

**Auditor's Report and
Consolidated Financial Statements
of
Social Islami Bank Limited (SIBL)
for the year ended 31 December 2017**

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2017</u> <u>Taka</u>	<u>31.12.2016</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash in Hand			
Cash in hand (Including Foreign Currencies)	3(a)	2,369,319,898	1,816,338,179
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	21,457,534,554	16,131,320,942
		23,826,854,451	17,947,659,121
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)	532,102,415	842,645,333
Outside Bangladesh		366,064,370	423,996,755
		898,166,785	1,266,642,088
Placement with Banks & other Financial Institutions	5	10,736,619,899	7,196,666,624
Investments in Shares & Securities			
Government	6(a)	9,100,000,000	9,150,000,000
Others		2,502,525,517	1,680,581,919
		11,602,525,517	10,830,581,919
Investments			
General Investment etc.	7 (a)	201,932,884,191	166,581,331,180
Bills Purchased and Discounted		7,362,624,894	7,194,802,194
		209,295,509,085	173,776,133,374
Fixed Assets including Premises	8(a)	3,491,020,793	3,268,326,670
Other Assets	9(a)	16,439,780,117	13,529,293,052
Non Banking Assets		-	-
Total Assets		276,290,476,647	227,815,302,848
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	10	5,000,000,000	3,000,000,000
Deposits and Other Accounts			
Mudaraba Savings Deposits	11	16,876,607,874	13,899,504,009
Mudaraba Term Deposits		138,266,642,919	111,657,941,041
Other Mudaraba Deposits		42,123,348,876	40,060,818,730
Al-Wadeeah Current & Other Deposit Accounts	11.2(a)	25,629,690,923	19,406,875,568
Bills Payable	11.3	5,233,509,848	5,031,314,320
Cash Waqf Fund		277,925,332	236,879,638
		228,407,725,773	190,293,333,306
SIBL Mudaraba Subordinated Bond	12	6,400,000,000	3,000,000,000
Other Liabilities	13(a)	22,260,690,365	17,306,863,759
Deferred Tax Liabilities/ (Assets)	14 (a)	38,392,503	21,775,365
Total Liabilities		262,106,808,641	213,621,972,430
Capital/Shareholders' Equity			
Paid-up Capital	15.2	7,382,986,420	7,382,986,420
Statutory Reserve	16	5,025,796,447	4,318,771,137
General reserve	16(a)	8,570,541	6,154,312
Revaluation reserve on Fixed Assets	17	979,221,345	1,004,065,009
Retained Earnings	18(a)	787,091,456	1,481,351,830
Total Shareholders' Equity of Parent Company, SIBL		14,183,666,209	14,193,328,708
Non controlling Interest	18(b)	1,797	1,710
Total Liabilities & Shareholders' Equity of the Group		276,290,476,647	227,815,302,848

<u>Particulars</u>	<u>Note(s)</u>	31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	28,726,126,414	23,002,645,081
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	20,910,040,289	21,928,766,660
Letters of Guarantee	19.3	14,094,167,946	11,485,872,882
Bills for Collection	19.4	4,239,277,561	3,434,061,967
Other Contingent Liabilities	19.5	-	-
Total		<u>67,969,612,210</u>	<u>59,851,346,590</u>
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		<u>67,969,612,210</u>	<u>59,851,346,590</u>

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 April 2018

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2017</u> <u>Taka</u>	<u>31.12.2016</u> <u>Taka</u>
Investment Income	20(a)	18,608,909,537	16,966,286,841
Profit paid on Deposits	21(a)	10,624,952,149	9,576,406,736
Net Investment Income		7,983,957,388	7,389,880,105
Income from Investment in Shares/securities	22(a)	379,028,131	237,611,204
Commission, Exchange and Brokerage	23(a)	2,016,766,460	1,641,246,704
Other Operating Income	24(a)	604,729,535	445,679,505
		3,000,524,127	2,324,537,414
Total Operating Income		10,984,481,515	9,714,417,519
Salaries and Allowances	25(a)	2,916,733,521	2,461,778,605
Rent, Taxes, Insurances, Electricity etc.	26(a)	468,880,311	390,701,451
Legal Expenses	27	15,502,135	9,915,955
Postage, Stamps, Telecommunication etc.	28(a)	11,551,800	10,361,856
Stationery, Printings, Advertisements etc.	29(a)	129,645,475	117,718,811
Managing Director's Salary and Allowances	30	10,849,355	11,634,356
Directors' Fees & Expenses	31(a)	11,120,844	7,637,982
Shariah Supervisory Committee's Fees & Expenses	32	711,064	746,775
Auditors' Fees		621,000	1,235,500
Charges on Investment Losses		-	-
Depreciation & Repair of Bank's Assets	33(a)	300,094,580	261,971,531
Zakat Expenses		111,424,295	89,792,573
Other Expenses	34(a)	780,491,293	623,310,434
Total Operating Expenses		4,757,625,673	3,986,805,828
Profit/(Loss) before Provision		6,226,855,842	5,727,611,690
Provision for Investments		2,569,199,969	1,482,889,673
Other Provisions	35(a)	95,854,352	39,508,157
Total Provision	36(a)	2,665,054,321	1,522,397,830
Total Profit/(Loss) before Income Taxes		3,561,801,520	4,205,213,860
Provision for Taxation	37(a)	2,097,282,797	1,914,165,959
Net Profit/(Loss) after Taxation		1,464,518,723	2,291,047,901
Appropriations			
Statutory Reserve		707,025,310	838,438,842
Retained surplus		757,493,413	1,452,609,059
Attributable to:			
Equity holders' of the Bank		757,493,325	1,452,608,995
Non controlling Interest		87	64
		757,493,413	1,452,609,059
Earning Per Share (EPS)	38(a)	1.98	3.10

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 April 2018

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>Particulars</u>	<u>Note(s)</u>	31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	39(a)	18,608,909,537	16,966,286,841
Profit paid on deposits		(9,159,242,171)	(6,944,662,524)
Dividend receipts		379,028,131	237,611,204
Fees & commission receipt		993,792,501	885,417,558
Cash payments to employees		(2,927,582,876)	(2,473,412,961)
Cash payments to suppliers		(141,197,275)	(128,080,666)
Income tax paid		(1,432,091,325)	(1,007,764,289)
Receipts from other operating activities	40(a)	1,627,703,494	1,201,508,651
Payments for other operating activities	41(a)	(1,424,746,664)	(1,156,829,476)
Operating profit before changes in operating assets and liabilities		6,524,573,353	7,580,074,338
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(771,943,598)	(3,088,186,683)
Investments to other banks		-	-
Investment to customers		(35,519,375,711)	(39,919,283,472)
Other assets	42(a)	(1,478,395,740)	(2,323,277,367)
Deposits from other banks		13,953,833,871	482,081,512
Deposits received from customers		22,694,848,619	37,667,626,692
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	43(a)	210,522,856	352,306,146
Sub Total		(910,509,703)	(6,828,733,172)
A. Net Cash flow from operating activities		5,614,063,650	751,341,165
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(486,792,982)	(414,301,569)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(486,792,982)	(414,301,569)
Cash flows from financing activities			
Receipts from issue of debt instruments		2,000,000,000	2,000,000,000
SIBL Mudaraba Subordinated Bond		3,400,000,000	-
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(1,476,597,364)	(1,054,712,411)
C. Net Cash flow from financing activities		3,923,402,636	945,287,589
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		9,050,673,303	1,282,327,185
E. Cash and cash equivalents at the beginning of the year		26,410,967,833	25,128,640,648
F. Cash and cash equivalents at the end of the year (D+E)	44(a)	35,461,641,136	26,410,967,833

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

Chairman

Director

Director

Managing Director & CEO

Dhaka, Bangladesh

Date: 26 April 2018

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
1	2	3	4	5	6	7	8	9=(2 to 8)
Balance as at 01 January 2017	7,382,986,420	-	4,318,771,137	6,154,312	1,004,065,009	1,481,351,830	1,710	14,193,330,418
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	-	-	-	-	-	1,464,518,556	-	1,464,518,556
Appropriation made during the year	-	-	707,025,310	2,416,229	-	(707,025,310)	-	2,416,229
Dividend:								
Cash Dividend	-	-	-	-	-	(1,476,597,284)	-	(1,476,597,284)
Bonus shares	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	(24,843,666)	24,843,666	-	-
Non-controlling interest	-	-	-	-	-	-	87	87
Total group shareholders' equity as on 31 December 2017	7,382,986,420	-	5,025,796,447	8,570,541	979,221,345	787,091,456	1,797	14,183,668,005
Eligible Capital Under Basel III:	7,382,986,420	-	5,025,796,447	8,570,541	211,135,945	787,091,456	-	13,415,580,810
Add: General provision for unclassified investment								2,886,715,609
Add: SIBL Mudaraba Subordinated Bond								5,440,000,000
Total eligible capital as on 31 December 2017								21,742,296,419

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

Chairman

Director

Director

Managing Director & CEO

Dhaka, Bangladesh
Date: 26 April 2018

SOCIAL ISLAMI BANK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2017

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2017</u> <u>Taka</u>	<u>31.12.2016</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash in Hand			
Cash in hand (Including Foreign Currencies)	3	2,369,126,018	1,815,513,100
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	21,457,534,554	16,131,320,942
		23,826,660,571	17,946,834,042
Balance with other Banks and Financial Institutions			
	4		
In Bangladesh		531,828,698	675,742,843
Outside Bangladesh		366,064,370	423,996,755
		897,893,068	1,099,739,598
Placement with Banks & other Financial Institutions			
	5	10,736,619,899	7,196,666,624
Investments in Shares & Securities			
	6		
Government		9,100,000,000	9,150,000,000
Others		3,982,523,917	3,160,580,319
		13,082,523,917	12,310,580,319
Investments			
	7		
General Investments etc.		202,682,884,191	167,001,331,180
Bills Purchased and Discounted		7,362,624,894	7,194,802,194
		210,045,509,085	174,196,133,374
Fixed Assets including Premises			
	8	3,480,818,155	3,257,521,001
Other Assets			
	9	14,278,930,250	11,696,703,613
Non Banking Assets			
		-	-
Total Assets		276,348,954,946	227,704,178,572
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
	10	5,000,000,000	3,000,000,000
Deposits and Other Accounts			
	11		
Mudaraba Savings Deposits		16,876,607,874	13,899,504,009
Mudaraba Term Deposits		138,266,642,919	111,657,941,041
Other Mudaraba Deposits		42,123,348,876	40,060,818,730
Al-Wadeeah Current & Other Deposit Accounts	11.2	26,020,865,331	19,678,057,596
Bills Payable	11.3	5,233,509,848	5,031,314,320
Cash Waqf Fund		277,925,332	236,879,638
		228,798,900,180	190,564,515,334
SIBL Mudaraba Subordinated Bond			
	12	6,400,000,000	3,000,000,000
Other Liabilities			
	13	21,946,394,909	16,931,081,824
Deferred Tax Liabilities/ (Assets)			
	14	37,210,816	20,784,787
Total Liabilities		262,182,505,906	213,516,381,945
Capital/Shareholders' Equity			
	15.2		
Paid-up Capital		7,382,986,420	7,382,986,420
Statutory Reserve	16	5,025,796,447	4,318,771,137
Revaluation reserve on Fixed Assets	17	979,221,345	1,004,065,009
Retained Earnings	18	778,444,828	1,481,974,061
Total Shareholders' Equity		14,166,449,040	14,187,796,627
Total Liabilities & Shareholders' Equity		276,348,954,946	227,704,178,572

<u>Particulars</u>	<u>Note(s)</u>	31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	28,726,126,414	23,002,645,081
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	20,910,040,289	21,928,766,660
Letters of Guarantee	19.3	14,094,167,946	11,485,872,882
Bills for Collection	19.4	4,239,277,561	3,434,061,967
Other Contingent Liabilities	19.5	-	-
Total		<u>67,969,612,210</u>	<u>59,851,346,590</u>
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		<u>67,969,612,210</u>	<u>59,851,346,590</u>

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 April 2018

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>Particulars</u>	<u>Note(s)</u>	31.12.2017	31.12.2016
		Taka	Taka
Investment Income	20	18,497,613,423	16,883,378,239
Profit paid on Deposits	21	10,561,959,067	9,544,341,782
Net Investment Income		7,935,654,356	7,339,036,457
Income from Investment in Shares and Securities	22	443,104,547	293,823,613
Commission, Exchange and Brokerage	23	1,871,303,027	1,552,385,033
Other Operating Income	24	602,379,425	444,753,870
		2,916,786,999	2,290,962,516
Total Operating Income		10,852,441,355	9,629,998,973
Operating Expenses			
Salaries and Allowances	25	2,888,745,407	2,439,722,509
Rent, Taxes, Insurances, Electricity etc.	26	463,165,082	385,494,529
Legal Expenses	27	15,502,135	9,915,955
Postage, Stamps, Telecommunication etc.	28	9,726,431	8,818,186
Stationery, Printings, Advertisements etc.	29	129,147,384	117,415,513
Managing Director's Salary and Allowances	30	10,849,355	11,634,356
Directors' Fees & Expenses	31	10,465,344	6,970,982
Shariah Supervisory Committee's Fees & Expenses	32	711,064	746,775
Auditors' Fees		575,000	1,212,500
Charges on Investment Losses		-	-
Depreciation & Repair to Bank's Assets	33	297,722,218	258,459,532
Zakat Expenses		111,424,295	89,792,573
Other Expenses	34	748,196,121	601,731,679
Total Operating Expenses		4,686,229,835	3,931,915,088
Profit/(Loss) before Provision		6,166,211,520	5,698,083,884
Provision for Investments		2,569,199,969	1,482,889,673
Other Provisions	35	61,885,000	23,000,000
Total Provision	36	2,631,084,969	1,505,889,673
Total Profit/(Loss) before Income Taxes		3,535,126,551	4,192,194,211
Provision for Taxation	37	2,079,876,855	1,900,007,218
Net Profit/(Loss) after Taxation		1,455,249,695	2,292,186,993
Appropriations:			
Statutory Reserve		707,025,310	838,438,842
Retained surplus		748,224,385	1,453,748,151
		1,455,249,695	2,292,186,993
Earning Per Share (EPS)	38	1.97	3.10

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 April 2018

Syful Shamsul Alam & Co.
Chartered Accountants

SOCIAL ISLAMI BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>Particulars</u>	<u>Note(s)</u>	<u>31.12.2017</u> <u>Taka</u>	<u>31.12.2016</u> <u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	39	18,497,613,423	16,883,378,239
Profit paid on deposits		(9,096,249,089)	(6,912,597,571)
Dividend receipts		443,104,547	293,823,613
Fees & commission receipt		848,329,068	796,555,887
Cash payments to employees		(2,899,594,762)	(2,451,356,865)
Cash payments to suppliers		(138,873,815)	(126,233,698)
Income tax paid		(1,407,386,534)	(993,085,088)
Receipts from other operating activities	40	1,625,353,384	1,200,583,016
Payments for other operating activities	41	(1,385,374,138)	(1,128,725,879)
Operating profit before changes in operating assets and liabilities		6,486,922,085	7,562,341,655
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(771,943,598)	(3,088,186,683)
Investments to other banks		-	-
Investment to customers		(35,849,375,711)	(40,079,283,472)
Other assets	42	(1,174,840,103)	(2,049,678,027)
Deposits from other banks		13,953,833,871	482,081,512
Deposits received from customers		22,814,840,998	37,677,072,385
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	43	320,777,289	157,800,061
Sub Total		(706,707,253)	(6,900,194,224)
A. Net Cash flow from operating activities		5,780,214,832	662,147,431
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchases of securities		-	-
Proceeds from sale of fixed assets		-	-
Purchases of property, plant & equipment's		(485,684,274)	(411,083,566)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(485,684,274)	(411,083,566)
Cash flows from financing activities			
Receipts from issue of debt instruments		2,000,000,000	2,000,000,000
SIBL Mudaraba Subordinated Bond		3,400,000,000	-
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(1,476,597,284)	(1,054,712,346)
C. Net Cash flow from financing activities		3,923,402,716	945,287,654
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		9,217,933,274	1,196,351,518
E. Cash and cash equivalents at the beginning of the year		26,243,240,264	25,046,888,745
F. Cash and cash equivalents at the end of the year (D+E)	44	35,461,173,538	26,243,240,263

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

Chairman Director Director Managing Director & CEO

Dhaka, Bangladesh
Date: 26 April 2018

SOCIAL ISLAMI BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Total
1	2	3	4	5	6	7	8=(2+3+4+5+6+ 7)
Balance as at 01 January 2017	7,382,986,420	-	4,318,771,137	-	1,004,065,009	1,481,974,061	14,187,796,627
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	-	-	-	-	-	1,455,249,695	1,455,249,695
Appropriation made during the year			707,025,310	-	-	(707,025,310)	-
Dividend:							
Cash dividend	-	-	-	-	-	(1,476,597,284)	(1,476,597,284)
Bonus Shares	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	(24,843,666)	24,843,666	-
Total shareholders' equity as on 31 December 2017	7,382,986,420	-	5,025,796,447	-	979,221,345	778,444,828	14,166,449,040
Eligible Capital Under Basel III:	7,382,986,420		5,025,796,447		211,135,945	778,444,828	13,398,363,641
Add: General provision for unclassified investment							2,886,715,609
Add: SIBL Mudaraba Subordinated Bond							5,440,000,000
Total eligible capital as on 31 December 2017							21,725,079,250

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

Chairman

Director

Director

Managing Director & CEO

Dhaka, Bangladesh
Date: 26 April 2018

SOCIAL ISLAMI BANK LIMITED
LIQUIDITY STATEMENT
ASSETS AND LIABILITIES ANALYSIS
AS AT 31 DECEMBER 2017

(amount in Taka)

Particulars	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total Current Year	Total Previous Year
1	2	3	4	5	6	7(2+3+4+5+6)	8
Assets							
Cash in hand	11,328,806,671	-	-	-	12,497,853,900	23,826,660,571	17,946,834,042
Balance with other Banks and Financial Institutions	652,979,469	244,913,599	-	-	-	897,893,068	1,099,739,598
Placement with Banks & other Financial Institutions	2,600,000,000	3,350,000,000	4,786,619,899	-	-	10,736,619,899	7,196,666,624
Investment (in Shares & Securities)	3,973,521,275	3,050,000,000	2,903,458,080	1,115,546,162	2,039,998,400	13,082,523,917	12,310,580,319
Investments	30,798,885,904	39,833,906,713	96,331,705,468	38,178,776,000	4,902,235,000	210,045,509,085	174,196,133,375
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	1,740,409,078	1,740,409,078	3,480,818,155	3,257,521,001
Other Assets	-	-	-	7,139,465,125	7,139,465,125	14,278,930,250	11,696,703,613
Non-Banking Assets	-	-	-	-	-	-	-
Total Assets	49,354,193,319	46,478,820,312	104,021,783,447	48,174,196,365	28,319,961,502	276,348,954,946	227,704,178,572
Liabilities							
Placement from Banks & other financial institutions	5,000,000,000	-	-	-	-	5,000,000,000	3,000,000,000
Deposits and other accounts	43,177,099,451	45,212,659,906	101,595,007,015	27,678,282,764	11,135,851,043	228,798,900,180	190,564,515,334
Provision and other liabilities	-	-	-	17,595,160,277	10,751,234,632	28,346,394,909	19,931,081,824
Deferred tax liability	-	-	-	37,210,816	-	37,210,816	20,784,787
Total Liabilities	48,177,099,451	45,212,659,906	101,595,007,015	45,310,653,858	21,887,085,675	262,182,505,906	213,516,381,945
Net Liquidity Gap	1,177,093,868	1,266,160,406	2,426,776,432	2,863,542,507	6,432,875,827	14,166,449,040	14,187,796,627

Chairman

Director

Director

Managing Director & CEO

Dhaka, Bangladesh

Date: 26 April 2018

SOCIAL ISLAMI BANK LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2017

1 The Bank and its activities

1.1 Status of the Bank

The Bank was incorporated as a Public Limited Company in Bangladesh in the year 1995 under Companies Act, 1994. The Bank is one of the interest-free Shariah based banks in the country and its modus- operandi are substantially different from other conventional Banks. The Bank within the stipulations laid down by Bank Companies Act, 1991 (as amended in 2013) and directives as received from time to time from Bangladesh Bank, provides all types of commercial Banking services. Besides as a matter of policy the Bank conducts its business on the principles of Mudaraba, Musharaka, Murabaha, Bai-Muazzal & Hire Purchase transaction approved by Bangladesh Bank. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company. The Bank carries its Banking activities through one hundred thirty eight (138) branches operating as per Islamic Shariah prevailing in the country.

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

1.2 Enlistment with the Stock Exchanges

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

Subsidiaries of SIBL:

1.3 SIBL Securities Limited

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

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

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

1.4 SIBL Investment Limited

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

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

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

1.5 Off-Shore Banking Unit (OBU)

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

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

In compliance with	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied
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	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Assets	6	N/A
Financial Instruments: Disclosures	7	Applied to the extent of compliance with core risk management guideline of Bangladesh Bank.
Operating Segments	8	N/A
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with customers	15	*BFRS-15 will replace BAS-11 & BAS-18 on or after 1 January 2018

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

2 Basis of Presentation of Financial Statements and Significant Accounting Policies

2.1 Basis of Preparation of the Financial Statements

Going Concern Estimation

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

2.1.1 Statement of Compliance

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

i) Investment in Shares and Securities

The Bank investment in different securities has been valued on 31.12.2017 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 accreted.

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

Derivatives

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

ii) Revaluation gains/losses on Government securities

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

iii) Investments and Provisions

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

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

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

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

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

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

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

iv) Recognition of profit in suspense

Profit / Rent / Compensation Suspense account and Doubtful Income

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

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

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

v) Other comprehensive income

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

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

vi) Financial instruments-presentation and disclosure

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

vii) Financial guarantees

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

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

viii) Cash and cash equivalent

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

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

ix) Non-banking asset

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

x) Cash Flow Statement

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

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

BAS 7 requires balance with Bangladesh Bank to be treated as other assets. However, as per BRPD Circular No.: 15, SIBL treats balance with Bangladesh Bank as cash and cash equivalent though the amount is restricted for CRR purpose and can not be used in our day to dayoperation 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 Core Banking software of SIBL 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 form past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

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

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

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

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

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

xiv) Investments net off provisions

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

2.2 Consolidation Procedures (BAS-27)

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

The consolidated financial statements have been prepared in accordance with **Bangladesh Accounting Standard (BAS) 27: 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 2017.

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 Accounting policies, changes in Accounting estimates and errors: (BAS-8)

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 2017 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 2017 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 2017.

2.8 Statement of Changes in Equity

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

2.9 Liquidity Statement

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

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

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

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

Revaluation

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

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

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

Leases (BAS-17)

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

2.11 Impairment of Assets (BAS-36)

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

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

2.12 Capital/Shareholders' Equity

Authorised capital

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

Paid up Capital

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

Statutory Reserve

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

2.13 Revenue Recognition (BAS-18)

(i) Investment income & Revenue Recognition

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

Fees and commission income are recognized when it is earned.

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

Sharing of Investment Income

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

(ii) Profit Paid on Deposits and Other Expenses

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

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

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

2.14 Provision for Taxation (BAS-12)

(a) Current Tax

Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2017 considering all applicable allowances and disallowances.

(b) Deferred Tax

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

2.15 Zakat Fund

The Bank has created a Zakat Fund @ 2.58% for the period ended 31 December 2017 on reserve retained through out the year. Hizri Calendar has been considered to calculate 2.5% of Zakat Fund. Since Hizri Calendar counts 11 days less than the English Calendar, the percentage 2.5% represents equivalent to 2.58% of English Calendar. It is to be noted here that shareholders should pay their individual Zakat based on face value (Taka- 10.00 per share) of their individual shareholding along with their other zakatable assets.

2.16 Retirement Benefits (BAS-19)

Defined contribution plans:

(a) Provident Fund

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

b) Superannuation fund

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

Defined benefit plans:

(a) Gratuity

As per service rules of the Bank, employee who has completed five years regular service, are eligible for yearly gratuity @ 1 (one) month basic salary for every full year of regular service and employee who has completed seven years regular service are eligible for yearly gratuity @ 2 months basic salary for full year regular service. The Bank has complied with **Bangladesh Accounting Standard (BAS) -19, "Employee Benefits"** and necessary provision i.e @ 11.20% of basic salary of the regular employees have been made as per actuary valuation of Z. Halim & Associates, Actuarial & Pension Consultants for the period ended 31 December 2017.

2.17 Reconciliation of Inter Bank / Branch Transactions

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

2.18 Risk Management

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

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

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

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

(a) Investment Risk Management

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

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

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

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

(b) Foreign Exchange Risk Management

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

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

(c) Asset Liability Management Risk

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

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

(d) Money Laundering Risk

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

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

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

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

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

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

(e) Internal Control and Compliance Risk

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

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

(f) Information and Communication Technology Security Risk

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

g) Internal Audit

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

h) Fraud and Forgeries

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

2.19 Earnings Per Share (BAS-33)

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

				31.12.2017	31.12.2016
				<u>Taka</u>	<u>Taka</u>
3	Cash				
	<i>In hand:</i>				
	In local currency			2,218,218,090	1,550,016,878
	In foreign currencies			17,520,927	7,487,038
	ATM balance			133,387,000	258,009,185
				<u>2,369,126,018</u>	<u>1,815,513,100</u>
	In Foreign Currencies				
		<u>Foreign Currency</u>	<u>Amount in FC</u>	<u>Exchange Rate</u>	
		USD	140,408	82.70	11,611,741
		EURO	59,550	98.51	5,866,404
		S. Riyal	1,940	22.05	42,782
				<u>17,520,927</u>	<u>7,487,038</u>
3(a)	Consolidated balance of cash in hand				
	Social Islami Bank Limited			2,369,126,018	1,815,513,100
	Cash in hand of Subsidiary companies			193,880	825,079
	SIBL Securities Limited			188,679	819,878
	SIBL Investment Limited			5,201	5,201
				<u>2,369,319,898</u>	<u>1,816,338,179</u>
3.1	Balance with Bangladesh Bank and its agent bank (Sonali Bank)				
	Balance with Bangladesh Bank (Note-3.1.1)			21,126,573,256	15,976,826,908
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)			330,961,297	154,494,034
				<u>21,457,534,554</u>	<u>16,131,320,942</u>
3.1.1	Balance with Bangladesh Bank (Including foreign currencies)				
	In local currency			20,699,996,265	15,173,299,981
	In foreign currencies			426,576,991	803,526,927
				<u>21,126,573,256</u>	<u>15,976,826,908</u>
3.1.2	Balance with Sonali Bank (as an agent of Bangladesh Bank)				
	In local currency			<u>330,961,297</u>	<u>154,494,034</u>
3.2	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)				
	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the clause (1) of Article 36 of Bangladesh Bank Order, 1972 (as amended upto 2003) and clause (1) of Section 33 of the Bank Companies Act, 1991 (as amended upto 2013) respectively and subsequent DOS circular no: 05/2008, DOS circular letter no.05/2009, DOS circular letter no.21/2009 DOS circular letter no.01, dated: 19/01/2014 and MPD Circular no. 01, dated 23/06/2014.				
	According to latest DOS circular no.01/2014, dated:19/01/2014, i.e from 01 February 2014, the statutory cash reserve requirement (CRR) on bank's time and demand liabilities @6.00% on daily basis and @6.50% on Bi-weekly average basis has been calculated and maintained with Bangladesh Bank (BB) in current account and @5.5% statutory liquidity ratio (SLR) on the same liabilities has also been maintained in the form of BD Govt. Islamic Bond including FC (Foreign Currency) balances with Bangladesh Bank used in BDT, Cash in hand, balance with Sonali Bank as agent of BB, balance with Islamic Refinance Fund A/C and daily excess reserve of CRR maintained on a Bi-weekly average requirement. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:				
3.3	Cash Reserve Requirement (CRR): 6.00% (on daily basis) of average Demand and Time Liabilities				
	Required Reserve			12,497,853,900	10,335,676,620
	Actual Reserve held (in local currency)			20,699,996,265	15,173,299,981
	Excess Reserve			<u>8,202,142,365</u>	<u>4,837,623,361</u>
3.4	Cash Reserve Requirement (CRR): 6.50% (on bi-weekly average basis) of average Demand and Time Liabilities				
	Required Reserve			13,539,341,730	11,196,983,005
	Actual Reserve held (in local currency)			20,699,996,265	15,173,299,981
	Excess Reserve			<u>7,160,654,535</u>	<u>3,976,316,976</u>
3.5	Statutory Liquidity Ratio (SLR)				
	Required Reserve			11,456,366,080	9,474,370,240
	Actual Reserve held (Note- 3.5)			18,960,741,850	15,957,630,495
	Surplus			<u>7,504,375,770</u>	<u>6,483,260,255</u>
3.6	Held for Statutory Liquidity Ratio				
	Cash in hand (Note- 3)			2,369,126,018	1,815,513,100
	Balance with Bangladesh Bank and its agent banks (Note-3.1)			-	-
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)			330,961,297	154,494,034
	Excess reserve of CRR (Note-3.4)			7,160,654,535	3,976,316,976
	Balance with Islamic Refinance Fund (Note-6)			250,000,000	250,000,000
	Bangladesh Govt. Islamic Bond (Note- 6.4)			8,850,000,000	8,900,000,000
				<u>18,960,741,850</u>	<u>15,096,324,110</u>

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
4 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)		
In Bangladesh (Note - 4.1)	531,828,698	675,742,843
Outside Bangladesh (Note- 4.2)	366,064,370	423,996,755
	897,893,068	1,099,739,598
4(a) Consolidated balance of other Banks and Financial Institutions		
In Bangladesh		
Social Islami Bank Limited	531,828,698	675,742,843
Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch	391,174,408	271,182,028
SIBL Securities Limited (Current account and MTDR)	141,299,321	21,280,791
SIBL Investment Limited	249,875,087	249,901,237
	923,003,107	946,924,871
Less: Inter company balance eliminated	391,174,408	271,182,028
SIBL Securities Limited (Current account and MTDR)	141,299,321	21,280,791
SIBL Investment Limited	249,875,087	249,901,237
Add: Account Balance of subsidiaries of SIBL with other banks and financial institutions	273,717	166,902,490
SIBL Securities Limited	273,717	166,902,490
SIBL Investment Limited	-	-
Consolidated balance with Banks and Financial Institutions	532,102,415	842,645,333
The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively.		
4.1 Inside Bangladesh		
a) Current Account		
Islami Bank Bangladesh Limited	7,059,342	20,268
Sonali Bank Limited	44,216,797	69,781,883
Agrani Bank Limited	4,310	9,000,000
Pubali Bank Limited	2,261	7,279
Brac Bank Limited (Remittance settlement Account)	-	8,169,402
Trust Bank Limited (ATM settlement Account)	234,604,915	17,706,988
Standard Chartered Bank (ATM settlement Account)	1,027,475	11,731,212
	286,915,099	116,417,033
b) Mudaraba Short Notice Deposits		
Al- Arafah Islami Bank Limited	25,022,669	380,428,382
ICB Islami Bank Limited	10,337	10,682
Shahjalal Islami Bank Limited	6,827,559	16,235,329
Prime Bank Limited (Islami Banking Branch)	6,905	6,747
Bank Asia Limited (Islami Banking Branch)	549,615	539,628
Islami Bank Bangladesh Limited	178,420,560	27,805,015
Jamuna Bank Limited (Islami Banking Branch)	483,905	4,400,661
Pubali Bank Limited (Islami Banking Branch)	1,711,320	46,958,256
Exim Bank Ltd.	11,109,611	62,051,176
Janata Bank Limited	18,024,946	16,040,619
Southest Bank Ltd.	278,055	3,165,642
AB Bank Ltd.	2,456,088	1,671,595
The City Bank Ltd.	12,031	12,078
	244,913,599	559,325,810
c) Mudaraba Savings Deposits	-	-
Total	531,828,698	675,742,843

31.12.2017					
4.2 Outside Bangladesh (NOSTRO Account)	<u>Current Account with</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
1	SCB, MUMBAI	ACUD	94,065.51	82.70	7,779,218
2	SUMMIT BANK, KARACHI	ACUD	8,116.00	82.70	671,193
3	SONALI BANK, KOLKATA	ACUD	8,394.36	82.70	694,214
4	MASHREQ BANK, MUMBAI	ACUD	24,310.50	82.70	2,010,478
5	NEPAL BANGLADESH BANK	ACUD	1,813.36	82.70	149,965
6	BANK OF BHUTAN, PHUENTSHOLING	ACUD	2,451.22	82.70	202,716
7	UNITED BANK OF INDIA	ACUD	90,455.47	82.70	7,480,667
8	AB BANK, MUMBAI	ACUD	54,817.67	82.70	4,533,421
9	HABIB BANK LIMITED, KARACHI	ACUD	70,882.50	82.70	5,861,983
10	NIB BANK, KARACHI, PAKISTAN	ACUD	5,244.48	82.70	433,719
11	MASHREQ BANK, NEW YORK, (OBU)	USD	565,282.44	82.70	46,748,858
					balance carried forward
					76,566,431

31.12.2017

<u>Current Account with</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
				<i>balance brought forward</i>
				76,566,431
12 MASHREQ BANK PSC, NEW YORK, USA	USD	2,678,833.77	82.70	221,539,553
13 SCB, NY, USA	USD	686,763.35	82.70	56,794,764
14 KOREA EXCH. BANK, KOREA	USD	2,126.63	82.70	175,872
15 COMMERZ BANK AG, FRANKFURT	EURO	717.74	98.51	70,706
16 MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	98.51	42,155
17 SCB, FRANKFURT	EURO	42,224.56	98.51	4,159,636
18 SCB, LONDON, UK	GBP	18,274.35	110.99	2,028,301
19 SCB, TOKYO	JPY	717,457.00	0.73	524,474
20 ALAWWAL BANK RIYADH SA	RIYAL	188,751.00	22.05	4,162,478
			Total	366,064,370

Currency wise Distribution:

	<u>31.12.2017</u>	<u>2016</u>	<u>31.12.2017</u>	<u>31.12.2016</u>
<u>Foreign Currency</u>	<u>Composition</u>	<u>Composition</u>	<u>Taka</u>	<u>Taka</u>
USD/ACU	97.00%	99.22%	355,076,621	420,688,111
GBP	0.55%	0.26%	2,028,301	1,110,754
EUR	1.17%	0.16%	4,272,498	694,570
YEN	0.14%	0.11%	524,474	463,692
RIYAL	1.14%	0.25%	4,162,478	1,039,629
	100%	100%	366,064,370	423,996,755

Please see 'Annexure-C' for details comparative statement of 31.12.2017 & 31.12.2016 of foreign currency amount and rate.

4.3 Maturity-wise groupings of balance with other**Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh)**

On Demand	652,979,469	540,413,787
Not more than 3 months	244,913,599	559,325,810
Over 3 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
More than 5 years	-	-
	897,893,068	1,099,739,598

5 Placement with Banks & other Financial Institutions

Placement with Banks (Note-5.1)	186,619,899	196,666,624
Placement with other Financial Institutions (Note-5.2)	10,550,000,000	7,000,000,000
	10,736,619,899	7,196,666,624

5.1 Mudaraba Term Deposits with Banks

ICB Islamic Bank Limited	186,619,899	196,666,624
	186,619,899	196,666,624

5.2 Mudaraba Term Deposits with Other Financial Institutions

IIDFC	800,000,000	900,000,000
Bangladesh Finance & Investment Limited	-	200,000,000
IPDC	600,000,000	400,000,000
MIDAS Financing Limited	-	400,000,000
Prime Finance & Investment Limited	200,000,000	300,000,000
IDLC Finance Limited	2,850,000,000	900,000,000
Union Capital Limited	900,000,000	1,100,000,000
Lanka Bangla Finance Limited	1,300,000,000	950,000,000
Fareast Finance and Investment Limited	-	150,000,000
Hajj Finance Company Limited	300,000,000	400,000,000
Fas Finance and Investment Limited	300,000,000	800,000,000
First Finance Limited	-	100,000,000
Premier Leasing & Finance Limited	-	100,000,000
Phoenix Finance & Investment Ltd.	200,000,000	-
Reliance Finance Limited	100,000,000	-
Investment Corporation of BD Ltd. (ICB)	3,000,000,000	-
GSP Finance Company Ltd.	-	200,000,000
Meridian Finance & Investment Ltd.	-	100,000,000
	10,550,000,000	7,000,000,000

5.3 Maturity-wise groupings of placement with Banks and other Financial Institutions

On Demand	2,600,000,000	100,000,000
Not more than 3 months	3,350,000,000	4,100,000,000
More than 3 months but less than 1 year	4,600,000,000	2,800,000,000
More than 1 year but less than 5 years	186,619,899	196,666,624
More than 5 years	-	-
	10,736,619,899	7,196,666,624

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
6 Investment in Shares & Securities		
Government		
Government Bond (Islamic Investment Bond) (Note 6.1)	8,850,000,000	8,900,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	9,100,000,000	9,150,000,000
Others		
Investment in Shares, Quoted (Note 6.2)	823,570,481	696,935,757
Investment in Shares, Unquoted (Note 6.3)	3,159,002,642	2,463,644,562
	3,982,573,123	3,160,580,319
Fair value adjustment through profit or loss (FVTPL) (note: 6.5)	(49,206)	-
Value of Investment in Shares and securities, Others	3,982,523,917	3,160,580,319
Grand Total	13,082,523,917	12,310,580,319
Maturity-wise Grouping of Investment in Securities:		
Upto one month	3,973,521,275	3,446,935,757
Not more than 3 months	3,050,000,000	2,750,000,000
Over 3 months but not more than 1 year	2,903,458,080	3,650,000,000
Over 1 year but not more than 5 years	1,115,546,162	893,646,162
More than 5 years	2,039,998,400	1,569,998,400
	13,082,523,917	12,310,580,319
6(a) Consolidated Investment in Shares and Securities		
Social Islami Bank Limited		
Government		
Investment in Government Islamic Bond	8,850,000,000	8,900,000,000
BD Government Islamic	250,000,000	250,000,000
	9,100,000,000	9,150,000,000
Others sectors	3,982,523,917	3,160,580,319
Less: Intercompany balance eliminated		
Investments in Subsidiaries	1,479,998,400	1,479,998,400
Investment in SIBL Securities Limited	1,229,999,000	1,229,999,000
Investment in SIBL Investment Limited	249,999,400	249,999,400
Consolidated Investment in others sectors	2,502,525,517	1,680,581,919
Total consolidated balance of Investment in shares and securities	11,602,525,517	10,830,581,919
6.1	<p>Bangladesh Bank introduced a new type of investment opportunity solely for the purpose of Shariah Banks in the year 2005 being inherent limitation on the part of Shariah Compliant Banks to take part in buying and selling of treasury bill etc as a very common form of treasury management. The fund has been operated under Mudaraba Principle and are being used as a part of SLR (Statutory Liquidity Requirement) vide Bangladesh Bank Circular Letter ref. no: AMA/AUSOBI/SANCHAY/S-03/2004/262 dated September 2, 2004.</p> <p>The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed amongst the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenure of the bond. So, the rate of return from Islamic Bond is not prefixed rather dependent on fund deployment by Bangladesh Bank.</p>	
6.2 Investment (Cost) in Shares (Quoted)		
ICB 1st Mutual Fund	4,438,695	4,438,695
ICB 3rd Mutual Fund	6,159,588	6,159,588
ICB 4th Mutual Fund	16,657,062	16,657,062
ICB 5th Mutual Fund	5,472,152	5,472,152
ICB 7th Mutual Fund	9,898,510	9,898,510
ICB 8th Mutual Fund	4,837,839	4,837,839
National Life Insurance 1st Mutual Fund	5,335,000	13,095,000
Popular 1st Mutual Fund	-	1,990,104
ICB Sonali Mutual Fund	1,765,607	2,350,484
NCC Bank Mutual Fund	-	3,278,868
ICB AMCL 2nd Mutual Fund	881,150	3,053,317
ICB 3rd NRB Mutual Fund	-	2,703,678
SEBL 1st Mutual Fund	2,909,385	9,189,509
IFIL Islamic Mutual Fund	-	3,150,000
Grameen One Scheme	3,142,558	-
IFIC 1ST Mutual Fund	10,985,836	-
Trust Bank 1ST Mutual Fund	10,537,367	-
1ST Janata Mutual Fund	3,408,500	-
AB 1st Mutual Fund	6,927,169	3,417,947
Al-Arafah Islami Bank Limited	16,867,207	54,647,434
Exim Bank Limited	-	18,487,988
Islami Asia Limited	3,516,067	-
Dhaka Bank Limited	-	24,271,671
Titas Gas Limited	48,260,904	76,903,225
balance carried forward	162,000,596	264,003,071

		31.12.2017	31.12.2016		
		<u>Taka</u>	<u>Taka</u>		
	<i>balance brought forward</i>	162,000,596	264,003,071		
MJL Bangladesh		13,356,873	-		
Beximco Limited		17,179,237	9,088,511		
GPH Ispat Limited		4,528,640	-		
Desco		7,853,046	11,633,114		
Padma Oil		12,846,915	-		
BSRM Steel		20,009,563	-		
Appollo Ispat		-	1,606,075		
Jamuna Oil		44,165,292	19,606,628		
Shahjalal Islami Bank Limited		-	31,072,306		
Orion Pharma Limited		295,513,194	273,000,000		
Square Pharmaceuticals		-	13,146,268		
Linde Bangladesh Ltd.		27,730,477	22,672,269		
RAK Ceramics Limited		22,280,618	-		
Heidelberg Cement Ltd.		34,059,299	8,713,660		
BSRM Ltd.		30,176,492	30,179,636		
Beximco Pharmaceutical		19,547,551	12,214,219		
Apex Foot Wear Limited		24,880,713	-		
Active Fine Limited		20,405,010	-		
National Tea Co.		23,635,393	-		
Summit Power Limited		12,513,194	-		
Doreen Power Limited		7,756,640	-		
Powergrid Company Limited		8,242,421	-		
Style Craft		14,889,319	-		
		823,570,481	696,935,757		
6.3 Investment (Cost) in Shares (Unquoted)					
CDBL Share		1,569,450	1,569,450		
Orion Infrastructure Ltd.		500,000,000	500,000,000		
Orion Infrastructure Ltd.		392,076,712	392,076,712		
Orion Infrastructure Ltd.(Belhasa)		169,900,000	-		
Lub-RREF (BD) Limited. Pre-IPO		52,000,000	-		
Bashundhara Paper Mills Ltd.		3,458,080	-		
Investment in subsidiary: SIBL Securities Limited		1,229,999,000	1,229,999,000		
Investment in subsidiary: SIBL Investment Limited		249,999,400	249,999,400		
FSIBL Mudaraba Subordinate Bond (1st & 2nd Bond)		560,000,000	90,000,000		
		3,159,002,642	2,463,644,562		
Investment in Subsidiaries represents the amount invested in 'SIBL Securities Limited' and 'SIBL Investment Limited' that were incorporated on 20 July 2010 and 30 August 2010 respectively vide certificate of incorporation no: C-85876/10 and C-86726/10. SIBL holds 12,299,990 and 2,499,994 nos. shares of 'SIBL Securities Limited' and 'SIBL Investment Limited' respectively with a face value of Tk. 100 each and also representing holding of 99.99% shares in both the subsidiaries.					
6.4 Government Bond (BD Govt. Islamic Bond)		8,850,000,000	8,900,000,000		
6.5 Details of Shares & Securities in quoted and unquoted other than in subsidiaries		31.12.2017			
		<u>Taka</u>			
Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12-2017	Cost price as on 31-12-2017	Fair value adjustment
Quoted Shares					
ICB 1st Mutual Fund	558,106	10.70	5,971,734	4,438,695	1,533,039
ICB 3rd Mutual Fund	760,477	11.80	8,973,629	6,159,588	2,814,041
ICB 4th Mutual Fund	2,185,007	11.30	24,690,579	16,657,062	8,033,517
ICB 5th Mutual Fund	783,304	11.50	9,007,996	5,472,152	3,535,844
ICB 7th Mutual Fund	1,183,844	12.60	14,916,434	9,898,510	5,017,924
ICB 8th Mutual Fund	583,018	11.40	6,646,405	4,837,839	1,808,566
National Life Insurance Ist Mutual Fund	550,000	15.10	8,305,000	5,335,000	2,970,000
ICB Sonali Mutual Fund	300,000	8.40	2,520,000	1,765,607	754,393
ICB AMCL 2nd Mutual Fund	179,398	8.20	1,471,064	881,150	589,914
SEBL 1st Mutual Fund	316,635	14.20	4,496,217	2,909,385	1,586,832
Grameen One Scheme	203,913	15.50	3,160,652	3,142,558	18,094
IFIC 1ST Mutual Fund	1,618,953	6.10	9,875,613	10,985,836	(1,110,223)
Trust Bank 1ST Mutual Fund	1,500,000	6.70	10,050,000	10,537,367	(487,367)
1ST Janata Mutual Fund	500,000	6.40	3,200,000	3,408,500	(208,500)
AB 1st Mutual Fund	1,000,000	6.60	6,600,000	6,927,169	(327,169)
Al-Arafah Islami Bank Limited	815,320	24.10	19,649,212	16,867,207	2,782,005
Islami Asia Limited	100,000	36.60	3,660,000	3,516,067	143,933
Titas Gas Limited	1,000,000	44.20	44,200,000	48,260,904	(4,060,904)
MJL Bangladesh	110,000	109.10	12,001,000	13,356,873	(1,355,873)
			199,395,535	175,357,469	24,038,066

Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12- 2017	31.12.2017	
				Taka	
				Cost price as on 31-12-2017	Fair value adjustment
	balance brought forward		199,395,535	175,357,469	24,038,066
Beximco Limited	525,000	27.00	14,175,000	17,179,237	(3,004,237)
GPH Ispat Limited	105,000	38.80	4,074,000	4,528,640	(454,640)
Desco	150,000	45.40	6,810,000	7,853,046	(1,043,046)
Padma Oil	51,245	239.00	12,247,555	12,846,915	(599,360)
BSRM Steel	200,000	78.50	15,700,000	20,009,563	(4,309,563)
Jamuna Oil	219,671	189.70	41,671,589	44,165,292	(2,493,703)
Orion Pharma Limited	6,450,000	48.70	314,115,000	295,513,194	18,601,806
Linde Bangladesh Ltd.	19,927	1,284.70	25,600,217	27,730,477	(2,130,260)
RAK Ceramics Limited	350,000	59.90	20,965,000	22,280,618	(1,315,618)
Heidelberg Cement Ltd.	62,000	424.90	26,343,800	34,059,299	(7,715,499)
BSRM Ltd.	213,400	98.80	21,083,920	30,176,492	(9,092,572)
Beximco Pharmaceutical	177,700	103.80	18,445,260	19,547,551	(1,102,291)
Apex Foot Wear Limited	70,000	328.60	23,002,000	24,880,713	(1,878,713)
Active Fine Limited	500,000	35.20	17,600,000	20,405,010	(2,805,010)
National Tea Co.	35,000	613.90	21,486,500	23,635,393	(2,148,893)
Summit Power Limited	300,000	35.90	10,770,000	12,513,194	(1,743,194)
Doreen Power Limited	61,759	114.20	7,052,878	7,756,640	(703,762)
Powergrid Company Limited	150,000	52.20	7,830,000	8,242,421	(412,421)
Style Craft	10,441	1,451.30	15,153,023	14,889,319	263,704
			823,521,275	823,570,481	(49,206)
Preference Shares					
Orion Infrastructure Ltd.	50,000,000	-	500,000,000	500,000,000	-
Orion Infrastructure Ltd.			392,076,712	392,076,712	-
Orion Infrastructure Ltd.(Belhasa)			169,900,000	169,900,000	-
			1,061,976,712	1,061,976,712	-
Unquoted Shares/ Bond					
CDBL Share	456,945	-	1,569,450	1,569,450	-
Bashundhara Paper Mills Ltd.			3,458,080	3,458,080	-
Lub-RREF (BD) Limited. Pre-IPO			52,000,000	52,000,000	-
FSIBL Mudaraba Subordinate Bond (1st & 2nd Bond)		-	560,000,000	560,000,000	-
			617,027,530	617,027,530	-
Grand Total			2,502,525,517	2,502,574,723	(49,206)
				31.12.2017	31.12.2016
				Taka	Taka
6.6 Industry wise classification of shares at market price					
Quoted shares					
Banks				20,383,274	128,479,399
Mutual Funds				93,356,418	89,692,753
Others				709,830,789	478,763,605
				823,570,481	696,935,757
6.7 Cost of shares and securities under the head quoted and unquoted other than investment in subsidiaries				2,502,574,723	1,680,581,919
Fair value adjustment {Profit/(Loss)} to be made through profit and loss account				(49,206)	-
Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries				2,502,525,517	1,680,581,919
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)				202,682,884,191	167,001,331,180
Bills purchased and discounted-net (Note- 7.2)				2,953,840,458	2,659,746,787
Outside Bangladesh					
Bills purchased and discounted-net (Note- 7.2)				4,408,784,436	4,535,055,408
				210,045,509,085	174,196,133,374

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
7 (a) Consolidated Investment		
General Investments etc.	202,682,884,191	167,001,331,180
Less: Intercompany balance eliminated		
SIBL Securities Limited		
Quard Investment with SIBL- Principal branch	<u>750,000,000</u>	<u>420,000,000</u>
SIBL Investment Limited	<u>-</u>	<u>-</u>
Total consolidated general investment	<u>201,932,884,191</u>	<u>166,581,331,180</u>
Bills purchased and discounted-net	<u>7,362,624,894</u>	<u>7,194,802,194</u>
Grand total	<u>209,295,509,085</u>	<u>173,776,133,374</u>
Maturity wise Classification of Investments:		
With a residual maturity of		
Re-payable on Demand	30,798,885,904	26,319,589,650
Not more than 3 months	39,833,906,713	24,539,160,066
Over 3 months but not more than 1 year	96,331,705,468	89,911,437,658
Over 1 year but not more than 5 years	38,178,776,000	31,024,290,000
Over 5 years	4,902,235,000	2,401,656,000
	<u>210,045,509,085</u>	<u>174,196,133,374</u>
7.1 Mode-Wise Investment (General)		
a) In Bangladesh		
Musharaka	406,944,059	394,014,125
Murabaha	4,453,662,291	3,923,518,808
Mudaraba	6,593,469,910	6,890,919,882
Bai-Muazzal	126,947,350,897	103,157,036,645
Hire-Purchase Sirkatul Meelk	50,888,743,949	39,236,072,051
Quard	9,213,891,287	9,867,948,969
Bai-Salam	596,285,547	499,755,394
Staff Loan	2,463,571,391	2,222,858,996
Ijarah	436,132,387	327,654,954
Visa Card	682,832,475	481,551,356
	<u>202,682,884,191</u>	<u>167,001,331,180</u>
Mode-Wise Investment (General)		
b) Outside Bangladesh		
Musharaka	-	-
Murabaha	-	-
Bai-Muazzal	-	-
Hire-Purchase Sirkatul Meelk	-	-
Installment Investment Scheme	-	-
Quard	-	-
Bai-Salam	-	-
Others	-	-
	<u>-</u>	<u>-</u>
7.2 Bills Purchased and discounted		
Inside Bangladesh		
In land Bill Purchase	<u>2,953,840,458</u>	<u>2,659,746,787</u>
Bills Purchased and discounted		
Outside Bangladesh		
Foreign Bill Purchased	58,282,896	81,641,978
Murabaha Bill of Exchange	2,021,643,306	1,914,903,128
Murabaha Wes Bills L/C	-	32,988,623
Baim-Wes bills	2,328,858,234	2,505,521,678
	<u>4,408,784,436</u>	<u>4,535,055,407</u>
Grand total of net Bills Purchased and Discounted	<u>7,362,624,894</u>	<u>7,194,802,194</u>
7.2.1 Bills Purchased and Discounted		
Payable inside Bangladesh	5,158,977,617	2,659,746,787
Payable outside Bangladesh	2,475,020,212	4,845,060,193
Gross Bills Purchased and Discounted	<u>7,633,997,829</u>	<u>7,504,806,979</u>
Less: Profit receivable on Bills Purchased and Discounted	271,372,935	310,004,785
Net Bills Purchased and Discounted	<u>7,362,624,894</u>	<u>7,194,802,194</u>

	31.12.2017	31.12.2016
	Taka	Taka
Maturity wise Classification of Bills Purchased and Discounted:		
On demand	1,619,777,477	1,582,856,483
Over 1 month but less than 3 months	3,534,059,949	3,453,505,053
Over 3 months but less than 1 year	2,208,787,468	2,158,440,658
1 year or more	-	-
	7,362,624,894	7,194,802,194

7.3	31.12.2017	2016		
Investments on the basis of significant concentration				
Investments to allied concern of Directors	0.03%	0.07%	71,952,496	123,421,372
Investments to Executives & Staffs	1.25%	1.38%	2,635,693,346	2,401,124,910
Investments to Customer Groups	60.67%	53.83%	127,429,123,925	93,764,133,294
Industrial Investment	38.04%	44.72%	79,908,739,318	77,907,453,799
Others	0.00%	0.00%	-	-
	100.00%	100.00%	210,045,509,085	174,196,133,374

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

Number of Client with amount of outstanding Investment to whom Investments sanctioned exceeds 15% of total capital of the bank is reported hereunder. Total capital of the Bank was Tk. 2,172.51 Crore as on 31.12.2017 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 325.88 crore (2,172.51 crore x 15%) till 31.12.2017. It is mentioned here that as per Bank Companies Act, 1991, single party exposure limit has been fixed at 15% for funded and 20% non-funded investment based on capital maintained for non export oriented clients whereas 15% funded and 35% non-funded limit for 100% export oriented clients.

Total 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 2017	Outstanding as on 31 December 2016
		Total (Funded and Non funded)	Total (Funded and Non funded)
1	M/s. Nuruzzaman Khan , N.Z Textile Ltd., N.Z Fabrics Limited	177.93	358.83
2	Dong Bang Textile Limited	-	242.85
3	Mars Textile Limited	313.32	239.23
4	Crossline Knit Fabrics, & Crossline Factory	200.92	-
5	Dong Bang Dyeing Limited	-	293.65
6	Badsha Textile	133.99	282.71
7	Nitol Motors Ltd.	151.66	-
8	M/S. Rabiul Islam & its sister concern M/s. Rhythm Trading, A R Cement Mills Ltd., Ehsan Cement Industries Ltd. & RMR Poultry & Hatchery Ltd, Semicon Pvt. Ltd., A.R. Specialized Auto Rice Mills Ltd.	525.46	287.15
9	Bashundhara Paper Mills Ltd, Bashundhara Multi Paper Ind. Ltd, Bashundhara Steel Complex Ltd, East West Media Group, East West Property Development (Pvt.) Ltd,	497.42	387.75
10	Western Dresses Ltd. , MNC Apparels Ltd, Kimia Washing Industries Limited, & NASSA BASIC WASH LTD.	274.90	220.73
11	M/s. Agrani Traders & its sister concern M/s. OVI Traders, M/s. A M Trading & M/s. Md. Aynul Haque	173.12	337.27
12	Abul Khair Steel, Abul Khair Consumer, Shah Cement Industries Ltd., Abul Khair Ceramic Industries Ltd., Abul Khair Steel Melting Ltd., Abul Khair Strip Processing Ltd.	207.30	194.39
13	M/S. Islam Brothers & Co, Anwara Mannan Textile Mills Ltd., Juvenile Trade International Ltd., Aman Poultry & Hatchery Ltd.	321.09	240.89
14	1. Orion Agro Products Ltd. 2. Orion Infrastrucure 3. Orion Pharma Limited.	286.23	296.50
15	Thermax Textile Mills Ltd., Thermax Knit Yarn Ltd., Thermax Spinning Ltd., Thermax Melange Spinning Mills Ltd., AduryApparels Ltd.	213.76	286.79
16	Base Textiles Ltd., Base Fashion Limited, Zayantex Limited, Base Technologies Limited, Base Paper Ltd.	275.46	285.72
17	Ibrahim Consortium Ltd. & Opal Trading House	-	239.01
18	Mahbub Brothers(Pvt.) Ltd.	-	184.73
19	1. Mascotex Ltd., 2. Masco Coottons & Industries Limited. 3.	54.20	180.70
20	Amber Denim Limited , Amber Denim Mills LTD. Amber Rotor Mills Ltd., Amber Jeans & Washing Ltd.	336.72	-
21	Ruby Food Products Ltd. & Its Allied Concern, Masud & Brothers , BSM Syndicate	259.57	-
22	Natore Agro Ltd, Sun Basic Chemicals Ltd. , Advance Personal Care Ltd., Sylvan Technologies Ltd. & Get Well Ltd.	218.55	-

(Figure in Crore Taka)

Sl no.	Name of client	Outstanding as on 31 December 2017		Outstanding as on 31 December 2016	
		Total (Funded and Non funded)		Total (Funded and Non funded)	
23	Rahimafrooz Batteries Limited ,Rahimafrooz Gloabatt Limited ,Rahim Afroz Bangladesh Ltd.	205.28		-	
24	Mahbub Brothers(Pvt.) Ltd.	248.39		-	
25	PowerPac Mutiara Keraniganj Power Plant Limited	218.01		-	
26	Abdul Monem Limited	127.67		-	
27	Mir Akhter Hossain, Mir Holdings Limited, Mir Telecom Limited	126.55		-	
28	STAR PARTICLE BOARD MILLS LIMITED, Danish Condensed Milk Bangladesh Ltd., Partex Aeromerine Limited, Partex Laminates Limited.	103.89		-	
29	Mosharaf & Brothers & M/S. MN. Enterprise	97.96		-	
30	M/S. Rafiqul Islam & ShaikhCement Mills Ltd.	71.55		-	
31	Flora Limited	66.07		-	
32	Papertech Industries Ltd., Steeltech Industries Ltd, Bilal Trading Ltd., Paragon Ceramics Industries Limited	44.19		-	
33	M/S. Millennium Enterprise & Sister Concern	40.12		-	
34	Meghna Group	5.19		-	
35	M/s Sufala Trading Corporation & South Bangla Fertilizer Mills Ltd.	3.21		-	

7.4 Customer group and industry wise classification of Investment

(Amount in Taka)

Sector	2017		2016	
	Amount	Composition	Amount	Composition
Commercial lending	50,639,324,777	24.11%	38,199,348,556	21.93%
Export Financing	8,402,275,689	4.00%	7,441,142,312	4.27%
House Building Investment	2,514,863,016	1.20%	2,116,043,046	1.21%
Consumer Investment Scheme	1,821,579,092	0.87%	1,213,929,535	0.70%
Small and Medium Enterprises	56,884,268,292	27.08%	37,431,770,874	21.49%
Micro Investment	220,961,815	0.11%	98,594,753	0.06%
Other Investments	352,381,334	0.17%	372,384,336	0.21%
Off-shore Banking Unit	6,593,469,910	3.14%	6,890,919,882	3.96%
Allied concern of Directors of SIBL	71,952,496	0.03%	123,421,372	0.07%
Executives & Staffs of SIBL	2,635,693,346	1.25%	2,401,124,910	1.38%
Agricultural Industries	6,402,369,701	3.05%	2,936,124,363	1.69%
Textile Industries	30,872,970,048	14.70%	24,919,308,115	14.31%
Food & Allied Industries	7,167,334,859	3.41%	4,781,810,393	2.75%
Pharmaceutical Industries	1,452,982,272	0.69%	1,018,224,915	0.58%
Leather, Chemical, Cosmetic etc.	749,369,712	0.36%	992,810,153	0.57%
Construction Industries	8,744,366,120	4.16%	6,539,599,879	3.75%
Cement and Ceramic Industries	4,609,707,974	2.19%	2,177,310,897	1.25%
Service Industries	9,842,022,771	4.69%	6,725,117,979	3.86%
Transport and Communication Industries	2,967,141,805	1.41%	2,466,795,441	1.42%
Other Industries	7,100,474,056	3.38%	25,350,351,664	14.55%
Total	210,045,509,085	100.00%	174,196,133,374	100.00%

7.5 Geographical Location-wise Classification of Investments

(Amount in Taka)

Sector	2017		2016	
	Amount	Composition	Amount	Composition
i) Within Bangladesh				
a) In Rural Areas	186,068,305,525	88.58%	20,915,582,300	12.01%
b) In Urban Areas	23,977,203,560	11.42%	153,280,551,074	87.99%
Sub-total (a+b)	210,045,509,085	100.00%	174,196,133,374	100.00%
ii) Outside Bangladesh	-	-	-	-
Total (i+ii)	210,045,509,085	100.00%	174,196,133,374	100.00%

7.6 Division-wise Investments

(Amount in Taka)

Division	As at 31 December 2017		As at 31 December 2016	
	Amount	Composition	Amount	Composition
Dhaka	157,406,435,656	74.94%	131,962,858,270	75.76%
Chittagong	34,593,469,934	16.47%	25,620,387,616	14.71%
Sylhet	881,768,144	0.42%	918,373,983	0.53%
Rajshahi	6,969,175,803	3.32%	6,363,450,180	3.65%
Khulna	6,943,037,491	3.31%	6,642,465,602	3.81%
Rangpur	2,201,347,571	1.05%	1,948,774,929	1.12%
Barisal	1,050,274,486	0.50%	739,822,795	0.42%
Total	210,045,509,085	100.00%	174,196,133,374	100.00%

		31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>	
7.7	Investments (Classification wise)			
	<u>Unclassified</u>			
	Standard	187,125,765,559	162,372,638,187	
	Special Mentioned Account	1,182,079,278	272,640,642	
	<u>Classified</u>			
	Substandard	1,805,139,894	313,868,973	
	Doubtful	1,419,485,248	1,354,330,130	
	Bad or Loss	13,939,599,426	6,016,169,119	
		205,472,069,405	170,329,647,051	
	Standard (short term agri / micro inv.)	1,874,872,714	1,408,886,277	
	Special Mentioned Account (short term agri/ micro inv.)	-	2,647,358	
	Substandard (short term agri / micro inv.)	1,193,575	555,027	
	Doubtful (short term agri / micro inv.)	1,730,172	9,146,870	
	Bad or Loss (short term agri/micro inv.)	59,949,873	44,125,881	
		1,937,746,334	1,465,361,413	
	Staff Investment	2,635,693,346	2,401,124,910	
		210,045,509,085	174,196,133,374	
7.8	Particulars of provision required for general investment			
	Unclassified (Excluding Off-balance sheet exposures)	2,207,398,797	2,096,095,437	
	Classified	3,473,741,378	1,764,697,631	
	Unclassified- Off-balance sheet exposures	679,316,812	598,513,466	
		6,360,456,987	4,459,306,534	
7.8.1	Detail Particulars of Provision for Investment			
	<u>Unclassified</u>	<u>Rate</u>	<u>Base for Provision</u>	<u>Provision Required</u>
	Standard	1%	134,295,106,349	1,882,298,704
	Staff Investment	0%	-	-
	Consumer Finance (Other than HF and LP)	5%	1,359,277,934	67,963,897
	Small and Medium Enterprise	0.25%	55,284,571,652	138,211,429
	Housing Finance (HF)	1%	4,929,204,735	49,292,047
	Loan for Professionals (LP)	2%	672,092	13,442
	Share	2%	1,721,270,222	34,425,404
	SMA Investment	5%	328,902,918	16,445,146
	Unclassified Off Balance Sheet Items	1%	67,931,681,200	679,316,812
	<u>Classified</u>			
	Substandard	20%	542,447,227	108,489,445
	Doubtful	50%	320,704,332	160,352,166
	Bad or Loss	100%	3,204,843,493	3,204,843,493
				6,341,651,987
	Provision Required (Short term Agricultural & Micro Credit)			4,424,084,377
	<u>Unclassified</u>			
	Standard (short term agri /micro credit)	1.0%	1,874,872,714	18,748,727
	<u>Classified</u>			
	Substandard (short term agri /micro credit)	5%	435,339	21,767
	Doubtful (short term agri /micro credit)	5%	690,119	34,506
	Bad or Loss (Short term agri /micro credit)	100%	-	-
				18,805,000
	Required provision for Investments (Grand Total)			6,360,456,987
	Total provision maintained			6,360,456,987
	Provision Surplus/(Shortfall)			-
	Provision for investments and off-balance sheet items has been provided in pursuance with related Bangladesh Bank circulars and letter ref: DBI-4/42(2)/2018-809, dated: 23/04/2018, with a deferred provision amount of Taka-440.00 crore which will be adjusted in next four years.			
	Provision Made for funded exposures only: (Other than Short term Agricultural & Micro Credit)			
	<u>Unclassified</u>			
	Standard		2,851,521,736	2,643,594,524
	SMA		16,445,146	15,792,222
	<u>Classified</u>			
	Substandard		108,489,445	3,874,397
	Doubtful		160,352,166	27,302,278
	Bad or Loss		3,204,843,493	1,733,520,955
			6,341,651,987	4,424,084,377
	Provision Made: (Short term Agricultural & Micro Credit)			
	Standard (short term agri credit)		18,748,727	35,222,157
	Substandard (short term agri credit)		21,767	-
	Doubtful (short term agri credit)		34,506	-
	Bad or Loss (Short term agri credit)		-	-
			18,805,000	35,222,157
	Grand Total		6,360,456,987	4,459,306,534

			31.12.2017	31.12.2016
			<u>Taka</u>	<u>Taka</u>
7.8.2	Particulars of provision for Off-Balance Sheet items			
	<u>Status</u>	<u>Rate</u>	<u>Basis for Provision</u>	
	Off-Balance Sheet Items	1%	67,969,612,210	679,316,812
	Required provision for Investments			598,513,466
	Provision maintained {note # 13.1(c)}			679,316,812
	Surplus Provision			-
7.9	Particulars of Investments:			
(i)	Investment considered good in respect of which the banking company is fully secured		159,678,018,926	157,071,592,963
(ii)	Investment considered good for which the banking company holds no other security other than the debtor's personal security		45,065,632,208	11,350,287,133
(iii)	Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors		5,301,857,950	5,774,253,278
(iv)	Investment considered bad or doubtful not provided for		-	-
	Total		210,045,509,085	174,196,133,374
(v)	Investment due by directors or officers of the banking company or any of them either severally or jointly with any other person		2,707,645,842	2,524,546,282
(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.		71,952,496	123,421,372
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.		12,688,792	12,958,061
(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		17,227,098,188	7,738,196,000
(xi)	Particulars of written off investments			
	a) Cumulative amount of written off Investments since inception to 31 December last year		5,017,253,868	4,131,373,382
	b) Amount of written off / waiver of Investment during the year		857,789,920	885,880,485
	Total amount of written off (a+b)		5,875,043,788	5,017,253,868
	c) Amount recovered against debts which are previously written off (cumulative balance)		380,977,215	333,575,397
	d) Amount of Investments written off against which cases have been filed for recovery		5,875,043,788	5,017,253,868
(xii)	e) Amount of compensation suspense as at year end.		1,665,037,246	1,264,313,910
7.10	Large Investment Restructuring			
	Large Investment Restructuring is made as per BRPD Circular no: 04, Dated: 29 January 2015, of the investments having minimum outstanding amount of Taka-500 crore and above in aggregate. The Eligibility criteria as per the circular are:			
	a) Investments of a particular borrower or group in a bank, singly or in clubbed together form, shall be eligible for restructuring. Borrower having exposure in multiple banks may also approach by forming a consortium.			
	b) Minimum outstanding investment amount for restructuring shall be Taka-500.00 crore or above in aggregate.			
	c) Restructuring facility will be provided to a particular investment only once.			
	Total outstanding amount of such restructured investment for the year 2017 amounts to Taka- 40.70 crore.			
8	Fixed Assets including Premises (Including Intangible Assets)			
	A. Cost			
	Land		12,330,000	12,330,000
	Building		2,320,220,714	2,320,220,714
	Furniture & Fixtures		943,311,447	776,701,478
	Office Equipment		1,278,947,408	1,044,156,902
	Software		183,044,057	139,559,446
	Vehicles		141,721,365	100,991,337
	Books		1,463,659	1,394,499
			4,881,038,651	4,395,354,376
	B. Accumulated Depreciation			
	Land		-	-
	Building		304,588,493	252,941,996
	Furniture & Fixtures		321,813,786	261,357,250
	Office Equipment		644,510,912	524,392,171
	Software		38,557,545	25,706,660
	Vehicles		89,871,149	72,622,045
	Books		878,611	813,253
			1,400,220,495	1,137,833,375
	Carrying value		3,480,818,155	3,257,521,001

	31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>
8.1 Intangible assets		
Core banking solution 'ABABIL' is used in SIBL which was incorporated in the year 2010. The value of all the softwares under the head 'Intangible Assets' is Taka-183,047,707.76 and being amortized @ 10% following the same method of reducing balancing method as applied for fixed assets. Written down value of the software as on 31.12.2017 is Taka -144,486,511.79.		
For details please refer to Annexure-A		
8(a) Consolidated written down value of Fixed Assets including intangible assets		
Social Islami Bank Ltd.	3,480,818,155	3,257,521,001
Fixed assets of subsidiaries	10,202,638	10,805,668
SIBL Securities Ltd.	10,202,638	10,805,668
SIBL Investment Ltd.	-	-
Carrying value of Fixed assets of the Group	3,491,020,793	3,268,326,670
9 Others Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	29,277,438	28,343,402
Advance rent	244,929,032	189,109,289
Security Deposit	2,778,156	2,998,351
Branch Adjustments (SIBG) (Note: 9.1)	2,158,090,350	1,977,063,521
Suspense Accounts (Note: 9.2)	193,694,052	293,646,443
Other Prepayments	64,279,171	64,209,171
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	37,801,642	53,881,354
Advance Income Tax	8,102,785,360	6,695,398,826
Receivable from SIBL Investment Limited	1,801,670	1,758,805
Protested Bills against Investment	313,388,000	313,407,280
Profit Receivable from Banks, NBFI and BD Govt.	345,606,462	242,508,711
Investment with Off-shore Banking Unit	4,504,274,029	1,936,578,574
Receivable from Off-shore Banking Unit	140,891,063	103,309,420
Others (Note: 9.3)	2,643,607,853	1,731,069,040
	18,783,204,279	13,633,282,187
Less: Balance with OBU for elimination		
Investment with Off-shore Banking Unit	4,504,274,029	1,936,578,574
Grand total after elimination of balance with OBU	14,278,930,250	11,696,703,613
9(a) Consolidated other Assets		
Social Islami Bank Limited	14,278,930,250	11,696,703,613
Add: Other assets of subsidiary companies		
SIBL Securities Limited	2,162,651,538	1,834,348,245
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	59,541,491	34,836,700
Advance Office Rent	2,097,240	735,826
Advance to IT Service provider	-	200,000
Advance for floor space at nikonjo, DSE Tower	850,000	850,000
Investment in stock dealer activities	142,723,563	54,980,369
Receivable from Regulators	26,306,574	31,991,934
Receivable from client	857,054,059	615,431,298
Receivable from others	46,223,610	67,467,118
Security Deposit to CDBL, DSE	200,000	200,000
Security Deposit to BTCL	5,000	5,000
Less: Inter Company transactions eliminated:	1,801,670	1,758,805
Receivable from SIBL Securities Limited	-	-
Receivable from SIBL Investment Limited	1,801,670	1,758,805
	16,439,780,118	13,529,293,052
9.1		
The balance of Branch adjustment (SIBG) represents unresponded Inter branch and head office transactions at balance sheet date. The balance of Debit and Credit unrespondent entries as on 22 April 2018 were Taka-6,157,514.00 Details of which are as follows:		
	Number of	Amount (in Tk) of
	Unrespondent entries	Unrespondent entries
	31.12.2017	31.12.2016
	31.12.2017	31.12.2016
Upto 3 months	1	147
Over 3 months but within 6 months	-	6
Over 6 months but within 9 months	-	-
Over 9 months	-	-
	1	153
	6,157,514	164,309,792
9.2		
Suspense Account represents advance against TA/DA, Entertainment Expenses, Advertisement Expenses, Branch Decoration Expenses, Legal Charges and suspense -others. Necessary provision on others assets has been made in the accounts according to the BRPD Circular no: 14 dated June 25, 2001 para Kha (1) & (2).		

	31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>
9.3 Others		
Clearing Adjustment (Note: 9.3.1)	2,329,000	-
D.D. Paid without advice	97,000	-
Wes fund purchased	1,089	1,089
Adjusting A/c debit balance (Note: 9.3.2)	332,610,768	227,248,410
Advance VAT paid	3,815,178	3,815,178
BEFTN adjustment A/c	37,080	33,323
Balance with Principal Branch (PF)	1,389,983,953	962,694,479
Balance with Principal Branch (SIBL Employees` Superannuation Fund)	133,197,812	90,138,442
Balance with Principal Branch (SIBL/ Gratuity Fund)	781,535,973	447,138,118
	<u>2,643,607,853</u>	<u>1,731,069,040</u>
9.3.1 Adjusting A/c debit balance	<u>332,610,768</u>	<u>227,248,410</u>
Adjusting account debit balance represents Income Receivable from Bangladesh Govt. Islamic Bond on Tk. 500.00 crore, MTDR's with Other Banks as on 31.12.2017 and profit from preference shares etc.		
10 Placement from Banks & Other Financial Institutions		
Bangladesh Govt. Islamic Bond.	<u>5,000,000,000</u>	<u>3,000,000,000</u>
The Bank has an outstanding balance of borrowing Tk. 500.00 crore as on 31.12.2017 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 500.00 crore have been pledged as security to Bangladesh Bank against the borrowings.		
Maturity Grouping of Borrowings		
Up to 1 month	5,000,000,000	3,000,000,000
More than 1 month but less than 3 months	-	-
More than 3 months but less than 6 months	-	-
6 months and above	-	-
	<u>5,000,000,000</u>	<u>3,000,000,000</u>
11 Deposits and Other Accounts		
Mudaraba Savings Deposits (MSD)	16,876,607,874	13,899,504,009
Mudaraba Term Deposits (MTDR)	138,266,642,919	111,657,941,041
Other Mudaraba Deposit	42,123,348,876	40,060,818,730
Mudaraba Short Notice Deposits (MSND)	13,428,606,822	12,968,519,770
Mudaraba Scheme Deposits (Note-11.1)	28,694,742,054	27,092,298,960
Al- Waddeeah Current Deposit and other accounts (AWCD) (Note- 11.2)	26,020,865,331	19,678,057,596
Bills payable (Note-11.3)	5,233,509,848	5,031,314,320
Cash Waqf Fund	277,925,332	236,879,638
	<u>228,798,900,181</u>	<u>190,564,515,334</u>
11.1 Mudaraba Scheme Deposits		
Mudaraba Hajj Savings Deposit	68,506,951	48,597,151
Mudaraba Pension Savings Deposit	2,636,028,929	2,665,656,550
Mudara Education Deposit Scheme	38,399,219	39,387,149
Mudaraba Monthly Savings Deposit	65,934,685	88,652,462
Mudaraba Monthly Profit Deposit	3,233,182,642	2,527,024,777
Mudara Bashasthan Savings Scheme	671,980,951	632,305,189
Mudara Millionaire Savings Scheme	958,608,766	847,968,938
Mudara Lakhopoti Deposit Scheme	75,336,410	119,875,823
Mudara Double Benefit Deposit Scheme	1,811,981,907	2,761,006,839
Mudara Marriage Savings Scheme	123,696,565	156,601,557
Mudara MMohorana Savings Scheme	24,184,270	31,705,198
Subarnalata Special Scheme (Wemen)	27,433,382	37,388,111
Subarna Rekha Special Deposit (Wemen)	1,291,708,213	1,181,162,198
Shabuj Shayanna Special Deposit	72,585,386	524,402,501
Shabuj Chaya P. Sch	509,334,415	106,223,946
Sanchita Special Deposit scheme	211,415,845	235,338,350
Sanali Din Pension Deposit Scheme	9,502,543,578	7,129,018,123
Sukher Thikana Saving Scheme	10,139,028	8,895,713
Sacchandey Protidin Monthly Profit Deposit	2,673,898,671	2,188,637,421
Samriddir Sopan Scheme Deposit	3,709,144,593	4,983,186,961
Sopner Siri Deposit Scheme	131,372,392	155,814,764
Sharner Shikhar (mudaraba Billinior Deposit)	846,714,748	622,266,062
Proshanti (Mudaraba Zakat Saving Deposits)	610,508	1,183,178
	<u>28,694,742,054</u>	<u>27,092,298,960</u>

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

	31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>
11.2 AI-Wadeeah Current Deposit & other A/c		
AI Wadeeah current deposit	11,780,677,724	8,956,153,751
Sundry deposit	5,290,306,917	4,658,259,805
Social fund deposit	17,075	23,575
Supervision charge	894,963	1,027,563
Risk fund deposit	7,387,787	1,906,409
FC deposit	4,390,443,096	3,278,028,193
Convertible Taka A/c	113,654,386	160,689,257
F. C. held against B.B. L/C	2,677,473,533	1,564,331,046
Profit payable A/c	1,690,370,696	1,037,092,160
Compensation Realized	69,639,153	20,545,837
	26,020,865,331	19,678,057,596

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

11.2(a) Consolidated balance of AI-Wadeeah Current Deposit & Other A/c		
Social Islami Bank Limited	26,020,865,331	19,678,057,596
Less: Intercompany balance eliminated	391,174,408	271,182,028
SIBL Securities Limited	141,299,321	21,280,791
SIBL Investment Limited	249,875,087	249,901,237
Consolidated balance of Current deposit and other accounts	25,629,690,923	19,406,875,568

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

11.3 Bills Payable		
Payment Order (PO)	4,000,971,812	4,536,765,039
Demand Draft (DD)	2,159,555	2,577,202
B/P awaiting remittance	1,230,378,481	491,972,078
	5,233,509,848	5,031,314,320

11.4 Maturity wise classification of Deposits		
Payable on demand	6,885,293,276	5,441,785,728
Up to 1 month	36,291,806,175	28,428,355,280
More than 1 month but up to 6 months	75,480,233,566	38,406,245,511
More than 6 months but up to 1 year	71,327,433,356	85,826,331,302
More than 1 year but up to 5 years	27,678,282,764	24,443,541,795
More than 5 years but up to 10 years	11,135,851,043	8,018,255,717
	228,798,900,180	190,564,515,334

11.5 Segregation of deposits & other accounts		
i) Client Deposit		
AI-Wadeeah Current deposit & other accounts	26,008,211,948	19,674,154,336
Bills Payable	5,233,509,848	5,031,314,320
Mudaraba Savings Deposits	16,820,567,072	13,416,060,717
Mudaraba Short Notice Deposits	11,885,089,671	8,137,488,855
Mudaraba Term Deposit	114,206,642,919	105,257,941,041
Mudaraba Scheme Deposits	28,694,742,054	27,092,298,960
Cash Waqf Fund	277,925,332	236,879,638
	203,126,688,845	178,846,137,869
ii) Bank Deposit		
Mudaraba Term Deposit Receipt (MTDR)	24,060,000,000	6,400,000,000
Mudaraba Short Notice Deposit (MSND)	1,543,517,152	4,831,030,914
AI-Wadeeah Current deposit (AWCD)	12,653,383	3,903,260
Mudaraba Savings Deposit (MSD)	56,040,802	483,443,291
	25,672,211,337	11,718,377,466
Grand Total of deposits and other accounts	228,798,900,181	190,564,515,334

12 SIBL Mudaraba Subordinated Bond	6,400,000,000	3,000,000,000
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SIBL has two subordinated bond namely "SIBL Mudaraba Subordinated Bond of Tk. 300 crore" and SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 crore to support and strengthen Tier-II capital base of the bank under Basel-III capital regulation of Bangladesh Bank.

SIBL Mudaraba Subordinated Bond of Tk. 300 Crore

Social Islami Bank Limited issued 'SIBL Mudaraba Subordinated Bond of Tk. 300 Crore' in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/598 & BRPD (BFIS) 661/14 B(P)/2014-6027, Dated: 26 August 2014 & 16 September 2014 respectively. The bond was fully subscribed by 14 nos of investors and the subscription of the bond closed on 31.03.2015. According to the redemption policy of the bond 20% face value of the has been redeemed on 01/04/2017. The list of investor with present outstanding balance is as follows:

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
Investors of SIBL Mudaraba Subordinated Bond		
Al-Arafah Islami Bank Limited	400,000,000	500,000,000
Bank Asia Limited	160,000,000	200,000,000
Bank Asia Limited Employees' Gratuity Fund	56,000,000	70,000,000
Islami Bank Bangladesh Limited	400,000,000	500,000,000
Padma Islami Life Insurance Limited	40,000,000	50,000,000
Prime Islami Life Insurance Limited	40,000,000	50,000,000
Pubali Bank Limited	160,000,000	200,000,000
Reliance Insurance Limited	40,000,000	50,000,000
Rupali Bank Limited	400,000,000	500,000,000
Shahjalal Islami Bank Limited	80,000,000	100,000,000
Sonali Bank Limited	400,000,000	500,000,000
Square Pharmaceuticals Workers Profit Participation Fund	40,000,000	50,000,000
United Finance Limited	104,000,000	130,000,000
Uttara Bank Limited	80,000,000	100,000,000
	2,400,000,000	3,000,000,000
SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 Crore		
Social Islami Bank Limited issued 'SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 Crore' in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/28 & BRPD (BFIS) 661/14 B(P)/2017-1252, Dated: 17 January 2017 & 01 March 2017 respectively. The bond was fully subscribed by 12 nos of investors and the subscription of the bond closed on 20.06.2017. The list of investor with present outstanding balance is as follows:		
Bank Asia Limited	100,000,000	-
Central Depository Bangladesh Ltd	200,000,000	-
Dhaka Stock Exchange Limited	400,000,000	-
Eastern Bank Limited	250,000,000	-
Mercantile Bank Limited	250,000,000	-
Midland Bank Limited	200,000,000	-
National Life Insurance Co. Ltd	100,000,000	-
Pubali Bank Limited	500,000,000	-
Rupali Bank Limited	500,000,000	-
Shahjalal Islami Bank Limited	500,000,000	-
Trust Bank Limited	500,000,000	-
Uttara Bank Limited	500,000,000	-
	4,000,000,000	-
13 Other Liabilities		
Adjusting A/C (Cr.) Balance	9,895,336	9,562,781
Other Payable	2,728,359	3,275,077
SIBL Employees' PF	1,389,983,953	962,694,479
SIBL Employees' Gratuity fund (note: 13.1)	781,768,077	553,123,795
SIBL Employees' Superannuation Fund	133,197,812	90,138,442
BEFTN Adjustment Account	64,552,918	30,504,326
Parking Account	174	-
ATM Settlement for Q-Cash	117,917,352	246,022,822
Provision for Investments (note: 13.2)	6,360,456,987	4,459,306,534
Provision for other Assets (note: 13.3)	420,790,557	370,077,572
Compensation and Rent Suspense (note: 13.4)	1,665,037,246	1,264,313,910
Provision for Taxation (note: 13.5)	10,900,720,339	8,837,269,513
Zakat Fund (note: 13.6)	92,567,800	89,792,573
Provision for good borrower (note: 13.8)	6,778,000	15,000,000
	21,946,394,909	16,931,081,824
13(a) Consolidated Other Liabilities		
Social Islami Bank Limited	21,946,394,909	16,931,081,824
Add: Other Liabilities of subsidiaries		
SIBL Securities Limited	1,064,272,456	795,758,934
Payable to SIBL-Term loan	750,000,000	420,000,000
Payable to regulators	4,706,012	7,440,840
Payable to clients	146,830,091	171,228,792
Other provisions	103,196,593	154,764,376
Provision for Income Tax	59,539,759	42,324,926
SIBL Investment Limited	23,000	23,000
Accrued Expenses	23,000	23,000
Provision for Income Tax	-	-
	23,010,690,365	17,726,863,759
Less: Intercompany balance eliminated		
SIBL Securities Limited		
Payable to SIBL-Term loan	750,000,000	420,000,000
Grand total	22,260,690,365	17,306,863,759

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
13.1 SIBL Employees' Gratuity fund (balance with principal branch) (note:9.3)	653,541,474	447,138,118
Opening balance (current year balance of gratuity provision account at year end)	105,985,677	103,375,493
Current year required expenditure for gratuity fund	127,994,500	105,236,824
Add: Profit charged and other transfers made during the year	-	-
	<u>233,980,176</u>	<u>208,612,317</u>
Less: Paid during the year to the employees	(25,316,750)	(20,059,070)
Add: Transferred from gratuity fund account to provision, during the year	24,800,000	20,600,000
Less: Transferred to gratuity fund during the year	(105,236,824)	(103,167,570)
Current year balance of gratuity provision account at year end	128,226,603	105,985,677
Grand total of gratuity fund balance	781,768,077	553,123,795
13.2 Provision for Investment		
(a) Specific Provision on Investment		
Provision held at the beginning of the year	1,764,697,631	1,673,417,498
Fully provided Investment written off	(795,006,294)	(726,310,626)
Transferred from doubtful income/compensation realized/recovery	126,956,778	164,582,397
Transferred from provision for protested bills	-	43,740,720
Provision made during this year	2,377,093,263	609,267,642
Provision held at the end of the year	3,473,741,378	1,764,697,631
(b) General Provision on Investment		
Provision held at the beginning of the year	2,096,095,437	1,390,018,709
Addition during the year	111,303,360	706,076,728
Balance at the end of the year	2,207,398,797	2,096,095,437
Total Provision on Investments	5,681,140,175	3,860,793,068
(c) General Provision on Off-Balance Sheet items		
Provision held at the beginning of the year	598,513,466	430,968,163
Addition during the year	80,803,346	167,545,303
Balance at the end of the year	679,316,812	598,513,466
Total Provision for Investments & Off-Balance Sheet items (a+b+c)	6,360,456,987	4,459,306,534
13.3 Provision for other Assets		
Provision held at the beginning of the year	370,077,572	405,818,292
Provision written back during the year (due to recovery)	-	(43,740,720)
Adjustment regarding payment	(11,172,015)	-
Addition during the year	61,885,000	8,000,000
Balance at the end of the year	420,790,557	370,077,572
13.3.1 Provision for protested bills		
Provision held at the beginning of the year	313,407,280	357,148,000
Provision written back during the year (due to recovery)	-	(43,740,720)
Waiver/written off during the year	-	-
	<u>313,407,280</u>	<u>313,407,280</u>
13.3.2 Provision for suspense account		
Provision held at the beginning of the year	56,670,292	48,670,292
Adjustment during the year	(11,172,015)	-
Addition during the year	61,885,000	8,000,000
	<u>107,383,277</u>	<u>56,670,292</u>
13.4 Compensation & Rent Suspense A/C		
Compensation Receivable A/C		
Murabaha (General)	90,883,291	46,875,697
Murabaha (Post Import)	690,559	928,493
Musharaka (Preshipment)	290,783	1,366,611
Bai-Muazzal	316,670,215	227,521,689
Bai-Muazzal Trust Receipt	174,971,248	91,144,406
Baim Wes bills	24,180,098	27,123,422
Bai-Muazzal (ME)	159,338,898	73,340,965
	<u>767,025,093</u>	<u>468,301,283</u>
Compensation Suspense A/C		
Murabaha (General)	9,552,633	15,362,509
Murabaha (Post Import)	19,250,028	19,489,872
Bai-Muazzal	203,627,650	154,349,041
Bai-Muazzal- House hold	14,611	14,611
Bai-Muazzal Trust Receipt	38,838,361	57,091,298
Others	57,420,992	33,361,526
	<u>328,704,277</u>	<u>279,668,858</u>
Rent Suspense A/C	569,307,876	516,343,768
Total Compensation & Rent Suspense	1,665,037,246	1,264,313,910

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
13.4.1 Movement of Compensation and Rent Suspense A/C		
Balance at the beginning of the year	1,264,313,910	1,036,673,381
Add: Amount transferred to suspense account during the year	479,970,280	443,503,229
Less: Amount recovered from suspense account during the year	(19,639,153)	(60,424,696)
Less: Amount written off/waived during the year	(59,607,791)	(155,438,004)
Balance at the end of the year	<u>1,665,037,246</u>	<u>1,264,313,910</u>
13.5 Provision for Taxation		
Provision for Current tax		
Balance at the beginning of the year	8,837,269,513	6,949,604,945
Add: Provision made during the year (Note:13.5.1)	2,063,450,826	1,887,664,569
	<u>10,900,720,339</u>	<u>8,837,269,513</u>
Advance tax		
Balance at the beginning of the year	6,695,398,826	5,702,313,738
Paid during the year	1,407,386,534	993,085,088
	<u>8,102,785,359</u>	<u>6,695,398,826</u>
Balance at the end of the year	<u>2,797,934,980</u>	<u>2,141,870,688</u>
13.5.1 Provision made during the year		
Operating Profit before provision & tax	<u>6,166,211,520</u>	<u>5,698,083,884</u>
Add: amount to be deducted for separate consideration	<u>426,950,416</u>	<u>370,391,220</u>
Less: amount to be deducted for separate consideration	<u>1,628,448,392</u>	<u>1,488,767,625</u>
Total Taxable Income	<u>4,964,713,544</u>	<u>4,579,707,479</u>
Total Tax liability for current year		
Business Tax @ 40.00%	1,985,885,418	1,831,882,992
Dividend Tax @ 20%	66,509,907	52,798,431
Tax on gain on shares & securities @ 10%	11,055,501	2,983,146
Provision required	<u>2,063,450,826</u>	<u>1,887,664,569</u>
Provision made	<u>2,063,450,826</u>	<u>1,887,664,569</u>
13.6 Zakat fund		
Opening Balance	89,792,573	71,840,046
Addition this year	111,424,295	89,792,573
Less: Paid during the year	(122,265,910)	(84,897,438)
Less: Transferred to Sadaka fund (Balance of Zakat Fund)	13,616,841	13,057,392
Closing Balance at the end of the year	<u>92,567,800</u>	<u>89,792,573</u>
13.7 Mudaraba Profit Distribution		
Opening Balance	-	7,000,000
Addition the year	-	-
Less: Paid during the year	-	(7,000,000)
Closing Balance at the end of the year	<u>-</u>	<u>-</u>
13.8 Provision for good borrower		
Opening balance	15,000,000	-
Addition during the year	-	15,000,000
Paid during the year	8,222,000	-
	<u>6,778,000</u>	<u>15,000,000</u>
Provision for good borrower has been maintained to pay the good borrowers as defined and instructed by the BRPD Circular letters 06, 16 and 03 dated respectively 19.03.2015, 30.12.2015 and 16.02.2016.		
14 Deferred Tax Liability/(Asset)		
Balance at the beginning of the year	20,784,787	8,442,137
Add: Provision made during the year	16,426,030	12,342,649
Closing balance at the end of the year	<u>37,210,816</u>	<u>20,784,787</u>
14 (a) Consolidated Deferred Tax Liability/(Asset)		
Social Islami Bank Limited	<u>37,210,816</u>	<u>20,784,787</u>
SIBL Securities Limited		
Balance at the beginning of the year	990,578	1,206,103
Add: Provision made during the year	191,108	(215,525)
Closing balance at the end of the year	<u>1,181,686</u>	<u>990,578</u>
Grand total	<u>38,392,503</u>	<u>21,775,365</u>
15 Capital		
15.1 Authorized Capital		
1,000,000,000 ordinary shares of Tk. 10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
15.2 Issued, Subscribed and Paid up Capital		
The Paid-up Capital of the Bank is currently Tk. 7,382,986,420 divided into 738,298,642 Ordinary Shares of Tk 10 each	<u>7,382,986,420</u>	<u>7,382,986,420</u>
Break up of paid up capital is as follows		
26,000,000 no. Ordinary shares of Tk.10 issued for cash	260,000,000	260,000,000
477,322,945 no. Ordinary shares of Tk. 10 each for cash as right share	4,773,229,450	4,773,229,450
234,975,697 no.ordinary shares of Tk 10 each issued as bonus shares	2,349,756,970	2,349,756,970
	<u>7,382,986,420</u>	<u>7,382,986,420</u>
Sponsor Shareholders Group	3,114,102,130	2,492,774,260
General Shareholders Group	4,268,884,290	4,890,212,160
	<u>7,382,986,420</u>	<u>7,382,986,420</u>

15.3 Classification of Shareholders by holding

Year 2017

	No. of Shareholders	No. of shares	Percentage of holding of shares
Less than 500 shares	15,607	2,321,746	0.31%
501 to 5,000 shares	14,959	24,836,841	3.36%
5,001 to 10,000 shares	1,290	9,253,080	1.25%
10,001 to 20,000 shares	650	9,047,790	1.23%
20,001 to 50,000 shares	365	11,243,484	1.52%
50,001 to 99,999 shares	306	681,595,701	92.32%
Total	33,177	738,298,642	100.00%

31.12.2016

Year 2016

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

15.4 Particulars of shareholding and Percentage Analysis

Particulars of shareholding:

	Year 2017			
	Number of Share holders	Number of Shares		
Sponsors & Placement	34	165,557,845	1,655,578,450	1,709,470,060
Sponsors Foreign	11	10,227,367	102,273,670	9,238,070
Sponsors & Placement Company	9	135,625,001	1,356,250,010	774,066,130
General Public	32,392	108,030,322	1,080,303,220	2,391,349,300
Institutions (Bank & Insurance)	41	21,235,679	212,356,790	152,333,150
Institution (Others)	645	294,407,824	2,944,078,240	2,253,169,770
ICB Account Holders	28	53,033	530,330	4,937,990
ICB	1	4	40	21,122,950
ICB Unit Fund	3	10,591	105,910	24,030
ICB Mutual Fund	-	-	-	2,142,940
Employee	2	2,901,470	29,014,700	29,019,700
Non-Resident Bangladeshi	11	249,506	2,495,060	36,112,330
	33,177	738,298,642	7,382,986,420	7,382,986,420

Percentage of shareholding Analysis:

	Percentage	Percentage
Sponsors & Placement	22.42%	23.15%
Sponsors Foreign	1.39%	0.13%
Sponsors & Placement Company	18.37%	10.48%
General Public	14.63%	32.39%
Institutions (Bank & Insurance)	2.88%	2.06%
Institution (Others)	39.88%	30.52%
ICB Account Holders	0.01%	0.07%
ICB	0.00%	0.29%
ICB Unit Fund	0.00%	0.00%
ICB Mutual Fund	-	0.03%
Employee	0.39%	0.39%
Non-Resident Bangladeshi	0.03%	0.49%
	100%	100%

	31.12.2017	31.12.2016
	Taka	Taka
15.5 Capital Adequacy (Solo Basis)		
Position of capital adequacy are given below:-		
a) Gone Concern Capital (Tier -I)		
Common Equity Tier I (CET-1) Capital		
i) Paid-up Capital	7,382,986,420	7,382,986,420
ii) Statutory Reserve (Note: 16)	5,025,796,447	4,318,771,137
iii) Retained Earnings (Note: 17)	778,444,828	1,481,974,061
	13,187,227,695	13,183,731,618
Additional Tier I (AT-1) Capital	-	-
	13,187,227,695	13,183,731,618
b) Going Concern Capital (Tier-II)		
i) General Provision {Note 13.2(b+c)}	2,886,715,609	2,694,608,903
ii) Assets Revaluation Reserve (eligible)	211,135,945	316,703,918
(As per Basel-III Guideline of Bangladesh Bank 60% Revaluation Reserve is Adjusted in 2017)		
iii) SIBLMudaraba Subordinated Bonds	5,440,000,000	3,000,000,000
	8,537,851,554	6,011,312,821
c) Total eligible capital (a +b)	21,725,079,250	19,195,044,439
d) Total Risk Weighted Assets	187,743,995,000	166,172,670,000
e) Minimum Required Capital (10% of Risk Weighted Assets)	18,774,399,500	16,617,267,000
f) Minimum Required Capital (11.25% of Risk Weighted Assets) including conservation buffer	21,121,199,438	17,655,846,188
g) Total Capital Surplus (c-e)	2,950,679,750	2,577,777,439
h) Total Capital Surplus considering conservation buffer(c-f)	603,879,812	1,539,198,251

Capital Adequacy (Consolidated basis)

Position of capital adequacy are given below:-

a) Gone Concern Capital (Tier -I)

Common Equity Tier I (CET-1) Capital

i) Paid-up Capital	7,382,986,420	7,382,986,420
ii) Statutory Reserve (Note: 16)	5,025,796,447	4,318,771,137
iii) General Reserve	8,570,541	6,154,312
iv) Retained Earnings {Note: 18(a)}	787,091,456	1,481,351,830
	13,204,444,864	13,189,263,700

Additional Tier I (AT-1) Capital

	-	-
	13,204,444,864	13,189,263,700

b) Going Concern Capital (Tier-II)

i) General Provision {Note 13.1(b+c)}	2,886,715,609	2,694,608,903
ii) Assets Revaluation Reserve (eligible)	211,135,945	316,703,918
(As per Basel-III Guideline of Bangladesh Bank 60% Revaluation Reserve is Adjusted in 2017)		
iii) SIBLMudaraba Subordinated Bonds	5,440,000,000	3,000,000,000
	8,537,851,554	6,011,312,821

c) Total eligible capital (a +b)

	21,742,296,419	19,200,576,520
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d) Total Risk Weighted Assets

	187,516,955,000	165,928,850,000
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e) Minimum Required Capital (10% of Risk Weighted Assets)

	18,751,695,500	16,592,885,000
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f) Minimum Required Capital (11.25% of Risk Weighted Assets) including conservation buffer

	21,095,657,438	17,629,940,313
--	-----------------------	-----------------------

g) Total Capital Surplus (c-e)

	2,990,600,919	2,607,691,520
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h) Total Capital Surplus considering conservation buffer(c-f)

	646,638,981	1,570,636,208
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Capital to Risk Weighted Asset Ratio (Solo basis)

Particulars	31.12.2017		31.12.2016	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	7.02%	5.50%	7.93%
Common Equity Tier I Capital: (CET-1)	4.50%	7.02%	4.50%	7.93%
CET-1 Plus Conservation Buffer	5.75%	7.02%	5.125%	7.93%
Gone Concern Capital: (Tier-II)	0.00%	4.55%	0.00%	3.62%
Minimum CRAR	10.00%	11.57%	10.00%	11.55%
Minimum CRAR Plus Conservation Buffer	11.25%	11.57%	10.625%	11.55%

Capital Adequacy Ratio (Consolidated basis)

Particulars	31.12.2017		31.12.2016	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	7.04%	5.50%	7.95%
Common Equity Tier I Capital: (CET-1)	4.50%	7.04%	4.50%	7.95%
CET-1 Plus Conservation Buffer	5.75%	7.04%	5.13%	7.95%
Going Concern Capital: (Tier-II)	0.00%	4.55%	0.00%	3.62%
Minimum CRAR	10.00%	11.59%	10.00%	11.57%
Minimum CRAR Plus Conservation Buffer	11.25%	11.59%	10.625%	11.57%

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

Solo Basis

a) Risk Weights for Credit Risk

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2017		31.12.2016	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	41,028,400,000	-	33,792,300,000	-
20%	25,257,600,000	5,051,520,000	20,740,900,000	4,148,180,000
40%	2,280,500,000	912,200,000		431,600,000
50%	68,301,700,000	34,150,850,000	40,594,200,000	20,297,100,000
60%	18,179,800,000	10,907,880,000	11,450,400,000	6,870,240,000
75%	20,523,200,000	15,392,400,000	27,844,000,000	20,883,000,000
80%	14,040,900,000	11,232,720,000	9,327,000,000	7,461,600,000
100%	76,196,500,000	76,196,500,000	66,498,100,000	66,498,100,000
120%	-	-	-	-
125%	8,164,600,000	8,574,025,000	16,675,400,000	18,448,050,000
150%	5,070,700,000	7,606,050,000	4,307,500,000	6,461,250,000
Total	279,043,900,000	170,024,145,000	232,308,800,000	151,499,120,000
b) Risk Weights for Operational Risk	1,378,685,000	13,786,850,000	1,114,755,000	9,421,950,000
c) Risk Weights for Market Risk	393,300,000	3,933,000,000	352,600,000	1,890,400,000
Total Risk Weighted Assets		187,743,995,000		137,155,240,000

Consolidate basis

a) Risk Weights for Credit Risk

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2017		31.12.2016	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	41,088,100,000	-	33,827,900,000	-
20%	25,257,900,000	5,051,580,000	20,907,800,000	4,181,560,000
40%	2,280,500,000	912,200,000	1,079,000,000	431,600,000
50%	68,301,700,000	34,150,850,000	40,594,200,000	20,297,100,000
60%	18,179,800,000	10,907,880,000	11,450,400,000	6,870,240,000
75%	20,523,200,000	15,392,400,000	27,844,000,000	20,883,000,000
80%	14,040,900,000	11,232,720,000	9,327,000,000	7,461,600,000
100%	76,408,100,000	76,408,100,000	66,564,100,000	66,564,100,000
120%	-	-	-	-
125%	7,728,100,000	8,028,275,000	16,217,600,000	17,875,800,000
150%	5,070,700,000	7,606,050,000	4,307,500,000	6,461,250,000
Total	278,879,000,000	169,690,055,000	232,119,500,000	151,026,250,000
b) Risk Weights for Operational Risk	1,389,390,000	13,893,900,000	1,137,660,000	11,376,600,000
c) Risk Weights for Market Risk	393,300,000	3,933,000,000	352,600,000	3,526,000,000
Total Risk Weighted Assets		187,516,955,000		165,928,850,000

16 Statutory Reserve

Opening balance
Add: Addition during the year

	31.12.2017 Taka	31.12.2016 Taka
Opening balance	4,318,771,137	3,480,332,295
Add: Addition during the year	707,025,310	838,438,842
	5,025,796,447	4,318,771,137

16(a) General Reserve

Opening balance
Add: Addition during the year

	31.12.2017 Taka	31.12.2016 Taka
Opening balance	6,154,312	4,275,913
Add: Addition during the year	2,416,229	1,878,399
	8,570,541	6,154,312

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

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
17 Revaluation Reserve on fixed assets		
Carrying (Revalued) amount of fixed assets (Land and Building)	1,510,623,068	1,549,038,275
Cost of fixed assets (land and building) less depreciation	506,558,057	519,492,581
Balance of revaluation reserve	1,004,065,011	1,029,545,694
Less: Adjustment made based on difference amount of depreciation	24,843,666	25,480,685
Remaining balance of revaluation reserve	979,221,345	1,004,065,009

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 after year 2011.

a. The effective date of revaluation:

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

b. Valuer:

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

c. Method used for determination of fair value:

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

(amounts in Taka)						
<u>Location</u>	<u>Class of property</u>	<u>Cost less depreciation</u>	<u>Revaluation Surplus</u>	<u>Depreciation on revalued amount</u>	<u>Depreciation on cost</u>	<u>Amount of adjustment</u>
City Center, Head Office	Building	345,553,228	825,246,730	29,269,999	8,638,831	20,631,168
Chandaikona Branch	Land	2,111,623	10,218,377		-	-
	Building	1,017,827	1,136,828	53,866	25,446	28,420
Savar Branch	Building	27,744,068	25,151,358	1,319,886	693,602	626,284
Panthapath Branch	Building	23,083,818	46,615,303	1,742,478	577,095	1,165,383
Rampura Branch	Building	34,359,592	32,693,974	1,676,339	858,990	817,349
Khulna Branch	Building	16,188,099	12,754,962	723,577	404,702	318,875
Nawabpur Road Branch	Building	56,499,801	50,247,480	2,668,682	1,412,495	1,256,187
		506,558,057	1,004,065,009	37,454,827	12,611,162	24,843,666

18 Retained Earnings

Opening balance	1,481,974,061	1,409,028,351
Less: Issue of cash dividend 20%	(1,476,597,284)	(1,054,712,346)
Less: Issue of Stock dividend 5%	-	(351,570,780)
Add: Transferred from Profit & Loss Account	748,224,385	1,453,748,151
Add: Transferred from Revaluation Reserve for Fixed Assets	24,843,666	25,480,685
	778,444,828	1,481,974,061

18(a) Consolidated retained earnings

Opening Balance	1,481,351,830	1,409,545,341
Less: Issue of cash dividend for SIBL shareholders	(1,476,597,284)	(1,054,712,346)
Less: Issue of Stock dividend 5%	-	(351,570,780)
Add: Transferred from current year retained earnings of SIBL & its subsidiaries {note 18.1(a)}	757,493,324	1,452,608,995
Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL	24,843,666	25,480,685
	787,091,536	1,481,351,895

Less: Dividend paid to other shareholders

SIBL Securities Limited	80	65
	787,091,456	1,481,351,830

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%

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
18.1 Current year retained earnings		
Social Islami Bank Limited		
Profit after tax	1,455,249,695	2,292,186,993
Less : Statutory Reserve	707,025,310	838,438,842
	748,224,385	1,453,748,151
18.1(a) Consolidated Current year retained earnings		
Profit after tax of SIBL	1,455,249,695	2,292,186,993
Less :Statutory Reserve	707,025,310	838,438,842
Profit/(Loss) attributable to Group	748,224,385	1,453,748,151
Add: Profit/(loss) of subsidiaries		
Add: Current year profit/(loss) of subsidiaries		
SIBL Securities Limited	107,737,962	78,902,038
SIBL Investment Limited	(69,015)	(91,195)
	107,668,946	78,810,843
Less: Non controlling interests of profit/(loss) attributable for current year		
SIBL Securities Limited	87	64
SIBL Investment Limited	-	-
	87	64
Less: Common income (Dividend) for elimination		
SIBL Securities Limited	98,399,920	79,949,935
Profit/(Loss) attributable to parent	757,493,324	1,452,608,995
18(b) Non-controlling interest		
SIBL Securities Limited		
Paid up capital	1,230,000,000	1,230,000,000
Retained earnings	10,591,211	1,253,248
Net Assets	1,240,591,211	1,231,253,248
SIBL Investment Limited		
Paid up capital	250,000,000	250,000,000
Retained earnings	(1,944,382)	(1,875,367)
Net Assets	248,055,618	248,124,633
Non-controlling interests		
SIBL Securities Limited, @ 0.000008% of net assets	1,200	1,113
SIBL Investment Limited, @0.00024% of net assets	596	596
Total non-controlling interest	1,797	1,710

	31.12.2017	31.12.2016
	Taka	Taka
19 Contingent liabilities		
19.1 Acceptances and Endorsements		
Bill bankers' liabilities (DP)	22,997,615,491	18,157,167,303
Bill bankers' liabilities (BB/FO)	914,598,999	829,993,999
Bill bankers' liabilities (BB/LO)	4,047,487,724	3,544,305,579
Bill bankers' liabilities (EPZ)	257,288,000	204,609,000
Bill bankers' liabilities Others	509,136,200	266,569,200
	28,726,126,414	23,002,645,081
19.2 Letter of Credit		
L/C bankers' liabilities (DP)	7,323,021,802	8,083,188,139
L/C bankers' liabilities (BB/FO)	1,154,481,000	1,832,416,000
L/C bankers' liabilities (BB/LO)	1,660,871,000	1,886,541,660
L/C bankers' liabilities (Cash)	9,149,512,487	9,113,943,561
L/C bankers' liabilities (EPZ)	24,235,000	182,384,000
L/C bankers' liabilities (Others)	1,597,919,000	830,293,300
	20,910,040,289	21,928,766,660
19.3 Letters of guarantees		
Letters of guarantee	14,094,167,946	11,485,872,882
19.4 Bills for collection		
In-ward bills for collection	-	264,095,000
Out-ward Bills for Collection	4,239,277,561	3,169,966,967
	4,239,277,561	3,434,061,967
19.5 Other Contingent Liabilities	-	-
19.6 Other Commitments	-	-
Total Off-balance sheet items	67,969,612,210	59,851,346,590
Income Statement (Note-20 to Note-39)		
Income:		
Income from Investment (Note-20)	18,497,613,423	16,883,378,239
Income from Investment in Shares & Securities (Note-22)	443,104,547	293,823,613
Commission, Exchange and Brokerage Income (Note-23)	1,871,303,027	1,552,385,033
Other operating income (Note-24)	602,379,425	444,753,870
	21,414,400,422	19,174,340,755
Expenses:		
Profit paid on Deposits (Note-21)	10,561,959,067	9,544,341,782
Administrative expenses	2,899,594,762	2,451,356,865
Other operating expenses	1,488,912,855	1,222,098,691
Depreciation on Banking assets	297,722,218	258,459,532
	15,248,188,902	13,476,256,871
Income over expenditure	6,166,211,520	5,698,083,884
20 Income from Investment		
Profit on Murabaha	120,116,734	119,856,776
Profit on Bai-Muazzal	11,235,975,639	10,118,432,978
Profit on Hire-Purchase	4,865,038,403	3,876,454,757
Profit on Musharka	31,297,362	38,936,919
Profit on Bai-Salam	57,213,841	40,656,117
Profit on Quard against MTDR, Scheme and others	582,606,146	557,890,653
Profit on Inland Document Bill Purchased	343,629,376	358,855,646
Profit on Foreign Document Bill Purchased	291,942,245	691,117,400
Profit on Ijarah	42,579,353	27,307,606
Profit on Investment against Mudaraba Deposit with other banks and NBFIs	516,384,540	599,157,616
Profit on other investments (Card, Wakalat fee etc.)	250,308,304	217,775,075
Profit on Mudaraba	160,521,481	236,936,696
	18,497,613,423	16,883,378,239
20(a) Consolidated income from investment		
Social Islami Bank Ltd.	18,497,613,423	16,883,378,239
Add: Income from investment of subsidiaries of SIBL	111,296,114	82,908,601
SIBL Securities Ltd.	111,296,114	82,908,601
SIBL Investment Ltd.	-	-
Grand total of consolidated investment income	18,608,909,537	16,966,286,841

	31.12.2017	31.12.2016
	Taka	Taka
21 Profit paid on Deposits		
<i>Profit paid on deposits</i>		
Mudaraba Savings Deposits (MSD)	368,388,910	327,415,900
Mudaraba short notice deposit (MSND)	289,094,026	91,880,450
Mudaraba term deposit (MTDR)	7,797,128,684	6,703,446,067
Cash waqf fund deposit	23,240,286	20,647,456
Profit paid on Scheme Deposits & others	1,668,924,699	2,073,397,664
	10,146,776,605	9,216,787,536
<i>Profit paid on borrowings & SIBL Mudaraba Subordinate Bond</i>	415,182,462	327,554,247
Total profit paid on deposits and borrowings	10,561,959,067	9,544,341,782
21(a) Consolidated Profit paid on Deposits		
Social Islami Bank Ltd.	10,561,959,067	9,544,341,782
<i>Add: Income from investment of subsidiaries of SIBL</i>	62,993,082	32,064,954
SIBL Securities Ltd.	62,993,082	32,064,954
SIBL Investment Ltd.	-	-
Grand total of consolidated Profit paid on Deposits	10,624,952,149	9,576,406,736
22 Income from Investment in Shares & Securities		
Income from Investment in Islamic Bond	94,361,362	42,890,379
Income from Investment in Shares	110,555,012	29,831,458
Belhasha Preference share	109,549,205	107,406,070
Dividend Income	128,638,968	113,695,705
	443,104,547	293,823,613
Social Islami Bank Ltd. has investment of Tk. 910.00 crore in Bangladesh Govt. Islamic Investment Bond for which 3.00%, average rate of income has been provided for January-December 2017. The nature of the Fund is to generate profit according to Mudaraba Principle.		
22(a) Consolidated income from Investment in Shares & Securities		
Social Islami Bank Ltd.	443,104,547	293,823,613
<i>Add: Income from Investment in Shares & Securities of subsidiaries of SIBL</i>	34,323,504	23,737,526
SIBL Securities Ltd.	34,323,504	23,737,526
SIBL Investment Ltd.	-	-
<i>Less: Common income for elimination</i>		
SIBL Securities Ltd.	98,399,920	79,949,935
Grand total of consolidated income from Investment in Shares & Securities	379,028,131	237,611,204
23 Commission, Exchange & Brokerage		
Commission	848,329,068	796,555,887
Exchange income	1,022,973,959	755,829,146
	1,871,303,027	1,552,385,033
23(a) Consolidated income from commission, exchange & brokerage		
Social Islami Bank Ltd.	1,871,303,027	1,552,385,033
<i>Add: Income from commission, exchange & brokerage of subsidiaries of SIBL</i>	145,463,433	88,861,672
SIBL Securities Ltd.	145,463,433	88,861,672
SIBL Investment Ltd.	-	-
Grand total of consolidated income from commission, exchange & brokerage	2,016,766,460	1,641,246,704
24 Other Operating Income		
P & T charge recovered	715,768	1,650,969
Courier Charges Recovery & Others	9,668,654	2,622,760
Services & charges	414,953,352	298,805,949
SWIFT/ Return charge recovered	50,015,815	48,011,758
Other charges (Note: 24.1)	127,025,836	93,662,433
	602,379,425	444,753,870
24(a) Consolidated other operating income		
Social Islami Bank Ltd.	602,379,425	444,753,870
<i>Add: Other operating Income of subsidiaries of SIBL</i>	2,350,110	925,635
SIBL Securities Ltd.	2,350,110	925,635
SIBL Investment Ltd.	-	-
Grand total of consolidated income from other operating income	604,729,535	445,679,505
24.1 Other Charges		
Rent receipts	2,194,581	1,794,066
Income from sale of forms	416,900	345,700
Service charge on SIBL Cards	58,669,545	38,938,190
Notice pay earnings	3,125,925	1,828,012
Miscellaneous income	62,618,884	50,756,465
	127,025,836	93,662,433

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
25 Salary & Allowances		
Basic Salary	1,137,047,641	939,614,497
Allowances	1,130,621,847	928,965,808
Bonus	473,188,676	460,636,141
L/E Salary & Allowances	29,480,924	14,728,894
Bank's Contribution to Provident fund	107,304,553	86,448,701
Bank's Contribution to Social Insurance fund	11,101,765	9,328,467
	<u>2,888,745,407</u>	<u>2,439,722,509</u>
25(a) Consolidated expenses for Salary and Allowance		
Social Islami Bank Ltd.	2,888,745,407	2,439,722,509
Add: Salary and Allowance for subsidiaries	27,988,114	22,056,096
SIBL Securities Ltd.	27,988,114	22,056,096
SIBL Investment Ltd.	-	-
	<u>2,916,733,521</u>	<u>2,461,778,605</u>
26 Rent, Taxes, Insurance & Electricity etc.		
Rent, Rates & Taxes (note: 26.1)	271,191,425	221,213,035
Insurance (note: 26.2)	115,366,296	93,031,592
Electricity, Lighting & Water (note: 26.3)	76,607,361	71,249,903
	<u>463,165,082</u>	<u>385,494,529</u>
26(a) Consolidated expenses for rent, taxes, insurance & electricity		
Social Islami Bank Ltd.	463,165,082	385,494,529
Add: Rent, Taxes, Insurance & Electricity etc. of subsidiaries	5,715,229	5,206,922
SIBL Securities Ltd.	5,715,229	5,206,922
SIBL Investment Ltd.	-	-
	<u>468,880,311</u>	<u>390,701,451</u>
26.1 Rents, Rates, Taxes, Insurance & Lighting etc.		
Rents		
Rent (Office)	266,143,767	216,622,355
Rent (Garage)	484,850	392,048
Rent (Godown & others)	3,521,514	2,976,285
	<u>270,150,131</u>	<u>219,990,688</u>
Rates and Taxes	1,041,294	1,222,347
Total Rents, Rates & Taxes	271,191,425	221,213,035
26.2 Insurances		
Insurance Premium in Counter	850,055	583,280
Insurance Premium in Transit	5,990,486	5,361,469
Insurance Premium Safe/Vault	5,930,813	3,978,010
Insurance Premium on deposit	98,372,499	80,504,592
Insurance Premium on Vehicle	1,901,822	1,626,252
Other Insurance	2,320,622	977,989
	<u>115,366,296</u>	<u>93,031,592</u>
26.3 Lighting & Electricity		
Lighting & Electricity Bill (Office)	67,854,214	61,586,636
Lighting & Electricity Charges (Office)	5,245,170	5,733,312
Sub Total	73,099,384	67,319,948
Water & Sewerage	3,507,977	3,929,955
	<u>76,607,361</u>	<u>71,249,903</u>
27 Legal Expenses		
Legal Fees & Charge	9,960,110	7,901,229
Stamp Duties	67,625	59,061
Other Legal Expenses	5,474,400	1,955,666
	<u>15,502,135</u>	<u>9,915,955</u>
28 Postage, Stamps, Telecommunication etc.		
Cable Network rent	273,362	218,660
Telegram, Fax, Telex & other charges	267,188	278,310
Telephone charges	2,861,411	4,701,733
Mobile phone charges	6,324,470	3,619,483
	<u>9,726,431</u>	<u>8,818,186</u>
28(a) Consolidated expenses for Postage, Stamps, Telecommunication etc.		
Social Islami Bank Limited	9,726,431	8,818,186
Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries	1,825,369	1,543,670
SIBL Securities Ltd.	1,825,369	1,543,670
SIBL Investment Ltd.	-	-
	<u>11,551,800</u>	<u>10,361,856</u>

	31.12.2017	31.12.2016
	Taka	Taka
29 Stationery, Printing, Advertisements etc.		
Table Stationery	13,983,112	12,973,944
Printing & Stationery	39,046,381	38,114,111
News Paper & Magazine	24,755,996	33,965,130
Television & Radio	18,075,500	16,246,100
Neon Sign, Banner etc.	432,624	564,518
Other Publicity	32,853,770	15,551,710
	129,147,384	117,415,513
29(a) Consolidated expense of Stationery, Printing, Advertisement etc.		
Social Islami Bank Ltd.	129,147,384	117,415,513
Stationery, Printing, Advertisement expense of Subsidiaries of SIBL	498,091	303,298
SIBL Securities Limited.	498,091	303,298
SIBL Investment Limited.	-	-
	129,645,475	117,718,811
30 Managing Director's Salary and Allowances		
Basic Salary	5,761,290	5,694,194
Allowances	2,658,065	3,895,162
Festival & other Bonus	2,430,000	2,045,000
	10,849,355	11,634,356
31 Directors' Fees & Meeting Expenses		
Directors Fee	6,725,200	4,385,200
Meeting Expenses	3,740,144	2,585,782
	10,465,344	6,970,982
31(a) Consolidated Directors' fees & Meeting Expenses:		
Social Islami Bank Limited	10,465,344	6,970,982
Directors' Fees & Meeting Expenses of Subsidiaries of SIBL	655,500	667,000
SIBL Securities Limited	655,500	667,000
SIBL Investment Limited	-	-
	11,120,844	7,637,982
32 Shariah Supervisory Committee's Fees & Expenses		
Shariah Council Meeting Expenses	711,064	746,775
	711,064	746,775
33 Depreciation and Repair of Bank's Assets		
a) Depreciation of Bank's Assets (Annexure A)		
Land	-	-
Building	51,646,497	53,044,868
Furniture & Fixtures	60,456,536	47,814,945
Office Appliance & Equipment	120,118,741	102,736,874
Computer Software	12,850,885	11,376,524
Vehicles	17,249,104	10,571,674
Books	65,358	53,762
	262,387,120	225,598,647
b) Repair on Bank's Assets		
Building	46,437	456,065
Motor Car/ Vehicle	4,151,405	3,998,022
Furniture Fixture	2,077,751	1,975,078
Mechanical Appliances	16,048,731	13,370,537
Software Maintenance fee	12,286,225	8,875,160
Hardware Maintenance fee	11,450	1,764,730
IT Enable Service Charges	713,098	2,421,293
	35,335,097	32,860,885
Total of Depreciation and repair of Bank's Assets	297,722,218	258,459,532
33(a) Consolidated balance of Depreciation		
Social Islami Bank Ltd.	297,722,218	258,459,532
Add: Depreciation on assets of subsidiaries	1,711,738	2,884,078
SIBL Securities Ltd.	1,711,738	2,884,078
SIBL Investment Ltd.	-	-
Add: Repairs & Maintenance on assets of subsidiaries	660,624	627,921
SIBL Securities Ltd.	660,624	627,921
SIBL Investment Ltd.	-	-
	300,094,580	261,971,531

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
34 Other Expenses		
Local conveyance	17,147,744	15,685,954
Petroleum, oil & lubricants	15,992,359	14,163,358
Entertainment expenses	36,328,698	75,140,427
Traveling allowances	32,746,545	16,611,323
Travelling Foreign	2,994,260	2,497,868
Bank charges	420,941	2,086,748
Uniform charges	1,533,047	809,790
Subscriptions to Institutions & Others	7,496,600	3,202,182
Banks' clearing house charges	79,931	78,419
CIB Charges	2,152,780	1,993,560
Transportation charges	6,254,193	5,605,933
News paper, Journal & periodicals	402,199	624,027
Washing charges	640,045	479,891
Training expenses Academy/ Internal	168,683	42,827
Training expenses at outside Banks	3,999,423	3,660,729
Meeting expenses	79,507	76,465
Direct expenses on investment	406,250	214,978
Up keep of branches/office premises	5,882,721	6,218,728
Excise duty	1,362,000	2,180,950
Computer charges	15,499,788	15,388,437
Security Services	152,886,408	128,228,370
Cleaner Services	5,778,073	4,684,240
Others wages	119,890,561	88,844,602
Photocopy expenses	1,483,760	1,352,871
Photography expenses	86,592	96,687
Cash & Bank remittance charges	3,909,571	4,004,995
Honorarium	3,050,300	3,591,250
On-Line Expenses	24,135,274	24,215,710
ATM Rent Hardware	1,489,096	2,594,550
Credit Rating Fees	2,895,490	6,212,029
Other Utility	3,087,190	1,812,968
Bond issue related Expense	10,780,000	2,616,000
Fair value adjustment for shares and securities	49,206	-
Gratuity expense	127,994,500	105,236,824
Miscellaneous expenses	139,092,385	61,477,991
	748,196,121	601,731,679
34(a) Consolidated Other Expenses		
Social Islami Bank Limited	748,196,121	601,731,679
Add: Other Expenses for SIBL Securities Limited	32,249,158	21,510,560
License, fees, renewals and incorporation expenses	18,382,472	10,595,772
Entertainment	1,287,628	1,118,686
Bank charge and Excise duty	-	-
Others	12,579,058	9,796,102
Other Expenses for SIBL Investment Limited	46,015	68,195
Incorporation and Other Regulatory expenses	2,942	29,453
Bank charge and Excise duty	26,150	16,000
Others	16,923	22,742
	780,491,293	623,310,434
35 Other Provision		
Provision for other assets (note: 13.3)	61,885,000	8,000,000
Provision for good borrower (note: 13.8)	-	15,000,000
	61,885,000	23,000,000
35(a) Consolidated other provision		
Social Islami Bank Ltd.	61,885,000	23,000,000
Add: Provision for subsidiaries		
SIBL Securities Ltd.		
Provision for general reserve	2,416,229	1,878,399
Provision for impairment of margin loan	27,815,063	15,744,321
Provision for diminution in value of investment	3,738,060	(1,114,563)
	33,969,352	16,508,157
SIBL Investment Ltd.	-	-
	95,854,352	39,508,157

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
36 Provision against Investment, Off-Balance Sheet items & Others		
Provision on classified investment	2,377,093,263	609,267,642
Provision on unclassified investment	111,303,360	706,076,728
Provision on Off-Balance Sheet items	80,803,346	167,545,303
Other provisions (note: 35)	61,885,000	23,000,000
	<u>2,631,084,969</u>	<u>1,505,889,673</u>
36(a) Consolidated Provision against Investment, Off-Balance Sheet items & Others		
Social Islami Bank Ltd.	2,631,084,969	1,505,889,673
Add: Provision for subsidiaries	33,969,352	16,508,157
SIBL Securities Ltd.	33,969,352	16,508,157
SIBL Investment Ltd.	-	-
	<u>2,665,054,321</u>	<u>1,522,397,830</u>
37 Provision for Income Tax		
Current year provision (Note: 37.1)	2,063,450,826	1,887,664,569
Deferred Tax expense/(income) (Note: 37.2)	16,426,030	12,342,649
	<u>2,079,876,855</u>	<u>1,900,007,218</u>
37(a) Consolidated Provision for Income Tax		
Social Islami Bank Limited	2,079,876,855	1,900,007,218
SIBL Securities Limited	17,405,942	14,158,741
Current year provision	17,214,834	14,374,266
Deferred Tax expense/(income)	191,108	(215,525)
SIBL Investment Limited	-	-
	<u>2,097,282,797</u>	<u>1,914,165,959</u>
37.1 Current Year Tax Provision		
Provision on tax has been calculated based on Income Tax Ordinance, 1984 as amended upto 2017 by the Finance Act, considering the allowances and disallowances.		
37.2 Deferred Tax Expenses/(Income)		
Deferred tax expense/(income) for liability/(asset) has been calculated as per Bangladesh Accounting Standard 12.		
38 Earning Per Share (EPS)		
SIBL has issued 1:1 right share for an amount of Taka- 2,987,815,750 as approved in its 242nd Board Meeting held on 02 March 2011 by the Directors of the Board. Before right issue SIBL had a total capital of Taka- 2,987,815,750 as on 31.12.2010. The paid up capital was further enhanced by an amount of Taka- 418,294,200, Taka-637,489,940 and Taka-351,570,780 issued as bonus share for the years ended 31 December 2010, 2012 and 2015. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 7,382,986,420 with a total no. of 738,298,642 shares having face value @ Taka- 10/share.		
Net Profit after Tax	1,455,249,695	2,292,186,993
Number of ordinary shares outstanding	738,298,642	738,298,642
Earning Per Share (EPS)	1.97	3.10
38(a) Consolidated Earning Per Share (CEPS)		
Net Profit after Tax	1,464,518,636	2,291,047,837
Number of ordinary shares outstanding	738,298,642	738,298,642
Consolidated Earning Per Share (CEPS)	1.98	3.10
Notes for Cash Flow Statement (Note-39 to Note-44)		
39 Income from Investment		
Investment profit receipt	18,497,613,423	16,883,378,239
Add: Opening profit receivable	-	-
Less: Closing profit receivable	-	-
	<u>18,497,613,423</u>	<u>16,883,378,239</u>
39(a) Consolidated income from investment		
Income from investment of SIBL	18,497,613,423	16,883,378,239
Income from investment of Subsidiaries of SIBL	111,296,114	82,908,601
SIBL Securities Ltd.	111,296,114	82,908,601
SIBL Investment Ltd.	-	-
Grand total	18,608,909,537	16,966,286,841
40 Receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
Exchange income	1,022,973,959	755,829,146
Rent receipts	2,194,581	1,794,066
P & T charge recovered	715,768	1,650,969
Courier Charges Recovery & Others	9,668,654	2,622,760
Notice pay earnings	3,125,925	1,828,012
Miscellaneous income	62,618,884	50,756,465
Services & charges	414,953,352	298,805,949
SWIFT/ Return charge recovered	50,015,815	48,011,758
Service charge on SIBL Cards	58,669,545	38,938,190
Income from sale of forms	416,900	345,700
	<u>1,625,353,384</u>	<u>1,200,583,016</u>

	31.12.2017	31.12.2016
	<u>Taka</u>	<u>Taka</u>
40(a) Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
Receipts from Other Operating Activities of SIBL	1,625,353,384	1,200,583,016
Receipts from other operating activities of Subsidiaries of SIBL	2,350,110	925,635
SIBL Securities Ltd.	2,350,110	925,635
SIBL Investment Ltd.	-	-
	<u>1,627,703,494</u>	<u>1,201,508,651</u>
41 Payment to others		
Rent (Office)	266,143,767	216,622,355
Rent (Garage)	484,850	392,048
Rent (Godown)	3,521,514	2,976,285
Rates and Taxes	1,041,294	1,222,347
Insurance Premium for cash in counter	850,055	583,280
Insurance Premium for cash in transit	5,990,486	5,361,469
Insurance Premium for cash in safe/ vault	5,930,813	3,978,010
Insurance Premium on deposit	98,372,499	80,504,592
Insurance Premium for vehicle	1,901,822	1,626,252
Other Insurance	2,320,622	977,989
Lighting and Electricity Bill (Office)	67,854,214	61,586,636
Lighting and Electricity Charges (Office)	5,245,170	5,733,312
Water and Sewerage	3,507,977	3,929,955
Legal Expenses	15,502,135	9,915,955
Directors Fees and Meeting Expenses	10,465,344	6,970,982
Shariah Supervisory Fees & Expenses	711,064	746,775
Audit Fees	575,000	1,212,500
Repairs and Maintenance	35,335,097	32,860,885
Zakat Expenses	111,424,295	89,792,573
Other Expenses (note: 34)	748,196,121	601,731,679
	<u>1,385,374,138</u>	<u>1,128,725,879</u>
41(a) Consolidated payment to others		
Social Islami Bank Limited	1,385,374,138	1,128,725,879
Payment to others- Subsidiaries	39,372,526	28,103,597
SIBL Securities Limited	39,303,511	28,012,402
SIBL Investment Limited	69,015	91,195
	<u>1,424,746,664</u>	<u>1,156,829,476</u>
42 Cash Increase/ Decrease in Other Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	29,277,438	28,343,402
Advance rent	244,929,032	189,109,289
Security Deposit	2,778,156	2,998,351
Branch Adjustments (SIBG) (Note: 9.1)	2,158,090,350	1,977,063,521
Suspense Accounts (Note: 9.2)	193,694,052	293,646,443
Other Prepayments	64,279,171	64,209,171
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	37,801,642	53,881,354
Advance Income Tax	8,102,785,360	6,695,398,826
Receivable from SIBL Investment Limited	1,801,670	1,758,805
Protested Bills against Investment	313,388,000	313,407,280
Profit Receivable from Banks, NBFI and BD Govt.	345,606,462	242,508,711
Receivable from Off-shore Banking Unit	140,891,063	103,309,420
Others (Note: 9.3)	2,643,607,853	1,731,069,040
	<u>14,278,930,250</u>	<u>11,696,703,613</u>
Difference between (2017, 2016)	(2,582,226,637)	(3,042,763,115)
Advance Income Tax	1,407,386,534	993,085,088
Net change in Other Assets	<u>(1,174,840,103)</u>	<u>(2,049,678,027)</u>
42(a) Consolidated cash increase/decrease in other assets		
Social Islami Bank Limited	14,278,930,250	11,696,703,613
Cash Increase/ Decrease in Other Assets of subsidiaries	2,160,849,868	1,832,589,440
	<u>16,439,780,118</u>	<u>13,529,293,053</u>
Difference between (2017, 2016)	(2,910,487,065)	(3,331,041,656)
Advance Income Tax	1,432,091,325	1,007,764,289
Consolidated net change in Other Assets	<u>(1,478,395,740)</u>	<u>(2,323,277,367)</u>

	31.12.2017 <u>Taka</u>	31.12.2016 <u>Taka</u>
43 Cash Increase/ Decrease in Other Liabilities		
Adjusting A/C (Cr.) Balance	9,895,336	9,562,781
Other Payable	2,728,359	3,275,077
SIBL Employees' PF	1,389,983,953	962,694,479
SIBL Employees' Superannuation Fund	133,197,812	90,138,442
Compensation and Rent Suspense (note: 13.4)	1,665,037,246	1,264,313,910
Gratuity Fund Balance with SIBL Principal Br.	781,535,973	552,374,941
BEFTN Adjustment Account	64,552,918	30,504,326
Parking Account	174	-
ATM Settlement for Q-Cash	117,917,352	246,022,822
	4,164,849,122	3,158,886,778
Cash Increase/ (Decrease) in Other Liabilities	1,005,962,344	701,034,833
Difference between (2016 & 2015)	1,005,962,344	701,034,833
Add: Transfer to Provision for Investment from Compensation (In Yrs. 2017 & 2016)	126,956,778	164,582,397
Add: Zakat expense transferred to Sadaka Fund	111,424,295	89,792,573
Less: Zakat distributed during the year	108,649,069	71,840,046
Less: Gratuity transferred & Paid during the year	516,750	(540,930)
Less: Adjustment of other provision made during the year	11,172,015	-
Less: Adjustment of provision for good borrowers made during the year	8,222,000	-
Less: Written off/ Waiver of investment during the year	795,006,294	726,310,626
	320,777,289	157,800,061
43(a) Consolidated cash increase/decrease in other liabilities		
Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited	4,164,849,122	3,158,886,778
<i>Cash Increase/ Decrease in Other Liabilities of subsidiaries</i>	177,482,867	287,737,301
	4,342,331,989	3,446,624,079
Difference between (2016, 2015)	895,707,910	895,540,918
Other changes in other liabilities of Social Islami Bank Limited	(685,185,054)	(543,234,772)
Net change in Other Liabilities-Social Islami Bank Limited	210,522,856	352,306,146
44 Cash and Cash Equivalent		
Cash in Hand	2,369,126,018	1,815,513,100
Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank)	21,457,534,554	16,131,320,942
Balance with Other Banks & Financial Institutions-in Bangladesh	11,268,448,597	7,872,409,467
Balance with Other Banks & Financial Institutions-outside Bangladesh	366,064,370	423,996,755
	35,461,173,538	26,243,240,264
44(a) Consolidated Cash and Cash Equivalent		
Social Islami Bank Limited.	35,461,173,538	26,243,240,264
<i>Cash and Cash Equivalent of subsidiaries</i>	467,597	167,727,569
SIBL Securities Limited.	462,396	167,722,368
SIBL Investment Limited.	5,201	5,201
	35,461,641,135	26,410,967,833

45 Number of Employees

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

46 Audit Committee

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

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

The Board Audit Committee conducted 129 (One hundred twenty nine) meetings in the previous years since inception in the year 2003 out of which 10 (ten) meetings were held in the year ended 31 December 2017.

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

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

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

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

47 Related Party Disclosures

47.1 Name of the Firms / Business Organizations where the Directors of the Social Islami Bank Limited have got interest as on 31 December 2017:

SL No	Name	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
1	<i>Professor Md. Anwarul Azim Arif</i> Chairman (Nominee of Hasan Abasan (Pvt.) Ltd.)	NIL
2	<i>Md. Sayedur Rahman</i> Vice Chairman	Managing Director Lodestar Fashions Limited Mid Asia Fashions Limited
3	<i>Mr. Belal Ahmed</i> Vice Chairman	Managing Director Unitex Spinning Limited Unitex Composite Mills Limited Unitex LP Gas Limited Unitex Petroleum Limited Unitex Cement Limited Unitex Steel Mills Limited Padma Wears Limited
4	<i>Alhaj Sk. Mohammad Rabban Ali</i> Director	Managing Director Rabbani Trading Company Limited Shamlon Industries Limited Shama Poly Yarn Industries Limited Proprietor S.R. Impex Co.
5	<i>Abdul Awal Patwary</i> Director	Chairman Patwary Cold Storage Ltd. Patwary Potato Flakes Ltd. Greentech Greenhouse Bangladesh Ltd. Managing Director Faysal Shopping Complex Ltd. Proprietor Faysal Traders
6	<i>Abdul Jabbar Mollah</i> Director	Managing Director Jahanabad Sea Foods Limited Jalalabad Frozen Foods Limited Jabbar & Co. Limited
7	<i>Mr. Mohammad Amin Uddin</i> Director	Proprietor Sylhet Cash & Carry, 8, Fordham Street, London E-1.
8	<i>Md. Kamal Uddin</i> Director (Representative of Sifang Securities Limited)	Managing Director Chittagong Builders & Machinery Ltd. Merchant securities Limited Sifang securities Limited Director Human Resources Development Co., Ltd. Central Hospital (Pvt.) Ltd. ASM Chemical Industries Ltd. Universal Health Services & Research Ltd. Chairman Mercantile Insurance Company Ltd. Proprietor CBM Consortium
9	<i>Mrs. Afia Begum</i> Director	NIL

SL No	Name	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
10	Mr. Mohammad Nabi Ullah Director	Managing Director United Leather Industries (Pvt.) Ltd. United Melamine Industries (Pvt.) Ltd. United Plastic Wood Industries (Pvt.) Ltd. M. Hossain Spining Mills (Pvt.) Ltd. M. Hossain Cotton Spining Mills (Pvt.) Ltd. Director Mercantile Insurance Co. Ltd.
11	Mrs. Nargis Mannan Director	Nil
12	Mr. Md. Abul Basher Bhuiyan Director (Representative of Fountain Private Limited)	Nil
13	Dr. Md. Jahangir Hossain Director (Representative of Reliable Entrepreneurs Limited)	Nil
14	Ms. Badrun Nessa Alam Director (Representative of Unitex Cement Limited)	Director Excel Dying and Printing Ltd. Seth Properties Ltd. Proprietor M/S. Mani Traders
15	Mr. Arshadul Alam Director (Representative of Leader Business Enterprise Limited)	Managing Director MK Electronics Ctg. (Yunusco) Jesco Capital Management Ltd. Uni-Trade International Ltd. Nishat Traders Ltd. Chairman Jaba and Brothers C&F (Pvt.) Ltd. Director Northern General Insurance Company Metro Diagnostic Center Ltd. Jesco Bangladesh Ltd. Bengal Corporation Ltd. Bengal Center (Topkhana) ABM Tower (Gulshan)
16	Mr. Ali Hasan Md. Mahmud Ribon Director (Representative of Dynamic Venture Limited)	Chairman M/S. Mahmud Ribon

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

47.3 Lending Policies to Related Parties:

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

A Related Party Transaction

Name of Party	Name of the Director	Relationship	Nature of Investment	Outstanding Amount (Taka)	Status
Funded Liability					
M/S Foyisal Traders	Mr. Abdul Awal Patwary	Proprietor	WC (Bai Muazzel)	53.52 lac	UC
M/S Jalalabad Frozen Food Ltd	Md. Abdul Jabbar Mollah	Chairman & Managing Director	WC (Bai Muazzel)	666.00 lac	UC
SIBL Securities Ltd.	N/A	Subsidiary	Quard	7500.00 lac	UC
SIBL Foundation Hospital & Diagnostic Center	N/A	A concern of SIBL Foundation	Quard- E- Hasana	9300.25 lac	UC
Non-Funded Liability					
M/S Foyisal Traders	Mr. Abdul Awal Patwary	Father's Firm	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

48 Post Balance Sheet events (BAS-10)

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

The Board of Director has authorized the financial statements for issue on 26.04.2018 and recommended stock dividend @ 10 % for the year ended 31 December 2017.

the Board of Directors of SIBL in its 407th meeting held on 04 December 2017 approved issuance of 07(Seven) years redeemable Mudaraba Sub-ordinated Bond in the name and style "SIBL 3rd Mudaraba Sub-ordinated Bond" for a total amount of Taka-500.00 crore through private placement subject to approval of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) under the following features:

Features of SIBL Mudaraba Sub-ordinated Bond

Name of the Instrument	SIBL 3rd Mudaraba Sub-Ordinated Bond
Issuer	Social Islami Bank Limited (SIBL)
Purpose	To Consider as Supplementary Capital (Tier II)
Amount of Issue	BDT. 5,000,000,000 (Five Hundred Crore)
Nature of the Debt Instrument	Mudaraba Sub-Ordinated Debt
Tenure of Bond	7 (Seven) Years

49 General

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

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

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

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

(v) The bank incurs expenditure in relation to its Corporate Social Responsibility (CSR) throughout the year. The budget for the CSR expenditures are met up from various source including zakat and other sources. The Climate Risk Fund is also a part of this CSR expenditures. This year the bank provided Tk. 11.14 corer for CSR activities through zakat.

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

SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2017
SCHEDULE OF FIXED ASSETS INCLUDING PREMISES

(Amounts in Taka)

Particulars	C O S T / REVALUED*				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2017
	Balance as on 01 January 2017	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2017		Balance as on 01 January 2017	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2017	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	252,941,996	-	51,646,497	304,588,493	2,015,632,222
Furniture & Fixtures	776,701,478	166,609,969	-	943,311,447	10%	261,357,250	-	60,456,536	321,813,786	621,497,661
Office Equipment	1,044,156,902	234,790,506	-	1,278,947,408	20%	524,392,171	-	120,118,741	644,510,912	634,436,496
Software	139,559,446	43,484,611	-	183,044,057	10%	25,706,660	-	12,850,885	38,557,545	144,486,512
Vehicles	100,991,337	40,730,029	-	141,721,365	20%	72,622,045	-	17,249,104	89,871,149	51,850,217
Books	1,394,499	69,160	-	1,463,659	10%	813,253	-	65,358	878,611	585,048
31 December 2017	4,395,354,376	485,684,274	-	4,881,038,651		1,137,833,375	-	262,387,120	1,400,220,495	3,480,818,155
31 December 2016	3,984,270,810	411,083,567	1	4,395,354,376		912,234,727	-	225,598,647	1,137,833,375	3,257,521,002

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

SOCIAL ISLAMI BANK LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2017
CONSOLIDATED SCHEDULE OF FIXED ASSETS

(Amounts in Taka)

Particulars	C O S T / R E V A L U E D				Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2017
	Balance as on 01 January 2017	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2017		Balance as on 01 January 2017	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2017	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	252,941,996	-	51,646,497	304,588,493	2,015,632,221
Furniture & Fixtures	783,269,356	166,987,877		950,257,233	10%	262,521,102	-	60,989,830	323,510,932	626,746,301
Office Equipment	1,054,390,953	235,521,306		1,289,912,259	20%	530,986,687	-	120,979,822	651,966,509	637,945,750
Software	142,733,086	43,484,611		186,217,697	10%	27,118,193	-	13,168,249	40,286,442	145,931,255
Vehicles	100,991,337	40,730,029	-	141,721,366	20%	72,622,045	-	17,249,104	89,871,149	51,850,217
Books	1,394,500	69,160	-	1,463,660	10%	813,254	-	65,358	878,612	585,048
31 December 2017	4,415,329,946	486,792,982	-	4,902,122,928		1,147,003,277	-	264,098,859	1,411,102,136	3,491,020,793
31 December 2016	4,001,028,377	414,301,570	1	4,415,329,946		918,520,552	-	228,482,724	1,147,003,276	3,268,326,670

SOCIAL ISLAMI BANK LIMITED
BALANCE WITH OTHER BANKS IN FOREIGN CURRENCIES

[Referred to Note 4.2 of these financial statements]

SL No.	Name of the Banks	Currency Name	31.12.2017			31.12.2016		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
1	SCB, MUMBAI	ACUD	94,065.51	82.70	7,779,218	(37,090.71)	78.70	(2,919,120)
2	SUMMIT BANK, KARACHI	ACUD	8,116.00	82.70	671,193	618.86	78.70	48,706
3	SONALI BANK, KOLKATA	ACUD	8,394.36	82.70	694,214	3,843.26	78.70	302,473
4	MASHREQ BANK, MUMBAI	ACUD	24,310.50	82.70	2,010,478	23,942.42	78.70	1,884,321
5	NEPAL BANGLADESH BANK	ACUD	1,813.36	82.70	149,965	826.36	78.70	65,036
6	BANK OF BHUTAN, PHUENTSHOLING	ACUD	2,451.22	82.70	202,716	1,366.83	78.70	107,573
7	HABIB BANK LIMITED, KARACHI	ACUD	70,882.50	82.70	5,861,983	76,556.26	78.70	6,025,146
8	NIB BANK, KARACHI, PAKISTAN	ACUD	5,244.48	82.70	433,719	-	-	-
9	UNITED BANK OF INDIA	ACUD	90,455.47	82.70	7,480,667	35,028.00	78.70	2,756,781
10	AB BANK, MUMBAI	ACUD	54,817.67	82.70	4,533,421	97,859.36	78.70	7,701,747
11	SONALI BANK (UK) LTD. UK	USD	-	-	-	781.03	78.70	61,469
12	SCB, NY, USA	USD	686,763.35	82.70	56,794,764	-	-	-
13	MASHREQ BANK, NEW YORK, (OBU)	USD	565,282.44	82.70	46,748,858	3,386,214.78	78.70	266,502,553
14	MASHREQ BANK PSC, NEW YORK, USA	USD	2,678,833.77	82.70	221,539,553	1,422,635.29	78.70	111,964,527
15	KOREA EXCH. BANK, KOREA	USD	2,126.63	82.70	175,872	920.62	78.70	72,455
16	MASHREQ BANK, NEW YORK, (ACTUAL)	USD	-	-	-	331,813.41	78.70	26,114,445
17	COMMERZ BANK AG, FRANKFURT	EURO	717.74	98.51	70,706	5,128.80	82.17	421,408
18	MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	98.51	42,155	427.92	82.17	35,160
19	SCB, FRANKFURT	EURO	42,224.56	98.51	4,159,636	2,625.55	82.17	215,729
20	SONALI BANK (UK) LTD. UK	EURO	-	-	-	271.07	82.17	22,272
21	SCB, LONDON, UK	GBP	18,274.35	110.99	2,028,301	7,174.01	96.36	691,309
22	UNITED NATIONAL BANK, LONDON, UK	GBP	-	-	-	4,230.62	96.36	407,675
23	SONALI BANK (UK) LTD. UK	GBP	-	-	-	122.14	96.36	11,770
24	SCB, TOKYO	JPY	717,457.00	0.73	524,474	687,565.00	0.67	463,692
25	ALAWWAL BANK RIYADH SA	ACU	188,751.00	22.05	4,162,478	49,530.00	20.99	1,039,629
	Total				366,064,370			423,996,755

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

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

Sl no.	Name of client	Outstanding as on 31 December 2017			Outstanding as on 31 December 2016		
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	M/s. Nuruzzaman Khan , N.Z Textile Ltd., N.Z Fabrics Limited	92.29	85.64	177.93	215.77	143.06	358.83
2	Dong Bang Textile Limited	-	-	-	240.57	2.28	242.85
3	Mars Textile Limited	201.95	111.37	313.32	171.18	68.05	239.23
4	Crossline Knit Fabrics, & Crossline Factory	131.32	69.60	200.92	-	-	-
5	Dong Bang Dyeing Limited	-	-	-	251.92	41.73	293.65
6	Badsha Textile	110.52	23.47	133.99	118.99	163.72	282.71
7	Nitol Motors Ltd.	132.70	18.96	151.66	-	-	-
8	M/S. Rabiul Islam & its sister concern M/s. Rhythm Trading, A R Cement Mills Ltd., Ehsan Cement Industries Ltd. & RMR Poultry & Hatchery Ltd, Semicon Pvt. Ltd., A.R. Specialized Auto Rice Mills Ltd.	294.02	231.44	525.46	195.82	91.33	287.15
9	Bashundhara Paper Mills Ltd, Bashundhara Multi Paper Ind. Ltd, Bashundhara Steel Complex Ltd, East West Media Group, East West Property Development (Pvt.) Ltd,	307.17	190.25	497.42	226.52	161.23	387.75
10	Western Dresses Ltd. , MNC Apparels Ltd, Kimia Washing Industries Limited, & NASSA BASIC WASH LTD.	219.36	55.54	274.90	124.04	96.69	220.73
11	M/s. Agrani Traders & its sister concern M/s. OVI Traders, M/s. A M Trading & M/s. Md. Aynul Haque	172.68	0.44	173.12	119.41	217.86	337.27
12	Abul Khair Steal, Abul Khair Consumer, Shah Cement Industries Ltd., Abul Khair Ceramic Industries Ltd., Abul Khair Steel Melting Ltd., Abul Khair Strip Processing Ltd.	129.30	78.00	207.30	62.02	132.37	194.39
13	M/S. Islam Brothers & Co, Anwara Mannan Textile Mills Ltd., Juvenile Trade International Ltd., Aman Poultry & Hatchery Ltd.	237.78	83.31	321.09	196.37	44.52	240.89
14	1. Orion Agro Products Ltd. 2. Orion Infrastrucure 3. Orion Pharma Limited.	267.96	18.27	286.23	224.25	72.25	296.50
15	Thermax Textile Mills Ltd., Thermax Knit Yarn Ltd., Thermax Spinning Ltd., Thermax Melange Spinning Mills Ltd., AduryApparels Ltd.	174.17	39.59	213.76	248.97	37.82	286.79
16	Base Textiles Ltd., Base Fashion Limited, Zayantex Limited, Base Technologies Limited, Base Paper Ltd.	222.85	52.61	275.46	211.40	74.32	285.72
17	Ibrahim Consortium Ltd. & Opal Trading House	-	-	-	237.25	1.76	239.01
18	Mahbub Brothers(Pvt.) Ltd.	-	-	-	155.54	29.19	184.73

19	1. Mascotex Ltd., 2. Masco Coottons & Industries Limited. 3. Masco Exports 4. Masco Overseas Limited.	-	54.20	54.20	92.41	88.29	180.70
20	Amber Denim Limited , Amber Denim Mills LTd. Amber Rotor Mills Ltd., Amber Jeans & Washing Ltd.	208.49	128.23	336.72	-	-	-
21	Ruby Food Products Ltd. & Its Allied Concern, Masud & Brothers , BSM Syndicate	60.09	199.48	259.57	-	-	-
22	Natore Agro Ltd, Sun Basic Chemicals Ltd. , Advance Personal Care Ltd., Sylvan Technologies Ltded. & Get Well Ltd.	156.42	62.13	218.55	-	-	-
23	Rahimafrooz Batteries Limited ,Rahimafrooz Gloabatt Limited ,Rahim Afroz Bangladesh Ltd.	156.09	49.19	205.28	-	-	-
24	Mahbub Brothers(Pvt.) Ltd.	155.50	92.89	248.39	-	-	-
25	PowerPac Mutiara Keraniganj Power Plant Limited	122.85	95.16	218.01	-	-	-
26	Abdul Monem Limited	127.67	0.00	127.67	-	-	-
27	Mir Akhter Hossain, Mir Holdings Limited, Mir Telecom Limited	46.40	80.15	126.55	-	-	-
28	STAR PARTICLE BOARD MILLS LIMITED, Danish Condensed Milk Bangladesh Ltd., Partex Aeromerine Limited, Partex Laminates Limited.	99.38	4.51	103.89	-	-	-
29	Mosharaf & Brothers & M/S. MN. Enterprise	97.19	0.77	97.96	-	-	-
30	M/S. Rafiqul Islam & ShaikhCement Mills Ltd.	26.45	45.10	71.55	-	-	-
31	Flora Limited	65.57	0.50	66.07	-	-	-
32	Papertech Industries Ltd., Steeltech Industries Ltd, Bilal Trading Ltd., Paragon Ceramics Industries Limited	20.25	23.94	44.19	-	-	-
33	M/S. Millennium Enterprise & Sister Concern	20.47	19.65	40.12	-	-	-
34	Meghna Group	0.00	5.19	5.19	-	-	-
35	M/s Sufala Trading Corporation & South Bangla Fertilizer Mills Ltd.	0.00	3.21	3.21	-	-	-
	Grand Total	4,056.89	1,922.79	5,979.68	3,092.43	1,466.47	4,558.90

Social Islami Bank Limited
History of Paid-Up Capital

Years	Declaration	No. of Share	Face Value per Share (Taka)	Cumulative no. of Shares	Value of issued Capital for the year (Taka)	Cumulative value of Capital (Taka)
1995	Initial Capital	118,380	1,000	118,380	118,380,000	118,380,000
1996	No Dividend	-	-	118,380	-	118,380,000
1997	6.43% Bonus issue for the year 1996	7,620	1,000	126,000	7,620,000	126,000,000
1998	No Dividend	-	-	126,000	-	126,000,000
1999	Right Share Issued	74,000	1,000	200,000	74,000,000	200,000,000
2000	Placement	50,000	1,000	250,000	50,000,000	250,000,000
	Initial Public Offer	10,000	1,000	260,000	10,000,000	260,000,000
2001	20% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2002	25% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2003	50% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2004	Bonus Issue (For the years 2001, 2002, 2003)	325,000	1,000	585,000	325,000,000	585,000,000
2005	No dividend	-	-	585,000	-	585,000,000
2006	No dividend	-	-	585,000	-	585,000,000
2007	1:1 Right Share	5,345,550	100	11,195,550	534,555,000	1,119,555,000
2008	17% Bonus Issue for the year 2007	1,903,243	100	13,098,793	190,324,300	1,309,879,300
2009	10% Bonus Issue for the year 2008	1,309,879	100	14,408,672	130,987,900	1,440,867,200
	1:1 Right Share	12,508,587	100	26,917,259	1,250,858,700	2,691,725,900
2010	11% Bonus Issue for the year 2009	2,960,899	100	29,878,158	296,089,850	2,987,815,750
2011	14% Bonus Issue for the year 2010	41,829,420	10	340,610,995	418,294,200	3,406,109,950
	1:1 Right Share	298,781,575	10	639,392,570	2,987,815,750	6,393,925,700
2013	10% Bonus Issue for the year 2012	63,748,994	10	703,141,564	637,489,940	7,031,415,640
2014	12% Cash dividend for the year 2013	-	10	703,141,564	-	7,031,415,640
2015	18% Cash dividend for the year 2014	-	10	703,141,564	-	7,031,415,640
2016	5% Bonus Issue for the year 2015	35,157,078	10	738,298,640	351,570,780	7,382,986,420
2017	20% Cash dividend for the year 2016	-	10	738,298,640	-	7,382,986,402

Social Islami Bank Limited
Statement of Corporate Income Tax status
as at 31 December 2017

(Amount in Taka)

Accounting Year	Assessment Year	Tax Provision as per accounts	Advance Tax/TDS /Settlement fee/Appeal fee	Tax as per assessment Order	Present Status
2004	2005-2006	68,610,851	81,410,851	139,584,498	Pending at High Court Division of Supreme Court
2005	2006-2007	24,391,126	42,284,321	42,101,314	Completed
2006	2007-2008	59,825,178	85,135,927	85,135,927	Completed
2007	2008-2009	128,000,000	134,490,189	168,503,748	Pending at High Court Division of Supreme Court
2008	2009-2010	150,300,000	157,333,015	175,548,021	Pending at High Court Division of Supreme Court
2009	2010-2011	278,914,968	281,454,389	298,644,511	Pending at High Court Division of Supreme Court
2010	2011-2012	515,149,014	523,404,506	498,853,789	Pending at High Court Division of Supreme Court
2011	2012-2013	816,364,597	820,951,354	819,889,378	Pending at High Court Division of Supreme Court
2012	2013-2014	1,301,591,387	1,322,274,194	1,455,548,339	Pending at High Court Division of Supreme Court
2013	2014-2015	802,951,284	799,591,025	1,222,801,339	Pending at High Court Division of Supreme Court
2014	2015-2016	1,400,446,160	1,033,328,218	1,398,061,207	Submitted to 1st Appeal
2015	2016-2017	1,403,060,382	948,891,465	1,497,503,331	Submitted to 1st Appeal
2016	2017-2018	1,887,664,569	1,255,394,664	-	Return Submitted

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
BALANCE SHEET
AS AT 31 DECEMBER 2017

Note(s)	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
PROPERTY AND ASSETS				
Cash				
Cash in hand (Including Foreign Currencies)	-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	-	-	-	-
	-	-	-	-
Balance with other Banks and Financial Institutions	3			
In Bangladesh	-	-	-	-
Outside Bangladesh	1,578,446	130,537,484	5,780,291	454,921,648
	1,578,446	130,537,484	5,780,291	454,921,648
Placement with Banks & other Financial Institutions	-	-	-	-
Investments in Shares & Securities	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Investments				
General Investment etc.	79,727,568	6,593,469,910	87,556,890	6,890,919,882
Bills Purchased and Discounted	-	-	-	-
	79,727,568	6,593,469,910	87,556,890	6,890,919,882
Fixed Assets including Premises, Furnitures and Fixtures	5	446	586	46,090
Other Assets	6	1,703,640	1,312,662	103,309,420
Non Banking Assets				
Total Assets	83,010,101	6,864,935,329	94,650,430	7,449,197,040
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Banks & other Financial Institutions	7	54,465,224	4,504,274,029	24,606,410
Deposits and Other Accounts	8	25,827,627	2,135,944,739	66,328,848
Mudaraba Savings Deposits		-	-	-
Mudaraba Term Deposits	8.1	25,645,940	2,120,919,224	65,464,785
Other Mudaraba Deposits		-	-	-
Al-Wadeeah Current & Other Deposit Accounts	8.2	181,687	15,025,515	864,063
Bills Payable		-	-	-
Other Liabilities		2,717,250	224,716,561	3,715,172
Deferred Tax Liabilities/ (Assets)				
Total Liabilities		83,010,101	6,864,935,329	94,650,430
Capital/Shareholders' Equity				
Paid-up Capital		-	-	-
Statutory Reserve		-	-	-
Foreign currency translation gain/(Loss)		-	-	-
Retained Earnings		-	-	-
Total Shareholders' Equity		-	-	-
Total Liabilities & Shareholders' Equity		83,010,101	6,864,935,329	94,650,430
		0	0	0.00
				0.30

	31.12.2017		31.12.2016	
	<u>USD</u>	<u>Taka</u>	<u>USD</u>	<u>Taka</u>
Off-Balance Sheet Items				
CONTINGENT LIABILITIES				
Acceptances and Endorsements	-	-	-	-
Irrevocable Letters of Credit (including Back to Back Bills)	-	-	-	-
Letters of Guarantee	-	-	-	-
Bills for Collection	-	-	-	-
Other Contingent Liabilities	-	-	-	-
Total	-	-	-	-
OTHER COMMITMENTS				
Documentary credits and short term trade related transactions	-	-	-	-
Forward assets purchased and forward deposits	-	-	-	-
Undrawn note issuance and revolving underwriting	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
Total	-	-	-	-
Total Off Balance Sheet Items including Contingent Liabilities	-	-	-	-

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
Investment Income	5,185,339	427,735,779	4,433,061	348,891,634
Less: Profit paid on Deposits	(2,496,439)	(206,455,529)	(1,045,980)	(82,320,901)
Net Investment Income	2,688,900	221,280,249	3,387,081	266,570,733
Commission, Exchange and Brokerage	-	-	192	15,111
Other Operating Income	41,106	3,399,449	328,138	25,825,177
Total Operating Income	2,730,005	224,679,698	3,715,411	292,411,020
Salary & allowances	50,284	4,158,453	40,107	3,156,514
Rent & Utilities	-	-	825	64,929
Depreciation on fixed assets	111	9,218	146	11,522
Others	-	-	-	-
Total Operating Expenses	50,395	4,167,671	41,078	3,232,966
Profit/(Loss) before Provision				
Specific provisions for Investment	-	-	-	-
General Provisions for Investment	-	-	-	-
General Provisions for off-Balance Sheet exposure	-	-	-	-
Total Provision	-	-	-	-
Total Profit/(Loss) before Tax	2,679,610	220,512,027	3,674,333	289,178,054
Provision for Income Tax	-	-	-	-
Net Profit/(Loss) after Tax	2,679,610	220,512,027	3,674,333	289,178,054

SOCIAL ISLAMI BANK LIMITED
OFF-SHORE BANKING UNIT (OBU)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>31.12.2017</u>		<u>31.12.2016</u>
	<u>USD</u>	<u>Taka</u>	<u>Taka</u>
Cash Flow from operating activities			
Investment Income receipt	5,185,339	427,735,779	348,891,634
Profit paid on deposits	(2,496,439)	(206,455,529)	(82,320,901)
Dividend receipts	-	-	-
Fees & commission receipt	-	-	15,111
Cash payments to employees	(50,284)	(4,158,453)	(3,156,514)
Cash payments to suppliers	-	-	-
Income tax paid	-	-	-
Receipts from other operating activities	41,106	3,399,449	25,825,177
Payments for other operating activities	-	-	(64,929)
Operating profit before changes in operating assets and liabilities	2,679,722	220,521,245	289,189,577
Changes in operating assets and liabilities			
Statutory deposits	-	-	-
Net trading securities	-	-	-
Investments to other banks	-	-	-
Investment to customers	7,829,322	297,449,972	(2,365,196,566)
Other assets	(390,978)	(37,581,643)	(48,517,601)
Deposits from other banks	29,858,814	2,567,695,455	(1,962,698,245)
Deposits received from customers	(40,501,221)	(3,084,281,547)	4,521,788,811
Other liabilities on account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities	(3,677,644)	(288,196,865)	(272,358,262)
Sub Total	(6,881,707)	(544,914,627)	(126,981,863)
A. Net Cash flow from operating activities	(4,201,985)	(324,393,382)	162,207,714
Cash flows from investing activities			
Proceeds from sale of securities	-	-	-
Payment for purchases of securities	-	-	-
Proceeds from sale of fixed assets	-	-	-
Purchases of property, plant & equipment's	111	9,218	11,522
Purchase/Sale of subsidiaries	-	-	-
B. Net Cash flows from investing activities	111	9,218	11,522
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)	(4,201,845)	(324,384,165)	162,219,236
E. Cash and cash equivalents at the beginning of the year	5,780,291	454,921,648	292,702,412
F. Cash and cash equivalents at the end of the year (D+E)	1,578,446	130,537,484	454,921,648

Social Islami Bank Limited
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
For the year ended 31 December 2017

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, 2017.

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

2.6 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.

2.7 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.

2.8 Allocation of common expenses

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

3 Balance with other Banks and Financial Institutions

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

4 General Investments

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

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

5 Fixed Assets

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

6 Other Assets

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

7 Borrowing from Banks & other Financial Institutions

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

8 Deposits and Other Accounts

8.1 Mudaraba Term Deposits

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

among the local banks/institutions:

1. Dhaka Bank Ltd.

among the foreign banks/institutions:

1. Islamic Corporation for the Development of the Private Sector (ICD), 2. EBL Finance HK Ltd., 3. Indusind Bank India

The significant amount is procured from Islamic Corporation for the Development of the Private Sector (ICD) that amounts to USD 10.00 million .

8.2 Al-Wadeeah Current & Other Deposit Accounts

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

9 General

a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US \$1 = Taka 82.70 closing rate as at 31st December 2017.

c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.

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

(Amount in Taka)

SL no.	Particulars	31.12.2017	31.12.2016
1	Paid up Capital	7,382,986,420	7,382,986,420
2	Total Capital (Core + Supplementary)	21,725,079,250	19,195,044,439
3	Capital Surplus/(Deficit)	2,950,679,750	2,577,777,439
4	Capital to Risk-weighted Asset Ratio (CRAR)	11.57%	11.55%
5	Total Assets	276,348,954,946	227,704,178,572
6	Total Deposit	228,798,900,181	190,564,515,334
7	General Investment	210,045,509,085	174,196,133,374
8	Total Contingent Liabilities and Commitments	67,969,612,210	59,851,346,590
9	Investment-Deposit (ID) Ratio (%)	89.30%	89.86%
10	Percentage of classified investment against total investments	8.20%	4.44%
11	Profit before Tax and Provision	6,166,211,520	5,698,083,884
12	Profit after Tax and Provision	1,455,249,695	2,292,186,993
13	Amount of classified investment	17,227,098,188	7,738,196,000
14	Provisions kept against classified investment	3,473,741,378	1,764,697,631
15	Provisions surplus	-	-
16	Cost of Deposits	4.92%	5.57%
17	Profit Earning Assets	234,762,545,969	194,803,119,916
18	Non-Profit Earning Assets	41,586,408,976	32,901,058,656
19	Return on Investment in Securities (Annualized)	3.39%	2.39%
20	Return on average Assets (ROA) (Annualized)	1.40%	2.06%
21	Return on equity (ROE) (Annualized)	10.27%	16.16%
22	Income from Investment in Securities	443,104,547	293,823,613
23	Earning Per Share (EPS)	1.97	3.10
24	Consolidated Earning Per Share (CEPS)	1.98	3.10
25	Net Income Per Share	1.97	3.10
26	Price Earning Ratio (Times)	12.33	5.93