

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET (UN-AUDITED)
AS AT 30 JUNE 2015

	30.06.2015	31.12.2014
	<u>Taka</u>	<u>Taka</u>
PROPERTY AND ASSETS		
Cash		
Cash in hand (Including Foreign Currencies)	1,405,715,139	976,302,191
Balance with Bangladesh Bank & Sonali Bank as agent bank (Including Foreign Currencies)	11,424,527,662	11,145,075,318
	12,830,242,801	12,121,377,509
Balance with other Banks and Financial Institutions		
Inside Bangladesh	3,062,467,006	2,577,414,418
Outside Bangladesh	160,526,025	332,880,245
	3,222,993,031	2,910,294,663
Placement with other Banks & Financial Institutions		
	7,321,735,764	9,474,249,214
Investments in Shares & Securities		
Government	5,633,000,000	5,116,000,000
Others	1,247,504,187	1,227,727,286
	6,880,504,187	6,343,727,286
Investments		
General Investment etc.	109,470,879,961	98,511,135,398
Bills Purchased and Discounted	12,046,807,257	9,288,823,913
	121,517,687,218	107,799,959,311
Fixed Assets Including Premises, Furniture and Fixtures		
	2,943,515,277	2,683,691,549
Other Assets		
	10,876,256,272	12,252,008,976
Non Banking Assets		
	-	-
Total Assets	165,592,934,550	153,585,308,507
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other Banks & Financial Institutions		
	4,000,000,000	6,150,000,000
Deposits and Other Accounts		
Mudaraba Savings Deposits	12,742,251,006	9,818,279,970
Mudaraba Term Deposits	77,882,307,523	75,356,410,289
Other Mudaraba Deposits	26,675,007,388	23,923,887,375
Al-Wadeeah Current & Other Deposit Accounts	14,940,941,874	12,789,580,088
Bills Payable	2,140,533,686	2,277,639,901
Cash Waqf Fund	153,063,775	99,275,350
	134,534,105,252	124,265,072,973
SIBL Mudaraba Subordinated Bond		
	3,000,000,000	-
Other Liabilities		
	12,895,393,857	10,992,324,637
Deffered Tax Liabilities/ (Assets)		
	7,963,852	4,924,028
Total Liabilities	154,437,462,962	141,412,321,638
Shareholders' Equity		
Paid-up Capital	7,031,415,640	7,031,415,640
Statutory Reserve	2,982,471,048	2,784,497,917
General Reserve	3,024,624	2,790,193
Revaluation Reserve on Fixed Assets	1,055,679,727	1,055,679,727
Retained Earnings	82,878,923	1,298,601,774
Total Shareholders' Equity for Parent Company SIBL	11,155,469,962	12,172,985,252
Non Controlling Interest		
	1,626	1,617
Total Liabilities & Shareholders' Equity of the Group	165,592,934,550	153,585,308,507

Company Secretary

Chief Financial Officer

Managing Director

Director

Chairman

SOCIAL ISLAMI BANK LIMITED
OFF- BALANCE SHEET ITEMS (UN -AUDITED)
AS AT 30 JUNE 2015

	30.06.2015	31.12.2014
	<u>Taka</u>	<u>Taka</u>
CONTINGENT LIABILITIES		
Acceptances and Endorsements	15,325,313,638	15,302,832,788
Irrevocable Letters of Credit (including Back to Back Bills)	16,835,090,492	11,017,261,193
Letters of Guarantee	5,822,125,407	3,936,013,964
Bills for Collection	2,584,386,386	1,905,746,855
Other Contingent Liabilities	-	-
Total	<u>40,566,915,924</u>	<u>32,161,854,799</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>40,566,915,924</u></u>	<u><u>32,161,854,799</u></u>

Company Secretary

Chief Financial Officer

Managing Director

Director

Chairman

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2015

	Jan-June.'15 <u>Taka</u>	Jan-June.'14 <u>Taka</u>	April- June.'15 <u>Taka</u>	April- June.'14 <u>Taka</u>
Investment Income	7,385,596,077	6,625,222,215	3,821,696,926	3,471,597,026
Less: Profit paid on Deposits	4,848,835,605	4,654,931,203	2,465,322,476	2,368,795,556
Net Investment Income	2,536,760,472	1,970,291,012	1,356,374,450	1,102,801,470
Income from Investment in Shares/securities	127,557,354	146,746,441	99,428,547	99,779,888
Commission, Exchange and Brokerage	653,255,167	669,446,326	347,068,155	368,761,843
Other Operating Income	210,864,693	123,065,782	162,688,934	87,661,482
	991,677,214	939,258,549	609,185,636	556,203,213
Total Operating Income	3,528,437,686	2,909,549,561	1,965,560,086	1,659,004,683
Salaries and Allowances	957,290,243	716,487,948	534,153,165	381,969,390
Rent, Taxes, Insurances, Electricity etc.	122,561,143	115,764,019	71,921,658	77,385,635
Legal Expenses	2,708,171	4,207,684	1,925,203	1,710,784
Postage, Stamps, Telecommunication etc.	20,554,477	15,853,305	10,998,547	7,844,297
Stationery, Printings, Advertisements etc.	59,992,287	40,831,483	32,159,453	16,803,631
Managing Director's Salary & Allowances	4,740,000	4,600,000	1,905,000	2,800,000
Directors' Fees & Expenses	3,424,509	3,240,430	1,604,873	2,132,028
Shariah Supervisory Committee's Fees & Expenses	357,562	192,167	186,029	99,250
Auditors Fees	-	28,750	-	28,750
Depreciation & Repairs of Bank's Assets	111,098,821	106,284,745	67,002,609	70,900,790
Other Expenses	242,291,327	295,654,225	110,634,363	188,100,363
Total Operating Expenses	1,525,018,539	1,303,144,755	832,490,899	749,774,917
Profit/Loss before Provision	2,003,419,147	1,606,404,806	1,133,069,187	909,229,766
Provisions for Investments	990,922,382	220,385,849	829,095,310	188,661,659
General Provisions for Share & Margin Investment	8,449,499	4,499,875	8,177,324	488,239
General Reserve	234,431	-	234,431	-
Total Provision	1,000,150,662	224,885,724	837,507,065	189,149,898
Total Profit/(Loss) before Tax	1,003,268,485	1,381,519,082	295,562,122	720,079,868
Current Tax Expenses	755,363,381	764,638,408	423,849,697	468,993,994
Provision for Income Tax	755,363,381	764,638,408	423,849,697	468,993,994
Net Profit/(Loss) after tax attributable to equity holder	247,905,104	616,880,673	(128,287,575)	251,085,874
Non-Controlling Interest	9	13	4	2
Net Profit/(Loss) after tax attributable to equity holder	247,905,095	616,880,660	(128,287,579)	251,085,872
Appropriations				
Statutory Reserve	197,973,131	272,992,781	57,843,494	142,522,520
Retained Earnings	49,931,964	343,887,879	(186,675,425)	108,563,352
	247,905,095	616,880,660	(128,831,931)	251,085,872
Earning Per Share (CEPS)	0.35	0.88	(0.19)	0.36

Company Secretary

Chief Financial Officer

Managing Director

Director

Chairman

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2015

	30.06.2015	30.06.2014
	<u>Taka</u>	<u>Taka</u>
Cash Flow from Operating Activities		
Investment Income receipt in cash	7,385,596,077	6,625,222,215
Profit Paid on Deposits	(4,848,835,605)	(4,654,931,203)
Dividend Receipts	127,557,354	146,746,441
Fees & Commission receipt in cash	307,169,757	307,043,771
Cash Payments to Employees	(962,030,243)	(721,087,948)
Cash Payments to Suppliers	(80,546,764)	(56,684,788)
Income Tax Paid	(509,538,582)	(386,812,008)
Receipts from other Operating activities	556,950,103	485,468,337
Payments for other Operating activities	(391,460,164)	(434,097,425)
Operating Profit before changes in Operating Assets	1,584,861,933	1,310,867,392
Changes in Operating Assets and Liabilities		
Statutory Deposits	-	-
Net Trading Securities	(536,776,901)	967,926,912
Investments to other Banks	-	-
Investment to Customers	(13,717,727,907)	(11,631,901,018)
Other Assets	1,885,291,286	(1,091,354,758)
Deposits from other Banks	(1,744,980,935)	1,029,126,156
Deposits received from Customers	12,014,013,214	11,924,561,386
Other liabilities on account of customers	-	-
Trading Liabilities	-	-
Other Liabilities	150,829,430	280,483,314
Sub Total	(1,949,351,813)	1,478,841,992
A Net Cash flow from Operating Activities	(364,489,879)	2,789,709,384
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	(350,805,097)	(79,355,345)
Purchase/Sale of subsidiaries	-	-
B Net Cash flow from Investing Activities	(350,805,097)	(79,355,345)
Cash flows from Financing Activities		
Receipts from issue of Debt Instruments	(2,150,000,000)	400,000,000
SIBL Mudaraba Subordinated Bond	3,000,000,000	-
Receipts from issue of Right shares	-	-
Increase in Revaluation Reserve	-	-
Dividend Paid in cash	(1,265,654,815)	(843,769,877)
C Net Cash flow from Financing Activities	(415,654,815)	(443,769,877)
D Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(1,130,949,791)	2,266,584,163
Effect of Exchange rate changes of cash & cash equivalents	-	-
E Cash and cash equivalents at the beginning of the year	24,505,921,387	21,037,654,933
F Cash and cash equivalents at the end of the year (D+E)	23,374,971,596	23,304,239,096

Company Secretary

Chief Financial Officer

Managing Director

Director

Chairman

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2015

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=(2 to 7)
Balance as at 01 January 2015	7,031,415,640	-	2,784,497,917	2,790,193	1,055,679,727	1,298,601,774	1,617	12,172,986,869
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	-	-	-	-	-	247,905,095	-	247,905,095
Transfer	-	-	197,973,131	234,431	-	(197,973,131)	-	234,431
Dividend	-	-	-	-	-	(1,265,654,815)	-	(1,265,654,815)
Issue of Share Capital	-	-	-	-	-	-	-	-
Shareholders' Equity as on 30 June 2015	7,031,415,640	-	2,982,471,048	3,024,624	1,055,679,727	82,878,923	1,617	11,155,471,579
Non-controlling interest							9	9
Shareholders' Equity of the group as on 30 June 2015	7,031,415,640	-	2,982,471,048	3,024,624	1,055,679,727	82,878,923	1,626	11,155,471,588
Total Equity as on 30 June 2014	7,031,415,640	-	2,395,987,125	11,166,409	1,082,485,102	348,802,456	1,610	10,869,858,342

Company Secretary

Chief Financial Officer

Managing Director

Director

Chairman

SOCIAL ISLAMI BANK LIMITED
SELECTED NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE SECOND QUARTER/HALF YEAR ENDED 30 JUNE 2015

1 The Bank and its activities

1.1 Status of the Bank

The Bank was incorporated as a Public Limited Company in Bangladesh in the year 1995 under Companies Act, 1994. The Bank is one of the interest-free Shariah based banks in the country and its modus- operandi are substantially different from other conventional Banks. The Bank within the stipulations laid down by Bank Companies Act, 1991 and directives as received from time to time from Bangladesh Bank, provides all types of commercial Banking services. Besides as a matter of policy the Bank conducts its business on the principles of Mudaraba, Musharaka, Murabaha, Bai-Muazzal & Hire Purchase transaction approved by Bangladesh Bank. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company. The Bank carries its Banking activities through One hundred (100) branches operating as per Islamic Shariah prevailing in the country.

The Registered Office of the bank is located at 'City Center', 90/1 Motijheel Commercial Area.

1.2 Enlistment with the Stock Exchanges

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

Subsidiaries of SIBL:

1.3 SIBL Securities Limited

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

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

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

1.4 SIBL Investment Limited

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

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

Name of the Company	Paid up Capital (Taka)	Percentage of Share Holding	
		SIBL	Others
1 SIBL Securities Limited	1,230,000,000	99.9999187%	0.0000813%
2 SIBL Investment Limited	250,000,000	99.9997600%	0.0002400%
Total Capital		<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 Banani Branch, through their letter no. BRPD(P-3)744(119)/2010-4652, Dated: 11.11.2010. The bank has commenced the operation of its Off-Shore Banking Unit (OBU) from 02.05.2012.

2 Basis of Presentation of Financial Statements and Significant Accounting Policies

2.1 Investment in Shares and Securities

The Bank investment in different securities has been valued on 30.06.2015 as under:

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

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

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

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

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

As per BRPD circular 15, contingent liabilities are recognised as off balance sheet items in absence of any recommendation in BFRS.

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 2015.

2.10 Reporting Period

These financial statements cover six months from 01 January to 30 June 2015.

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.