills for collection | 662,472,572 | 617,457,746 |
| Out-ward Bills for Collection | 1,720,558,919 | 2,166,816,986 |
| | 2,383,031,491 | 2,784,274,732 |
| 18.5 Other Contingent Liabilities | - | - |
| 18.6 Other Commitments | - | - |
| Total Off-balance sheet items | 30,470,229,787 | 27,764,449,918 |
| Income Statement (Note-19 to Note-38) | | |
| Income: | | |
| Income from Investment (Note-19) | 13,629,421,075 | 11,319,014,211 |
| Income from Investment in Shares & Securities (Note-21) | 325,466,389 | 233,816,722 |
| Commission, Exchange and Brokerage Income (Note-22) | 1,026,570,990 | 1,178,954,865 |
| Other operating income (Note-23) | 228,021,115 | 324,986,845 |
| | 15,209,479,569 | 13,056,772,643 |
| Expenses: | | |
| Profit paid on Deposits (Note-20) | 9,706,867,767 | 7,541,679,221 |
| Administrative expenses | 1,514,105,302 | 1,088,563,216 |
| Other operating expenses | 890,794,921 | 659,954,139 |
| Depreciation on Banking assets | 173,161,578 | 148,750,842 |
| | 12,284,929,568 | 9,438,947,418 |
| Income over expenditure | 2,924,550,001 | 3,617,825,225 |
| 19 Income from Investment | | |
| Profit on Murabaha | 475,911,824 | 524,583,818 |
| Profit on Bai-Muazzal | 6,895,601,710 | 5,630,407,600 |
| Profit on Hire-Purchase | 1,802,282,885 | 1,798,329,456 |
| Profit on Musharka | 57,862,396 | 43,330,992 |
| Profit on Bai-Salam | 9,370,413 | 1,271,101 |
| Profit on Quard against MTDR, Scheme and others | 1,041,636,004 | 640,934,900 |
| Profit on Inland Document Bill Purchased | 401,661,845 | 440,016,815 |
| Profit on Foreign Document Bill Purchased | 1,070,394,404 | 822,852,244 |
| Profit on Ijarah | 24,673,596 | 27,026,714 |
| Profit on Investment against Mudaraba Deposit with other banks and NBFIs | 1,367,356,318 | 1,060,471,625 |
| Profit on other investments (Card, Wakalat fee etc.) | 448,121,917 | 326,224,028 |
| Profit on Mudaraba | 34,547,764 | 3,564,917 |
| | 13,629,421,075 | 11,319,014,211 |
| 19(a) Consolidated income from investment | | |
| Social Islami Bank Ltd. | 13,629,421,075 | 11,319,014,211 |
| Add: Income from investment of subsidiaries of SIBL | 23,171,187 | 6,252,123 |
| SIBL Securities Ltd. | 23,171,187 | 6,252,123 |
| SIBL Investment Ltd. | - | - |
| Grand total of consolidated investment income | 13,652,592,262 | 11,325,266,334 |
| 20 Profit paid on Deposits | | |
| Profit paid on deposits | | |
| Mudaraba Savings Deposits (MSD) | 194,524,476 | 123,746,522 |
| Mudaraba short notice deposit (MSND) | 71,095,053 | 43,101,891 |
| Mudaraba term deposit (MTDR) | 7,861,522,071 | 6,316,179,377 |
| Cash waqf fund deposit | 9,653,330 | 6,107,649 |
| Profit paid on Scheme Deposits & others | 1,372,089,282 | 893,018,625 |
| | 9,508,884,212 | 7,382,154,065 |
| Profit paid on borrowings | 197,983,555 | 159,525,157 |
| Total profit paid on deposits and borrowings | 9,706,867,767 | 7,541,679,221 |

| | 2013 Taka | 2012 Taka |
|--|----------------------|----------------------|
| 21 Income from Investment in Shares & Securities | | |
| Income from Investment in Islamic Bond | 156,284,171 | 111,022,091 |
| Income from Investment in Shares | 13,670,008 | 2,590,786 |
| Belhasha Preference share | 70,000,000 | 70,000,000 |
| Dividend Income | 85,512,211 | 50,203,845 |
| | 325,466,389 | 233,816,722 |
| Social Islami Bank Ltd. has investment of Tk. 550.00 crore in Bangladesh Govt. Islamic Investment Bond for which 4.67% average rate of income has been provided for January-December 2013. The nature of the Fund is to generate profit according to Mudaraba Principle. | | |
| 22 Commission, Exchange & Brokerage | | |
| Commission | 555,276,602 | 586,318,720 |
| Exchange income | 471,294,388 | 592,636,144 |
| | 1,026,570,990 | 1,178,954,865 |
| 22(a) Consolidated income from commission, exchange & brokerage | | |
| Social Islami Bank Ltd. | 1,026,570,990 | 1,178,954,865 |
| <i>Add: Income from commission, exchange & brokerage of subsidiaries of SIBL</i> | 29,545,581 | 15,524,695 |
| SIBL Securities Ltd. | 29,545,581 | 15,524,695 |
| SIBL Investment Ltd. | - | - |
| Grand total of consolidated income from commission, exchange & brokerage | 1,056,116,571 | 1,194,479,560 |
| 23 Other Operating Income | | |
| Telephone, fax, trunk call charge recovered | - | 725 |
| Telex charge recovered | 346 | 25 |
| P & T charge recovered | 17,181,862 | 17,863,307 |
| Courier Charges Recovery & Others | 5,263,672 | 2,186,475 |
| Services & charges | 119,726,503 | 102,023,536 |
| SWIFT/ Return charge recovered | 41,884,126 | 30,600,340 |
| SWIFT/ Return charge recovered (OBU) | 201,839 | 40,471 |
| Profit from leased Assets | - | 13,000 |
| Other charges (Note: 23.1) | 43,762,766 | 172,258,966 |
| | 228,021,115 | 324,986,845 |
| 23(a) Consolidated other operating income | | |
| Social Islami Bank Ltd. | 228,021,115 | 324,986,845 |
| <i>Add: Other operating Income of subsidiaries of SIBL</i> | 5,133,015 | 12,581,531 |
| SIBL Securities Ltd. | 5,133,015 | 12,581,531 |
| SIBL Investment Ltd. | - | - |
| Grand total of consolidated income from commission, exchange & brokerage | 233,154,130 | 337,568,377 |
| 23.1 Other Charges | | |
| Rent receipts | 4,302,033 | 5,654,830 |
| Income from sale of forms | 374,924 | 328,200 |
| Service charge on SIBL Cards | - | 206,033 |
| Notice pay earnings | 4,233,374 | 3,046,832 |
| Miscellaneous income | 34,852,434 | 163,023,072 |
| | 43,762,766 | 172,258,966 |
| 24 Salary & Allowances | | |
| Basic Salary | 602,511,848 | 427,073,136 |
| Allowances | 545,049,067 | 389,771,095 |
| Bonus | 290,430,130 | 211,762,002 |
| L/E Salary & Allowances | 8,242,169 | 8,582,757 |
| Bank's Contribution to Provident fund | 53,340,586 | 37,245,541 |
| Bank's Contribution to Social Insurance fund | 5,929,242 | 4,128,685 |
| | 1,505,503,042 | 1,078,563,216 |

| | 2013 Taka | 2012 Taka |
|---|----------------------|----------------------|
| 24(a) Consolidated expenses for Salary and Allowance | | |
| Social Islami Bank Ltd. | 1,505,503,042 | 1,078,563,216 |
| Add: Salary and Allowance for subsidiaries | 6,243,499 | 2,723,260 |
| SIBL Securities Ltd. | 6,243,499 | 2,723,260 |
| SIBL Investment Ltd. | - | - |
| | 1,511,746,541 | 1,081,286,476 |
| 25 Rent, Taxes, Insurance & Electricity etc. | | |
| Rent, Rates & Taxes (note: 25.1) | 128,700,530 | 109,851,005 |
| Insurance (note: 25.2) | 58,495,559 | 38,825,508 |
| Electricity, Lighting & Water (note: 25.3) | 40,650,432 | 32,563,022 |
| | 227,846,521 | 181,239,535 |
| 25(a) Consolidated expenses for rent, taxes, insurance & electricity | | |
| Social Islami Bank Ltd. | 227,846,521 | 181,239,535 |
| Add: Rent, Taxes, Insurance & Electricity etc. of subsidiaries | 598,854 | 520,743 |
| SIBL Securities Ltd. | 598,854 | 520,743 |
| SIBL Investment Ltd. | - | - |
| | 228,445,375 | 181,760,278 |
| 25.1 Rents, Rates, Taxes, Insurance & Lighting etc. | | |
| Rents | | |
| Rent (Office) | 125,238,963 | 106,644,870 |
| Rent (Garage) | 240,448 | 216,580 |
| Rent (Godown & others) | 2,145,557 | 2,151,605 |
| | 127,624,968 | 109,013,054 |
| Rates and Taxes | 1,075,562 | 837,950 |
| Total Rents, Rates & Taxes | 128,700,530 | 109,851,005 |
| 25.2 Insurances | | |
| Insurance Premium in Counter | 731,641 | 644,894 |
| Insurance Premium in Transit | 898,900 | 978,563 |
| Insurance Premium Safe/Vault | 2,187,670 | 1,799,001 |
| Insurance Premium on deposit | 53,040,467 | 34,056,576 |
| Insurance Premium on Vehicle | 1,225,885 | 756,035 |
| Other Insurance | 410,996 | 590,439 |
| | 58,495,559 | 38,825,508 |
| 25.3 Lighting & Electricity | | |
| Lighting & Electricity Bill (Office) | 34,972,178 | 28,384,831 |
| Lighting & Electricity Charges (Office) | 3,327,850 | 2,463,327 |
| Lighting & Electricity Charges (Godown) | - | - |
| Sub Total | 38,300,028 | 30,848,158 |
| Water & Sewerage | 2,350,404 | 1,714,864 |
| | 40,650,432 | 32,563,022 |
| 26 Legal Expenses | | |
| Legal Fees & Charge | 7,570,649 | 7,297,017 |
| Stamp Duties | 5,780 | 89,130 |
| Other Legal Expenses | 349,709 | 1,232,563 |
| | 7,926,138 | 8,618,710 |
| 26(a) Consolidated legal expenses | | |
| Social Islami Bank Limited | 7,926,138 | 8,618,710 |
| Add: Legal expenses for subsidiaries | 17,250 | - |
| SIBL Securities Ltd. | 17,250 | - |
| SIBL Investment Ltd. | - | - |
| | 7,943,388 | 8,618,710 |

| | 2013 Taka | 2012 Taka |
|--|-------------------|-------------------|
| 27 Postage, Stamps, Telecommunication etc. | | |
| Postage | 12,999,752 | 10,716,250 |
| Internet Charges | 2,263,515 | 2,202,033 |
| SWIFT Charges | 8,056,218 | 8,517,636 |
| Cable Network rent | 353,111 | 45,304 |
| Telegram, Fax, Telex & other charges | 1,860 | 5,930 |
| Telephone charges | 5,044,188 | 4,129,430 |
| Mobile phone charges | 2,826,004 | 2,513,704 |
| | 31,544,647 | 28,130,288 |
| 27(a) Consolidated expenses for Postage, Stamps, Telecommunication etc. | | |
| Social Islami Bank Limited | 31,544,647 | 28,130,288 |
| Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries | 741,676 | 669,276 |
| SIBL Securities Ltd. | 741,676 | 669,276 |
| SIBL Investment Ltd. | - | - |
| | 32,286,323 | 28,799,564 |
| 28 Stationery, Printing, Advertisements etc. | | |
| Table Stationery | 8,534,271 | 7,986,596 |
| Printing Stationery | 32,694,298 | 28,320,155 |
| News Paper & Magazine | 12,969,944 | 15,206,030 |
| Television & Radio | 11,151,625 | 8,056,160 |
| Neon Sign, Banner etc. | 290,036 | 1,645,595 |
| Other Publicity | 25,357,252 | 19,379,434 |
| | 90,997,426 | 80,593,969 |
| 28(a) Consolidated expense of Stationery, Printing, Advertisement etc. | | |
| Social Islami Bank Ltd. | 90,997,426 | 80,593,969 |
| Stationery, Printing, Advertisement expense of Subsidiaries of SIBL | 546,408 | 182,407 |
| SIBL Securities Limited. | 546,408 | 182,407 |
| SIBL Investment Limited. | - | - |
| | 91,543,834 | 80,776,376 |
| 29 Managing Director's Salary and Allowances | | |
| Basic Salary | 4,185,162 | 4,000,000 |
| Allowances | 2,997,098 | 4,200,000 |
| Festival & other Bonus | 1,420,000 | 1,800,000 |
| | 8,602,260 | 10,000,000 |
| 30 Directors' Fees & Meeting Expenses | | |
| Directors Fee | 1,420,250 | 1,598,500 |
| Meeting Expenses | 2,844,325 | 2,197,374 |
| | 4,264,575 | 3,795,874 |
| 30(a) Consolidated Directors' fees & Meeting Expenses: | | |
| Social Islami Bank Limited | 4,264,575 | 3,795,874 |
| Directors' Fees & Meeting Expenses of Subsidiaries of SIBL | 540,500 | 299,000 |
| SIBL Securities Limited (VAT included) | 540,500 | 299,000 |
| SIBL Investment Limited (VAT included) | - | - |
| | 4,805,075 | 4,094,874 |
| 31 Shariah Supervisory Committee's Fees & Expenses | | |
| Shariah Council Meeting Expenses | 195,500 | 117,801 |
| Others | 58,862 | - |
| | 254,362 | 117,801 |

| | 2013 Taka | 2012 Taka |
|--|--------------------|--------------------|
| 32 Depreciation and Repair of Bank's Assets | | |
| a) Depreciation of Bank's Assets (Annexure A) | | |
| Land | - | - |
| Building | 41,474,799 | 42,512,037 |
| Furniture & Fixtures | 30,542,352 | 21,218,435 |
| Office Appliance & Equipment | 74,620,125 | 63,097,530 |
| Vehicles | 8,581,325 | 8,442,625 |
| Books | 53,971 | 45,104 |
| | 155,272,571 | 135,315,730 |
| b) Repair on Bank's Assets | 17,889,007 | 13,435,111 |
| | 17,889,007 | 13,435,111 |
| Total of Depreciation and repair of Bank's Assets | 173,161,578 | 148,750,842 |
| 32(a) Consolidated balance of Depreciation | | |
| Social Islami Bank Ltd. | 173,161,578 | 148,750,842 |
| Add: Depreciation on assets of subsidiaries | 1,583,062 | 773,057 |
| SIBL Securities Ltd. | 1,583,062 | 773,057 |
| SIBL Investment Ltd. | - | - |
| | 174,744,640 | 149,523,899 |
| 33 Other Expenses | | |
| Local conveyance | 12,730,010 | 9,757,400 |
| Business Development Exp. | 12,988,202 | 15,423,236 |
| Petroleum, oil & lubricants | 13,611,026 | 19,946,177 |
| Entertainment expenses | 16,607,510 | 12,301,526 |
| Traveling allowances | 8,978,035 | 9,179,924 |
| Travelling Foreign | 1,406,314 | 3,579,920 |
| Bank charges | 276,462 | 109,994 |
| Uniform charges | 715,868 | 522,387 |
| Subscriptions to Institutions | 2,670,930 | 5,602,500 |
| Banks' clearing house charges | 95,259 | 46,862 |
| CIB Charges | 529,499 | 618,210 |
| Transportation charges | 2,252,250 | 1,734,537 |
| News paper, Journal & periodicals | 296,919 | 219,269 |
| Washing charges | 236,973 | 184,132 |
| Training expenses Academy/ Internal | 2,414,508 | 2,405,007 |
| Training expenses at outside Banks | 532,000 | 515,251 |
| Meeting expenses | 4,319,734 | 8,976,545 |
| Direct expenses on investment | 284,332 | 1,016,357 |
| Up keep of branches/office premises | 4,874,413 | 4,440,824 |
| Excise duty | 727,825 | 996,710 |
| Computer charges | 8,486,677 | 6,977,447 |
| Security Services | 66,569,009 | 55,277,015 |
| Cleaner Services | 2,506,899 | 2,487,247 |
| Others wages | 40,727,964 | 21,257,049 |
| Photocopy expenses | 1,077,003 | 1,194,948 |
| Photography expenses | 65,556 | 50,104 |
| Cash & Bank remittance charges | 1,770,056 | 1,718,142 |
| Honorarium | 1,137,500 | 303,533 |
| On-Line Expenses | 20,195,319 | 14,808,375 |
| ATM Rent Hardware | 1,541,812 | 32,156 |
| Credit Rating Fees | 957,418 | 602,360 |
| Other Utility | 403,233 | 261,235 |
| Balance carried forward | 231,986,516 | 202,546,382 |

| | 2013 Taka | 2012 Taka |
|--|--------------------|--------------------|
| Balance brought forward | 231,986,516 | 202,546,382 |
| Right Share issue related Expense | 273,341 | 8,870,128 |
| Fair value adjustment for shares and securities | 182,903,697 | 126,173,365 |
| Gratuity expense | 75,916,493 | - |
| Zakat Expense | 20,000,000 | - |
| Miscellaneous expenses | 16,363,705 | 18,985,232 |
| | 527,443,752 | 356,575,106 |
| 33(a) Consolidated Other Expenses | | |
| Social Islami Bank Limited | 527,443,752 | 356,575,106 |
| Add: Other Expenses for SIBL Securities Limited | 7,272,755 | 4,099,252 |
| License, fees, renewals and incorporation expenses | 3,020,983 | 2,246,740 |
| Entertainment | 215,464 | 110,181 |
| Bank charge and Excise duty | 38,158 | 42,906 |
| Others | 3,998,150 | 1,699,425 |
| Other Expenses for SIBL Investment Limited | 81,340 | 58,750 |
| Incorporation and Other Regulatory expenses | 20,692 | 42,848 |
| Bank charge and Excise duty | 600 | 10,920 |
| Others | 60,048 | 4,982 |
| | 534,797,848 | 360,733,108 |
| 34 Other Provision | | |
| Provision for Zakat fund (note: 34.1) | 30,488,279 | 30,146,894 |
| Provision for other assets | 4,910,000 | 222,654,542 |
| Provision for gratuity | - | 53,811,215 |
| | 35,398,279 | 306,612,651 |
| 34.1 Provision for Zakat fund | | |
| Provision required for the year | 50,488,279 | 30,146,894 |
| Provision consumed during the year | 20,000,000 | - |
| Rest of required provision provided for the year | 30,488,279 | 30,146,894 |
| 34(a) Consolidated other provision | | |
| Social Islami Bank Ltd. | 35,398,279 | 306,612,651 |
| Add: Provision for subsidiaries | | |
| SIBL Securities Ltd. | 5,924,102 | 742,432 |
| Provision for general reserve | - | - |
| SIBL Investment Ltd. | - | - |
| | 41,322,381 | 307,355,083 |
| 35 Provision against Investment, Off-Balance Sheet items & Others | | |
| Provision on classified investment | 752,687,954 | 285,356,045 |
| Provision on unclassified investment | 84,746,527 | 173,483,062 |
| Provision on Off-Balance Sheet items | 27,057,799 | 104,482,499 |
| Other provisions (note: 34) | 35,398,279 | 306,612,651 |
| | 899,890,558 | 869,934,257 |
| 35(a) Consolidated Provision against Investment, Off-Balance Sheet items & Others | | |
| Social Islami Bank Ltd. | 899,890,558 | 869,934,257 |
| Add: Provision for subsidiaries | 5,924,102 | 742,432 |
| SIBL Securities Ltd.- Provision for general reserve | 5,924,102 | 742,432 |
| SIBL Investment Ltd. | - | - |
| | 905,814,660 | 870,676,689 |

| | 2013 Taka | 2012 Taka |
|--|--------------------|----------------------|
| 36 Provision for Income Tax | | |
| Current year provision (Note: 36.1) | 802,951,284 | 1,301,591,387 |
| Deferred Tax expense/(income) (Note: 36.2) | 1,506,720 | 5,172,304 |
| | 804,458,005 | 1,306,763,692 |
| 36(a) Consolidated Provision for Income Tax | | |
| Social Islami Bank Limited | 804,458,005 | 1,306,763,692 |
| SIBL Securities Limited | 2,350,179 | 171,791 |
| SIBL Investment Limited | - | - |
| | 806,808,184 | 1,306,935,483 |

36.1 Current Year Tax Provision

Provision on tax has been calculated based on Income Tax Ordinance, 1984 as amended upto 2013 by the Finance Act, considering the allowances and disallowances.

36.2 Deferred Tax Expenses/(Income)

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

37 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 and Taka-637,489,940, issued as bonus share for the year ended 31 December 2010 and 2012. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 7,031,415,640 with a total no. of 703,141,564 shares having face value @ Taka- 10/share.

| | | |
|---|---------------|---------------|
| Net Profit after Tax | 1,220,201,438 | 1,441,127,276 |
| Number of ordinary shares outstanding | 703,141,564 | 703,141,564 |
| Earning Per Share (EPS) (Restated for year 2012) | 1.74 | 2.05 |

37(a) Consolidated Earning Per Share (CEPS)

| | | |
|---|---------------|---------------|
| Net Profit after Tax | 1,252,134,320 | 1,465,218,037 |
| Number of ordinary shares outstanding | 703,141,564 | 703,141,564 |
| Consolidated Earning Per Share (CEPS) (Restated for year 2012) | 1.78 | 2.08 |

Notes for Cash Flow Statement (Note-38 to Note-44)

38 Income from Investment

| | | |
|---------------------------------|-----------------------|-----------------------|
| Investment profit receipt | 13,629,421,075 | 11,319,014,211 |
| Add: Opening profit receivable | - | - |
| Less: Closing profit receivable | - | - |
| | 13,629,421,075 | 11,319,014,211 |

38(a) Consolidated income from investment

| | | |
|---|-----------------------|-----------------------|
| Income from investment of SIBL | 13,629,421,075 | 11,319,014,211 |
| Income from investment of Subsidiaries of SIBL | 23,171,187 | 6,252,123 |
| SIBL Securities Ltd. | 23,171,187 | 6,252,123 |
| SIBL Investment Ltd. | - | - |
| Grand total | 13,652,592,262 | 11,325,266,334 |

| | 2013 Taka | 2012 Taka |
|--|--------------------|--------------------|
| 39 Receipts from Other Operating Activities (Other than profit on sale of fixed assets) | | |
| Exchange income | 471,294,388 | 592,636,144 |
| Rent receipts | 4,302,033 | 5,654,830 |
| Telephone, fax, trunk call charge recovered | 346 | 725 |
| Telex charge recovered | - | 25 |
| P & T charge recovered | 17,181,862 | 17,863,307 |
| Courier Charges Recovery & Others | 5,263,672 | 2,186,475 |
| Notice pay earnings | 4,233,374 | 3,046,832 |
| Miscellaneous income | 34,852,434 | 163,023,072 |
| Services & charges | 119,726,503 | 102,023,536 |
| SWIFT/ Return charge recovered | 41,884,126 | 30,600,340 |
| SWIFT/ Return charge recovered (OBU) | 201,839 | 40,471 |
| Service charge on SIBL Cards | - | 206,033 |
| Profit from leased Assets | - | 13,000 |
| Income from sale of forms | 374,924 | 328,200 |
| | 699,315,503 | 917,622,990 |
| 39(a) Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets) | | |
| Receipts from Other Operating Activities of SIBL | 699,315,503 | 917,622,990 |
| Receipts from other operating activities of Subsidiaries of SIBL | 5,133,015 | 12,581,531 |
| SIBL Securities Ltd. | 5,133,015 | 12,581,531 |
| SIBL Investment Ltd. | - | - |
| | 704,448,518 | 930,204,521 |
| 40 Payment to others | | |
| Rent (Office) | 125,238,963 | 106,644,870 |
| Rent (Garage) | 240,448 | 216,580 |
| Rent (Godown) | 2,145,557 | 2,151,605 |
| Rates and Taxes | 1,075,562 | 837,950 |
| Insurance Premium for cash in counter | 731,641 | 644,894 |
| Insurance Premium for cash in transit | 898,900 | 978,563 |
| Insurance Premium for cash in safe/ vault | 2,187,670 | 1,799,001 |
| Insurance Premium on deposit | 53,040,467 | 34,056,576 |
| Insurance Premium for vehicle | 1,225,885 | 756,035 |
| Other Insurance | 410,996 | 590,439 |
| Lighting and Electricity Bill (Office) | 34,972,178 | 28,384,831 |
| Lighting and Electricity Charges (Office) | 3,327,850 | 2,463,327 |
| Water and Sewerage | 2,350,404 | 1,714,864 |
| Legal Expenses | 7,926,138 | 8,618,710 |
| Directors Fees and Meeting Expenses | 4,264,575 | 3,795,874 |
| Shariah Supervisory Fees & Expenses | 254,362 | 117,801 |
| Audit Fees | 517,500 | 882,855 |
| Repairs and Maintenance | 17,889,007 | 13,435,111 |
| Other Expenses (note: 33) | 527,443,752 | 356,575,106 |
| | 786,141,855 | 564,664,993 |
| 40(a) Consolidated payment to others | | |
| Social Islami Bank Limited | 786,141,855 | 564,664,993 |
| Payment to others- Subsidiaries | 8,527,949 | 5,005,345 |
| SIBL Securities Limited | 8,429,359 | 4,932,795 |
| SIBL Investment Limited | 98,590 | 72,550 |
| | 794,669,804 | 569,670,338 |

| | 2013 Taka | 2012 Taka |
|---|----------------------|----------------------|
| 41 Cash Increase/ Decrease in Other Assets | | |
| Stock of stationery, stamps and printing materials etc. (valued at cost) | 15,766,865 | 15,992,283 |
| Advance rent and advertisement | 138,411,134 | 145,434,127 |
| Security Deposit | 2,878,447 | 3,948,732 |
| Branch Adjustments (SIBG) (Note: 9.1) | 2,566,384,734 | 2,522,022,946 |
| Suspense Accounts (Note: 9.2) | 122,540,111 | 376,127,658 |
| Capitalized Expenditure | 33,569 | 33,569 |
| Other Repayments | 183,008 | 411,571 |
| Receivable from M/S. Stock & Bond and SIBL Securities Ltd. | 17,976,725 | 955,088 |
| Advance Income Tax | 3,743,882,093 | 2,391,120,492 |
| Receivable from SIBL Securities Limited | 5,516,584 | 1,875,347 |
| Receivable from SIBL Investment Limited | 1,522,805 | 1,401,205 |
| Protested Bills against Investment | 368,594,750 | 374,545,000 |
| Profit Receivable from Banks, NBF and BD Govt. | 372,918,333 | - |
| Due from Off-shore Banking Unit | - | 3,564,917 |
| Others (Note: 9.3) | 1,137,284,247 | 1,205,337,688 |
| | 8,493,893,405 | 7,042,770,623 |
| Difference between (2013, 2012) | (1,451,122,782) | (982,705,537) |
| Advance Income Tax | 1,352,761,601 | 926,823,440 |
| Net change in Other Assets | (98,361,181) | (55,882,097) |
| 41(a) Consolidated cash increase/decrease in other assets | | |
| Social Islami Bank Limited | 8,493,893,405 | 7,042,770,623 |
| Cash Increase/ Decrease in Other Assets of subsidiaries | 1,276,668,236 | 1,123,040,482 |
| | 9,770,561,641 | 8,165,811,105 |
| Difference between (2013, 2012) | (1,604,750,536) | (1,070,613,469) |
| Advance Income Tax | 1,356,696,826 | 929,894,508 |
| Consolidated net change in Other Assets | (248,053,710) | (140,718,961) |
| 42 Cash Increase/ Decrease in Other Liabilities | | |
| Adjusting A/C (Cr.) Balance | 7,966,080 | 11,623,498 |
| Other Payable | 2,261,025 | 1,291,813 |
| SIBL Employees' PF | 506,934,651 | 383,644,225 |
| SIBL Employees' Social Insurance | 47,638,442 | 37,695,442 |
| Compensation and Rent Suspense (note: 12.4) | 461,185,089 | 304,827,189 |
| Transfer to Provision for Investment A/C from Compensation A/C | - | 71,081,185 |
| Gratuity Fund Balance with SIBL Principal Br. | 292,077,224 | 167,132,732 |
| BEFTN Adjustment Account | 25,731,488 | 3,184,624 |
| ATM Settlement for Q-Cash | 9,697,144 | 3,820,731 |
| Mudaraba Profit Distribution (note: 12.7) | 10,000,000 | 6,595,602 |
| | 1,363,491,145 | 990,897,040 |
| Cash Increase/ (Decrease) in Other Liabilities | 372,594,105 | 27,777,166 |
| Difference between (2013 & 2012) | 372,594,105 | 27,777,166 |
| Add: Transfer to Provision for Investment from Compensation (In Yrs. 2013 & 2012) | 71,081,185 | 248,100,000 |
| Less: Zakat distributed during the year | 26,051,561 | 19,654,080 |
| Less: Gratuity transferred & Paid during the year | 52,056,322 | 45,672,080 |
| Less: Adjustment of other provision made during the year | 178,000 | 414,000 |
| Less: Written off/ Waiver of investment during the year | 30,769,817 | 138,567,510 |
| | 334,619,590 | 71,569,496 |

| | 2013 Taka | 2012 Taka |
|--|-----------------------|-----------------------|
| 42(a) Consolidated cash increase/decrease in other liabilities | | |
| Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited | 1,363,491,145 | 990,897,040 |
| <i>Cash Increase/ Decrease in Other Liabilities of subsidiaries</i> | 35,782,854 | 9,467,522 |
| | 1,399,273,999 | 1,000,364,562 |
| Difference between (2013, 2012) | 398,909,437 | 37,086,093 |
| Other changes in other liabilities of Social Islami Bank Limited | (37,974,515) | 43,792,330 |
| Net change in Other Liabilities-Social Islami Bank Limited | 360,934,923 | 80,878,423 |
| 43 Cash and Cash Equivalent | | |
| Cash in Hand | 1,266,962,343 | 1,104,528,222 |
| Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank) | 7,627,790,250 | 10,020,554,834 |
| Balance with Other Banks & Financial Institutions-in Bangladesh | 10,934,993,013 | 11,729,376,330 |
| Balance with Other Banks & Financial Institutions-outside Bangladesh | 1,178,527,956 | 849,779,375 |
| | 21,008,273,562 | 23,704,238,761 |
| 43(a) Consolidated Cash and Cash Equivalent Social Islami Bank Limited. | 21,008,273,562 | 23,704,238,761 |
| <i>Cash and Cash Equivalent of subsidiaries</i> | 29,381,371 | 13,472,482 |
| SIBL Securities Limited. | 29,379,751 | 13,459,312 |
| SIBL Investment Limited. | 1,620 | 13,170 |
| | 21,037,654,933 | 23,717,711,242 |
| 44 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 1802. | | |
| 45 Audit Committee | | |

The Board of Directors in its 291th meeting held on 29.06.2013 reconstituted the Board Audit Committee comprising with the following:

| Sl. No. | Name | Status with the Bank | Status with the Committee |
|---------|------------------|----------------------|---------------------------|
| 1 | Md. Abdur Rahman | Independent Director | Chairman |
| 2 | Mohammad Azam | Director | Member |
| 3 | Anisul Haque | Director | Member |
| 4 | Abdul Mohit | Director | Member |

The Board Audit Committee conducted 86 (eighty six) meetings in the previous years since inception in the year 2003 out of which 05 (five) meetings were held in the year ended on 31 December 2013.

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

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

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

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

46 Related Party Disclosures

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

| SL No | Name | Name of Firms/ Business Organizations Where the Directors of SIBL have got interest |
|-------|---|--|
| 1 | Major (Retd.)Dr. Md. Rezaul Haque Chairman | Chairman Little House Limited Active Builders Limited Sponsor Director United Hospital Limited |
| 2 | Md. Sayedur Rahman Vice Chairman | Managing Director M/s Lodestar Fashions Limited M/s Mid Asia Fashions Limited |
| 3 | Mohammad Azam Vice Chairman | Proprietor M/S Zia & Brothers |
| 4 | Abdul Awal Patwary Director | Chairman Patwary Cold Storage Ltd. Patwary Potato Flakes Ltd. Greentech Greenhouse Bangladesh Ltd. Managing Director Faysal Shopping Complex Ltd. Faysal Shipping Lines Proprietor Faysal Traders |
| 5 | Anisul Haque Director Representative of: Hamdard Laboratories (WAQF) Bangladesh. 291/1, Sonargaon Road, Dhaka | Director, Finance & Accounts Hamdard Laboratories (WAQF) Bangladesh Limited |
| 6 | Alhaj Nasiruddin Director | Managing Director J.A.N. Corporation Limited Proprietor Nams Trade Corporation Nasim Trading Co. |
| 7 | Alhaj Sk. Mohammad Rabban Ali Director | Managing Director Rabbani Trading Company Limited Shamlon Industries Limited Shama Poly Yarn Industries Limited Proprietor S.R. Impex Co. |
| 8 | Mr. Abdul Jabbar Mollah Director | Managing Director Jahanabad Sea Foods Limited Jalalabad Frozen Foods Limited Jabbar & Co. Limited |
| 9 | Md. Abdur Rahman Independent Director | <i>Nil</i> |
| 10 | Abdul Mohit Independent Director | <i>Nil</i> |

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

46.3 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

| | | | | | |
|----------------------|------------------------|------------|------------------|-----------|----|
| Mrs. Fatema Begum | Mr. Abdul Awal Patwary | Wife | HPSM (Transport) | 12.44 lac | UC |
| Md. Abdur Rahman | Md. Abdur Rahman | Self | HPSM (Transport) | 12.00 lac | UC |
| SIBL Securities Ltd. | N/A | Subsidiary | Quard | 500 lac | UC |

Non-Funded Liability

| | | | | | |
|--------------------|------------------------|------|----------------|-----------|---|
| M/S Foysal Traders | Mr. Abdul Awal Patwary | Self | Bank Guarantee | 11.87 lac | - |
|--------------------|------------------------|------|----------------|-----------|---|

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**

47 Post Balance Sheet events (BAS-10)

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

The Board of Directors has authorized the financial statements for issue on 31.03.2014 and recommended cash dividend @ 12% for the year ended 31 December 2013.

48 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.

Social Islami Bank Limited

Schedule of Fixed Assets

For the year ended 31 December 2013

Annexure A

(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 2013 |
|-------------------------|-------------------------------|---------------------------|------------------------------------|-----------------------------|----------------------|-------------------------------|--------------------------------------|-------------------------|-----------------------------|---|
| | Balance as on 01 January 2013 | Additions during the year | Disposal/ Transfer during the year | Balance at 31 December 2013 | | Balance as on 01 January 2013 | Transfer/ Adjustment during the year | Charged during the year | Balance at 31 December 2013 | |
| Land | 12,330,000 | - | - | 12,330,000 | - | - | - | - | - | 12,330,000 |
| Building | 1,719,061,103 | 214,964,637 | - | 1,934,025,740 | 2.50% | 61,091,670 | 41,474,799 | 102,566,469 | 1,831,459,271 | |
| Furniture & Fixtures | 343,209,238 | 170,760,783 | 2,235,638 | 511,734,383 | 15% | 101,740,643 | 30,542,352 | 132,282,995 | 379,451,388 | |
| Office Equipment | 528,531,089 | 164,975,475 | - | 693,506,564 | 20% | 211,092,910 | 74,620,125 | 285,713,035 | 407,793,530 | |
| Vehicles | 52,918,377 | 10,641,933 | - | 63,560,310 | 20% | 32,603,319 | 8,581,325 | 41,184,644 | 22,375,666 | |
| Books | 1,043,853 | 93,026 | - | 1,136,879 | 10% | 610,381 | 53,971 | 664,351 | 472,527 | |
| 31 December 2013 | 2,657,093,659 | 561,435,854 | 2,235,638 | 3,216,293,875 | | 407,138,923 | 155,272,571 | 562,411,494 | 2,653,882,383 | |
| 31 December 2012 | 2,406,695,754 | 251,239,389 | 841,485 | 2,657,093,659 | | 271,823,192 | 135,315,730 | 407,138,922 | 2,249,954,737 | |

* Details of revaluation of Fixed assets is shown in note:16.

Social Islami Bank Limited

Consolidated schedule of Fixed Assets

For the year ended 31 December 2013

(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 2013 |
|-------------------------|-------------------------------|---------------------------|------------------------------------|-----------------------------|----------------------|-------------------------------|--------------------------------------|-------------------------|-----------------------------|---|
| | Balance as on 01 January 2013 | Additions during the year | Disposal/ Transfer during the year | Balance at 31 December 2013 | | Balance as on 01 January 2013 | Transfer/ Adjustment during the year | Charged during the year | Balance at 31 December 2013 | |
| Land | 12,330,000 | - | - | 12,330,000 | - | - | - | - | - | 12,330,000 |
| Building | 1,719,061,103 | 214,964,637 | - | 1,934,025,740 | 2.50% | 61,091,670 | - | 41,474,799 | 102,566,469 | 1,831,459,271 |
| Furniture & Fixtures | 343,463,603 | 173,367,912 | 2,235,638 | 514,595,877 | 10% | 101,766,301 | - | 30,768,773 | 132,535,074 | 382,060,803 |
| Office Equipment | 535,721,881 | 166,086,166 | - | 701,808,047 | 20% | 211,869,205 | - | 75,976,766 | 287,845,971 | 413,962,076 |
| Vehicles | 52,918,377 | 10,641,933 | - | 63,560,310 | 20% | 32,603,319 | - | 8,581,325 | 41,184,644 | 22,375,666 |
| Books | 1,043,853 | 93,026 | - | 1,136,879 | 10% | 610,381 | - | 53,971 | 664,352 | 472,528 |
| 31 December 2013 | 2,664,538,817 | 565,153,674 | 2,235,638 | 3,227,456,853 | | 407,940,876 | - | 156,855,633 | 564,796,509 | 2,662,660,343 |
| 31 December 2012 | 2,407,055,632 | 258,324,668 | 841,485 | 2,664,538,816 | | 271,852,089 | - | 136,088,787 | 407,940,876 | 2,256,597,940 |

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 | 2013 | | | 2012 | | |
|--------|--|---------------|----------------------------|-------------------------------|----------------------|----------------------------|-------------------------------|--------------------|
| | | | 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 | Mashreqe Bank, Mumbai | ACUE | 1,228.92 | 106.84 | 131,293 | 2,743.92 | 106.17 | 291,329 |
| 2 | Mashreqe Bank, Mumbai | ACU | 3,405.97 | 77.75 | 264,814 | 21,457.28 | 80.30 | 1,723,020 |
| 3 | Mashreqe Bank, New York | USD | 2,742,313.48 | 77.75 | 213,201,242 | 5,043,759.13 | 80.30 | 405,013,818 |
| 4 | Mashreqe Bank, New York (OBU) | USD | 100.00 | 77.75 | 7,775 | 307.14 | 80.30 | 24,663 |
| 5 | Standard Chartered Bank Limited, Mumbai | ACU | 6,241.32 | 77.75 | 485,263 | 5,002.07 | 80.30 | 401,666 |
| 6 | Standard Chartered Bank Limited, Frankfurt | EUR | 626.76 | 106.84 | 66,961 | 68,859.91 | 106.17 | 7,311,040 |
| 7 | Standard Chartered Bank Limited, London | GBP | 3,532.48 | 128.10 | 452,514 | 116,280.74 | 129.85 | 15,099,418 |
| 8 | United National Bank of London | GBP | 314.05 | 128.10 | 40,230 | 2,527.55 | 129.85 | 328,210 |
| 9 | Standard Chartered Bank Limited, Tokyo | JPY | 764,955.00 | 0.74 | 564,764 | 624,272.00 | 0.96 | 599,424 |
| 10 | Standard Chartered Bank Limited, New York | USD | 12,356,973.44 | 77.75 | 960,754,685 | 4,905,640.86 | 80.30 | 393,923,013 |
| 11 | Sonali Bank (UK) Limited | EUR | 440.33 | 106.84 | 47,043 | - | - | - |
| 12 | ICICI Bank Ltd. Hongkong | USD | - | - | - | 36,953.87 | 80.30 | 2,967,396 |
| 13 | Sonali Bank (UK) Limited | USD | 6,056.34 | 77.75 | 470,886 | - | - | - |
| 14 | Sonali Bank (UK) Limited | GBP | 2,020.00 | 128.10 | 258,764 | - | - | - |
| 15 | Sonali Bank, Kolkata | ACU | 1,593.88 | 77.75 | 123,924 | 32,036.25 | 80.30 | 2,572,511 |
| 16 | United Bank of India, Kolkata | ACU | 2,689.16 | 77.75 | 209,082 | 23,683.79 | 80.30 | 1,901,808 |
| 17 | Summit Bank Ltd., Karachi | ACU | 2,049.41 | 77.75 | 159,342 | 70,294.82 | 80.30 | 5,644,674 |
| 18 | Nepal Bangladesh Bank Ltd., Kathmandu | ACU | 1,375.36 | 77.75 | 106,934 | 19,512.98 | 80.30 | 1,566,892 |
| 19 | AB Bank Ltd., Mumbai | ACU | 2,591.07 | 77.75 | 201,456 | 56,979.26 | 80.30 | 4,575,435 |
| 20 | Habib Bank Ltd. Karachi | ACU | 4,889.83 | 77.75 | 380,184 | - | - | - |
| 21 | Bank of Bhutan | ACU | 1,326.05 | 77.75 | 103,100 | 25,054.05 | 80.30 | 2,011,840 |
| 22 | Commerz Bank Frankfurt | EUR | 4,658.53 | 106.84 | 497,700 | 25,785.02 | 106.17 | 2,737,664 |
| 23 | ICICI Bank Ltd., Mumbai | - | - | - | - | 13,518.72 | 80.30 | 1,085,553 |
| | Total | | | | 1,178,527,956 | | | 849,779,375 |

Social Islami Bank Limited

Annexure D

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

(Funded & Non-funded)

| SL NO. | Name of client | Outstanding as on 31 December 2013 | | | Outstanding as on 31 December 2012 | | |
|--------|--|------------------------------------|---------------|-----------------|------------------------------------|---------------|-----------------|
| | | Funded | Non-funded | Total | Funded | Non-funded | Total |
| 1 | M/s. Agrani Traders, Ovi Traders and A M Trading | - | - | - | 108.84 | - | 108.84 |
| 2 | M/s. Panama Composite Textile Mills Ltd | 118.95 | 99.37 | 218.32 | - | - | - |
| 3 | Dong Bang Textile Limited | 127.67 | 120.27 | 247.94 | 145.08 | 70.42 | 215.50 |
| 4 | Mars Textile Limited | 94.05 | 100.62 | 194.67 | 80.28 | 118.14 | 198.42 |
| 5 | Thermax Textile Mills Ltd. | 153.48 | 31.39 | 184.87 | - | - | - |
| 6 | Bashundhara Group | 142.69 | 3.80 | 146.49 | - | - | - |
| 7 | Dong Bang Dyeing Limited | 66.17 | 78.06 | 144.23 | 58.97 | 92.79 | 151.76 |
| 8 | Islam Brothers & Co. | - | - | - | 118.67 | 7.47 | 126.14 |
| 9 | FMC Dockyard Ltd. | - | - | - | 88.62 | 24.31 | 112.93 |
| 10 | Rabiul Islam, M/s Rhythm Trading, AR Center | 94.40 | 25.46 | 119.86 | 103.41 | 6.13 | 109.54 |
| 11 | Bashundhara Paper Mills Ltd. (BPML) and its subsidiaries | - | - | - | - | - | - |
| 12 | M/s. Western Dresses Ltd. | 65.52 | 48.08 | 113.60 | - | - | - |
| 13 | M/s Abdul Monem Ltd. | 105.56 | 4.13 | 109.69 | - | - | - |
| 14 | M/s. Mabiya Ship Breakers | 46.68 | 77.72 | 124.40 | - | - | - |
| | Grand Total | 1,015.17 | 588.90 | 1,604.07 | 703.87 | 319.26 | 1,023.13 |

(amounts in crore Taka)

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 |
| | 10% Bonus Issue for the year 2008 | 1,309,879 | 100 | 14,408,672 | 130,987,900 | 1,440,867,200 |
| 2009 | 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 |
| | 14% Bonus Issue for the year 2010 | 41,829,420 | 10 | 340,610,995 | 418,294,200 | 3,406,109,950 |
| 2011 | 1:1 Right Share | 298,781,575 | 10 | 639,392,570 | 2,987,815,750 | 6,393,925,700 |
| 2013 | 10% Bonus issue for the year 2012 | 63,748,994 | 10 | 703,141,564 | 637,489,940 | 7,031,415,640 |

Social Islami Bank Limited

Statement of Corporate Income Tax status

as at 31 December 2013

Annexure F

(amount in Taka)

| Accounting Year | Assessment Year | Tax Provision as per accounts | Advance Tax/TDS / Settlement fee paid/ Appeal fee | Total Tax paid | Tax as per assessment Order | Present Status |
|-----------------|-----------------|-------------------------------|---|----------------------|-----------------------------|---|
| 2004 | 2005-2006 | 68,610,851 | 80,610,851 | 80,610,851 | 139,584,498 | Pending at High Court Division of Supreme Court |
| 2005 | 2006-2007 | 24,391,126 | 42,284,321 | 42,284,321 | 42,284,321 | Completed |
| 2006 | 2007-2008 | 59,825,178 | 59,825,178 | 85,135,927 | 85,135,927 | Completed |
| 2007 | 2008-2009 | 128,000,000 | 134,928,481 | 134,928,481 | 169,150,459 | Pending at High Court Division of Supreme Court |
| 2008 | 2009-2010 | 150,300,000 | 152,067,648 | 152,067,648 | 175,548,021 | Pending at Appellate Tribunal |
| 2009 | 2010-2011 | 278,914,968 | 281,454,389 | 281,454,389 | 315,315,060 | Pending at Appellate Tribunal |
| 2010 | 2011-2012 | 515,149,014 | 523,109,485 | 523,109,485 | 523,109,485 | Pending at Commissioner (Appeal) |
| 2011 | 2012-2013 | 816,364,597 | 816,364,597 | 816,364,597 | 858,889,820 | Pending at Commissioner (Appeal) |
| 2012 | 2013-2014 | 1,301,591,387 | 1,301,591,387 | 1,301,591,387 | - | Return filed |
| 2013 | 2014-2015 | 802,951,284 | 336,384,075 | 336,384,075 | - | Return not yet filed |
| | | 4,146,098,406 | 3,728,620,412 | 3,753,931,161 | 2,309,017,591 | |

Social Islami Bank Limited
Off-shore Banking Unit (OBU)
Balance sheet
as at 31 December 2013

| | 2013 | | 2012 | |
|--|-------------------|----------------------|------------------|--------------------|
| | USD | Taka | USD | Taka |
| PROPERTY AND ASSETS | | | | |
| Cash | | | | |
| Cash in hand (including foreign currencies) | - | - | - | - |
| Balance with Bangladesh Bank & its Agent Banks (Including foreign currencies) | - | - | - | - |
| | - | - | - | - |
| Balance with other Banks and Financial Institutions | | | | |
| In Bangladesh | - | - | - | - |
| Outside Bangladesh | 550,145 | 42,773,780 | 307 | 24,663 |
| | 550,145 | 42,773,780 | 307 | 24,663 |
| Placement with Banks & other Financial Institutions | - | - | - | - |
| Investments in Shares & Securities | - | - | - | - |
| Government | - | - | - | - |
| Others | - | - | - | - |
| | - | - | - | - |
| Investments | | | | |
| General Investment etc. | 27,615,281 | 2,147,088,153 | 2,529,937 | 203,153,922 |
| Bills Purchased and Discounted | - | - | - | - |
| | 27,615,281 | 2,147,088,153 | 2,529,937 | 203,153,922 |
| Fixed Assets including Premises, Furnitures and Fixtures | 1,163 | 90,423 | 1,681 | 117,433 |
| Other Assets | - | - | 44,395 | 3,564,917 |
| Non Banking Assets | | | | |
| Total Assets | 28,166,590 | 2,189,952,357 | 2,576,320 | 206,860,935 |
| LIABILITIES AND CAPITAL | | | | |
| Liabilities | | | | |
| Borrowing from Banks & other Financial Institutions | 27,615,381 | 2,147,095,928 | 2,529,664 | 203,132,011 |
| Deposits and Other Accounts | - | - | 76 | 6,103 |
| Mudaraba Savings Deposits | - | - | - | - |
| Mudaraba Term Deposits | - | - | - | - |
| Other Mudaraba Deposits | - | - | - | - |
| Al-Wadeeah Current & Other Deposit Accounts | - | - | 76 | 6,103 |
| Bills Payable | - | - | - | - |
| Other Liabilities | 551,208 | 42,856,429 | 46,580 | 3,722,821 |
| Deffered Tax Liabilities/ (Assets) | - | - | - | - |
| Total Liabilities | 28,166,590 | 2,189,952,357 | 2,576,320 | 206,860,935 |
| Capital/Shareholders' Equity | | | | |
| Paid-up Capital | - | - | - | - |
| Statutory Reserve | - | - | - | - |
| Foreign currency translation gain/(loss) | - | - | - | - |
| Retained earnings | - | - | - | - |
| Total Shareholders' Equity | - | - | - | - |
| Total Liabilities & Shareholders' Equity | 28,166,590 | 2,189,952,357 | 2,576,320 | 206,860,935 |
| Off-Balance Sheet Items | | | | |

| | 2013 | | 2012 | |
|---|------|------|------|------|
| | USD | Taka | USD | Taka |
| CONTINGENT LIABILITIES | | | | |
| Acceptances and Endorsements | - | - | - | - |
| Irrevocable Letters of Credit (including Back to Back Bills) | - | - | - | - |
| Letters of Guarantee | - | - | - | - |
| Bills for Collection | - | - | - | - |
| Other Contingent Liabilities | - | - | - | - |
| Total | - | - | - | - |
| OTHER COMMITMENTS | | | | |
| Documentary credits and short term trade related transactions | - | - | - | - |
| Forward assets purchased and forward deposits placed | - | - | - | - |
| Undrawn note issuance and revolving underwriting facilities | - | - | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | - | - | - | - |
| Total | - | - | - | - |
| Total Off Balance Sheet Items including Contingent Liabilities | - | - | - | - |

Social Islami Bank Limited
Off-shore Banking Unit (OBU)
Profit and Loss Account
For the year ended 31 December 2013

| | 2013 | | 2012 | |
|---|----------------|-------------------|---------------|------------------|
| | USD | Taka | USD | Taka |
| Investment Income | 406,334 | 31,592,497 | 44,395 | 3,564,917 |
| Less: Profit paid on Deposits | - | - | - | - |
| Net Investment Income | 406,334 | 31,592,497 | 44,395 | 3,564,917 |
| Commission, Exchange and Brokerage | - | - | - | - |
| Other Operating Income | 98,732 | 7,676,391 | 504 | 40,471 |
| Total Operating Income | 505,066 | 39,268,888 | 44,899 | 3,605,388 |
| Salary & Allowances | 13,108 | 1,019,150 | 5,230 | 419,980 |
| Rent & Utilities | 556 | 43,220 | 305 | 24,467 |
| Depreciation on fixed assets | 299 | 23,237 | 219 | 17,567 |
| Total Operating Expenses | 13,963 | 1,085,607 | 5,754 | 462,014 |
| 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 | 491,103 | 38,183,281 | 39,145 | 3,143,375 |
| Provision for Income Tax | - | - | - | - |
| Net Profit/(Loss) after Tax | 491,103 | 38,183,281 | 39,145 | 3,143,375 |

Social Islami Bank Limited
Off-shore Banking Unit (OBU)
Cash Flow Statement
For the year ended 31 December 2013

| | 2013 | | 2012 |
|--|----------------|-------------------|--------------------|
| | USD | Taka | Taka |
| Cash Flow from operating activities | | | |
| Investment Income receipt | 406,334 | 31,592,497 | 3,564,917 |
| Profit paid on deposits | - | - | - |
| Dividend receipts | - | - | - |
| Fees & commission receipt | 98,732 | 7,676,391 | 40,471 |
| Cash payments to employees | (13,108) | (1,019,150) | (419,980) |
| Cash payments to suppliers | - | - | - |
| Income tax paid | - | - | - |
| Receipts from other operating activities | - | - | - |
| Payments for other operating activities | (556) | (43,220) | (24,467) |
| Operating profit before changes in operating assets and liabilities | 491,402 | 38,206,518 | 3,160,942 |
| Changes in operating assets and liabilities | | | |
| Statutory deposits | - | - | - |
| Net trading securities | - | - | - |
| Investments to other banks | - | - | - |
| Investment to customers | (27,615,281) | (1,943,934,231) | (203,153,922) |
| Other assets | - | - | (3,564,917) |
| Deposits from other banks | 27,615,381 | 1,943,963,917 | 203,132,011 |
| Deposits received from customers | - | - | 6,103 |
| Other liabilities on account of customers | - | - | - |
| Trading liabilities | - | - | - |
| Other liabilities | 58,336 | 4,512,913 | 579,447 |
| Sub Total | 58,436 | 4,542,599 | (3,001,278) |
| A. Net Cash flow from operating activities | 549,838 | 42,749,117 | 159,663 |
| Cash flows from investing activities | | | |
| Proceeds from sale of securities | - | - | - |
| Payment for purchases of securities | - | - | - |
| Proceeds from sale of fixed assets | - | - | (135,000) |
| Purchases of property, plant & equipments | - | - | - |
| Purchase/Sale of subsidiaries | - | - | - |
| B. Net Cash flows from investing activities | - | - | (135,000) |
| 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) | 549,838 | 42,749,117 | 24,663 |
| E. Cash and cash equivalents at the beginning of the year | 307 | 24,663 | - |
| F. Cash and cash equivalents at the end of the year (D+E) | 550,145 | 42,773,780 | 24,663 |

Social Islami Bank Limited

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

For the year ended 31 December 2013

1 Status of the unit

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

1.1 Principal activities

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Use of estimates and judgments

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

2.3 Foreign currency transaction

a) Foreign currencies translation

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

b) Commitments

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

c) Translation gains and losses

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

Cash flow statement

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

2.4 Reporting period

These financial statements cover from January 01 to December 31, 2013.

2.5 General Investments

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

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

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

2.7 Profit income

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

Fees and commission income

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

2.8 Profit paid and other expenses

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

2.9 Allocation of common expenses

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

2.10 General

- a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 77.75 closing rate as at 31st December 2013.
- 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

(amounts in Taka)

| SL no. | Particulars | 2013 | 2012 |
|--------|---|-----------------|-----------------|
| 1 | Paid up Capital | 7,031,415,640 | 6,393,925,700 |
| 2 | Total Capital (Core + Supplementary) | 11,623,517,680 | 10,596,509,878 |
| 3 | Capital Surplus/(Deficit) | 1,640,101,680 | 1,398,168,128 |
| 4 | Capital Adequacy Ratio (CAR) | 11.64% | 11.52% |
| 5 | Total Assets | 126,616,564,745 | 115,165,953,013 |
| 6 | Total Deposit | 102,104,479,583 | 93,594,292,471 |
| 7 | General Investment | 85,922,331,926 | 76,024,973,908 |
| 8 | Total Contingent Liabilities and Commitments | 30,470,229,787 | 27,764,449,918 |
| 9 | Investment-Deposit (ID) Ratio (%) | 86.78% | 89.43% |
| 10 | Percentage of classified investment against total investments | 5.35% | 3.33% |
| 11 | Profit before Tax and Provision | 2,924,550,001 | 3,617,825,225 |
| 12 | Profit after Tax and Provision | 1,220,201,438 | 1,441,127,276 |
| 13 | Amount of classified investment | 4,593,330,630 | 2,532,858,494 |
| 14 | Provisions kept against classified investment | 1,692,052,956 | 970,134,819 |
| 15 | Provisions surplus | - | - |
| 16 | Cost of Deposits | 9.04% | 9.12% |
| 17 | Profit Earning Assets | 106,574,036,365 | 94,748,144,597 |
| 18 | Non-Profit Earning Assets | 20,042,528,379 | 20,417,808,416 |
| 19 | Return on Investment in Securities | 3.81% | 3.81% |
| 20 | Return on average Assets (ROA) | 1.67% | 2.75% |
| 21 | Return on equity (ROE) | 11.01% | 14.15% |
| 22 | Income from Investment in Securities | 325,466,389 | 233,816,722 |
| 23 | Earning Per Share (Restated for year 2012) | 1.74 | 2.05 |
| 24 | Net Income Per Share (Restated for year 2012) | 1.74 | 2.05 |
| 25 | Price Earning Ratio (Times) | 7.66 | 8.61 |