

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET (UN-AUDITED)
AS AT 30 JUNE 2014

	30.06.2014	31.12.2013
	<u>Taka</u>	<u>Taka</u>
PROPERTY AND ASSETS		
Cash		
Cash in hand (Including Foreign Currencies)	1,059,759,832	1,267,213,967
Balance with Bangladesh Bank & Sonali Bank as agent bank (Including Foreign Currencies)	<u>6,966,764,098</u>	<u>7,627,790,250</u>
	8,026,523,930	8,895,004,217
Balance with other Banks and Financial Institutions		
Inside Bangladesh	2,570,285,319	1,899,243,196
Outside Bangladesh	<u>2,473,180,633</u>	<u>1,178,527,956</u>
	5,043,465,952	3,077,771,152
Placement with other Banks & Financial Institutions		
	10,234,249,214	9,064,879,564
Investments in Shares & Securities		
Government	4,600,000,000	5,500,000,000
Others	<u>1,490,258,158</u>	<u>1,558,185,070</u>
	6,090,258,158	7,058,185,070
Investments		
General Investment etc.	87,317,009,100	76,348,581,962
Bills Purchased and Discounted	<u>10,187,223,844</u>	<u>9,523,749,964</u>
	97,504,232,944	85,872,331,926
Fixed Assets Including Premises		
	2,650,741,093	2,662,660,343
Other Assets		
	11,248,728,407	9,770,561,641
Non Banking Assets		
	-	-
Total Assets	<u>140,798,199,697</u>	<u>126,401,393,912</u>
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other Banks & Financial Institutions		
	5,100,000,000	4,700,000,000
Deposits and Other Accounts		
Al-Wadeeah Current & Other Deposit Accounts	14,427,621,771	11,936,321,181
Mudaraba Savings Deposits	7,150,213,638	6,468,729,754
Mudaraba Term Deposits	68,620,625,183	62,746,867,195
Other Mudaraba Deposits	22,162,714,664	19,288,768,828
Bills Payable	2,348,734,710	1,316,909,958
Cash Waqf	<u>85,952,177</u>	<u>84,577,685</u>
	114,795,862,143	101,842,174,601
Other Liabilities		
	10,030,901,964	8,765,394,391
Deffered Tax Liabilities/ (Assets)		
	<u>1,577,248</u>	<u>1,577,248</u>
Total Liabilities	<u>129,928,341,355</u>	<u>115,309,146,240</u>
Capital/Shareholders' Equity		
Paid-up Capital	7,031,415,640	7,031,415,640
Statutory Reserve	2,395,987,125	2,122,994,344
General Reserve	11,166,409	6,666,534
Revaluation Reserve	1,082,485,102	1,082,485,102
Retained Earnings	<u>348,802,455</u>	<u>848,684,454</u>
Shareholders' Equity for Parent Company SIBL	10,869,856,731	11,092,246,074
Non Controlling Interest		
	<u>1,610</u>	<u>1,597</u>
Shareholders' Equity for SIBL and its Subsidiaries	10,869,858,341	11,092,247,671
Total Liabilities & Shareholders' Equity	<u>140,798,199,697</u>	<u>126,401,393,912</u>

OFF- BALANCE SHEET ITEMS (UN -AUDITED)

	30.06.2014	31.12.2013
	<u>Taka</u>	<u>Taka</u>
CONTINGENT LIABILITIES		
Acceptances and Endorsements	16,348,143,592	14,986,882,397
Irrevocable Letters of Credit (including Back to Back Bills)	16,563,453,064	9,854,239,886
Letters of Guarantee	3,791,291,476	3,246,076,013
Bills for Collection	2,677,347,736	2,383,031,491
Other Contingent Liabilities	-	-
Total	<u>39,380,235,869</u>	<u>30,470,229,787</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><u>39,380,235,869</u></u>	<u><u>30,470,229,787</u></u>

Walid Mahmud Sobhani
Chief Financial Officer

Md. Shafiqur Rahman
Managing Director

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE HALF YEAR ENDED 30 JUNE 2014

	Jan-June.'14 Taka	Jan-June.'13 Taka	April- June.'14 Taka	April- June.'13 Taka
Investment Income	6,625,222,215	6,674,389,369	3,471,597,026	3,454,387,427
Less: Profit paid on Deposits	4,654,931,203	4,913,200,764	2,368,795,556	2,498,100,981
Net Investment Income	1,970,291,011	1,761,188,606	1,102,801,469	956,286,447
Income from Investment in Shares/securities	146,746,441	159,937,548	99,779,888	96,826,801
Commission, Exchange and Brokerage	669,446,326	486,804,817	368,761,843	256,696,080
Other Operating Income	123,065,782	113,223,522	87,661,482	52,943,629
	939,258,549	759,965,887	556,203,213	406,466,510
Total Operating Income	2,909,549,561	2,521,154,493	1,659,004,683	1,362,752,957
Salaries and Allowances	718,027,948	633,607,905	383,239,390	345,377,036
Rent, Taxes, Insurances, Electricity etc.	115,764,019	106,638,143	77,385,635	71,485,686
Legal Expenses	4,207,684	3,426,301	1,710,784	1,147,663
Postage, Stamps, Telecommunication etc.	15,853,305	16,391,782	7,844,297	7,101,473
Stationery, Printings, Advertisements etc.	40,831,483	52,135,041	16,803,631	12,254,150
Chief Executive's Salary & Fees	3,060,000	3,012,560	1,530,000	2,884,580
Directors' Fees & Expenses	3,240,430	1,494,531	2,132,028	879,623
Shariah Supervisory Committee's Fees & Expenses	192,167	156,220	99,250	87,823
Auditors Fees	28,750	310,500	28,750	296,700
Depreciation & Repairs of Bank's Assets	106,284,745	86,975,147	70,900,790	57,330,720
Other Expenses	295,654,225	284,251,490	188,100,363	159,390,342
Total Operating Expenses	1,303,144,755	1,188,399,620	749,774,917	658,235,795
Profit before Provision & Income Tax	1,606,404,806	1,332,754,873	909,229,766	704,517,162
Specific Provisions for Classified Investment	69,624,900	453,403,966	69,624,900	111,454,628
General Provisions for Unclassified Investment	61,660,888	(1,867,529)	53,176,892	(21,981,639)
General Provisions for Off-Balance Sheet exposure	89,100,061	99,396,445	65,859,867	45,386,187
General Provisions for Margin Investment	4,499,875	412,331	488,239	412,331
General Provisions for other Assets	-	414,000	-	414,000
Total Provision	224,885,724	551,759,213	189,149,898	135,685,507
Profit before Taxation	1,381,519,082	780,995,660	720,079,868	568,831,655
Current Tax Expenses	764,638,408	540,034,901	468,993,994	450,163,565
Provision for Income Tax	764,638,408	540,034,901	468,993,994	450,163,565
Net Profit /(Loss) after tax attributable to equity holders	616,880,673	240,960,760	251,085,874	118,668,089
Non-Controlling Interest	13	9	2	4
Net Profit /(Loss) after tax attributable to equity holders	616,880,660	240,960,751	251,085,872	118,668,086
Appropriations				
Statutory Reserve	272,992,781	153,776,100	142,522,520	112,537,217
Retained Earnings	343,887,879	87,184,651	108,563,352	6,130,869
	616,880,660	240,960,751	251,085,872	118,668,086
Earning Per Share (EPS)	0.88	0.34	0.36	0.17

Walid Mahmud Sobhani
Chief Financial Officer

Md. Shafiqur Rahman
Managing Director

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014

	30.06.2014	30.06.2013
	Taka	Taka
Cash Flow from Operating Activities		
Investment Income receipt in cash	6,625,222,215	6,674,389,369
Profit Paid on Deposits	(4,654,931,203)	(4,913,200,764)
Dividend Receipts	146,746,441	159,937,548
Fees & Commission receipt in cash	307,043,771	289,056,860
Cash Payments to Employees	(721,087,948)	(636,620,165)
Cash Payments to Suppliers	(56,684,788)	(68,526,823)
Income Tax Paid	(386,812,008)	(766,521,826)
Receipts from other Operating activities	485,468,337	310,971,479
Payments for other Operating activities	(434,097,425)	(345,212,776)
Operating Profit before changes in Operating Assets	1,310,867,392	704,272,904
Changes in Operating Assets and Liabilities		
Statutory Deposits	-	-
Net Trading Securities	967,926,912	(727,832,446)
Investments to other Banks	-	-
Investment to Customers	(11,631,901,018)	(951,385,259)
Other Assets	(1,091,354,758)	(1,090,722,389)
Deposits from other Banks	1,029,126,156	(4,630,890,786)
Deposits received from Customers	11,924,561,386	9,298,886,874
Other liabilities on account of customers	-	-
Trading Liabilities	-	-
Other Liabilities	280,483,314	131,428,524
Sub Total	1,478,841,992	2,029,484,519
A Net Cash flow from Operating Activities	2,789,709,384	2,733,757,423
Cash flows from Investing Activities		
Proceeds from sale of Securities	-	-
Payment for purchases of securities	-	-
Proceeds from Sale of fixed assets	-	-
Purchases of Property, Plant & Equipments	(79,355,345)	(86,898,092)
Purchase/Sale of subsidiaries	-	-
B Net Cash flow from Investing Activities	(79,355,345)	(86,898,092)
Cash flows from Financing Activities		
Receipts from issue of Debt Instruments	400,000,000	100,000,000
Payments for redemption of Debt Instruments	-	-
Receipts from issue of Right shares	-	-
Increase in Revaluation Reserve	-	-
Dividend Paid in cash	(843,769,877)	(318,744,971)
C Net Cash flow from Financing Activities	(443,769,877)	(218,744,971)
D Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	2,266,584,163	2,428,114,360
Effect of Exchange rate changes of cash & cash equivalents	-	-
E Cash and cash equivalents at the beginning of the year	21,037,654,933	23,717,711,242
F Cash and cash equivalents at the end of the year (D+E)	23,304,239,096	26,145,825,602

Walid Mahmud Sobhani
Chief Financial Officer

Md. Shafiqur Rahman
Managing Director

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014

Particulars	Paid-up capital	Share Money Deposit	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Minority Interest	Total
1	2	3	4	5	6	7	8	9=(2 to 8)
Balance as at 01 January 2014	7,031,415,640	-	2,122,994,344	6,666,534	1,082,485,102	848,684,454	1,597	11,092,247,671
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Resatated 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 period	-	-	-	-	-	616,880,660	-	616,880,660
Appropriation made during the year	-	-	272,992,781	4,499,875	-	(272,992,781)	-	4,499,875
Issue of Cash Dividend	-	-	-	-	-	(843,769,877)	-	(843,769,877)
Issue of Share Capital	-	-	-	-	-	-	-	-
Shareholders' Equity as on 30 June 2014	7,031,415,640	-	2,395,987,125	11,166,409	1,082,485,102	348,802,456	1,597	10,869,858,329
Non-controlling interest	-	-	-	-	-	-	13	13
Shareholders' Equity of the group as on 30 June 2014	7,031,415,640	-	2,395,987,125	11,166,409	1,082,485,102	348,802,456	1,610	10,869,858,341
Add: General Provision for unclassified Investment	-	-	-	-	-	-	-	1,232,092,835
Less: 50% of Assets Revaluation Reserve	-	-	-	-	541,242,551	-	-	541,242,551
Total regulatory capital as on 30 June 2014	-	-	-	-	-	-	-	11,560,708,613
Total Equity as on 30 June 2013	7,031,415,640	-	1,871,838,555	1,154,763	1,096,402,451	74,749,626	1,579	10,075,562,614

Walid Mahmud Sobhani
Chief Financial Officer

Md. Shafiqur Rahman
Managing Director

Unquoted Shares	At cost
Bangladesh Govt. Islamic Bond	At cost
CDBL Share & Preference Share	At cost

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

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

2.2 Revaluation gains/losses on Government securities

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

2.3 Recognition of profit suspense

Profit / Rent / Compensation Suspense account and Doubtful Income

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

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

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

2.4 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.

2.5 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.

2.6 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.

2.7 Off-balance sheet items

Contingent Liabilities

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

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

- * it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- * 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 15, contingent liabilities are recognised as off balance sheet items in absence of any recommendation in BFRS.

2.8 Investments net off provisions

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

off value as per related BFRS.

2.9 Consolidation Procedures (BAS-27)

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

The consolidated financial statements have been prepared in accordance with **Bangladesh Accounting Standard (BAS) 27: Consolidated and Separate Financial Statements**, Bangladesh Financial Reporting Standards (BFRS):3- Business Combinations and Bangladesh Financial Reporting Standards (BFRS):10- Consolidated Financial Statements. The consolidated financial statements are prepared to a common financial period ended 30 June 2014.

2.10 Reporting Period

These financial statements cover six months from 01 January to 30 June 2014.

2.11 Statement of Changes in Equity

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

2.12 Earning Per Share (BAS-33)

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