# Islamic Finance and Investment Limited

Based on Islamic Shariah, the first of its kind in Bangladesh

## HALF YEARLY UN-AUDITED FINANCIAL STATEMENTS, JUNE 30, 2018


**HEAD OFFICE**
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## Balance Sheet (Un-audited)
### As At June 30, 2018

| PARTICULARS | Amount in Taka | |
|---|---|---|
| | June 30, 2018 | December 31, 2017 |
| **PROPERTY AND ASSETS** | | |
| **Cash** | **218,491,920** | **232,723,892** |
| Cash in hand (including foreign currencies) | 2,959,833 | 2,810,688 |
| Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies) | 215,532,087 | 229,913,204 |
| **Balance with other Banks and Financial Institutions** | **3,894,262,142** | **3,976,235,959** |
| In Bangladesh | 3,894,262,142 | 3,976,235,959 |
| Outside Bangladesh | - | - |
| **Money at Call on Short Notice** | - | - |
| **Investments in Shares and Securities** | **303,267,652** | **58,321,222** |
| Government | - | - |
| Others | 303,267,652 | 58,321,222 |
| **Investment** | **11,036,337,622** | **10,500,465,185** |
| General Investment | 11,036,337,622 | 10,500,465,185 |
| Bills Purchased and Discounted | - | - |
| **Fixed Assets including Premises, Furniture and Fixtures** | 146,802,365 | 150,729,659 |
| **Other Assets** | 337,837,008 | 321,261,521 |
| **Non banking Assets** | - | - |
| **Total Assets** | **15,936,998,709** | **15,239,737,438** |
| **LIABILITIES AND CAPITAL** | | |
| **Liabilities** | | |
| **Borrowings from other Banks, Financial Institutions and Agents** | 117,483,309 | 205,615,663 |
| **Deposits and Other Accounts** | **11,734,118,048** | **11,198,423,520** |
| Mudaraba Term Deposits | 11,251,121,971 | 10,758,516,776 |
| Bills Payable | - | - |
| Lease Deposits | 61,749,030 | 67,383,399 |
| Bearer Certificates of Deposits | - | - |
| Deposits under Schemes | 421,247,047 | 372,523,345 |
| **Other Liabilities** | 2,280,390,285 | 1,917,437,747 |
| **Total Liabilities** | **14,131,991,642** | **13,321,476,930** |
| **Capital/Shareholders' Equity** | | |
| Paid-up Capital | 1,342,838,971 | 1,342,838,971 |
| Share Premium Account | 730,852 | 730,852 |
| Statutory Reserve | 341,363,794 | 325,072,152 |
| Other Reserve | 54,906,882 | 54,757,137 |
| Surplus in Profit & Loss Account | 65,166,568 | 194,861,396 |
| **Total Shareholders' Equity** | **1,805,007,067** | **1,918,260,508** |
| **Total Liabilities & Shareholders' Equity** | **15,936,998,709** | **15,239,737,438** |

## Off-Balance Sheet Items (Un-audited)
### As At June 30, 2018

| PARTICULARS | Amount in Taka | |
|---|---|---|
| | June 30, 2018 | December 31, 2017 |
| **CONTINGENT LIABILITIES** | | |
| Acceptances and Endorsements | - | - |
| Letters of Guarantee | - | - |
| Irrevocable Letters of Credit | - | - |
| Bills for Collection | - | - |
| Other Contingent Liabilities | - | - |
| | - | - |
| **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 Off-Balance Sheet items including contingent liabiliti** | - | - |

(S.Q. Bazlur Rashid) Company Secretary
(Mohammad Ruknuzzaman) Deputy Managing Director & CFO (CC)
(Abu Zafore Md. Saleh) Managing Director & CEO
(Rezakul Haider) Vice-Chairman
(Shibbir Mahmud) Chairman

## Profit and Loss Account (Un-audited)
### For the Half Year ended June 30, 2018

Amount in Taka

| | For the 2 quarter ended 30 June | | For the 2nd quarter ended 30 June | |
|---|---|---|---|---|
| | 2018 | 2017 | April'18-June'18 | April'17-June'17 |
| Profit on Investment | 658,862,883 | 550,523,756 | 354,741,191 | 277,999,445 |
| Less: Profit Paid on Deposits, Borrowings etc. | 475,357,430 | 363,980,230 | 258,617,264 | 184,371,777 |
| **Net Investment Income** | **183,505,453** | **186,543,526** | **96,123,927** | **93,627,668** |
| Income from Investment in securities | 4,174,583 | 11,470,061 | 2,944,421 | 6,858,220 |
| Commission, Exchange and Brokerage | 3,397,606 | 5,203,564 | 1,323,475 | 2,899,256 |
| Other Operating Income | 91,171,644 | 24,940,820 | 48,884,938 | 7,619,558 |
| | 98,743,833 | 41,614,445 | 53,152,834 | 17,377,034 |
| **Total Operating Income** | **282,249,286** | **228,157,971** | **149,276,761** | **111,004,702** |
| Salaries and allowances | 49,018,694 | 42,441,011 | 26,614,611 | 23,591,231 |
| Rent, Taxes, Insurances, Electricity etc. | 5,033,071 | 4,666,676 | 2,959,459 | 2,539,812 |
| Legal & Professional Expenses | 499,635 | 374,380 | 244,895 | 242,380 |
| Postage, Stamps, Telecommunication etc. | 832,294 | 649,152 | 546,181 | 336,323 |
| Stationery, Printings, Advertisements etc. | 2,739,771 | 3,516,310 | 835,984 | 2,028,998 |
| Managing Director's Salary and Allowances | 1,992,581 | 3,000,000 | 670,000 | 1,500,000 |
| Directors' Fees | 784,000 | 792,000 | 424,000 | 448,000 |
| Depreciation and Repair of Fixed Assets | 11,145,808 | 16,540,390 | 5,206,628 | 7,834,571 |
| Other Expenses | 28,131,080 | 17,218,890 | 16,058,745 | 7,379,430 |
| **Total Operating Expenses** | **100,176,934** | **89,198,809** | **53,560,503** | **45,900,745** |
| **Profit before Provision** | **182,072,352** | **138,959,162** | **95,716,258** | **65,103,957** |
| Provision against Lease, Loans and Investments | 53,368,897 | (12,033,657) | 24,166,930 | 11,086,321 |
| **Total Provision** | **53,368,897** | **(12,033,657)** | **24,166,930** | **11,086,321** |
| **Total Profit before Tax** | **128,703,455** | **150,992,819** | **71,549,328** | **54,017,636** |
| Provision for Taxation | 47,245,245 | 52,520,650 | 31,051,347 | 25,222,776 |
| Current Tax | 49,271,624 | 56,828,383 | 30,897,680 | 27,151,372 |
| Deferred Tax | (2,026,379) | (4,307,733) | 153,667 | (1,928,596) |
| **Net Profit after Tax** | **81,458,210** | **98,472,169** | **40,497,981** | **28,794,860** |
| Earning per share of Tk. 10 each | 0.61 | 0.73 | 0.30 | 0.21 |

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(Shibbir Mahmud) Chairman

## Cash Flow Statement (Un-audited)
### For the Half Year ended June 30, 2018

| | Amount in Taka | |
|---|---|---|
| | 30-Jun-2018 | 30-Jun-2017 |
| **A. Cash Flow from Operating Activities** | | |
| Investment Profit receipts | 656,779,437 | 540,783,771 |
| Profit Paid on Deposits | (477,013,785) | (429,478,944) |
| Receipts from Bank Deposit | 85,969,493 | 15,626,566 |
| Dividend receipts | 901,942 | 5,154,520 |
| Fees & Commission receipt | 3,397,606 | 5,203,564 |
| Cash Payments to Employees | (51,011,275) | (45,441,011) |
| Cash Payments to Suppliers | (2,739,771) | (3,516,310) |
| Income Tax Paid | (40,200,942) | (43,431,285) |
| Receipts from other Operating activities | 2,243,705 | 3,504,789 |
| Payments for other Operating activities | (35,887,101) | (24,305,409) |
| **Operating Profit before changes in Operating Assets & Liabilities** | **142,439,309** | **24,094,251** |
| **Increase/Decrease in Operating Assets and Liabilities** | **320,896,040** | **362,883,680** |
| Investment (Loans and Advances) to Customers | (535,872,437) | (728,184,996) |
| Receipts from Investment in securities | 3,272,641 | 11,470,061 |
| Other Assets | 45,392,552 | (6,943,957) |
| Deposits from other Banks | 609,011,881 | 109,973,900 |
| Deposits received from Customers | (73,317,353) | 569,987,384 |
| Other Liabilities | 272,408,756 | 406,581,288 |
| **Net cash from operating activities** | **463,335,349** | **386,977,931** |
| **B. Cash flows from Investing Activities** | | |
| Payment for purchases of securities | (244,946,430) | 6,590,874 |
| Proceeds from Sale of fixed assets | 880,506 | 1,230,000 |
| Payment for Advance for Inspetus | (26,014,210) | (19,431,385) |
| Purchases of Property, Plant & Equipments | (6,616,999) | (673,647) |
| | **(276,697,133)** | **(12,284,158)** |
| **C. Cash flows from Financing Activities** | | |
| Receipts from loan/(borrowing) & debts securities | (88,132,354) | 17,054,567 |
| Dividend Paid | (194,711,651) | (36,292,944) |
| | **(282,844,005)** | **(19,238,377)** |
| **D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)** | **(96,205,789)** | **355,455,396** |
| E. Cash and cash equivalents at the beginning of the year | 4,208,959,851 | 1,894,525,550 |
| **F. Cash and cash equivalents at the end of the year (D+E)** | **4,112,754,062** | **2,249,980,946** |

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## Statement of Changes in Equity (Un-audited)
### For the Half Year ended June 30, 2018

Amount in Taka

| Particulars | Paid-up Capital | Share Premium | Statutory Reserve | Other Reserve | | | | Surplus | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Dividend Equalization Reserve (A) | Special Reserve Fund (B) | General Reserve Fund (C) | Total Other Reserve (A+B+C) | Profit/(loss) | |
| **Balance as at January 01, 2018** | 1,342,838,971 | 730,852 | 325,072,152 | 12,301,528 | 9,200,000 | 33,255,609 | 54,757,137 | 194,861,396 | 1,918,260,508 |
| Cash Dividend | - | - | - | - | - | - | - | (194,711,651) | (194,711,651) |
| Issue of Bonus Shares | - | - | - | - | - | - | - | - | - |
| Transfer to General Reserve | - | - | - | - | - | 149,745 | 149,745 | (149,745) | - |
| **Restated Balance** | **1,342,838,971** | **730,852** | **325,072,152** | **12,301,528** | **9,200,000** | **33,405,354** | **54,906,882** | **-** | **1,723,548,857** |
| Net profit for the year after taxation | - | - | 16,291,642 | - | - | - | - | 65,166,568 | 81,458,210 |
| Issuance of Right Share | - | - | - | - | - | - | - | - | - |
| Right Share Premium | - | - | - | - | - | - | - | - | - |
| Share Issue Expenses | - | - | - | - | - | - | - | - | - |
| Issue of Share Capital | - | - | - | - | - | - | - | - | - |
| **Balance as at June 30, 2018** | 1,342,838,971 | 730,852 | 341,363,794 | 12,301,528 | 9,200,000 | 33,405,354 | 54,906,882 | 65,166,568 | 1,805,007,067 |
| **Balance as at June 30, 2017** | 1,342,838,971 | 730,852 | 296,051,237 | 12,301,528 | 9,200,000 | - | 21,501,528 | 112,033,344 | 1,773,155,932 |

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## CONDENSED NOTES TO THE FINANCIAL STATEMENTS
### For the Half Year ended June 30, 2018

**1.00 Reporting Framework and basis of preparation**

The financial statements have been prepared and the disclosure have been made in accordance with the requirements of the Financial Institutions Act, 1993, The Companies Act, 1994, The Securities and Exchange Rules 1987, Guidelines from Bangladesh Bank, the listing regulations of Dhaka Stock Exchange and Chittagong Stock Exchange and other applicable laws and regulations.

The elements of financial statements have been prepared on historical cost convention following accrual basis of accounting as per Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS).

**2.00 Accounting Policies on material areas**

**2.01 Accounting for Lease**

The company has been following the finance lease method, as per BAS 17 "Leases".

**2.02 Provision for Leases Investment**

Provision for investments have been made as per guidelines of Bangladesh Banks' FID Circular no. 08 of 2002, No. 11 of 2005, No. 03 of 2006 and other directives as applicable:

**2.03 Property, Plant and Equipments and Depreciation**

These are recognized in compliance with the BAS -16: "Property, Plant and Equipment".

Depreciation is provided using Straight Line method over the period of their expected useful lives, from the date when the related assets are put into use and depreciation is charged for the year of disposal.

**2.04 Borrowing Costs**

All borrowing costs are recognised as expense in accordance with BAS 23 "Borrowing Cost".

**2.05 Revenue Recognition**

Revenue is recognized in accordance with BFRS 15 "Revenue from contracts with customers".

Any income which is restricted as per Shariah has not been recognized as revenue.

**2.06 Corporate Tax**

***Current Tax***

The Company has provided current tax expense at the as per Finance Act 2010 considering the temporary/permanent differences.

***Deferred Tax***

The Company calculated deferred tax as per BAS 12 "Income Taxes" for the period resulting deferred tax asset/income. Being on the conservative side, deferred tax income has not been recognised.

**3.00 Events After the Balance Sheet Date**

There was no event after Balance sheet date.

**4.00 Date of Authorization for Issue**

These financial statement have been authorised for issue by the Board of Directors in the 238th BOD Meeting dated 28.07.2018.

**5.00 Comparatives**

Comparative information are presented in accordance with BAS 34 "Interim Financial Reporting". Where necessary comparative figures and account title in the financial statements have been adjusted to conform to changes in presentation in the current period

**6.00 Earnings per Share**

Earnings per Share of the company has been reduced to some extent in two quarter ended due to increase in provision against General Investment and Investments in shares.

**The details of the published Half Yearly Un-Audited Fianancial Statements, June 30, 2018 is available in the website of the company at: www.ifilbd.com**