ANNUAL REPORT
2016

CONSOLIDATING STRENGTH
FOSTERING PROGRESS



Islami Bank
Bangladesh Limited
Based on Islamic Shari'ah

AMAR STOCK


بسم الله الرحمن الرحيم

THE MESSAGE FROM THE
HOLY QUR'AN

وَاَنَّ لَيۡسَ لِلۡاِنۡسَانِ اِلَّا مَا سَعٰى وَاَنَّ سَعۡيَهٗ سَوۡفَ يُرٰى
(سورة النجم :39-40)

And that man can have nothing but what he strives for (good or bad). And that his efforts is going to be seen.
(Surah An-Najm : 39-40)



قَوۡلٌ مَّعۡرُوۡفٌ وَمَغۡفِرَةٌ خَيۡرٌ مِّنۡ صَدَقَةٍ يَّتۡبَعُهَاۤ اَذًى
وَاللّٰهُ غَنِىٌّ حَلِيۡمٌ (سورة البقرة :263)

Kind speech and forgiveness are better than Sadaqah (charity) followed by injury. And Allah is free of need and He is Most Forbearing.
(Surah Al-Baqarah : 263)



فَاِذَا قُضِيَتِ الصَّلٰوةُ فَانۡتَشِرُوۡا فِى الۡاَرۡضِ وَابۡتَغُوۡا مِنۡ فَضۡلِ اللّٰهِ
وَاذۡكُرُوا اللّٰهَ كَثِيۡرًا لَّعَلَّكُمۡ تُفۡلِحُوۡنَ (سورة الجمعة : 10)

And when the Salat (prayer) is concluded, disperse within the land and seek from the bounty of Allah (by working, etc.), and remember Allah often, that you may succeed.
(Surah Al-Jumu`ah : 10)



Guidance from the
HADITH

عن ابى سعيـد ، عن النبى صلى اللّٰه عليـه وَسلم قال:
" التاجـر الصدوق الامين مع النبيين والصديقين والشهـداء "
(رواه التـرمذى)



Abu Sa'eed (R.A.) narrated that the Prophet (SAW) said: 'The truthful, trustworthy merchant is with the Prophets, the truthfuls and the martyrs.'
Jame at-Tirmidhi

عن ابى هـريـرة رضى الله عنـه عن النبى صلى الله عليـه وسلم قال :
"ليس الغنى عن كثـرة العـرض ، ولكن الغنى غنى النفس" (متفق عليـه)



Abu Hurairah (R.A.) reported: The Prophet (SAW) said, 'Richness is not the abundance of wealth, rather it is self-sufficiency.'
Sahih Al-Bukhari and Muslim

عن عمر رضى الله عنـه قال : سمعت رسول الله صلى الله عليه وسلم يقـول :
"لو انكـم تتـوكلون على الله حق توكلـه لـرزقكم كما يـرزق الطير ،
تغـدو خماصا وتـروح بطانا" (رواه التـرمذى)



'Umar (R.A.) said: I heard Messenger of Allah (SAW) saying: 'If you all depend on Allah with due reliance, He would certainly give you provision as He gives it to birds who go forth hungry in the morning and return with full belly at dusk'.
Jame at-Tirmidhi

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Green Banking

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ICT & Automation

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Success Story

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ইসলামী ব্যাংক বাংলাদেশ লিমিটেড

Islami Bank Bangladesh Limited

Head Office, Islami Bank Tower

40, Dilkusha Commercial Area, Dhaka.

NOTICE OF THE 34TH ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of **Islami Bank Bangladesh Limited** will be held on **Tuesday, the 23rd May, 2017** at 10.00 AM at **Kurmitola Golf Club, Dhaka Cantonment, Dhaka** for transacting the following business:

AGENDA

01. To receive, consider and adopt the Audited Financial Statements for the year that ended on 31st December 2016 and Reports of the Directors and Auditors thereon.

02. To approve Dividend for the year that ended on 31st December 2016.

03. To appoint Auditor(s) and to fix up their remunerations for the year 2017.

04. To elect / re-elect Directors.

05. To approve appointment of Independent Director(s).

All Members are requested to kindly make it convenient to attend the Meeting in time.

By order of the Board of Directors

Dated : Dhaka
24th April,2017

(J Q M Habibullah, FCS)
DMD & Company Secretary

Notes:

a) **Record date was 23/04/2017 i.e.** the honourable shareholders whose names were in the CDS (Central Depository System) / Company's Register on **23/04/2017** will be entitled to get dividend for the Year 2016 against their shareholdings.

b) A member eligible for attending and voting at the Annual General Meeting may appoint a proxy on his / her behalf.

c) Power of Attorney / Proxy Form must be submitted to the Registered Office or Share Department (63 Dilkusha C/A, 5th Floor, Dhaka) of the Company at least 48 (Forty Eight) hours before the Meeting i.e. **10.00 AM on Sunday, the 21st May, 2017**. Revenue Stamp of **Tk.20/- (Taka Twenty)** only shall have to be affixed on the Proxy Form.

d) Annual Report, Attendance Slip and Proxy Form along with the Notice will be sent to the honourable shareholders by post / courier. The honourable shareholders may also collect Proxy Form from the Share Department of the Company.

e) Directors' Report and Audited Financial Statements of the Bank for the year ended on 31st December 2016 along with the Auditors Report thereon shall be available on Bank's website: www.islamibankbd.com.

f) Election of Directors will be dealt in terms of Articles of Association of the Company and relevant rules/laws/circulars in force.

g) Entry is reserved only for members and Proxies / Attorneys. Attendance slip (duly signed) must be submitted to the Registration Counter at the time of entrance. Registration Counter shall remain open till **11.00 AM.**

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Vision

Our vision is to always strive to achieve superior financial performance, be considered a leading Islami Bank by reputation and performance.

Our goal is to establish and maintain modern banking techniques, to ensure soundness and development of the financial system based on Islamic Principles and to become a strong and efficient organization with highly motivated professionals, working for the benefit of people, based on accountability, transparency and integrity to ensure stability of the financial systems.

We will try to encourage savings in the form of direct investment. We will also try to encourage investment particularly in projects, which are more likely to lead to higher employment.



Mission

To establish Islamic Banking through introduction of a welfare oriented banking system and also ensure equity and justice in all economic activities, achieve balanced growth and equitable development through diversified investment operations particularly in the priority sectors and less developed areas of the country.

To encourage the socio-economic development and financial services to the low-income community particularly in the rural areas.

Strategic Objectives

- Welfare oriented banking
- Customers' satisfaction
- Be excellent in serving the cause of least developed community and area
- Achieve global standard
- Emerge as a healthier & stronger bank at the top of the banking sector and continue to maintain stable positions in ratings
- Build and consolidate corporate culture
- Ensure Corporate Social Responsibilities (CSR) through all activities
- Promote green banking culture and ecological balance
- Provide impeccable and progressively better customer services using latest technologies
- Ensure diversification of investment by sector, size, economic purpose & geographical location and expand need based Retail and SME and Micro financing
- Invest in the thrust and priority sectors of the economy
- Establish a set of managerial succession and adopt technological changes to ensure development of an Islamic Bank as a stable financial institution
- Pay more importance in human resources as well as financial capital
- Strive hard to become a company of choice & develop talent in a performance-driven culture
- Ensure lucrative career path, attractive facilities and excellent working environment
- Train and develop human resources continuously and provide adequate logistics to satisfy customers' need
- Ensure zero tolerance on negligence in compliance with both Shari'ah and regulatory guidelines
- Motivate team members to take the ownership of every job



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Core Values

- Trust in Almighty Allah
- Adherence to the spirit of Islamic Shari'ah
- Highest standard of Honesty & Integrity
- Transparency & Accountability
- Welfare Banking
- Equity and Justice
- Environmental Consciousness
- Respect for all
- Discipline & Cooperation

Commitments

- Shari'ah directives
- Regulators
- Shareholders
- Society
- Customers
- Employees
- Stakeholders
- Environment



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Code of Conduct and Ethical Principles

Shari'ah foundation of ethics

- Accountability to Almighty Allah
- Principle of vicegerency on the earth
- Avoidance of interest (Riba) in all transactions
- Righteousness and making one's work perfect
- Practice of Taqwa in actions and contemplations

Principles of personal ethics

- Faith-driven conduct
- Trustworthiness
- Truthfulness
- Competency
- Commitment

Rules of ethical conduct

- Self-motivated rules influencing job performance
- Allah-fearing state of mind
- Adhering to the Shari'ah and implementing its principles
- Ensuring justice and fairness
- Adopting the good and articulating the truth
- Transparancy

Rules of conduct towards shareholders, managers and fellow employees

- Developing the work through innovative and creative ideas
- Respecting the working hours of the institution
- Getting acquainted with all the directives
- Safeguarding the institution's assets, equipment and facilities
- Refraining from doing anything detrimental to the organizational interest

Rules of conduct towards those who deal with the institution and related parties

- Being keen to meet the needs of those who deal with the institution
- Giving rights to those who are entitled to them justly
- Preserving confidential information
- Being serious in one's behavior and actions

Awards & Recognitions



The Banker
Award 2016



Remittance Gold
Award 2016



Sardar Patel
Award 2016



Bangladesh Women Police
Award 2016



Banladesh Cricket League
Award 2014-15



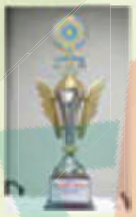
Entrepreneur Award
2015



SAFA Intl. Conference
Award 2015



BCL Runner-Up
Award 2015



ICMAB Best Corporate
Award 2015



Islamic Retail Banking
Award 2015



Small Entrepreneur
Award 2014



NRB Recognition Award
2015
(Gold Award)

Awards & Recognitions

South Asian Federation of Accountants (SAFA)

SAFA awarded IBBL the 1st Position both under Private Sector Banks (including Co-operative Banks) in the Best Presented Annual Reports and SAARC Anniversary Award for Corporate Governance Disclosures for the year 2012 and Certificate of Merit under Private Sector Banks (including Co-operative Banks) in the Best Presented Annual Reports for the year 2013.

Institute of Chartered Accountants of Bangladesh (ICAB)

ICAB conferred IBBL the 3rd position under Private Sector Banks (including Co-operative Banks) in the Best Presented Annual Reports for the year 2014. ICAB also conferred IBBL with the 1st position both under private sector banks (including Co-operative Banks) in the Best Presented Annual Reports and SAARC Anniversary Award for Corporate Governance Disclosures for the year 2012 and Certificate of Merit for the year 2015.

Institute of Cost and Management Accountants of Bangladesh (ICMAB)

ICMAB glorified IBBL with 1st Position amongst the Private Commercial Banks in Islamic Operation in ICMAB National Best Corporate Award – 2015, 2014, 2013, 2012, 2011, 2010.

The Banker

IBBL won "Bank of the Year Award-2016" conferred by 'The Banker', UK's premier financial magazine of Financial Times Group, London. The award is regarded as the Oscar in banking industry. The Banker has awarded this highly recognized global recognition upon Islami Bank Bangladesh Limited after a vigorous analysis of the performances over the years. Islami Bank is the only Bangladeshi Bank awarded ever by the The Banker.

IBBL, being only Bank in Bangladesh, entered into the World's Top 1,000 Banks list in 2012. IBBL has made Bangladesh proud of being among the best 1000 banks in the world, ranked by 'The Banker'. This prestigious ranking is a clear testimony to IBBL's stability and strength and its leadership in financial sector of Bangladesh. Position in terms of key indicators in 2016:

- 102nd in Performance (Profits on capital)
- 376th in Return on Asset (ROA)
- 774th in Size (Assets base)
- 814th in Soundness (Capital Assets Ratio) and
- 939th in Strength of Tier 1 capital.

Global Finance

The Global Finance, a reputed USA-based Financial Magazine, adjudged IBBL as the best Islamic Financial Institution of Bangladesh for the years 2008, 2009, 2010, 2011 & 2013.

Bangladesh Bank and SME Foundation

Bangladesh Bank and SME Foundation jointly conferred the prestigious award - the best 'Small Entrepreneur Friendly Bank of the Year' in 2014 to IBBL considering its contribution to SME financing.

Other Recognitions

- IBBL was awarded as the highest tax payer for the accounting year 2014 among the Bangladeshi Banks under the Large Tax Payers Unit (LTU) in 2016.

- IBBL received the Asian Banker CEO Leadership Achievement Award-2016 and was recognised as the 'Best Managed Bank' in Bangladesh. The award was given at the Asian Banker Summit held at the JW Marriott Hanoi, Vietnam.
- Gold Medal for outstanding contribution to the foreign remittance services of Bangladesh by Centre for Non-Resident Bangladeshi in 2016.
- IBBL was awarded the 'Sardar Patel Award' 2016 for outstanding contribution in Sustainable Economic Develment.
- Gold medal as 'Branding Bangladesh Award' for its outstanding performance in remittance services last year by Centre for Non-Resident Bangladeshi in 2014.
- Financial Branding Award by Centre for Non Resident Bangladeshis for its outstanding contribution to the Financial Branding of Bangladesh in abroad in 2014.
- Best Brand Award from Bangladesh Brand Forum in 2014.
- Best Pavilion Prize of month long Dhaka International Trade fair-2014.
- The best patron award for its outstanding contribution to the country's sports sector in 2014 by the Bangladesh Sports Press Association.
- Western Union honored IBBL with an incentive amount of USD $90,088 as the best category performance to achieve the target of 3,00,000 transactions fixed for the year 2013.
- IBBL was ranked by Bangladesh Bank among top ten banks in Bangladesh for Green banking in 2012 and 1st position in Climate Risk Fund Utilization activities.
- IBBL has received award from VISA International for "Outstanding Achievements in Debit Portfolio Growth" for the year 2015.

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Forward Looking Statement



This presentation contains forward looking statements which are based on the current beliefs and expectations as well as assumptions of IBBL's management about future events and subject to significant risks and uncertainties. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning.Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and IBBL's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ from those in the forward-looking statements:

- Changes in national economic, political and financial conditions
- Changes in the government's adjustments and control policies, and regulatory issues
- Securities and capital markets behavior, including changes in market liquidity and volatility
- Global economic downturn or disruption, including a significant decline in global trade volumes
- Global embargo/unrest in Middle-east countries affecting flow of remittances and trade
- Potential impact on IBBL's liquidity and/or costs of funding as a result of external factors, such as market disruptions
- Changes in corporate tax structure and VAT on banking service
- Changes in trade, monetary and fiscal policies and laws
- Changes in international prices of essentials, which may result to volatility in Foreign Exchange Market
- Volatility in the money market
- Occurrence of natural or man-made disasters or calamities or conflicts, including any effect of any such disasters
- Changes in investor sentiment or consumer spending or savings behavior
- Potential impact on IBBL's businesses, business practices, reputation, financial condition or results of operations from the extensive legal and regulatory proceedings, investigations and inquiries
- Usefulness of IBBL's risk management and mitigation processes and strategies
- Potential impact on IBBL from continually evolving cyber-security and other technological risks and attacks, including additional costs, reputational damage

Any forward-looking statement contained in this document is based on past or current trends and/or activities of IBBL and should not be taken as a representation that such trends or activities will continue in the future. IBBL undertakes no obligation to revise or update any forward-looking statement contained in this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

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In the name of Allah, the Most Beneficent, the Most Merciful, Peace be upon our Prophet Mohammed (SM), His Companions and Relatives.

Respected Shareholders,

Assalamu Alaikum Wa Rahmatullah.

It gives me great pleasure to present the Annual Report of your beloved Islami Bank Bangladesh Limited (IBBL) along with the Audited Financial Statements for the year ended on 31 December 2016, yet another milestone year with record achievements on multiple fronts. As detailed in the report, the Bank, by the grace of Almighty Allah, maintained its higher trajectory growth path retaining its leadposition in the banking arena of Bangladesh. This was made possible with whole-hearted and dedicated efforts of all employees and officers of the Bank.

Since inception, the Bank maintained its strong position in all banking parameters through compliance of Islamic Shariah and standard corporate governance practices. Unlike other banks, maximization of profit is not the main objective of IBBL rather it works for establishing equitable justice in the financial sector of the country through prioritizing need-based, productive and import-substitute investments.

The year 2016 recorded phenomenal growth in key parameters that measure the performance of a Bank. Together, we have marched onwards crossing milestones, one after another taking lead over its peers in all the departments of banking business. Despite challenging circumstances, we have performed remarkably towards achievement of financial, social and environmental goals. You will be pleased to know that Islami Bank Bangladesh Limited won "Bank of the Year Award 2016" conferred by The Banker and Financial Times Group, London. This testifies our continuous endeavor to maximize the value of stakeholders alongside working for the community as a whole.

The global economy has witnessed another challenging year in 2016 against the backdrop of a diverse range of macroeconomic instability and political upheavals that rocked the financial sector. The engulfing war in the Middle east, the consequential refugee influx in Europe, the legacy of the Greek Crisis and the sagging price of oil kept economic activity subdued. Global economic growth took a hit last year following a slowdown in the United States and Britain's vote to leave the European Union. However, stable growth performance has reduced near-term concerns about China as India kept on steaming ahead at higher growth path, though a bit slowed by the recent demonetization of Indian Rupee. The global growth is projected to decline to 3.1 percent in 2016 from 3.2 percent in 2015, and to rebound next year to 3.4 percent in 2017.

The Bangladesh economy as a whole exhibited a strong growth pace and stability throughout the year. The banking industry was marked with stable credit growth. Interest rate on loans and advances fell drastically compared to the cost of deposit which in turn squeezed the spread. Excess liquidity and lower interest on bank deposits could be the recipe for a thriving capital market surge. However, NPL continued to be the major concerns for the banking industry. The country for the first time came out of the so called "six percent growth trap" by registering a growth of 7.1 percent in the last fiscal year. The growth momentum was largely concentrated in the industry and service sectors, while agricultural activities registered a decelerated growth compared to the growth of the previous fiscal year. Besides, the country's per-capita income also increased to US$1,465 in the FY16 from $1,316 in the previous year.

Delivering Consistent Financial Performance

Against the backdrop mentioned above, IBBL's achievement in different business parameters has been impressive and encouraging. In the past year we reached new heights in key business parameters. We have crossed the Tk. 680,000 million, marking a new watershed in deposit mobilization registering a growth of 10.7 percent over the previous year. On the other hand, investment peaked to Tk. 616,419 million, an all time high, recording 16.26% growth The Return on Equity (ROE) and Return on Asset (ROA) recorded at 9.28% and 0.59% while Earning per Share (EPS) stood at Tk. 2.77. Total assets of the Bank rose to Tk. 797,700 million showing a growth of 10% over the previous year. IBBL registered enviable growth in foreign exchange business through handling export business of Tk. 243,647 million, marking a growth of 9% over the previous year carving out almost 10% market share. On the other hand, the Bank handled import business of Tk. 339,954 million, securing more than 10% market share. The Bank's foreign remittance receipt stood Tk. 279,980 million with 26.24% market share. I heartily congratulate the IBBL for securing these new benchmarks for itself and for the industry. These achievements were made possible because of shareholders' faith reposed on us, the unstinting support of our valued customers at all times and the sterling integrity, commitment and honesty that shield IBBL team in pursuit of their work.

Taking The Nation Forward

IBBL has been ceaselessly working to strengthen the economic base of the country since its inception and thereby contributing to country's GDP. This Bank attaches utmost priority in investing into sectors that concerns people's basic needs, economic development, people's welfare and overall socio-economic development of the country. Islami Bank pursues a coherent strategy of

investing into need-based, labour-intensive, productive, import-substituting, and export-oriented sectors and all are carried forth with the national priority coherence for equitable and sustainable development. More than 5000 industrial enterprises of the country are now run with IBBL finance. Country's 27% Spinning Mills are run with Islami Bank finance. Islami Bank's contribution in infrastructure development and industrialization, financing transport, steel, housing sector is adding new pace in country's economic wheel. More than 2.5 million unemployed persons have been added to the productive workforce of the country through the mills and factories financed by Islami Bank.

Islami Bank has been attaching key priority to SME sector. It is because of the fact that an equitable and sustainable economic development requires key socio-economic priorities like creation of employment, entrepreneur development, mitigating regional disparity, women's empowerment, especially, and ensuring balanced and equitable social development. Islami Bank is the country's highest financier in SME sector. In 2016, IBBL's contribution in country's SME sector was 27%. Through its SME investment, 0.9 million jobs have been created. The Bank's strong focus through its Foundation on human development received huge recognition. The 20 hospitals it runs, the medical college and nursing training school, vocational schools, food processing industry, handcraft boutique, large and generous scholarship programs, promotion of sports and culture puts IBBL in an enviable height. The Bank works to uphold the dignity of the nation by contributing more in the socio-economic and human development initiatives of the country. We are the 2nd largest corporate taxpayer in the banking sector of the country. The collective contribution to the National Exchequer from inception up to December 2016 was Tk.102,933 million of which, Tk.15,342 million was made in 2016 alone.

Poverty Alleviation and Rural Development

IBBL is working for all strata of the people of Bangladesh irrespective of caste, creed, religion and gender making us an ever-caring, trusted banking partner beside them. To lift the poor out of scourge of poverty and to generate rural employment, IBBL introduced RDS (Rural Development Scheme) in 1995. This unique rural initiative includes, in addition to generating rural job opportunities, some basic human development efforts like creating awareness, enhancement of skills and vocational aptitude, training, savings, various income generating activities, micro-investment and social security awareness etc. For the urban poor, Islami Bank is equally concerned. In 2012, IBBL introduced 'Urban Poor Development Scheme' (UPDS) for the urban slum-dwellers. Tk.1,098 million was disbursed under these projects up to December 2016. 8.05% of the country's total micro-finance is conducted by IBBL. One Million families are beneficiaries of this scheme.

Corporate Governance and Transparency

We are committed to observing the highest standards of integrity and compliance in all aspects of our work. The corporate governance system is designed to ensure transparency and accountability at all levels of the Bank. We have got a group of professionally experienced and visionary banking leaders in bank's Board of Directors which enhances the horizons and potentials of the bank to the expected level. Our commitment towards good governance practices has been recognized by The Institute of Cost and Management Accountants of Bangladesh which awarded 'ICMAB Best Corporate Award-2015'. Good governance, risk management practices, compliance and ethical values have always been among our corporate goals. We are sincerely committed to comply with the guidelines, instructions and policies of all regulatory authorities including Bangladesh Bank, concerned ministries, BSEC, DSE, and CSE. All banking transactions are also well recorded, verified and audited by internal and statutory auditors including Bangladesh Bank and Shariah Supervisory Committee. Strict adherence to shariah principles has always been one of the core values of our banking.

Compliance and Risk Management Culture

Banking is all about managing risks. A Strengthened Risk Management Culture is imperative for a Stronger Future. There are various types of risks involved in carrying the business of banking. Risks will always be there. The trick is to minimize the risk and carry on banking operations .In a business environment where reputational threats lurk around every corner, a strong culture of ethics and compliance is the foundation of a robust risk management. At IBBL, we are committed to observing the highest standards of integrity and compliance in our work. We believe in a set of clear values that, among other things, emphasizes the organization's commitment to legal and regulatory compliance, integrity, and business ethics. Executive leadership and senior managers across IBBL encourage employees and business partners to pursue business legally and ethically, complaints to set standards and policy requirements. In order to align IBBL to global banking compliance, the Bank is subjected to rigorous AML remediation process for the last one and half years. Kroll, a US-based globally reputed AML and Risk Management Consultants was hired for remediation of identified lapses and loopholes. A strong and detailed KYC database, updated periodically, a Transaction Monitoring System and a system of Sanctions Surveillance Screen piloted. From June 2017 we will roll out these key interventions.

Our Commitment to The Society

IBBL aims to inculcate a socially responsible institutional ethos in the financial sector. which is in-built in IBBL's corporate philosophy and organizational culture. As

a responsible corporate citizen, IBBL continues to pursue its CSR and sustainability activities with utmost importance. We remained passionate in serving our customers and at the same time worked constantly to improve our processes and engagements with society we operate in. Carefully planned, zealously executed and sensitively nurtured, our community development initiatives have holistic approach. We have espoused and embarked upon diverse supporting activities particularly education, poverty alleviation, healthcare, national and international sports events and ensuring patronizing environment friendly initiatives for the greater benefit of present and future generations. IBBL so far spent Tk. 4,998 million for 15 million beneficiaries. Out of which Tk. 671 million for 1.19 million beneficiaries was contributed in 2016.

Recognition That Inspires Us

Awards and accolades that have come our way are recognition of distinction that we have achieved in banking operations and business practices and gives credibility to the whole hearted efforts of our staff and officers. IBBL, the only Bank from Bangladesh, secured a place in The Banker's 'The Top 1000 Global Banks' has continued to upgrading its position to 939th in ranking. In 2016, the Bank was recognized as the best-managed bank in Bangladesh by The Asian Banker. Getting ranked as 'One of the world's best 1000 Banks' and awarded as the 'Best Managed Bank in Bangladesh' corroborates with continuous rise in global ranking. In appreciation to its contribution in the economic development of Bangladesh, IBBL has been awarded the prestigious Sardar Patel Award 2016. Towards the end of the year, The Banker, a UK based premier monthly magazine having a heritage of in the international banking and finance community for 90 years conferred 'Bank of the Year 2016' to IBBL. These awards speak highly of the collective efforts and dedication of our employees and shall definitely serve as a morale booster and launch pad for many more.

Looking Forward

With every passing year, by the grace of Almighty Allah, IBBL has been able to meet the increased expectation from its stakeholder and mass people. We believe that it is the dedication and professionalism that drive the IBBL to succeed in this challenging environment. IBBL's visionary leadership and dynamic workforce remain committed to sustain the success story and shall strive to scale new heights of excellence. Whatever we have achieved could not have happened without the commitment and hard work of all stakeholders. On behalf of the Board of Directors and myself, I take the opportunity to acknowledge the dedication and sincerity of each one of you who have had a definite role to play in keeping the IBBL flag flying high and steering it ahead. Through a wide range of branch network and setting up best-in-class digital services, IBBL is building capabilities to offer its customers best possible banking services across the country. I am confident that IBBL will continue to stand tall as an enviable symbol of growth and development in the years to come In Sha Allah.

Strong capital base

Equity is the main element for smooth operation of a Bank. The equity base of IBBL is the highest in the banking industry. As per Basel-III guidelines, the bank has to build capital conversation buffer of additional 2.5% between 2016 to 2019 for which around Tk.3,000 million capital will be required every year. During 2016, Tk.2,850 million of net profit has been transferred to general reserve to make the capital base strong and faithful compliance of Basel-III accord which has made the bank capable of handling any internal and external shocks. IBBL is among 1000 top global banks in terms of its strength of capital. IBBL continues to strive and retain its position as the strongest bank in Bangladesh.

We Remain Grateful

We strongly believe that IBBL is unrivaled gift from the Almighty Allah (SWT). I wish to thank my colleagues on the Board of Directors and members of the Shari'ah Supervisory Committee, for their judicious guidance and support charting out the road map of the institution for continuous growth and development, thereby steering it to greater heights. I am also thankful to each and every shareholder of IBBL for reposing their confidence and support to the Company's management. I would like to offer my sincere thanks and gratitude to Bangladesh Bank, the Securities Exchange Commission, the Ministry of Finance and other regulatory authorities for their continuous support and invaluable guidance. I also like to thank our external auditors for carrying out the auditing task professionally and advising us for compliance as per the guidelines of International Financial Reporting Standards (IFRS) and Bangladesh Financial Reporting Standard (BFRS). In the end, I once again express my sincere thanks to all the members of IBBL family for their uncompromising loyalty, relentless hard work and team spirit to take the Bank forward.

May Allah grant us success in our entire endeavor. Ameen.



(Arastoo Khan)
Chairman
Board of Directors

Honorable shareholders, respected members of the Board of Directors and my dear team members of Islami Bank Bangladesh Limited (IBBL).

Assalamu alaikum wa rahmatullah.

It gives me immense pleasure to report the year 2016 as another exciting year for our dearest Bank IBBL. Together, we have been able to cross several significant milestones and feats during the last year. Despite challenging circumstances, we have performed remarkably towards achievement of financial, social and environmental goals. The last year, the 34th year of the bank, glorified us with national and international awards and recognitions which will be marked and remembered as the period of achievement in the IBBL history. You will be pleased to know that IBBL won 'Bank of the Year Award 2016' conferred by 'The Banker' Magazine & 'Financial Times Group' of UK.

In 2016, along with core banking business, we have paid due focus on all our fields of excellences and contributed a major part to the national economic development, as well as building a peaceful and prosperous society.

Economic Scenario: Global and National

Multifaceted scenario in global and local economy prevailed in 2016. A modest and uneven recovery in advanced economies continued throughout the preceding year while events like Brexit, China's slow growth, India's demonetization, a slow rise of oil price and increase in Fed rate reshaped the global economy to some extent. Global growth was estimated to decline to 3.1 percent from 3.2 percent in 2016.

The U.S. economy has lost momentum over the past few quarters and growth estimated at 1.6 percent in 2016, a sharp decreased of 1 percent from 2015. The negative trend in exports and slowdown in overall business growth contributed to eroding growth in the USA. The Euro zone economy has shown resilience in the face of heightened uncertainty and China's economy, the world's second largest economy, remains in despair, grew at 6.6 percent this year, remarkably down from last year (6.9pct).

The Islamic finance industry continues to be characterized by rapid innovation and growth both in Global and Bangladesh market. Islamic finance asset stood around $2.1 trillion in 2015. Most of these Islamic finance assets (78 percent) are held by Islamic banks mostly located in Muslim-majority countries of the Organization of Islamic Cooperation (OIC). The demand for Islamic Finance around the globe is in increasing trend and continuous to expand to serve a growing population of Muslims as well as conventional, non–Muslim investors.

Unlikely the world economy, Bangladesh broke its economic growth circle of 6% for the first time in history as GDP grew by 7.1 percent in FY16 exceeding the estimate. The country's per-capita income increased to US$1,465 in FY16 from $1,316 in the previous year, the industrial, service and agriculture sector registered higher growth. Overall, the national economy demonstrated controlled inflation, rising Forex reserve, hopeful rise in export and import with stumbling of remittance market. Inflation was on a downturn trend caused by low global commodity market and no major internal shocks.

The Domestic Banking sector

The banking industry was marked with stable credit growth, while excess liquidity and higher NPL were the matters of concern for the banking Industry. Interest rate on loans and advances fell drastically compared to the cost of deposit which in turn squeezed the spread. The ratio of gross NPL (Non Performing Loan) of the banking sector increased to 10.40% from 8.79% of the previous year. The Provision shortfall position of the banking sector deteriorated, the Capital Adequacy Ratio (CAR) marginally decreased, the Return on Asset (ROA) & Return on Equity (ROE) of the banking industry decreased.

Financial Attainments of IBBL

Islamic banking is based on the principles of serving as the masses in the light of Islamic economy or its 'Maqa'sid' or purpose. Despite setbacks and deficit of global economy and subsequent volatility in the country economy, IBBL maintained its leading position in the banking sector of Bangladesh and could manage to achieve reasonable outcomes in all the business areas.

The total assets of the Bank amounted to Tk. 936,946 million as on December 31, 2016 registering 9% increase over previous year. Equity base of the Bank has increased to stand at Tk. 48,739 million at year end 2016 against Tk. 47,461 million of the previous year. However, the Bank achieved promising growth in general investment (16.26%) and moderate growth in Deposit collection (10.72%); Non-Performing Investment remarkably reduced (3.83%). During the period Profit after tax of the Bank was Tk. 4,464.98 million, Earnings Per Share (EPS) was Tk. 2.77 compared to Tk. 2.04 of the year 2015. Notwithstanding, we could consolidate our financial strength through maintaining adequacy in capital.

Deposit: Security & Trust Coincide

Through collection of deposit, Islami Bank encourages people for savings both for individual benefit and for the greater benefit of the country. It has been consistently and meticulously working to raise the savings awareness of the people, especially in the remote inaccessible areas and among the less-advantaged population of the country. In 2016, deposit base of IBBL stood at Tk. 681,352 million with 10.72% growth as against Tk. 615,359 million in 2015. A favorable shift in deposit trend has been observed this year; cost free and low cost bearing deposit increased to 48.36% in 2016. Customer base: strengthening Financial Inclusion

Financial inclusion corresponds to IBBL's core value, business policy and objectives which are derived from Maqasid al-Shari'ah. The bank has been trying to design its products and services so as to facilitate financial inclusion. 'The Bank of Crore Clients' designs its deposit products and services including farmers' accounts, students' accounts, industry workers' account to different other array of products like Hajj, Mohr and Waqf accounts. At present we hold 12 million customer base which is 14% of the country's total customers, 40% of the Islamic banking of Bangladesh and 25% of the global Islamic Banking clients.

Investment: Development Through Diversification

In light of Maqasid al-Shari'ah, IBBL continued its efforts to further diversify its investment portfolio by size, sector, economic purpose and geographical location. IBBL got diversified exposure from agriculture to industry, retail to corporate and microfinance to SME. In 2016, our general investment reached to 616,419 million with 16% annual growth. We see positive shift in our investment portfolio in reducing concentration in big clients. Percentage of top 100 clients to general investment decreased to 37.11% as against 41.45% in 2015. Percentage of investment up to Tk.100 million to general investment 39%. Percentage of SME investment to our general investment stood at 42% in 2016 with a higher growth of 29% than the previous year. RDS share in total investment rose to 4% with 18% growth as against 3.91% of 2015.

International Trade: Leadership in the Market

IBBL started foreign exchange business with Tk. 10.80 million in import, Tk. 63.70 million in export and Tk. 443.80 million in remittance in 1984. After thirty three years, the import, export and remittances of IBBL rose to Tk. 339,954 million, Tk. 243,647 million and Tk. 279,980 million with market share of 10%, 10% and 26% respectively.

As a leader in export and import business among the PCBs, IBBL retained and further strengthened its position in the bygone year. Mentionable that, IBBL is the first bank that worked for popularizing the remittance through banking channel against the illegal Hundi. Again, IBBL was the first bank to finance for development of the sick RMG sector of the country in 1980s.

Remittance & RMG are the two major pillars of Bangladesh economy and IBBL has remarkable contribution to both the sectors. Islami Bank's market share of investment in Garments and Textile Sector stands at 21%. Country's 25% Spinning Mills are run with Islami Bank finance from which country's 30% yarn is being produced. At present, more than 1000 garments factories are run with Islami Bank finance. IBBL is the major contributor and market leader in National remittance with more than one-fourth market share of the country which is unparallel in the banking industry.

Shariah Compliance: Strict Adherence to Core Value

Being a Shariah based bank, IBBL's focus is not only to comply Shariah in terms of transaction mechanism but also to uphold its spirit and objectives as a whole. Strict adherence to Shariah principles is the core value of Islamic Banking.

We have been trying to bring doubtful income at zero level. Shariah Secretariat has been strengthened with capable manpower and appropriate logistics have been provided to conduct off-site audit to enable the Muraqibs to check violation and ensure transparency in shari'ah compliance. Awareness for total Shari'ah compliance among the entire workforce and clients was emphasized throughout the year. In 2016, Shariah Supervisory Committee approved two new product of Investment namely 'Commission Sharing Mudaraba'and 'Forward Sorf'. Besides, a day-long seminar was held on 'Role of Islamic Scholars in development of Islamic Banking system' arranged by the Shariah Secretariat.

Human Capital Development

One of the major inherent potentials of IBBL is its dedicated workforce which we call human capital. It is a matter of fact that, from the beginning total human development has been our key agenda. Recruiting & attracting talented young stars from cross disciplines at various public & private higher institutions are the beauty of human forces of IBBL. This bank first recruits

value driven industry best talent, and then groom them as a future leader in Islamic Banking industry through its special talent development program. We brought qualitative change in the training programs in 2016 as well. Intensive professional development program, managerial training and specialized training both in home and abroad were conducted to bring excellence among human capital. At present IBBL holds the highest number of professionals with international standard professional degrees like CA, ACCA, CMA, CS, CDCS, CAMS, CERM, CISA & Diploma.

Digital Transformation in Banking

IBBL is the biggest automated bank in Bangladesh. We have created infrastructure and expert workforce which is strong in modern information technology in accordance with customers' expectation. Islami Bank's programs are run by its own software which is unique in Banking industry of Bangladesh. The core operational software e-IBS is created by bank's own young employees. Islami bank is increasing technology-based services like internet banking, mobile banking, SMS Banking, e-commerce etc. for the valued customers. At the end of 2016, the number of Islami Bank's ATM card reached to 0.36 million, mobile banking customer 2.35 million, SMS banking customer 1.45 million & internet banking customer is 0.11 million. The number of Islami bank's own ATM is 520 and shared ATM is above 6000, money deposit machine (IDM) is 122. Customer service has been made accessible round the clock and available by call center.

Alternative Delivery Services

Imbibed with the spirit of welfare oriented banking, IBBL always tries to address the paradigm shift of need-based Consumer behavior in its blessed journey over three decades. Bank's techno based modern banking devices include On-line banking, SWIFT services and 24/7 hours services like iBanking, sms Banking, phone banking, contact centre, ATM/Visa Debit Card, Khidmah Credit Card, Hajj Card, Travel Card, Remittance Card, E-commerce (Payment Gateway), IDM (Islami Bank Deposit Machine) are playing pivotal roles in delivering quick and techno based banking services to a large number of customers. The mobile banking service of the bank (mCash) is attracting customers' attention and popularity day by day functioning its role as a strong means of alternate delivery weapon having 41,709 corporate agents.

Sustainable Banking/Green Banking

Green economy is needed to build a green earth. Since its inception, IBBL has been pursuing the spirit of green banking, working to make the grey economy turn green. IBBL is by default a Green Bank. The bank doesn't invest in tobacco, narcotics or any socially harmful grey sector.

The bank is working for fuel-efficient electrical equipment, solar panels, online communication and marketing, training and skills developments etc. The bank is contributing in greening the country through massive forestation program. IBBL undertook numerous green banking initiatives in 2016 demonstrating its commitment to environmental protection, social justice and human welfare. In the last year, IBBL spent a handsome amount in the areas of green finance, climate risk fund, and marketing, training and capacity building related to green financing. IBBL is always striving to pursue the process of institutionalization of the Green Banking practices and the process of converting IBBL into a paperless office.

R&D Activities

In an attempt to bring excellence in Islamic Banking knowledge, devise Shari'ah compliant innovative products and services with due focus on Maqasid-al-Shari'ah, IBBL has established a strong research team. Being the 1st Shari'ah based Bank in the region and market leader in banking sector of the country; we felt to have a competent R&D setup to infuse dynamism in growing Islamic banking sector. In 2016, a number of studies have been conducted on key indicators of the Bank and the R&D team worked on developing new products, provided support for capacity building and development of human resources as well as contributed towards Islami banking literacy, networking with different international research institutions.

Branding IBBL & Islamic Banking Literacy

Islamic banking literacy is one of our prime objectives of IBBL. Over the years we have been continuously trying to eliminate misconceptions about Islamic banking and present its uniqueness compared to its conventional counterpart. IBBL played catalyst role in empowering fellow banks towards promoting Islami banking. Through continuous programs and bridging we have consolidated on good market image and leadership in banking industry. It has been playing key role in all professional bodies like Bangladesh Association of Banks (BAB), Central Shariah Board for Islamic Banks of Bangladesh (CSBIB), Islamic Banks Consultative Forum (IBCF), Association of Bankers, Bangladesh (ABB), Bangladesh Foreign Exchange Dealer's Association (BAFEDA) and International Chamber of Commerce (ICC). In recognition to attracting customer confidence IBBL received Best Brand award from Bangladesh Brand Forum.

CSR Activity

Committed to the core value, IBBL has always been pioneering in CSR. IBBL has earned the reputation of being a welfare oriented bank through its dynamic CSR activities. IBBL has already established its image as the leading Bank in CSR through participating in various national events. Since inception, IBBL has been concentrating on value added CSR activities particularly supporting education, reducing poverty, giving standard healthcare service and ensuring environment friendly society for the greater benefit of present and future generations. In 2016, IBBL spent around Tk. 670.77 million with accumulated spending of Tk. 4,997.88 million during last 3 decades benefitting more than 15 million people in the mentioned sectors.

Awards and accolades

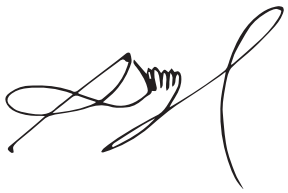
In 2016, we have achieved a remarkable number of awards and recognitions which signifies the visionary leadership of the bank management and the whole hearted efforts of our employees. IBBL, the only Bank form Bangladesh in The Banker's 'The Top 1000 Global Banks' has continued to upgrading its position to 939th in ranking. In 2016, the Bank was recognized as the best Managed Bank in Bangladesh by The Asian Banker. Analyzing its contribution in the economic development of Bangladesh, IBBL has been awarded the prestigious 'Sardar Patel Award 2016' from India. Towards the end of the year, The Banker, a UK based premier monthly magazine having a heritage of in the international banking and finance community for 90 years conferred 'Bank of the Year 2016' to IBBL. These awards speak highly of the collective efforts and dedication of our employees and shall definitely serve as a morale booster and launch pad for many more. We have also been awarded with 'ICAB National Corporate Award for Best Presented Annual Reports 2015' by ICAB and 'ICMAB Best Corporate Award-2015' by ICMAB.

Focus for 2017

From 'the bank of crore clients' we have strive to become 'Bank for all' which will continue its welfare activities providing excellent customer's service through all out compliance. In view of the economic and banking scenario of the country and the expectation of our stakeholders, this year our focus shall be on further strengthening capital base, consolidating business growth, pursuing sustainable development and widening financial inclusion coverage. Besides, we shall emphasis on diversifying investment portfolio by size, sector, economic purpose and geographical area to ensure equitable deployment of resources for minimizing urban-rural gap. Our efforts shall continue for developing new entrepreneurs, widening import base and export basket and upholding brand image in remittance. We shall endeavor to ensure full Shariah compliance, good governance and provide technology based services to the customers.

Our Gratitude

We are thankful to our valued clients, business partners, patrons, well wishers from home and abroad for their confidence and trust reposed upon us. This has always been a great source of strength and inspiration for us. We conclude expressing our sincere gratitude to Bangladesh Bank for providing us with valuable guidance and continuous support. We are also grateful to the Board of Directors for their visionary role and continuous encouragement. We thank high spirited Team IBBL for their dedication, commitment and renewed vigor. Let us pray to Allah to give us vision, courage and strength to win over challenges in the years to come with professional excellence.



(Md. Abdul Hamid Miah)
Managing Director & CEO

Corporate Milestones



Incorporation	13.03.1983
Certificate of Commencement of Business	27.03.1983
Inauguration of 1st Branch	30.03.1983
Formal Inauguration	12.08.1983
Formation of Shariah Council	01.05.1983
Formation of Sadakah Tahbil as a CSR Wing	04.07.1983
Listing in Dhaka Stock Exchange Limited	02.07.1985
IPO Subscription Opened	30.06.1985
IPO Subscription Closing	14.07.1985
Listing in Chittagong Stock Exchange Limited	07.03.1996
Opening of 100th Branch	12.06.1997
Joining/Agreement with CDBL	29.12.2004
In-house Core Banking Software	02.04.2005
Issuance of Mudaraba Perpetual Bond (MPB)	25.11.2007

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Corporate Milestones

1st Position of IBBL in Inward Remittance since	31.12.2007
Commencement of Brokerage House	01.01.2008
Opening of 200th Branch	21.06.2009
Formation of Subsidiary Companies	
Islami Bank Securities Limited (IBSL)	22.03.2010
Islami Bank Capital Management Limited (IBCML)	01.04.2010
IBBL Exchange Singapore Pte. Ltd	13.07.2009
Opening of 250th Branch	15.12.2010
Launching of Offshore Banking Unit	04.01.2011
100% Online Banking	07.01.2011
Exclusive Sponsor for Beautification of Dhaka City on the Occasion of Cricket World Cup 2011	17.02.2011
Launching of iBanking	16.12.2011
Introduction of IDM	11.10.2012
Agreement with Bangladesh Cricket Board (BCB) for becoming Franchisee in Bangladesh Cricket League (BCL)	18.10.2012
Inauguration of mCash service	27.12.2012
Launching of Call Center	27.12.2012
Agreement with Grameen Shakti for installation of Bio-gas Plants	30.12.2012
Entered into the World's Top 1,000 Banks list since	31.12.2012
Witnessed Tk. 500,000 Million Deposit base	14.04.2014
Launching of Shari'ah based Credit Card–Islami Bank Khidmah Card	27.05.2014
4000 VISA logo ATMs covering all over the country	31.06.2014
Launching of IBBL Travel Card	16.10.2014
Opening of 400th Own ATM Booth	31.10.2014
Launching of Sheba Ghar	18.03.2015
Opening of 300th Branch	09.09.2015
Launching 'IBBL iSmart' (mobile apps)	30.03.2016
Opening of 500th Own ATM Booth	18.10.2016

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Sponsors



LOCAL

Mohammad Abdur Razzaque Laskar (Deceased)
Mofizur Rahman (Deceased)
Barrister Tamizul Haque
Mohammad Younus (Deceased)
Mohammad Shafiuddin Dewan (Deceased)
Mohammad Bashiruddin (Deceased)
Mohammad Hussain (Deceased)
Nashiruddin Ahmed (Deceased)
Mohammad Mosharraf Hossain (Deceased)
Mohammad Malek Minar (Deceased)
Zakiuddin Ahmed
M.A. Rasheed Chowdhury
Engr. Mustafa Anwar
Prof. Mohammad Abdullah
Serajuddowla (Deceased)
The Ibn Sina Trust
Bangladesh Islamic Centre
Islamic Economics Research Bureau
Mohammad Nuruzzaman (Deceased)
Abul Quasem (Deceased)
A.K. Fazlul Haque (Deceased)
Engr. Muhammad Dawood Khan
Baitush Sharaf Foundation Ltd.

FOREIGN

Islamic Development Bank, Jeddah, KSA
Kuwait Finance House (KSC), Safat, Kuwait
Jordan Islamic Bank, Amman, Jordan
Islamic Investment and Exchange Corporation, Doha, Qatar
Bahrain Islamic Bank, Manama, Bahrain
Islamic Banking System International Holding SA, Luxembourg
Al-Rajhi Company for Currency Exchange and Commerce, Riyadh, KSA
(Present name: Al-Rajhi Company for Industry & Trade)
Sheikh Ahmed Salah Jamjoom, KSA (Deceased)
Sheikh Fouad Abdul Hameed Al-Khateeb KSA (Deceased)
Dubai Islamic Bank, Dubai, UAE
The Public Institution for Social Security, Safat, Kuwait
Ministry of Awqaf & Islamic Affairs, Kuwait
(Present name: Kuwait Awqaf Public Foundation, Kuwait)
Ministry of Justice Kuwait, Department of Minors Affairs, Kuwait
(Present name: The Public Authority for Minors Affairs, Kuwait)

AMAR SOCIETY

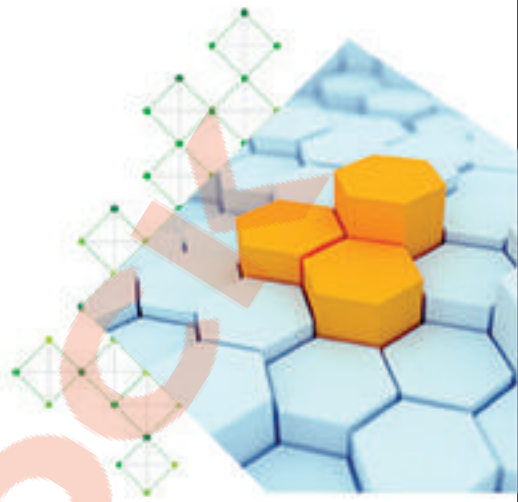


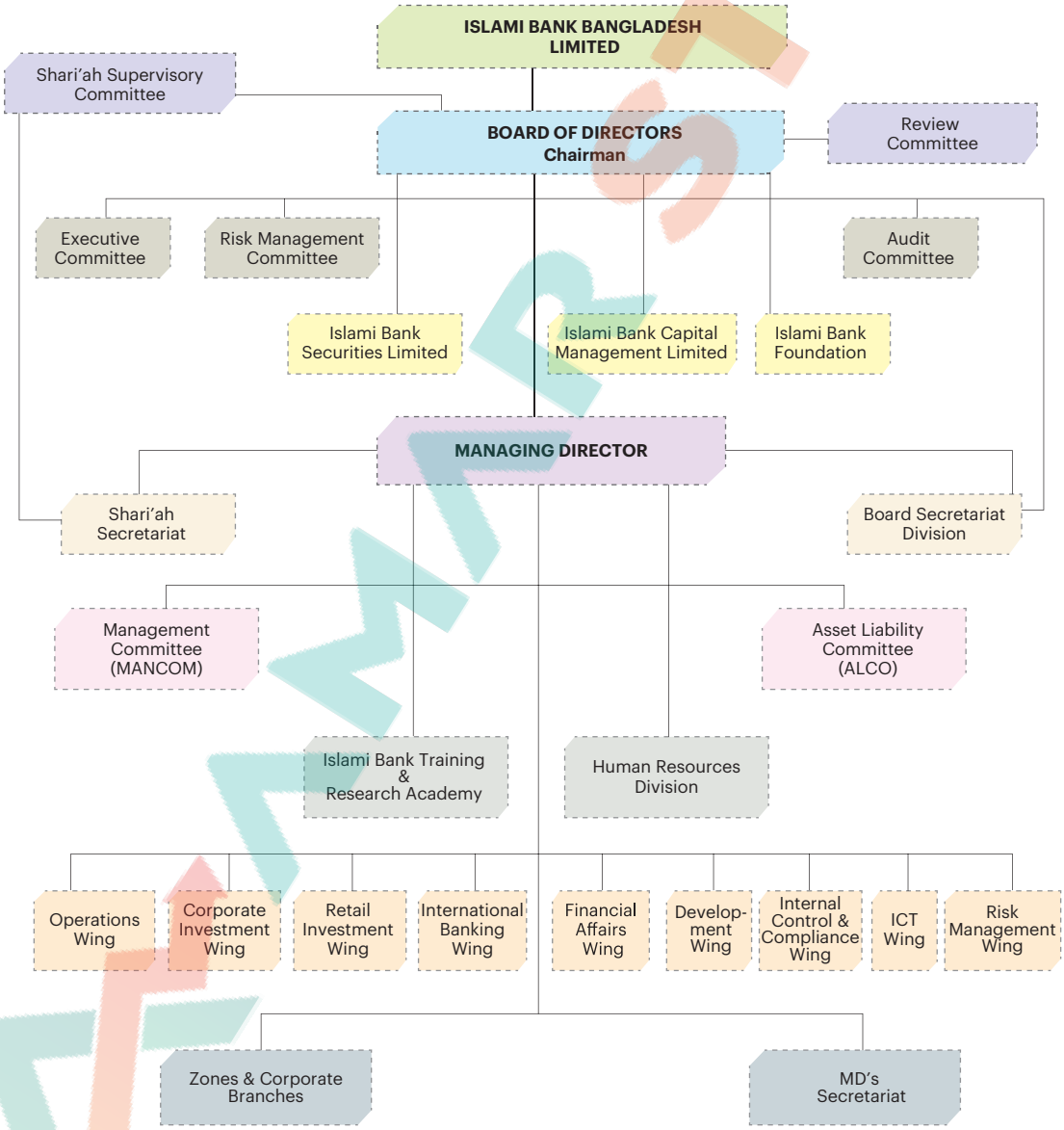
Corporate Information

Name of the Company	:	Islami Bank Bangladesh Limited
Legal Status	:	Public Limited Company
Company Registration No.	:	C-10589/485 Dated March 13, 1983
Bangladesh Bank License No.	:	BL/DA/4290/83
eTIN	:	376764873732
VAT Registration No./BIN No.	:	19011032134
Line of Business	:	Banking
Total Branch	:	318
SME/Agriculture Branch	:	30
Zone	:	16
AD Branch	:	58
Offshore banking Unit	:	03
ATM Booth (own)	:	520
ATM Booth (shared)	:	6000+
Instant Deposit Machine (IDM)	:	122
Sheba Ghar	:	33
Employees	:	13,569
Directors	:	19
Sponsors	:	36
Shareholders	:	44,126
MPB holders	:	19,577
Local Shareholders	:	41.54%
Foreign Shareholders	:	58.46%
Foreign Correspondents	:	584
Chairman	:	Arastoo Khan
Vice Chairmen	:	1. Yousif Abdullah Al-Rajhi 2. Prof. Syed Ahsanul Alam
Managing Director	:	Md. Abdul Hamid Miah
Company Secretary	:	JQM Habibullah, FCS
Head of Internal Control & Compliance	:	Abu Reza Mohd. Yeahia
Chief Financial Officer (CFO)	:	Md. Habibur Rahman Bhuiyan, FCA
Credit Rating Agency	:	Credit Rating Information and Services Ltd.
Subsidiary Companies	:	1. Islami Bank Securities Limited 2. Islami Bank Capital Management Limited 3. IBBL Exchange Singapore Pte. Ltd.
Statutory Auditors	:	1. M/s. S.F. Ahmed & Co., Chartered Accountants 2. M/s. Khan Wahab Shafique Rahman & Co., Chartered Accountants
Tax Advisor	:	M/s. K.M. Hasan & Co., Chartered Accountants
Registered Office	:	Islami Bank Tower 40, Dilkusha C/A, Dhaka-1000, Bangladesh
Phone	:	PABX (88-02) 9563040, 9560099, 9567161, 9567162
Mobile	:	88-01711435638-9
FAX	:	88-029564532, 9568634
SWIFT	:	IBBLBDDH
E-mail	:	info@islamibankbd.com
Website	:	www.islamibankbd.com

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Corporate Organogram







Board and its Committees

Board of Directors

Chairman
Mr. Arastoo Khan

Vice Chairman
Mr. Yousif Abdullah Al-Rajhi, KSA

Vice Chairman
Professor Syed Ahsanul Alam

Director

Major General (Retd.) Engr. Abdul Matin
Dr. Areef Suleman
Professor (Dr.) Qazi Shahidul Alam
Mr. Md. Syful Islam, FCA, FCMA
Mr. Md. Joynal Abedin
Mr. Md. Mizanur Rahman
Professor Dr. Md. Sirajul Karim
Mr. Md. Kamal Hossain Gazi

Independent Director

Dr. Md. Zillur Rahman
Mr. Md. Abdul Mabud, P.P.M.
Mr. Shamim Mohammed Afzal
Mr. Helal Ahmed Chowdhury
Mr. Borhan Uddin Ahmed
Mr. Mohammed Humayun Kabir, FCA
Prof. Md. Nazmul Hassan, Ph.D
Prof. Md. Kamal Uddin, Ph.D

Ex-Officio Director

Md. Abdul Hamid Miah
Managing Director & CEO

Company Secretary

J Q M Habibullah, FCS

Executive Committee

Major General (Retd.) Engr. Abdul Matin
Chairman

Member

Professor Syed Ahsanul Alam
Mr. Md. Syful Islam, FCA, FCMA
Professor (Dr.) Qazi Shahidul Alam
Mr. Borhan Uddin Ahmed
Mr. Md. Joynal Abedin

Audit Committee

Dr. Md. Zillur Rahman
Chairman

Member

Mr. Mohammed Humayun Kabir, FCA
Mr. Md. Mizanur Rahman
Professor Dr. Md. Sirajul Karim
Mr. Shamim Mohammed Afzal

Risk Management Committee

Mr. Md. Abdul Mabud, P.P.M
Chairman

Member

Dr. Md. Zillur Rahman
Mr. Md. Joynal Abedin
Professor Dr. Md. Sirajul Karim
Prof. Md. Nazmul Hassan, Ph. D



Shari'ah Supervisory Committee

Chairman

Sheikh (Moulana) Mohammad Qutubuddin
Chairman
Baitush Sharaf Anjuman-E-Ittehad Bangladesh

Vice Chairman

Mufti Sayed Ahmad
Head Mufti

Al Jamiatus Siddikiah Darul Ulum,
(Madrasah-e Furfura), Darussalam, Dhaka

Member Secretary

Professor Dr. Abdus Samad
Adviser, General Education
Manarat International University, Dhaka

Member

Muhtaram Abdur Raquib
Ex-Executive President
Islami Bank Bangladesh Limited

Mufti Shamsuddin (Zia)
Mufti, Muhaddis & Head of Academic Affairs
Al Jameatul Islamiah, Potia, Chittagong

Dr. Hasan Mohd. Moinuddin
Associate Professor
Deptt. of Islamic Studies
Asian University, Uttara, Dhaka.

Dr. Mohammad Manzur-E-Elahi
Associate Professor, Deptt. of Islamic Studies
National University

Moulana Mohiuddin Rabbani
Muhtamim, Jamia Islamia Markajul Ulum,
Cornopara, Savar, Dhaka.
Khatib, Railway Jame Masjid, Fullbaria, Dhaka.

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Management Committee (MANCOM)



Chairman

Md. Abdul Hamid Miah
Managing Director & CEO

Members

Md. Habibur Rahman Bhuiyan, FCA
Deputy Managing Director

Md. Mahbub-ul-Alam
Deputy Managing Director

Abdus Sadeque Bhuiyan
Deputy Managing Director

Md. Shamsuzzaman
Deputy Managing Director

Mohammed Monirul Moula
Deputy Managing Director

Mohd. Mohon Miah
Deputy Managing Director

Mohammad Ali
Deputy Managing Director

Abu Reza Mohd. Yeahia
Deputy Managing Director

Member Secretary

J Q M Habibullah, FCS
Deputy Managing Director

Members

Md. Shafiqur Rahman
Executive Vice President

Abul Ahsan Muhammad Habibur Rahman
Executive Vice President

Md. Mahboob Alam
Executive Vice President

Senior Executives

Managing Director & CEO
Md. Abdul Hamid Miah

Deputy Managing Directors
Md. Habibur Rahman Bhuiyan, FCA
Md. Mahbub-ul-Alam
Abdus Sadeque Bhuiyan
Md. Shamsuzzaman
Mohammed Monirul Moula
Md. Mohon Miah
Mohammad Ali
Abu Reza Mohd. Yeahia
JQM Habibullah, FCS
Taher Ahmed Chowdhury

Executive Vice Presidents
Md. Abdul Jabbar
Md. Shafiqur Rahman
Md. Kabir Hossain
Md. Nazrul Islam Khan
Md. Shamsul Huda
Md. Obaidul Haque
Dr. Mahmood Ahmed
A. A.M. Habibur Rahman
Mohammed Amirul Islam
Md. Kawsar-ul-Alam
Abu Naser Mohammed Nazmul Bari
Md. Mosharraf Hossain
Md. Shahidullah
Taher Ahmed
Md. Yeanur Rahman
Mohammod Ullah
Md. Altaf Hossain
Md. Omar Faruk Khan
Md. Motiar Rahman
Md. Mostafizur Rahman Siddiquee
Md. Faizul Kabir
Md. Saleh Iqbal
Mohammad Rokan Uddin
Md. Siddiqur Rahman
K.M. Munirul Alam Al-Mamoon
Zafar Alam
Mohammad Jamal Uddin Mazumder
Mohammed Shahid Ullah, FCA
Md. Shahidur Rahman
Md. Nizamul Hoque
Md. Qaisar Ali
Salim Anwar
Md. Mahboob Alam
Abul Faiz Muhammad Kamaluddin

Senior Vice Presidents
Dr. Md. Mizanur Rahman
Md. Nayer Azam
Rana Mohammad Raihan
Md. Moiz Uddin
Md. Khalequzzaman
Abu Sayed Md. Idris
A.K.M. Payer Ahmed
Dr. Muhammad Kamaluddin (Jasim)
Md. Abdus Salam
Mizanur Rahman
Abu Noman Md. Siddiqur Rahman
Md. Habibur Rahman
Md. Abdullah
Md. Aminur Rahman
Mohammad Sayeedullah
Dr. Muhammad Solaiman
Md. Abdus Sobhan
A.K.M. Shahidul Hoque Khandaker
Md. Mahbub-a-Alam
A.K.M. Kawsar Alam
Mir Rahmat Ullah
Farid Ahmad
Md. Akhtar Hossain
Shahid Uddin Ahmed
Md. Mizanur Rahman Mizi
Sikder Md. Shehabuddin
Md. Rafiqul Islam
Mahmudur Rahman
A.K.M. Abu Siddiqui
A.T.M. Shahidul Haque
Md. Anisul Haque
Md. Farid Uddin
Muhammad Nurul Hoq
Mohammad Sirajul Alam
Md. Maksudur Rahman
Md. Shahidul Islam
Muhammad Golam Rabbani
Jamal Uddin
Md. Ashraf Ali
A.S.M. Rezaul Karim
Bashir Ahamed
Muhammad Qamrul Bari Imami
AK.M. Shafiar Rahman
Md. Shafiul Azam
Md. Abu Sufian
Md. Ruhul Amin
Md. Samsuddoha
Dr. Md. Nurul Islam
Khorshed Ahamed
Rafiq-ul-Alam
G.M. Mohd. Gias Uddin Quader
Muhammad Zillur Rahman Al-Mahmud
Muhammad Zakir Hussain
Abdul Gafur Md. Quamrul Islam
Md. Nazmul Hoda Shiraji
Md. Maznuzzaman
Mohd. Ashraful Islam
Md. Mizanur Rahman Bhuiyan
M. Zubayer Azam Helali
A.K.M. Mahbub Morshed
Ahmed Zubayerul Huq
Md. Gakir Hossain
Md. Zillur Rahman Patwary

MAMUN STOCK

Directors' Profile



Arastoo Khan
Chairman

Arastoo Khan is the Chairman of the Bank as representative of Armada Spinning Mills Limited. Earlier he was the Chairman of Bangladesh Commerce Bank Limited. He was born in a reputed Muslim family in village - Garpara, Manikganj in 1956. He did his SSC from BAF Shaheen School and HSC from Notre Dame College, Dhaka. Mr. Khan did his Bachelors and Masters in International Relations from University of Dhaka, securing first class first position in the latter examination. Mr. Khan joined Bangladesh Civil Service and was borne in BCS 1982 batch. During early years in the Civil service he completed Masters in Public Administration (MPA) from John F. Kennedy School of Government, Harvard University, Boston, USA in 1990.

Until November 2015, Mr. Khan worked as Secretary to the Government serving as Member, Planning Commission. He worked variously as Additional Secretary, Joint Secretary and Deputy Secretary in the Ministry of Finance from 2001 to 2014. As Joint Secretary, he was first to head the Debt Management Wing of the Finance Division, Ministry of Finance.

Mr. Arastoo Khan was deeply involved in formulation of National Budget during his incumbency as Deputy Secretary, Joint Secretary and Additional Secretary in Finance Division, Ministry of Finance.

He worked intensively with IMF during their annual Article IV Consultation and IMF surveillance missions. He had worked directly for the Government during the last three IMF programs such as Poverty Reduction Growth Facility (PRGF); Emergency National Disaster Assistance (ENDA) following the Global Economic Crisis and the just concluded Extended Credit Facility (ECF). He had represented Bangladesh in the Steering Committee of the SAARC Development Fund. As Additional Secretary, he represented Bangladesh as member of the Steering Committee of South Asian University, New Delhi, India. At Economic Relations Division, he assisted the Finance Minister and Governor for Bangladesh at the World Bank and IMF during the World Bank and IMF Annual and Spring Meetings from March 2010-July 2014. He headed Bangladesh Negotiation Team in all loan negotiations between the Government and the World Bank during the same period.

During his service as the Member, Planning Commission, he had been responsible for Physical Infrastructure Division, which is covered over 35% of the total development expenditure.

Mr. Arastoo Khan had received professional training on Macroeconomic Impact of Budgeting & Macroeconomic Management for Senior Officials from IMF, Singapore Training Institute; Budget Policy and Implementation in a Reformed Public Sector from Australian National University; a short training on Public Financial Management from John F. Kennedy School of Government, Cambridge, USA.

Among financial sector engagements Mr. Arastoo Khan sat on the Boards of IFIC Bank Ltd, Karmasongsthan Bank Ltd, Agrani Bank Ltd. He also brings with him the experience of Acting Chairman of Agrani Bank Ltd as well as Directors of two oil companies and two telecommunication companies before he joined Bangladesh Commerce Bank Limited.



Yousif Abdullah Al-Rajhi
Vice Chairman

Yousif Abdullah Al-Rajhi is a Vice Chairman of the Board of Directors of the Bank. He completed his graduation in Business Administration majoring in Economics & Political Science from King Saud University, KSA in 1986. Then he obtained MA degree in Development Administration from Western Michigan University, USA in 1991. He also completed Internal Auditor Course, Chain Management & Leadership Course and Speed Reading and Development Round Attendance Certificate Course.

Mr. Yousif is General Manager-cum CEO of Al-Rajhi Company for Industry and Trade, KSA with 29 years of work exposure including banking career with Al-Rajhi Banking and Investment Corporation. He visited various eastern and western countries of the world and participated in many international seminars, symposia and conferences.



Prof. Syed Ahsanul Alam
Vice Chairman

Alhaj Syed Ahsanul Alam is the Vice Chairman as well as a member of the Executive Committee and an Independent Director of the Bank. He is also the Director of Islami Bank Securities Limited (IBSL) & Member of Islami Bank Foundation Committee. He is an acclaimed Banking and Investment specialist both at home and abroad. He is a member Executive Committee of Bangladesh Association of Banker.

Syed Ahsanul Alam is a senior professor of Marketing in Chittagong University and former Chairman of the Department. He is a prolific personality with 28 years of comprehensive experience in business, banking & investment, insurance and public enterprises. Besides being an academician, he has got 15 years of heads-on experience in insurance and banking. He was the Director in the Board of Shadharon Bima Corporation and also was the Director of Rupali Bank Limited for three years.

Having been educated from different universities in Bangladesh, Thailand and Singapore, he taught in allied fields of Business Administration. Professor Alam lectured at different Business Schools including National University of Singapore, ABAC (Thailand), USTC, Bangladesh Open University, Premier University. He has been known as leading researcher in Business, Banking and Investment. He is accredited as a think tank working with stock market and crisis in Banking sector of Bangladesh.

Professor Alam attended various specialized Training and Seminars on IT, Business, Values & Ethics at NUS, Singapore & in Kualalampur, Malaysia. He attended The Executive Program, in Bangkok, Thailand in 2007 and Management Action Programs in Singapore in 1993. He presented a paper on 'Quality of Professional Education: Some Aspects of Bangladesh Scenario' in the International Seminar on Quality of Professional Education in the present era at Dehradun, India in 2009.

He visited USA, Turkey, KSA, UAE, Qatar, Singapore, Malaysia, Indonesia, Thailand, India, Myanmar, Nepal, Philippines and Hong Kong being member of delegation to facilitate

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trade and business. He was among the entourage of H.E. Sheikh Hasina, Prime Minister of Bangladesh in her state visit to Turkey in 2012. He also attended the World Islamic Economic Forum (WIEF) on invitation from H. E. Najib Razak, Prime Minister of Malaysia.

Professor Alam is a Civil Sponsor in the Defence Services Command & Staff College, Mirpur. He is playing contributory role as President in Chittagong University Marketing Alumni Association, as EC Member in Chittagong Boat Club, as Member (AC) in Bangabondhu Sheikh Mujibur Rahman Maritime University, as Chairman in Rotary Foundation of RCMC and as Chairman Social business centre University of Chittagong.



Major General (Rtd.) Engr. Abdul Matin
Director & Chairman
Executive Committee

Major General (Rtd.) Engr. Abdul Matin is the Chairman of Executive Committee of Islami Bank as the representative of Paradise International Limited. He was one of the Principal Staff Officer at Army Head Quarters and served Bangladesh Army in different capacities. He was the Chairman of the Committee for preparation of specifications of National Smart Identity Card under the Election Commission of Bangladesh. He played an important role in policy making of Bangladesh Election Commission, Bangladesh Road Transport Authority, Bangladesh Ordnance Factory, Bangladesh Machine Tools Factory and Bangladesh University of Professionals and different national and international institutions. He obtained B.Sc. (Engineering) degree from Bangladesh University of Engineering and Technology (BUET) and Masters Degree on War Studies and Defense Studies from National University.



Dr. Md. Zillur Rahman
Independent Director &
Chairman, Audit Committee

Dr. Md. Zillur Rahman is the Chairman of Audit Committee and an Independent Director of the Bank. He was Managing Director of Bangladesh Development Bank and served in different capacities of Janata Bank, Rupali Bank Ltd. and Bangladesh Krishi Bank. He was Director of Investment Corporation of Bangladesh, Director and Chairman of Audit Committee of Bangladesh Commerce Bank. His career began with joining Bangladesh Krishi Bank as Planning and Research Officer. He served BIBM and IBB as member of Executive Committee. He obtained Ph.D in Industrial Credit Management from Rajshahi University and M.Com in Management from the University of Dhaka.



Md. Abdul Mabud, PPM
Independent Director &
Chairman
Risk Management Committee

Md. Abdul Mabud, PPM, is the Chairman of Risk Management Committee and an Independent Director of the Bank. He was Additional Inspector General of Bangladesh Police and Director General of the Department of Immigration and Passports, Government of Bangladesh. He fought in the liberation war in 1971. He served in the Police department in various capacities since 1973. For outstanding professional contribution, he achieved several awards including the President's Police Medal 2000. He is a member of the Bangladesh Economic Association and a life member of Bangladesh Cancer Society. He obtained Masters in Economics and participated in different seminars and training programs both at home and abroad.



Dr. Areef Suleman
Director

Dr. Areef Suleman represents Islamic Development Bank (IDB), Jeddah, KSA in the Board of Directors of Islami Bank Bangladesh Ltd. He holds PhD in Economics and Masters in Business Leadership. Currently he is heading the Strategy and Results Division at the Islamic Development Bank in Jeddah, Kingdom of Saudi Arabia. Dr. Suleman is also a Director of Islami Bank Securities Limited.

Prior to joining the IDB, Dr. Suleman functioned as CEO of a Government Fund to foster innovation in South Africa. He was also responsible for jointly establishing and managing the consulting farm of South Africa's premier development finance institution wherein he managed their consulting services on the African continent.



Shamim Mohammed Afzal
Independent Director

Mr. Shamim Mohammad Afzal is an Independent Director of Islami Bank Bangladesh Limited nominated by the Government. He is a Grade-1 BCS (Judicial Cadre) officer in National Pay scale-2015 and at present holding the position of the Director General of Islamic Foundation. He started his service as Assistant Judge at Sylhet in the year 1983 and resumed his duty at Gopalgonj, Patuakhali in the same post, Law officer at Housing and Settlement, Senior Asstt. Judge at Lakshmipur, Sub-Judge at Narshingdi, Additional District and Sessions Judge at Chittagong, Jessore District and Sessions Judge at Coxbazar, Dinajpur, Dhaka. Earlier, he discharged his duties as a District and Sessions Judge in Sylhet from January, 2008 to December 2008. He worked as Legal Officer of Special Tribunal Court and Ministry of Law. He has completed his post graduation (LLM) from the Department of Law, University of Dhaka.

Mr. Afzal conducted many International Seminars, Symposia, and Workshops at home and abroad. He attended interfaith dialogue in Vatican City, Turkey, Belgium and Germany. He visited KSA, Iraq, Palestine, Egypt, Jordan, Iran, Pakistan, India, UAE, Turkey, UK, Malaysia, Thailand, China and Singapore.

Mr. Afzal is happily married and father of a daughter and a son who is a student in the faculty of Law.

Among the important books authored by him are:

1. Father of the Nation in promoting and propagating Islam.
2. A review of the curriculum of Aliya Madrasah.
3. A Concept Paper for research
4. Crisis of the Muslim Ummah: Way Out
5. Origin of Terrorism: Deviated education of Moududism, Politics and Banking Business.
6. Deeni Dawah and contemporary thought.

More than 50 articles written by him on various issues have so far been published in different journals. He very often participates as guest speaker in various talk shows on different TV channels.

Directors' Profile



Professor Dr. Qazi Shahidul Alam
Director

Professor Dr. Qazi Shahidul Alam is a Director of the Bank representing the Platinum Endeavors Limited. Presently, he is a professor of Orthopedic Surgery at Anwar Khan Modern Medical College, Dhaka. He served in various capacities in Dhaka Medical College & Hospital, National Institute of Traumatology and Orthopedic Rehabilitation (NITOR), Bangabandhu Sheikh Mujibur Rahman Medical University, Shaheed Suhrawardy Medical College Hospital and the Department of Health, Government of Bangladesh, along with various government and non- government health institutions. He completed MBBS from Dhaka Medical College in 1972, MS in Orthopedic Surgery from American International College of Surgeons and a Doctorate in Orthopedic Surgery from the University of Vienna. He is the founding President of Post Graduate Doctors Society of Bangladesh and President of Rogi Kalyan (patient welfare) Foundation. He received training from various countries including USA, UK and Australia.



Helal Ahmed Chowdhury
Independent Director

Helal Ahmed Chowdhury is an Independent Director of the Bank. Mr. Chowdhury served Pubali Bank Limited as Managing Director for nine years during 2006-2014. He joined Pubali Bank in 1977 as class I officer through Superior Service Examination and was promoted in course to the highest post in the same bank which is a rare event and record. Under his dynamic leadership, Pubali Bank got transformed into an institutional role model of govt. turned private commercial bank. A career banker for around four decades, Mr. Chowdhury is working as Supernumerary Professor of Bangladesh Institute of Bank Management (BIBM). He received foundation training from the then BCCI and Sonali Bank, London in 1986-87. He is an M.A. and a Diplomaed Associate of IBB. Mr. Chowdhury, a widely travelled personality, participated in different training, seminar and short and long courses at both home and abroad including Oxford and Cambridge Universities of UK and UC Berkeley and Columbia University of USA. He participated at different trade delegations abroad. He is a board member and former Vice Chairman of Association of Bankers Bangladesh and a member of ICC Banking Commission. He is engaged with a number of social organizations at different capacities.



Borhan Uddin Ahmed
Independent Director

Borhan Uddin Ahmed is an Independent Director of the Bank. Presently he is member of Review Panel-4, CPTU in Ministry of Planning. He started career as an Assistant Judge in 1985 and served in different capacities including District and Session Judge. He obtained Master Degree in Economics and LLB Degree from the University of Dhaka. He is a courageous Freedom Fighter of the Nation and took part in the glorious liberation war in 1971. He engaged with many national and international socio-economic organizations.

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Mohammed Humayun Kabir, FCA
Independent Director

Mohammed Humayun Kabir, FCA is an Independent Director of the Bank. Mr. Kabir, a Facilitator of Alternate Dispute Resolution (ADR) of National Board of Revenue (NBR), is the Chief Executive Officer of New Dhaka Industries Limited and Shinepukur Ceramics Limited. He is also currently involved with Institute of Chartered Accountant of Bangladesh (ICAB) as a council member; Bangladesh Jute Spinners Association as a director and Federation of Bangladesh Chamber of Commerce & Industry (FBCCI) as a Co-Chairman/Member of its different Committees. Earlier, he was a Director of Sadharan Bima Corporation, Bangladesh Telecommunications Company Limited, Dhaka Stock Exchange Limited and West Zone Power Distribution Company Ltd. He was also President of ICAB and a member of Bangladesh Employers' Federation Management Committee and Vice-Chairman of Bangladesh jute Goods Association. He served professional CA Firm, financial institutions and industries in different capacities for the last 36 years. He became an Associate Member of ICAB in 1984 and Fellow in 1989. He was admitted as a member of Institute of Management Accountants (IMA) & Institute of Internal Auditors (IIA) of USA in 1992. He studied on International Capital Market at St. Catherine's College, Oxford, UK. Mr. Kabir obtained B.Com (Hon's), M.Com degree from the University of Dhaka. Mr. Kabir has been recognized thrice as a CIP (Export) in 2007, 2011 and 2012 and awarded Jatiyo Paribesh Padak in 2010 by the Government of Bangladesh for his outstanding contribution in export trade and safeguarding the environment.



Md. Syful Islam FCA, FCMA
Director

Md. Syful Islam, FCA, FCMA, FCEA (UK), FLCCIA (UK) is a Director of the Bank as a representative of BLU International Limited. He is the Managing Partner of UHY Syful Shamsul Alam & Co.; Chartered Accountants; a member firm of UHY International (UK) & a leading chartered accountancy firm of the country and the director of Bangladesh Telecommunications Ltd. He was the past President of Institute of Chartered Accountants of Bangladesh (2012), Director of Rupali Bank Limited (2007 – 2013), Board Director of International Affairs of South Asian Federation of Accountants (SAFA) for the period 2013-2015 and Director & Chairman of Audit Committee of Dhaka Stock Exchange Limited (2012). He was also an Active Focal Member of Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank for 3 years. He has worked in policy making level in a number of national organizations including Khulna Wasa, Cable Shilpo Sangstha etc. He has completed B.Com (Hon's) & M.Com degree from University of Dhaka. He is a fellow member of ICAB, ICMAB, The Cost Executive Accountants (CEA-UK) and The London Chamber of Commerce and Industries Accountants -LCCIA (UK).



Md. Joynal Abedin
Director

Md. Joynal Abedin is a director of the Bank as representative of ABC Ventures Limited. He started his career at Bangladesh Krishi Bank as a Probationary Officer in 1977. He was Deputy Managing Director of Bangladesh Krishi Bank and Rupali Bank Limited and served Janata Bank as General Manager. An associate of Institute of Bankers Bangladesh, Md. Joynal Abedin participated in different seminars in home and abroad including International Conference on Investment Project Management in Turkey. He fought in the liberation war in 1971. He is a researcher on Liberation War Affairs in Asiatic Society of Bangladesh. He is life-member of Bangla Academy, Bangladesh Arthoniti Samity, Sir J.C. Bose Foundation and member of Officers Club, Dhaka and General Secretary of Bikrampur Foundation. He graduated from the University of Dhaka. He is the Author of Muktijudder Diary, Muktijuddey Bikrampur, Muktijudder Prottasha & Prapti, Karmojiboner Smriti, Kabirer Muktijuddo and Ujaner Jatri. He edited Akattorer Srinagar and Kingbodanti Purus Abdul Hakim Bikrampuri. He presented 10 articles in the national seminar of Bangladesh Economic Association. He is also the column writer in the Daily Newspaper. He receives 20 awards/padak for social work and research on Liberation War Affairs.

Directors' Profile



Md. Mizanur Rahman
Director

Md. Mizanur Rahman is a director of the Bank as representative of Grand Business Limited. He completed his LLB (Hon's) in 1981 and LLM in 1982 from the Department of Law, University of Dhaka. He started career as Munsif (now Assistant Judge) in 1983. He worked as Deputy Solicitor (Writ) from 1998 to 2000 in the Ministry of Law, Justice and Parliamentary Affairs. He was promoted as District and Sessions Judge in the year 2000 & was posted as Judicial Member, Taxes Appellate Tribunal Chittagong. He was also posted as Inspector General of Registration, Bangladesh in the Ministry of Law, Justice and Parliamentary Affairs and later on Judge Nari-o-Shishu Nirjatan Daman Tribunal Dhaka. He was posted as District and Sessions Judge at Sherpur, Rangpur, Sylhet and Jessore. Lastly, he was posted as Member, Labor Appellate Tribunal Dhaka. Now he is on post retirement leave.



Professor Dr. Md. Sirajul Karim
Director

Professor Dr. Md. Sirajul Karim is a Director of the Bank as representative of Excel Dyeing & Printing Ltd. He started his career as chemist in Karnaphuli Paper Mills Ltd., Chandraghona and then joined as a Lecturer in Bangladesh Agricultural University, Mymensingh in 1971. He was promoted to Professor and was there till 2009. At present he is the Professor of Primeasia University, Dhaka. He obtained B.Sc. (Hons), M.Sc. (Applied Chemistry) and Ph.D. degree from University of Dhaka. He obtained Post Doctorate Fellow from University of Karlstad, Sweden. He was engaged as Guest Scientist and Visiting Professor in different Universities including University of Darmstadt, Germany, University of Karlstad Sweden and Abo Akademy University, Finland. He participated in different seminars and training programs both at home and abroad. Prof. Karim has written different books including primary, secondary and tertiary levels. He is an author of two books of poems and a book of short stories. Dr. Karim has evaluated a few techniques for pulping and bleaching of science and technology. He has large number of publications in different journals at home and abroad.



Professor Md. Nazmul Hassan, Ph.D
Independent Director

Professor Md. Nazmul Hassan is an Independent Director of the Bank. Dr. Hassan started his career as a Lecturer in Dhaka University back in 1975. Then he completed his MS and Ph.D. with major in Development Economics. There after he was appointed as Professor, Institute of Nutrition and Food Science, University of Dhaka in 1993 and has now been holding dual appointments at Dhaka and Brown University, USA. He held many important research and teaching position throughout his long professional career of about forty years. He worked as Consultant at Cornell University, USA Food System Development research project and served on Ph.D Committees there. He was also a Visiting professor at the Royal Agricultural and Veterinary University, Denmark and a Consultant at the International Food Policy Research Institute and Academy for Educational Development, Washington DC. USA. He was involved with the EU and French Food Aid Evaluation in Bangladesh. In addition he collaborated with few more Universities in USA on matters of research, and has over one hundred influential publications in peer reviewed outlets to his credit.



Professor Md. Kamal Uddin, Ph.D
(Osaka University)
Independent Director

Professor Md. Kamal Uddin, PhD is an Independent Director of the Bank. He has been serving as "Treasurer" of University of Dhaka since June 2012. Professor Kamal started his career as Lecturer in the Department of Marketing in 1993 in University of Dhaka. Now he is a Professor of Department of International Business of University of Dhaka. He was a student of Dhaka College and obtained B.Com (Hons.) and M. Com from University of Dhaka. He did M.Econ and PhD in Development Economics from Osaka University, Japan. He was Postgraduate Researcher in Kyoto University, Post-doctoral researcher in Cambridge University and University of Nice. His current research interests include Competition of Telecommunications and International Capital Movements. Many of his research papers are published in national and international Journals. He was elected treasurer of DUTA and other important executive bodies of University of Dhaka. Prof. Kamal believes innovative persons must have 3Cs- Competency, Commitment and Character.

Prof. Kamal has been serving as an Independent Expert Member in Minimum Wage Board of Labor and Employment Ministry of Bangladesh since 2010. He also served as Director in the Board of Directors of Bangladesh Biman Airlines for 2014 and 2015. Few of his other involvements are Member of Finance Committee of University Grants Commission (UGC), Member of Finance Committee, University of Dhaka and Member, Governing Body, Dhaka School of Bank Management. Prof. Kamal has visited many countries, few are like USA, China Japan, UK, France, Italy, Germany other EU countries, Thailand, Malaysia, Vietnam, India, Dubai, and participated in many international seminars, symposiums & conferences. He is from Brahmanbaria.



Md. Kamal Hossain Gazi
Director

Md. Kamal Hossain Gazi, General Manager, Investment Corporation of Bangladesh (ICB) has been nominated Director of Islami Bank Bangladesh Limited(IBBL). He completed his Graduation and Post Graduation degrees in the Discipline of Marketing from the University of Dhaka. He is also a Diplomaed Associate of IBB.

Mr. Gazi started his career at Investment Corporation of Bangladesh (ICB) in 1987 as Senior Officer and served in different capacities as Department & Division Head, as well as Branch Head of ICB Bogra, Khulna & Chittagong branch. Recently he has been promoted to the post of General Manager of ICB and placed at Head of Accounts & Finance, Legal Affairs, Anti Money Laundering Unit, ICB Head Office, Dhaka.

Mr. Gazi successfully participated in many seminars, workshops & training programmes at home and abroad. Recently he has visited India for a training programme on 'Corporate Governance' arranged by NIBM, Pune. He also holds Ex-officio position of Chairman, Board of Directors of ICB Asset Management Company Limited a subsidiary of ICB.



Md. Abdul Hamid Miah
Managing Director & CEO
Ex-Officio Director

Mr. Md. Abdul Hamid Miah was born in a respectable Muslim family of Pabna district. This brilliant banker of the country achieved his post-graduation degree in Economics from Rajshahi University in 1974. He started his career as Research Officer in Food & Nutrition Science Department in Dhaka University in 1976. In 1979, he joined as Research Officer in the Central Bank. He also served in different capacities in Planning Commission, Bangladesh Tea Board, Bangladesh Krishi Bank, Agrani Bank Ltd., Sonali Bank Ltd., Bangladesh Development Bank Ltd. (former BSB) and Rupali Bank Ltd. for several years. To make his profession more poignant, he earned his M.Sc degree in Development Economics from the famous University, Bradford University in UK in 1986. As a General Manager of a large financial institution, Mr. Hamid played a pioneer role in extending agro loan to the flood affected distressed rural people of the country at the time of the devastating flood occurred in 1988 which was appreciated by all concern. Mr. Hamid has served as a General Manager in the country's largest commercial bank Sonali Bank & Krishi Bank. He also acted as Deputy Managing Director in Agrani Bank. In the period from 2001 to 2003, Mr. Hamid served as Managing Director in the then Shilpa Bank which is now known as Bangladesh Development Bank Limited. He also served successfully in Rupali Bank as Managing Director during the period from 2003 to 2010. The Union Bank Limited, a 4th generation shariah based commercial Bank virtually formed under the direct supervision of Mr. Abdul Hamid Miah in the year 2013. As the Managing Director & Chief Executive Officer utilizing his vast experience in banking sector Mr. Miah took the Bank to a splendid destination. During his tenor, the Bank was in 1st position among 9 newly established Banks.

Mr. Hamid in his career life also acted as Director of the following companies:

- Arif Habib Bank Ltd., Karachi, Pakistan,
- First Security Islami Bank Ltd.,
- Investment Corporation of Bangladesh (ICB)
- First Security Islami Capital & Investment Ltd.

Award from professional fields or otherwise:

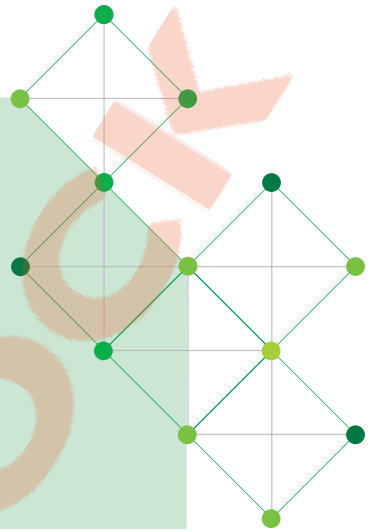
- Mr. Hamid was awarded Gold Medal for excellent banking activities from "Dhara Shahittiya Shanskritik Sangho",Dhaka.
- He received gold medal from Economic Association of Rajshahi University in 2007 for his outstanding performances & contributions in banking & economic areas.
- He also received "Arthonoitik Performance Award-2009" from Artho Banijjo, a reputed periodical

While Mr. Abdul Hamid Miah was the Managing Director, Rupali Bank Ltd. got Best IT use Award-2005.

Under Mr. Miah's leadership Union Bank Ltd.:

- Awarded 4th Generation best bank in Bangladesh- Business Asia Award 2013
- Received Business Excellence Award 2014- Business Asia, Singapore
- Grabbed International Quality Summit (IQS) Award 2014- New York, USA
- Got European Society for Quality Research (ESQR) Quality Achievement Award 2014- London, UK
- Awarded as "Quality Ambassador" for the period 2016 to 2018 from BID and BID group one Madrid, Spain.
- Achieved Gold Award in the year 2016 as Islamic Bank of the year Bangladesh by ISLAMIC FINANCE FORUM OF SOUTH ASIA (IFFSA).

CORPORATE GOVERNANCE



Corporate Governance structure of IBBL specifies the rights and responsibilities among different stakeholders of the Bank through a set of rules, policies and practices keeping focus on proper delegation, transparency and accountability in the organization as a whole. The structure has been developed in line with the accepted Corporate Governance practices and guidelines of Bangladesh Bank and the Bangladesh Securities and Exchange Commission's (BSEC) notifications in this regard. The Bank has attached utmost importance in setting up a well-defined compliance culture throughout the organization.

Board of Directors, Chairman and the CEO

Policy on Appointment of Directors

The members of the Board of Directors of IBBL are appointed pursuant to the provision of Companies Act 1994, Bank Company Act 1991 (Amended up to 2013), Bangladesh Securities and Exchange Commission (BSEC) Notifications, Guidelines of Banking Regulations and Policy Department (BRPD) of Bangladesh Bank and Memorandum & Articles of Association of the Bank. Independent Directors have been appointed by the Board as per regulatory requirement. The Board is comprised of experienced members from diverse professions like businesses, administration, banking & finance, accounting, general management, teaching, Shari'ah experts, Barrister and engineers which make the Board very effective and balanced in deciding and directing various issues of the Bank.

Board Size

The Board consists of 19 (nineteen) non-executive members including 08 (eight) Independent Directors excluding the ex-officio Managing Director. The number of Board members is within the limit set by Bank Company Act 1991 (amended upto 2013) and BSEC notification on Corporate Governance.

Selection and Appointment of New Directors

The selection and appointment of new directors and the reappointment of existing Directors are being made in line with the following obligations and duties:

1. Frequent assessment of the size and structure of the Board and the mix of knowledge, skills, experiences and perceptions that may be necessary to allow the Board to perform its functions.
2. Recognizing the capabilities and following the approved procedure to ascertain that an applicant designated by the shareholders possesses the same.

The directors are selected by the shareholders in the Annual General Meeting. Casual vacancy, if any, are filled up by the Board in accordance with the conditions mentioned in the Companies Act and Articles of Association of the Bank, one-third Directors shall retire in the 34th AGM and they are also eligible for reelection.

Retirement and Re-election of Directors

As per Companies Act and Articles of Association of the Bank, each year one-third of the Directors retire from office and being eligible, may offer themselves for re-election by shareholders at the Annual General Meeting. In line with the requirement of Companies Act and Articles of Association of the bank, one-third Directors shall retire in the 34th AGM and they are also eligible for reelection.

Directors' Profile and Their Representation in the Board of other Companies

Incorporated in the Directors' profile

CORPORATE GOVERNANCE



Executive Committee

Formation of Board Committees

The board formed an Executive Committee, an Audit Committee and a Risk Management Committee. There is no committee or sub-committee of the Board other than the above mentioned Committees. However, it has a Shari'ah Supervisory Committee to look after the Shari'ah matters and gives suggestions to the man

The Executive Committee

The Executive Committee is comprised of 06 (Six) members. The Executive Committee is responsible to the Board of Directors. The duties of the Executive Committee are clearly set forth in writing. The company secretary acts as the secretary of the Committee.
Roles and Responsibilities of the Executive Committee
The Executive Committee exercises all the powers of the board except those specifically given to the board by the Bank Company Act, 1991 (Amended upto 2013) and other laws and regulations.

The Audit Committee

The Audit Committee of the Bank, comprising of 05 (five) Members, has been formed in compliance with Bangladesh Bank & BSEC guidelines. The Company Secretary acts as the secretary of the Committee.

The Risk Management Committee

In order to formulate and implement appropriate strat egies for risk assessment, its control and management, a Risk Management Committee, comprised of 05 (five) members, has been formed. The Committee monitors risk management policies & methods and reviews the risk management process to ensure effective prevention and control measures.

Roles and responsibilities of the Risk Management Committee:

- Identification and controlling strategies of risks
- Formulation of organization structure
- Reviewing and resolving risk management policy
- Information/documents preservation and reporting
- Follow-up the implementation of risk management policy as a whole

Non-Executive Director

All the members of the Board of Directors, except the Managing Director, are non-executive directors.

Independent Directors and their Independence

The Board has 08 (eight) Independent Directors in conformity with the corporate governance notification and guidelines of regulatory authorities. The Independent Directors enjoy full independence in discharging their responsibilities and they are well conversant in the field of business and professional areas. The independent directors have required qualifications and corporate management/ professional experiences as stipulated in BSEC notification as well as Bangladesh Bank guidelines.

Chairman is Independent of Chief Executive Officer (CEO)

The Chairman is Independent of the CEO. The Chairman of the Bank is elected by the directors of the Bank and the CEO is being appointed by the Board of

Directors upon permission from Bangladesh Bank. The Board of Directors has clearly defined the roles and responsibilities of the Chairman and the CEO.

Responsibilities of the Chairman

The responsibilities of the Chairman as defined in the BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank is fully complied with. The Chairman of the Board of Directors does not personally possess the jurisdiction to apply policy making or executive authority. He does not participate in or interfere into the administrative or operational and routine affairs of the Bank.

The Chairman conducts on-site inspection of any bank branch or financing activities under the purview of the oversight responsibilities of the Board. If needed, he calls for any information relating to Bank's operation or ask for investigation into any such affairs and submits such information or investigation report to the meeting of the Board or the Executive Committee. With the approval of the Board, he takes necessary action there against in accordance with the set rules through the CEO, if deems necessary. The Chairman enjoys some specific benefits from the Bank as stipulated in Bangladesh Bank guidelines.

Code of Conduct for the Board of Directors

The Board of Directors follows a code of conduct adopted to provide guidance to directors to carry out their duties in an honest, responsible and business like manner and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum and Articles of Association of the Bank.

Every Director assures annually signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors by BSEC, by Laws and by Bangladesh Bank.

Directors' Report to Shareholders

The Directors' Report of the Bank includes all statements regarding section 1.5 of Bangladesh Securities and Exchange Commission notification No. SEC/CMRRCD/2006-158/ 134/ Admin/44, dated 07 August 2012 in the directors' report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994).

Independence of Non-Executive Directors

All the members of the Board of Directors, except the Managing Director, are non-executive directors. They are independent in expressing their views and opinions. The directors are also independent from management and other relationships of the Bank that could materially affect the activities of the Bank. They also adhere to the corporate governance practices and guidelines.

Responsibilities of the Board of Directors

The main responsibility of the Board is to ensure good governance in the Bank Management. The Bank Company Act, 1991 (amended up to 2013) gives responsibility to the Board of Directors for establishing policies for the bank, for risk management, internal controls, internal audit and compliance and for ensuring their implementation. Keeping in view, the Board of Directors exercises business judgment in good faith, in a manner that they reasonably believe to be in the best interest of the Bank, while complying with the applicable laws and regulations, the Bank's Articles of Association and resolutions adopted by the shareholders.

Annual Appraisal of the Board's Performance

In every Board meeting, the attendance of the Directors is registered and they actively participate in various agenda. The performance of the Board is appraised in various ways through submission of the performance of the bank in the Board meeting periodically, preparation and monitoring of budget variances, placing the implementation status of the Board's decisions, transacting business issues which are within its power and placing implementation status of Bangladesh Bank's observations on various issues. Furthermore, the performance report of the committees framed by the Board is also placed in the Board through which the performance of the Board is regularly evaluated.

Annual Evaluation of the CEO's Performance by the Board

The Board of IBBL has the policy of annual evaluation of its Managing Director and CEO's performance. Moreover, the performance of the CEO is evaluated by the Board through various reports like performance report of the Bank, taking status of various assignments given by the Board to the CEO and the Management, taking implementation status of Budget which includes the Key Performance Indicators (KPIs) of the Bank etc.

Responsibilities and Authorities of the CEO & Managing Director

The CEO & Managing Director of the Bank discharges the responsibilities and exercises the authorities as follows:

(a) The CEO & MD ensures compliance of the Company Act & the Bank Company Act and/or other relevant laws and regulations in discharge of routine functions of the Bank.

(b) He submits information on violation of any law, rules, regulation including the Bank Company Act, while presenting memos before the board or the committee formed by the board.

(c) He provides all information to Bangladesh Bank on the violation of the Bank Company Act, and/or any other laws, rules and regulations.

(d) The recruitment and promotion of all staffs of the Bank except those in the two tiers below him rest on the MD & CEO. He acts in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned manpower planning approved by the Board. The authority relating to transfer and disciplinary measures against the employees, except those at two tiers below the MD & CEO is delegated to him, which he applies in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he nominates officers for training, skill development Program etc.

Policy on Training of Directors

As per Bangladesh Bank guidelines, the directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing their duties properly. The policy on training of Directors includes providing training and updated information on all the latest policy guidelines, circulars and Acts issued by the regulatory/legislative authorities. Sometimes special discussion sessions are arranged with the experts. They also attend the programs organised by various professional bodies at home and abroad on technical, professional and corporate governance issues.

Directors' Knowledge and Expertise in Finance and Accounting

Two Directors in the Board of the Bank are professionally qualified Chartered Accountants. They are well conversant in the field of accounting and finance to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting. Other Directors are also well conversant in the field of business, administration and their respective professional areas.

Accountability, Audit and Financial Reporting

The Board undertakes responsibilities for preparing and presenting a balanced and comprehensive assessment of the bank's operations at the end of the each financial year through annual Financial Statements and Annual Report and quarterly and half yearly announcement of financial performance of the bank to the Shareholders. The Audit Committee of the Board assists in this respect by scrutinizing the information to be disclosed, and to ensure accuracy, adequacy, transparency and completeness of the disclosed information.

Number of Board Meetings

In 2016, 16 (Sixteen) Board meetings were held. A detailed disclosure showing number of Board Meetings held and status of participation of the Directors is given in the later part of the report.

Directors' Report on Compliance with Best Practice on Corporate Governance

Status of compliance of corporate governance checklist is included in the Directors' Report, which is dully certified by external auditor other than Bank's Statutory Auditors.

Appointment of CFO, Head of Internal Audit and Company Secretary

The Bank appointed a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS) as per guidelines of regulatory authorities. The Board of Directors clearly defined the roles, responsibilities and duties of the CFO, the Head of Internal Audit, and the CS.

Role of the Company Secretary

Company Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Bank, as well as best practices of governance. He is also responsible for advising the Directors regarding their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Bank, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.

Attendance of CFO and Company Secretary

The CFO and the Company Secretary of the Bank attend meetings of the Board of Directors, excluding those, which involve consideration of an agenda item relating to their personal matters.

Vision, Mission and Strategy

- The Vision and Mission of the Bank are approved by the Board of Directors. These are disclosed in the annual report, bank's website and other publications.
- Business Objectives are focused and the areas of business are set out to attain vision, mission and strategic objectives.
- The Strategies to achieve the Business Objectives are clearly set out and disclosed in the previous section of this annual report.

Audit Committee

The Board approves the objectives, strategies and overall business plan of the Bank while the Audit Committee assists the Board in fulfilling oversight responsibilities. The Audit Committee also assist the Board in ensuring that the financial statements reflect true affairs and ensures a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The roles of the Audit Committee are clearly set forth in writing. The Company Secretary acts as the Secretary of the Committee.

Appointment and Composition

Audit Committee of the Bank, comprising of 5 (five) Members, has been formed in compliance with Bangladesh Bank & the Bangladesh Securities & Exchange Commission (BSEC) guidelines among which 03 (three) are Independent Directors. Company Secretary acts as the Secretary of the Committee while other members of the Management attend the Committee Meeting on invitation only.

Chairman of the Audit Committee

The Chairman of the Audit Committee is an Independent Non-Executive Director and he performs his duties independently.

Terms of Reference of Audit Committee

The Audit Committee of IBBL strictly observes the Terms of Reference of the Committee issued by the Bangladesh Bank through Guidelines on Internal Control & Compliance in Banks (2016), BRPD Circular no. 11 dated 27 October 2013 and BSEC. As per the terms of the said Circulars, the Audit Committee plays a key role in finalization of the Financial Statements of the Bank. It also reviews the Internal Control System of the Bank, Internal Audit Reports, External Audit Reports, Bangladesh Bank Inspection Reports, Shari'ah Inspection Reports and provides necessary Policy Guidelines as required. The Committee is empowered to investigate/question any employee of the Bank. It can also take External Expert Counsel, if it deems necessary.

Audit Committee Comprises of Non-Executive Director

All the Members of the Audit Committee are Non-Executive Directors. No executive of IBBL is eligible to become a member of the Audit Committee.

Expertise in Finance and Accounting

All the members of the Audit Committee have adequate knowledge in Accounting and Finance. Of them, one, having Ph.D from Rajshahi University and B. Com (Hons.), M. Com in Management from the University of Dhaka, was Managing Director of Bangladesh Development Bank Limited and also the Deputy Managing Director of Janata Bank Limited & Rupali Bank Limited. One of the members, the senior fellow member of Institute of Chartered Accountants of Bangladesh (ICAB) and the Facilitator of Alternate Dispute Resolution (ADR) National Board of Revenue (NBR), was president of the ICAB. Another member, having post graduation in LLM from University of Dhaka, was District and Sessions Judge and worked as Deputy Solicitor (Writ) and Directorate of Registration, Ministry of Law. One of them, professor at Primeasia University, Dhaka completed B.Sc. (Hons), M.Sc. (Applied Chemistry) & Ph.D from University of Dhaka and served as a Professor at Bangladesh Agricultural University, Mymensingh. Rest one of them, the Director General of Islamic Foundation Bangladesh, completed graduation (LLB) and post graduation (LLM) from the Department of Law, University of Dhaka and discharged duty as District & Sessions Judge for a long time of about 25 years.

Access of Head of Audit to the Audit Committee

The Head of Audit has the direct access to the Audit Committee. Head of other unit or any other Officer attends the meeting of the Audit Committee, if deems necessary.

Review and Evaluation of Quarterly Performance Report

The Audit Committee reviews and evaluates the quarterly performance including the financial reports and refers the same to the Board.

Meeting of Audit Committee

The Audit Committee conducted 11 (eleven) meetings during the year 2016. The attendance status of the meeting is given at the end of this Report.

Objectives & Activities of the Audit Committee

Review of Internal Control

- The Audit Committee regularly reviews the Internal Control System of the Bank.
- It ensures that the Internal Control Systems are well conceived by all concerned and properly administered at all levels to the extent that management implements/carries out its instruction/ advice.
- The Committee monitors observance of Internal Control Practices at a regular interval.
- The Committee also tries to evaluate whether the internal audit functions have been conducted independently from the management.

Role of Audit Committee in Ensuring Regulatory Compliance

The Committee reviews and examines the financial statements of the Bank every year to see whether all the disclosures & information have been incorporated in the Financial Statements properly and whether the Bank followed International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) by the Institute of Chartered Accountants of Bangladesh, requirement of the Banking Companies Act, the Companies Act, the Bangladesh Securities and Exchange Comission Rules, the Dhaka and Chittagong Stock Exchange Rules, Listing Regulations and other Laws and Rules applicable in Bangladesh and Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Manama, Bahrain, etc.

Review of External Audit Functions

- **Effective Coordination of External Audit Functions:** Before finalization of the Financial Statements, the Committee met with the External Auditors and discussed various issues relating to Financial Statements.
- **Ensure Independence of External Auditors:** The Committee tries to ensure that the External Auditors perform the Audit with due independence.
- **Review of External Auditors' Findings:** The Committee reviews findings of External Auditors, suggests to take action on each items and necessary instructions are given to the Management on the findings of the Auditors.
- **External Auditors' Appointment and Reappointment:** Every year the Audit Committee recommends Appointment/Re-appointment of External Auditors.
- **Non-Audit Work:** External Auditors are not assigned with any non-audit work thus does not arise any room to compromise with their independence.

Selection of Appropriate Accounting Policies

The issues related to selection of appropriate Accounting Policies in line with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) respectively by the Institute of Chartered Accountants of Bangladesh and other Regulatory Guidelines were discussed in the meeting of Audit Committee. The Accounting Policies are annually reviewed at the time of finalization of Financial Statements.

Annual and Interim Financial Statements Releases

Audit Committee reviews the Annual and Interim Financial Statements and recommends the same to the Board for approval.

Reliability on the Management Information

The Audit Committee ensures that all the information used for computation of financial disclosures are reliable to the extent that Management submits reliable data.

Review Statement of Significant Related Party Transactions

The Audit Committee regularly reviews the statement of significant related party transactions, if any, and reports to the Board, as appropriate.

Attendance of the Chairman as well as the Members of the Audit Committee in AGM

The Chairman as well as all the Members of the Audit Committee attends at the Annual General Meeting of the Bank.

Internal Control

Directors' Responsibility to Establish and Maintain Internal Control

The Board of Directors of IBBL is responsible to establish and maintain appropriate system of Internal Control. To ensure appropriate level of Internal Control System, a good number of Standard Operating Manuals and Policy Guidelines have been introduced in line with global best practices and Regulatory Guidelines. Delegation of powers in various businesses, administrative and financial areas has also been approved by the Board.

Features of Internal Control, Compliance and Monitoring System

Internal Control and Compliance Wing (ICCW) of the bank is responsible for checking compliance of Internal Control System. Any deviation is reported to the top Management, Audit Committee and to the Board and necessary steps are taken to rectify the same.

As per Bangladesh Bank Guidelines and to strengthen the Control and Compliance Mechanism, the Bank has formed Internal Control and Compliance Wing consisting of three separate Divisions:

i. **Audit & Inspection Division:** This Division undertakes the audit and inspection of all operating units like Divisions/ Departments of Head Office and Branches including Subsidiaries/Foundation Head Office, based on an Audit Plan, duly approved by the Audit Committee of the Bank.

   As per guidelines of Bangladesh Bank, Internal Control & Compliance Wing of IBBL prepares the quarterly reports on the Audit findings and places the same to the Audit Committee and to the Board for their perusal and guidance.

   Bank's Audit Teams conduct Audit & Inspection of all Branches/SME Branches/Zonal Offices, Wings/ Divisions/Departments of Head Office. Heads of 16 Zonal Offices also inspect the branches on quarterly basis. Incumbent/In-charges of branches also conduct their Self-Audit during the period on half yearly basis.

ii. **Compliance Division:** The Compliance Division handles the Regulatory issues of Bangladesh Bank and other Regulatory Bodies and submits status of Regulatory issues on quarterly basis to the Audit Committee.

   The Compliance Division ensures that Bank complies with all Regulatory requirements while conducting its day-to-day businesses. They maintain liaison with the Regulatory Bodies for any Regulatory changes and notify the same to all concerned. The Division works for ensuring compliance culture in the Bank.

iii. **Monitoring Division:** Monitoring Division evaluates/ assesses/monitors the operational performance of the branches based on the relevant Data/Audit Reports and analyzes those to assess the risk of branches and submits report to the Management. They help the Audit and Inspection Division to formulate Risk Based Audit and Inspection Program for the branches.

   The Monitoring Division also ensures internal check at the time of performing different functional areas through different tools like: DCFCL (Departmental Control Functions Checklist), QOR (Quarterly Operation Report) and IDCL (Investment Documentation Checklist) following Bangladesh Bank Guidelines. The Audit Committee periodically reviews all the issues.

Review of Adequacy of Internal Control System

The Board of Directors time to time reviews the Internal Control System of the Bank and necessary guidance are provided to improve the system.

Control activities and segregation of duties

Control mechanism is an integral part of the daily activities of the Bank. An effective internal control system requires that an appropriate control structure be set up, with control activities defined at every business level which is ensured in the Bank. The control mechanism include top-level reviews, appropriate activity controls for different departments or divisions, physical controls, checking for compliance with exposure limits and follow-up on non-compliance, etc.

Inspection by Bangladesh Bank

The Bangladesh Bank conducted the Comprehensive Inspection of IBBL, Head Office and 44 Branches in 2016. Moreover, Bangladesh Bank Inspection Team conducted inspection on our Head Office & 77 Branches during the year 2016. Core Risk areas including others i.e. Asset Liability, Investment, Information & Communication Technology and Internal Control & Compliance were also inspected by the Bangladesh Bank's Inspection Team.

PRIMARY STOCK

Internal audit

1. Audit Committee evaluates the independence status of internal audit from management;
2. It reviews the internal audit activities and organizational structure to confirm removal of all hindrances/ limitations/deficiencies;
3. The Committee assesses the efficiency and effectiveness of the internal audit and
4. It also assesses as the consideration of management on observations/recommendations given by the internal auditors after any irregularities detected by them.

External Audit

In the 33rd Annual General Meeting held on 02 June, 2016, the Shareholders approved the appointment of S. F. Ahmed & Co., Chartered Accountants and Khan Wahab Shafique Rahman & Co., Chartered Accountants to audit the Financial Statements and Nostro Accounts of the Bank for the year 2016.

Statutory Auditors audited 74 Branches and Head Office as part of the Annual Audit Program, which covered 80% of the Risk-Weighted Assets of the Bank.

Statutory Auditors also submitted a Management Report. This Report was discussed in the Meeting of Audit Committee and sent to Bangladesh Bank as per requirement. The Audit Committee also monitored its compliance.

Risk Management

Identification of the Risks

Risk Management Wing (RMW) has been set up as per the guidelines of Bangladesh Bank. The Wing is responsible for identification and management of risks faced by the Bank. The details of internal and external risk management mechanism are included in Risk Management disclosures.

Strategies Adopted to Manage and Mitigate Risk

Number of steps have been taken to manage and mitigate risks of the Bank. A detail of the same is included in Risk Management disclosures.

Ethics and Compliance

IBBL gives due importance to the moral concerns in order to make the right ethical decisions in every aspect of operations. IBBL believes that upholding the interest of the customers, employees and regulators is very crucial for sustainable growth and development of the country.

Enforcement of corporate code of ethics requires clear understanding of the same and active observance by everyone in the bank since the code spells out the expected standards of behaviour and sets the ideal operating principles to be followed. Every official is encouraged at all times to maintain high ethical standards and adequate internal control measures to guard against the occurance of any unethical practices and irregularities.

Statement of Ethics and Values

IBBL has adopted the Core Values, Commitments and Code of Conduct, Ethical Principles and the likes which have been clearly spelled out in the earlier section of the report.

Communication of Statement of Ethics and Business Practices

The Code of Conduct/Ethics and Business Practices are approved by the Board of Directors and is circulated for acknowledgement and menticulous compliance of all employees.

Board's Statement on Ethics and Compliance

The Board of Directors of IBBL is committed to ensure the observance of code of conduct as well as ethical standards. It also monitors strict compliance of the same.

Effective Anti Corruption and Anti-Fraud Program

IBBL arranges anti-fraud and anti-corruption program as per the guidelines of regulatory authorities to prevent from occuring any fraud & corruption and all tiers of the employees are being constantly trained on these issues.

Integrity

The Directors along with the employees of the Bank always:

- Discharge their duties in keeping with the regulatory requirements and try their level best to win the trust & confidence of the customers through ensuring efficient, effective and cordial services.

- Value the sustainability of long-term friendly relationships with the customers, local communities and shareholders.

National Integrity Strategy

The government has formulated 'National Integrity Strategy' to bring about good-governance in the state, its institutions as well as in every walks of the society with a view to establishing a happy, prosperous and corruption free country. In line with the government's decision & guidelines of Bangladesh Bank regarding the matter, the management of IBBL has formed an 'Ethical Committee', fixed 'focal point' and drawn an exhaustive action plan to-

- Develop the efficiency & ethical standard of manpower;
- Ensure effective compliance of existing rules and regulations;
- Strengthen e-governance;
- Review the reward & recognition policy for good performers;
- Launch awareness program among the stakeholders etc.

Conflict of Interest

The Bank does not condone any form of conflict of interest be it personal, financial or familial interest that can in any way keep the individual refrain from acting in the best interests of the company or may compromise the interest of the same, its shareholders as well as the clients. All the employees are required to refrain from doing any activity, which may result in any conflict or potential conflict of interest. Any actual or potential conflict of interest is reported to the Management as soon as it is recognized for immediate solution of the same. The Company has distinctive procedures to know the information as to whether a Director has an actual or potential conflict of interest. Under these procedures, members of the Board are required:

- To act in good faith and not to act contrary to the interest of the company;
- Not to use power for any improper purpose;
- To avoid conflicts of interest;
- To retain discretion.

Whistle Blowing Policy

Some organic structures have been evolved to fulfil the purpose of the whistle blowing policy of IBBL aiming to promote the transperancy as well as to serve as a channel of corporate fraud risk management. The system enables an employee, who has a legitimate concern on an existing or potential wrong-doing, to raise the issues and bring the same to the notice of competent authority. Central Complaint Cell has been established and a vigilance team has also been formed to protect the fraud and error. Risk Management Wing (RMW) also acts as the whistleblower at IBBL.

REMUNERATION COMMITTEE

Committee Charter

Bangladesh Bank guidelines do not permit to form a separate committee of Board on remuneration. As such, IBBL does not have such type of committee. However, the Board of Directors time to time review and evaluate the remuneration paid to all level of employees, directors and others.

Compensation

The remuneration is decided by the Board of Directors where all the members are non-executive directors. The Managing Director, Deputy Managing Directors, Head of Human Resources, CFO and other related officials work on the issue as per guidance of the Board.

Policies on Remuneration

Key policies to decide the remuneration of directors, senior management and employees include market trend, inflation, job requirement, position in other banks in the same area etc. The detailed remuneration policy of the Bank is also described in 'Market Disclosure of Basel-III.

Meetings on Remuneration Issues

Several meetings of the executives and related Board meetings were held to finalize some benefits paid to the employees during the year 2016. During the year, the Board of Directors approved two times pay revision to attract and retain talented people.

Remuneration of Directors, Chairman, Managing Director and Senior Executives

Honorarium paid to the Chairman and Directors and others for attending meetings are as follows:
Board Meeting/Shari'ah Supervisory Committee Meeting Tk.8,000.00 Executive Committee /Audit Committee/Risk Management Meeting Tk.8,000.00

- Managing Director is paid salaries and allowances as per approval of the Board and Bangladesh Bank which is separately disclosed in the Financial Statements.
- The senior management is remunerated as per standard pay structure of the bank being approved by the Board of Directors.

The bank has fully complied with Bangladesh Bank circular and instruction regarding this.

Human Capital

Human Capital is the set of skills which an employee acquires on the job through training and experience, and which increase the employee's value in the marketplace. Being a value driven organization, IBBL considers its employees as the most precious capital that play the vital role in materializing the mission, vision, goals and objectives of the bank.

Human Resources Development

Development and management of human resources is very much vital to ensure sustainable growth and development of an organization. This approach is a framework for helping the employees to develop their personal as well as organizational knowledge, skills and abilities by means of extensive improvement process covering systematic training, motivation, coaching, counseling, mentoring and the likes.

Succession Planning

Efficient succession planning is an integral part for effective employee management and IBBL possesses a sound succession plan to carefully avoid the problems of instant vacuum of the senior/key executives that may take place due to retirement & resignation.

Merit Based Hiring

Hiring of committed, dedicated and meritorious human resources is an integral part to run the organization smoothly and efficiently. IBBL generally recruits heterogeneous workforces having diversified academic background and transform them into a homogeneous one through extensive development process. IBBL is following the Board-approved recruitment policy to ensure hiring of the right person for right position.

Performance Appraisal System

IBBL follows a well-structured performance appraisal system (commonly known as ACR) for evaluating the performance of the employees. Effort is going on to introduce a job-based 'Automated Performance Evaluation (APE)' process.

Promotion, Reward & Motivation

IBBL follows structured human resources policy in awarding promotion, reward and recognition to its employees. Every year IBBL awards promotion to the eligible employees keeping in view the quality of their respective job delivery and performance.

Training and Development

Training is imparted with the objective to ensure balanced improvement of the employees' professional knowledge & skill, tempered by the spirit of motivation and ethical upbringing. IBBL always strives for excellence in improving the moral and professional standard of its employees. IBBL provides training to its employees throughout the year in its own training institute as well as in various institutes at home and abroad.

Career and Developments

IBBL has a well-structured career path that plays an important role in getting the capacity as well as leadership quality of the employees developed in a systematic process. Leadership is certainly among the strongest elements fostered by IBBL seeking to demonstrate leadership both in the industry as well as in the society where it operates. In order to sustain this element of leadership, strong emphasis is placed in developing the employees through inhouse training programmes as well as by supporting educational opportunities outside IBBL.

As a forward-looking organization, IBBL strives to continusly stimulate its employees to be well acquainted with the state of the art technology in the relevant fields. In order to create added customer value, great emphasis is also placed on improving the employees' knowledge and skills through training, development and informative feedback. IBBL placed due importance on the training of its managers for development of their leadership qualities. Moreover, the annual meeting with the managers plays a vital role in making sure that the strategy and objectives for each year are clearly communicated.

Grievance Management and Counseling

All the employees reserve the right to lodge any complaint both internally and externally and the Human Resources Division ensures full confidentiality of the same. The complaints so lodged are handled by the Vigilance Squad of the Bank with professional approach. In addition, a 24-hour hotline number is available to lodge any complaint with regard to any



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type of irregularities at any time, which are accordingly redirected to the respective department for necessary action.

Bank's contribution towards the staff

IBBL is pledge bound to treat all the employees with dignity and respect. It strives to maintain a comfortable working environment, irrespective of individual rank and status. Competent human resource is essential to ensure sustainable growth and development of any business entity, which can only be achieved by means of improving the skill, efficiency and productivity of the employees. The bank leaves no stone unturned in developing its human resources in all respects to materialize the cherished goals & objectives.

Healthcare, Safety standards and Modern Working Environment

IBBL is the pioneer of welfare banking in the country which constantly endeavors to do something for the prosperity and well-being of the citizens as well as of its employees. A good number of welfare programs aiming to employee-welfare, healthcare, safety standards & working environment covering the followings are there in IBBL:

Fringe benefit schemes

- Non-refundable financial assistance from Employees' Benevolent Fund
- Non-refundable financial grant from bank's fund
- Staff House Building Investment Scheme
- Staff Household Durables Scheme
- Quard against Provident Fund
- Quard against Benevolent Fund
- Leave encashment
- Burial expenses
- Recreation program
- Honorarium for passing Banking Diploma examination
- Awarding of scholarships to help educate the meritorious wards of the employees
- Awarding of cash prize and certificate of merit to the meritorious wards of bank employees
- Awarding of prize against essay competition
- House rent allowance
- Conveyance allowance
- Medical allowance
- Doctor's service for the employees
- Car Investment Scheme
- Car maintenance allowance
- House maintenance allowance
- Mobile phone allowance
- Utilities allowances

- In order to provide highly sophisticated and encouraging working environment, all the IBBL offices including Head Office and Branches are equipped with modern facilities with airconditioning and generator for power back up.
- All of the IBBL offices and Branches are equipped with fire fighting materials and have multiple exit points for emergency exit.

IBBL- One Family

The Bank developed 'One-Bank One-Family' concept since its inception and sought to create a work culture that sufficiently motivates the staff. The goal of the Bank is to make its offices/branches as 'the best place' to work in by creating a congenial, healthy, caring and productive environment for all levels of staff. Feedback is obtained from the line managers with a view to improving the work environment and to providing prompt and appropriate welfare services. Management always try to care the family members of its employees through various socio-cultural activities.

Human Resource Strength

Category	2016	2015
Executive	423	447
Officer	8,095	8,229
Sub-Staff	2,086	2074
Sub total	10,604	10,750
Rural Development Scheme (RDS)	2,583	2,494
Others (Temporary)	382	378
Total Manpower	13,569	13,622
Total Branch	318	304
Per Branch Employee (including RDS & others)	43	45
Per Branch Employee (Excluding RDS & others)	33	35

Human Resources Accounting

Human resource accounting is the process of identifying and measuring the data about human resources and communicating the information to the interested parties. Human Resource Division is also involved in Human Resources Accounting to transform the employees into the 'human assets' or 'human capital' that provide future benefits. Towards implementing Human Resource Accounting standard, IBBL adopts transparent disclosure practices regarding its human resources.

Total Workforce by Age distribution

78% of manpower are aged below 40 years which signifies that IBBL is in young, energetic and competent hands.

Age Group	Female	Male	Total
Below 30	149	1,015	1,164
30-40	378	8,424	8,802
41-50	23	2,546	2,569
Above 50	1	651	652
Total	**551**	**12,636**	***13,187**

* Excluding temporary manpower

Training Programs During 2016

Sl. No.	Particulars	No. of Programs	Persons
1	IBTRA	251	13,031
2	BIBM	149	688
3	BBTA	34	82
4	Overseas / Foreign Training	26	50
5	Other Institute	121	621
6	Total	581	14,472

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Shari'ah Awareness Program

Integrated Reporting

Sl. No.	Employer of Choice	2015	2016
1	Total Employee	13,569	13,622
2	Percentage of voluntary attrition	0.98	0.39
3	Number of employee received training	14,472	10,084
4	Total number of training	581	479
5	Average training per employee	1.07	0.74
6	Number of fresh graduates recruited as Probationary Officer	-	50
7	Number of fresh graduates recruited as Assistant Officer	-	134
8	Number of fresh graduates recruited as Field Officer, RDS	132	-
9	Number of fresh recruited as Messenger-cum-Guard Grade-II	45	-
10	Number of fresh recruited as Security Guard Grade-II	-	28

Employee Productivity

(Amount in million Taka)

Sl. No.	Particulars	2016	2015
1	Total deposit per employee	79.99	70.93
2	Total investment per employee	79.45	72.57
3	Total income per employee	7.23	6.52
4	Total expenses per employee	5.52	4.86
5	Profit before provision per employee	1.71	1.65
6	Profit before taxes per employee	1.21	1.02
7	Salary and allowances per employee	1.50	1.02

The figures are for mainstream only

Corporate Structure

Corporate Structure of IBBL is shown at page no.31.

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability-reporting framework that is widely used around the world. In line with the above, Islami Bank Bangladesh Ltd. has started to incorporate the components of standard disclosures in annual report in the broad areas of Profile Disclosure, Management Approach, Performance Indicators and Labor Practices as stipulated in the Content Index of Financial Service Sector Supplement. Although IBBL is yet to initiate the formal disclosure, it complies with most of the disclosure requirements as stated in the Index.

Communication to Shareholders & Stakeholders

Policy on Communication with Shareholders and Stakeholders

IBBL follows specific policy to facilitate effective communication with the shareholders and stakeholders.

Share Department of the Bank maintains communication with the Shareholders, Bondholders and other related stakeholders. Shareholders and others may contact at any time to this Department for any sort of information and query. IBBL provides updated information in its website for all the stakeholders of the Bank.

Policy on Ensuring Participation of Shareholders at AGM

In order to make the AGM more participatory, IBBL declares the date of AGM well ahead of time, circulate Annual Reports and other documents in time, arrange AGM in a well-known place & convenient time. Shareholders are allowed to speak in the AGM freely to give their valuable suggestions.

Environmental and Social Obligations

Policies and Practices on Social and Environmental Responsibility

The issue of climate change is being addressed seriously all over the world. It is identified that Bangladesh being a southern delta is under serious threat of natural disaster. A detailed discussion regarding environment and social obligation of IBBL is included in the Corporate Social Responsibilities Report.

Specific Policies undertaken by the Bank

IBBL, being a responsible corporation, has taken some initiatives in this regard, which has been presented in Green Banking & CSR sections of this Report.

Contribution to Environment and Society

A natural and clean environment, economical use of resources and respect for people's health and safety etc. are getting increasingly important. In accordance with this, IBBL is continuously working towards reducing consumption of energy, elimination of use of hazardous substances from its processes and minimizing waste generation. The emphasis is on minimizing paper transactions to the extent possible. One of the key targets for financing manufacturing companies is to reduce their carbon footprint.

Investors Friendly Information

IBBL's share is a very reliable choice to the investors due to its strong fundamentals in the area of capital adequacy, profitability, liquidity and market leadership driven by an experienced top Management and dedicated human resource base. Besides, the return on IBBL's share is excellent. IBBL ranked 102nd position among the top 1000 banks around the globe in terms of profit on capital.

The Bank has also reputation for Shari'ah based banking management. There is very little fluctuation in the Islami Banks share price and no rumor is observed in the Islami Bank's share. Therefore, Investors rely greatly on this share. Goldman Sachs, the leading wealth management institution of the world, has chosen share of IBBL in their portfolio GSN-11 as the best share in Bangladesh. Therefore, the company has invested a good amount of their investible fund in IBBL share.

Management Review & Responsibility

Managing Director acts as the Chief Executive Officer (CEO) of the Bank. Bank has approved Organizational Structure (Organogram) with clear functional separation and segregation of processing/functioning (Front and Back office) authorities. This ensures core risk management practice and compliance across the Bank. Bank's functions and plans also consider various regulatory limits and restrictions to be risk compliant.

Management Committee (MANCOM) is the main body of Management and decision making in the Bank. Besides, there are ALCO and Risk Management Coordination Committee for designated functions and responsibilities. Above all, the rules, regulations, guidelines, directions and policies as applicable for the Banking business and operations govern the Bank.

Management Committee (MANCOM)

Management Committee (MANCOM), the apex management body of the Bank, is comprised of 13 (thirteen) top-level executives having long experiences and sound knowledge in Islamic banking. The Committee is headed by the Managing Director & CEO of the Bank. The Committee exerts powers as delegated by the Board and is responsible for implementation of the policies and guidelines approved by the Board. The MANCOM scrutinizes the issues (other than business power) thoroughly before placing those to the Executive Committee, Audit Committee, Risk Management Committee and the Board. The Management Committee critically evaluates the performance of the Bank and adopts strategic action plan to achieve various targets set by the Board of Directors.

Investment Committee

The Bank formed Investment Committee comprising of 08 (eight) senior executives to review and examine all the investment related proposals and make specific recommendations to appropriate business authorities.

Asset-Liability Committee (ALCO)

The Asset & Liability Committee (ALCO) is constituted with the senior management of the bank and headed by the Managing Director & CEO. The Committee meets at least once in a month to review economic, market status, outlook and liquidity position of the bank. ALCO also assess pricing of assets and liabilities, maturity wise grouping of assets and liabilities, Liquidity Contingency Funding Plan in order to manage the Balance Sheet Risk in a prudent way, Transfer Pricing, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) etc.

Supervisory Review Process (SRP) Team

As per the revised process document of Bangladesh Bank for SRP-SREP Dialogue on ICAAP under 2nd Pillar of Basel- II, the Bank has reconstituted the SRP Team with 10 (ten) members headed by the Managing Director. The Team works under a specific Terms of Reference (ToR) being approved by the Board. The Team is responsible for preparation of ICAAP document assessing all the risks and capital charge thereagainst before placing the same to the Risk Management Committee and Board for approval and onward submission to Bangladesh Bank. The team also formulates strategies for mitigating the risks.

The Shari'ah Supervisory Committee

As per Islamic Banking Guidelines issued by Bangladesh Bank, IBBL formed an independent Shari'ah Supervisory Committee consisting of 08 (eight) members including experienced and knowledgeable persons in Islamic Jurisprudence. The Shari'ah Supervisory Committee of IBBL gives opinions and guidelines to ensure Shari`ah compliance in all activities of the bank particularly in the modes of investment. The Committee is governed by a by-laws approved by the Board of Directors. The representatives of the Committee attend different meetings of the bank, like Board of Directors, Executive Committee, Audit Committee, and Annual Business Development Meetings and Conferences to give opinions and oversee the activities of the bank from Shari`ah perspective. The Committee also evaluates performance of the officials in terms of their Shari`ah compliance.

Meeting of Shari'ah Supervisory Committee & Sub Committee

In the year 2016, 10 (ten) meetings of Shari`ah Supervisory Committee and 6 (six) meetings of Shari`ah Sub-Committee were held. Members of Shari`ah Supervisory Committee attended 14 (fourteen) seminars as discussant on the occasion of opening new Branches and participated in Business Development Meetings arranged by several Zones and Head Office.

Shari'ah Inspection

As part of major responsibilities of the Committee, it also conducted Shari`ah inspections in 304 branches through Muraqibs during the year 2016 to ensure that the Shari`ah principles are implemented and complied with, or, on the contrary, to detect if there is any deviation or lapse that has taken place in the branches of the bank.

Regulatory Compliance

Bank has meticulously been following related guidelines including submission of Quarterly, Half-yearly and Yearly financial statements and other statutory reports. Any significant development in the business is forth-with disclosed in the form of price sensitive declarations adhering proper rules/guidelines/directives. Bank also ensures submission of returns to regulatory bodies in full compliance of the requirements and appropriate disclosures ensuring transparency and accountability. Board of Directors ensures adequate disclosures for the shareholders and other stakeholders.

Compliance Status of Bangladesh Bank Circulars

The Bank has fully complied with Bangladesh Bank circulars, instructions and guidelines regarding Corporate Governance. The Bank is governed by the Bangladesh Bank's rules and regulation on various issues of banking operation. As per BRPD Circular Letter No.11 dated October 27, 2013 regarding Formation & Responsibilities of Board of Directors of a Bank Company, the Bank has complied with all the instructions including formation of Board of Directors, Independent director, information regarding directors, responsibilities of the Board of Directors, formation of committees from the Board of Directors and training of the Directors. The Bank is also compliant with the BRPD Circular Letter No.18 dated October 27, 2013 regarding Appointment and Responsibilities of the Chief executive officer.

Directors' Responsibility in Respect of Audited Financial Statements

The Board of Directors ensures that financial statements give a true and fair view of the Bank's state of affairs, results, changes in equity and cash flows for the year 2016. In preparing the financial statements, the Bank uses appropriate accounting policies, supported by reasonable as well as prudent judgments and estimates to ensure that all applicable accounting standards have been followed at the time of preparing the financial statements.

Relationship of Board of Directors with the Auditors

The Board has established transparent and appropriate relationships with its external auditors through the Audit Committee. The external auditors have an obligation to bring any significant lapses/irregularities in the bank's system of internal control and compliance to the attention of Management, Audit Committee and the Board.

Relationship of Directors with the Shareholders and Investors

The Board recognizes the importance of timely and proper dissemination of information with regard to the Bank's performance and other issues affecting the interests of the shareholders, investors and the general public. One of the most important means of communication to the Shareholders is the Annual Report, which contains comprehensive and sufficient details about the financial results, performance and other important activities of the Bank.

Credit Rating

IBBL has continuously been maintaining the highest credit rating among the private sector banks of the country. The description of latest credit rating of the bank is delineated below:



Rating Company	Particulars	Long-term	Short-term	Rating Base
Credit Rating Information and Services Limited (CRISL)	Surveillance Rating	**AA+ (High Safety)**	**ST-1 (Highest Grade)**	Audited Financial Statements up to 31 December 2015 and other prevailing factors upto date of Rating.
		Bank rated in this category is adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions	Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost risk free like Government short-term obligations	
Date of Declaration of Rating: June 20, 2016				
Validity of Rating : June 19, 2017				
Outlook: "Stable" (The bank will be able to maintain its good fundamentals in future. CRISL does not foresee any volatility in the operation of the bank within the rating validity period)				

IBBL obtained the "AA+" rating in consideration of the following good fundamentals such as:

- Good capital adequacy
- Good liquidity
- Considerable improvement in non-funded business
- Strong market position
- Good corporate governance
- Experienced top management

Directors' Attendance in the Board, Executive Committee, Audit Committee and Risk Management Committee Meeting

Sl. No.	Name of the Directors	Position	Board		Audit committee		Executive Committee		Risk Management Committee	
			Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
1	2	3	4	5	6	7	8	9	10	11
1	Engr. Mustafa Anwar	Chairman	16	16						
2	Mr. Yousif Abdullah Al-Rajhi, Riyadh, K.S.A.	Vice-Chairman	13	02						
3	Mr. M. Azizul Huq	Vice Chairman	13	12			31	30		
4	Professor Syed Ahsanul Alam	Independent Director	13	13			31	31		
5	Mr. Helal Ahmed Chowdhury	Independent Director	13	13	11	11				
6	Mr. Md. Abdul Mabud, P.P.M.	Independent Director	12	11					06	06
7	Dr. Areef Suleman	Director	16	04						
8	Mr. Shamim Mohammed Afzal	Independent Director	13	09						
9	Professor Dr. Qazi Shahidul Alam	Director	12	12			14	11		
10	Major General (Retd.) Engr. Abdul Matin	Director	12	11			14	11		
11	Mr. Borhan Uddin Ahmed	Independent Director	12	10			24	22		
12	Mr. Mohammed Humayun Kabir, FCA	Independent Director	12	12	09	09				
13	Mr. S. S. M. Kamal (Sharif Sahariar Mostofa Kamal)	Director	06	06						
14	Mr. Md. Syful Islam, FCA FCMA	Director	11	11			14	10		
15	Dr. Md. Zillur Rahman	Independent Director	12	09	09	06			07	07
16	Mr. Md. Joynal Abedin	Director	09	08	08	08			03	03
17	Mr. Md. Mizanur Rahman	Director	08	08	05	05				
18	Professor Dr. Md. Sirajul Karim	Director	08	08					03	03

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Statement of Shares held by Directors & their Spouses and Minor Children

(As on 30.03.2017)

Sl. No.	Name of the Director	Status	No. of Shares	Percentage of total Paid-up Capital of IBBL
1	2	3	4	5
01	**Armada Spinning Mills Limited** Repr. by Mr. Arastoo Khan	Chairman	32,408,339	2.0130%
02	**Yousif Abdullah Al-Rajhi, K.S.A.** S/O- Abdullah Abdul Aziz Al-Rajhi who is holding of 7.58% shares of the total Paid-up Capital of the Bank.	Vice-Chairman	122,106,875	7.5843%
	Yousif Abdullah Al-Rajhi, K.S.A.	Self	99,935	0.0062%
03	**Professor Syed Ahsanul Alam**	Vice-Chairman Independent Director	0	0.0000%
04	**Paradise International Limited** Repr. by Major General (Retd.) Engr. Abdul Motin	Director	32,360,000	2.0099%
05	**Dr. Md. Zillur Rahman**	Independent Director	0	0.0000%
06	**Mr. Md. Abdul Mabud, P.P.M.**	Independent Director	0	0.0000%
07	**Islamic Development Bank, K.S.A.** Rep. by Dr. Areef Suleman	Sponsor & Director	120,788,585	7.5024%
08	**Mr. Shamim Mohammad Afzal**	Independent Director	0	0.0000%
09	**Platinum Endeavors Limited** Repr. by Professor (Dr.) Qazi Shahidul Alam	Director	32,285,000	2.0053%
10	**Mr. Helal Ahmed Chowdhury**	Independent Director	0	0.0000%
11	**Mr. Borhan Uddin Ahmed**	Independent Director	0	0.0000%
12	**Mr. Mohammed Humayun Kabir, FCA**	Independent Director	0	0.0000%
13	**BLU International Limited** Repr. by Mr. Md. Syful Islam, FCA, FCMA	Director	32,360,000	2.0099%
14	**ABC Ventures Limited** Repr. by Mr. Md. Joynal Abedin	Director	32,301,030	2.0063%
15	**Grand Business Limited** Repr. by Mr. Md. Mizanur Rahman	Director	32,547,335	2.0216%
16	**Excel Dyeing & Printing Limited** Repr. by Professor Dr. Md. Sirajul Karim	Director	32,315,100	2.0072%
17	**Prof. Md. Nazmul Hassan, Ph. D**	Independent Director	0	0.0000%
18	**Prof. Md. Kamal Uddin, Ph. D**	Independent Director	0	0.0000%
19	**Investment Corporation of Bangladesh (ICB)** Repr. by Mr. Md. Kamal Hossain Gazi	Director	37,833,372	2.3499%
20	**Mr. Md. Abdul Hamid Miah**	Managing Director & CEO	11,260	0.0007%

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Statement of Shares held by Directors & their Spouses and Minor Children

(As on 31.12.2016)

Sl. No.	Name of the Director	Status	No. of Shares	Percentage of total Paid-up Capital of IBBL
1	2	3	4	5
01	**The Ibn Sina Trust** Rep. by Engr. Mustafa Anwar	Chairman	36,077,391	2.2408%
	Engr. Mustafa Anwar	Self	4,226,332	0.2625%
02	**Yousif Abdullah Al-Rajhi, K.S.A.** S/O- Abdullah Abdul Aziz Al-Rajhi who is holding of 7.58% shares of the total Paid-up Capital of the Bank.	Vice-Chairman	122,106,875	7.5843%
	Yousif Abdullah Al-Rajhi, K.S.A.	Self	99,935	0.0062%
03	**M. Azizul Huq**	Vice-Chairman (Independent Director)	0	0.0000%
04	**Islamic Development Bank, K.S.A.** Repr. by Dr. Areef Suleman	Director	120,788,585	7.5024%
05	**Platinum Endeavors Ltd.** Repr. by Professor (Dr.) Qazi Shahidul Alam	Director	32,285,000	2.0053%
06	**Paradise International Ltd.** Repr. by Major General (Retd.) Engr. Abdul Matin	Director	32,360,000	2.0099%
07	**Blu International Ltd.** Repr. by Md. Syful Islam, FCA, FCMA	Director	32,360,000	2.0099%
08	**Investment Corporation of Bangladesh** Repr. by S. S. M. Kamal	Director	38,039,459	2.3627%
09	**ABC Ventures Limited** Repr. by Md. Joynal Abedin	Director	32,301,030	2.0063%
10	**Grand Business Limited** Repr. by Md. Mizanur Rahman	Director	32,547,335	2.0216%
11	**Excel Dyeing & Printing Limited** Repr. by Professor Dr. Md. Sirajul Karim	Director	32,315,100	2.0072%
12	**Armada Spinning Mills Ltd.** Represented by Arastoo Khan	Director	32,408,339	2.0130%
13	**Professor Syed Ahsanul Alam**	Independent Director	0	0.0000%
14	**Helal Ahmed Chowdhury**	Independent Director	0	0.0000%
15	**Shamim Mohammed Afzal**	Independent Director	0	0.0000%
16	**Md. Abdul Mabud, P.P.M.**	Independent Director	0	0.0000%
17	**Mohammed Humayun Kabir, FCA**	Independent Director	0	0.0000%
18	**Borhan Uddin Ahmed**	Independent Director	0	0.0000%
19	**Dr. Md. Zillur Rahman**	Independent Director	0	0.0000%
	Mohammad Abdul Mannan	Managing Director & CEO	342,383	0.0213%
20	Mrs. Maksuda Begum	Wife of Mohammad Abdul Mannan	81,951	0.0051%

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Statement of Shares held by CEO, Company Secretary, CFO, Head of Internal Audit and their Spouses and Minor Children

(As on 30.03.2017)

Sl. No.	Name	Status	No. of Shares	Percentage of total Paid-up Capital of IBBL
1	2	3	4	5
01	Md. Abdul Hamid Miah	Managing Director & Chief Executive Officer (CEO)	11,260	0.0007%
	Mrs. Ismat Rakiba	W/O. Md. Abdul Hamid Miah, Managing Director & CEO	0	0.0000%
02	J Q M Habibullah, FCS	Deputy Managing Director & Company Secretary	0	0.0000%
	Mrs. Samina Akhter	W/O. J Q M Habibullah, FCS, Deputy Managing Director & Company Secretary	0	0.0000%
03	Md. Habibur Rahman Bhuiyan, FCA	Deputy Managing Director & Chief Financial Officer (CFO)	10	0.0000%
	Mrs. Tahmina Rahman	W/O. Md. Habibur Rahman Bhuiyan, Deputy Managing Director & Chief Financial Officer (CFO)	58	0.0000%
04	Abu Reza Md. Yeahia	Deputy Managing Director & Head of Internal Control & Compliance Wing (ICCW)	0	0.0000%
	Mrs. Shahinoor Akther	W/O. Abu Reza Md. Yeahia Deputy Managing Director & Head of ICCW	0	0.0000%

Statement of Shares held by CEO, Company Secretary, CFO, Head of Internal Audit and their Spouses and Minor Children

(As on 31.12.2016)

Sl. No.	Name	Status	No. of Shares	Percentage of total Paid-up Capital of IBBL
1	2	3	4	5
01	Mohammad Abdul Mannan	Managing Director & Chief Executive Officer (CEO)	342,383	0.0213%
	Mrs. Maksuda Begum	W/O. Mohammad Abdul Mannan, Managing Director & CEO	81,951	0.0051%
02	Abu Reza Md. Yeahia	Executive Vice President & Company Secretary	0	0.0000%
	Mrs. Shahinoor Akther	W/O. Abu Reza Md. Yeahia, Executive Vice President & Company Secretary	0	0.0000%
03	Mohammed Shahid Ullah, CDCS, FCA	Executive Vice President & Chief Financial Officer (CFO)	0	0.0000%
	Mrs. Farida Yesmin Chowdhury	W/O. Mohammed Shahid Ullah, CDCS, FCA, Executive Vice President & CFO	0	0.0000%
04	M. Shamsuzzaman	Deputy Managing Director & Head of Internal Control & Compliance Wing (ICCW)	55,485	0.0034%
	Mrs. Laila Akter	W/O. M. Shamsuzzaman, Deputy Managing Director & Head of ICCW	12,515	0.0008%

Statement of Shares held by top 5 (five) Salaried Employees other than the Directors, CEO, Company Secretary, CFO, Head of Internal Audit (ICCW)

(As on 31.12.2016)

Sl. No.	Name	Status	No. of Shares	Percentage of total Paid-up Capital of IBBL
1	2	3	4	5
01	Md. Habibur Rahman Bhuiyan, FCA	Deputy Managing Director, Barisal, Khulna, Jessore Zone	10	0.0000%
02	Abdus Sadeque Bhuiyan	Deputy Managing Director, IBW	6,450	0.0004%
03	Md. Abdul Jabbar	Executive Vice President, RMW	400	0.0000%
04	Md. Obaidul Haque	Executive Vice President, Dhaka South Zone	1,000	0.0001%
05	Md. Shamsul Huda	Executive Vice President, Shariah Secretariat	2,048	0.0001%

30 March 2017

Board of Directors
Islami Bank Bangladesh Limited
Islami Bank Tower
40, Dilkusha C/A
Dhaka-1000

Subject: CEO and CFO's Declaration to the Board

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we declare that for the financial year ended 31 December, 2016:

i) We have reviewed the financial statements for the year and that to the best of our Knowledge and belief:

   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

ii) There are, to the best our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violating the Bank's code of conduct.

Md. Abdul Hamid Miah
Managing Director & CEO

Md. Habibur Rahman Bhuiyan, FCA
Chief Financial Officer

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মসিহ মুহিত হক এন্ড কোং
MASIH MUHITH HAQUE & CO.
Chartered Accountants
Correspondent Firm of RSM International Network

Certificate on Compliance with Conditions of Corporate Governance Guidelines to the Shareholders of Islami Bank Bangladesh Limited (IBBL)

We have checked the relevant documents of Islami Bank Bangladesh Limited (hereinafter referred to as 'the Bank') for the year ended December 31, 2016 regarding its compliancewith the provisions of Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC) under Notification No-SEC/ CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRCD/2006-158/147/ Admin/48 dated 21 July 2013.

The Bank's Responsibilities

The management of the Bank bears the onus for complying with the stipulations of the provisions outlined in the above BSEC notification of Corporate Governance Guidelines. The Board of Directors is also required to state in the Director's report as to whether or not the Bank has complied with the conditions of these Corporate Governance Guidelines.

Auditor's Responsibilities

Our responsibility is to examine the Bank's status of such compliance and provide a certificate to that effect as to whether or not the bank is in compliance with the conditions of Corporate Governance Guidelines. For the purpose of this instant engagement, we have complied with ethical and independence requirements, planned and performed our procedures to obtain reasonable assurance from the Bank's management about whether the Bank had, during the year 2016, complied with the conditions of Corporate Governance Guidelines.

We have drawn our conclusion for opinion on the basis of, and subject to, the matters outlined in Annexure- A of this report. It does neither purport to be construed as an audit assignment nor can be taken as an expression of opinion on the financial statements of the Bank. We believe that the evidences we have obtained from IBBL in discourse of the assignment were sufficient andpertinent to provide us a basis for formulating our opinion.

Our Opinion

In our opinion, Islami Bank Bangladesh Limited (IBBL), has complied with the conditions of Corporate Governance Guidelines of BSEC for the year ended 31 December 2016.

Dated: Dhaka
March 05, 2017

(Masih Muhith Haque & Co.)
Chartered Accountants

Report on Compliance of BSEC's Notifiction for Corporate Governance

(Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)

Condition No.	Title	Compliance status		Remarks
		Complied	Not Complied	
1	2	3	4	5
1	Board of Directors			
1.1	Board's size: Board members shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	Independent Director	√		
1.2(i)	At least one-fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1.2(ii)	**For the purpose of this clause "independent director" means a director:**	√		
1.2(ii)a)	Independent Directors do not hold any share or hold less than one percent (1%) shares of the total paid-up capital.	√		
1.2(ii)b)	Independent Directors are not connected with the company's Sponsor or Director or shareholder who holds one percent (1%) or more shares.	√		
1.2(ii)c)	Independent Directors do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2(ii)d)	Independent Directors are not a member, director or officer of any stock exchange;	√		
1.2(ii)e)	Independent Directors are not a Shareholder, Directors or Officers of any member of stock exchange or an intermediary of the capital market;	√		
1.2(ii)f)	Independent Directors are not the partners or executives during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2(ii)g	They are not the Independent Directors in more than 3 (three) listed companies;	√		
1.2(ii)h	They are not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2(ii)i	They have not been convicted for a criminal offence involving moral turpitude.	√		
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	**Qualification of Independent Director (ID)**	√		
1.3(i)	Independent Director shall be knowledgeable individual with integrity	√		
1.3(ii)	The Independent Director must have at least 12 (twelve) years of corporate management/professional experiences.	√		
1.3(iii)	In special cases, the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	Separate Chairman and CEO and their clearly defined roles and responsibilities.	√		
1.5	**Directors' Report to Shareholders**	√		
1.5(i)	Industry outlook and possible future developments in the industry.	√		
1.5(ii)	Segment-wise or product-wise performance.	√		
1.5(iii)	Risks and concerns	√		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			The Bank does not have such gains or loss
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A

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Condition No.	Title	Compliance status		Remarks
		Complied	Not Complied	
1	2	3	4	5
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.			N/A
1.5(x)	Remuneration to directors including independent directors.	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5(xii)	Proper books of account of the issuer company have been maintained.	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			N/A
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5(xxi)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-**			
1.5(xxi)a	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5(xxi)b	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);			N/A
1.5(xxi)c	Executives (top five salaried employees of the company other than stated in 1.5 (xxi)b);	√		
1.5(xxi)d	Shareholders holding ten percent (10%) or more votes interest in the company (name wise details).	√		
1.5(xxii)	**In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:**			
1.5(xxii)a	a brief resume of the director;	√		
1.5(xxii)b	nature of his/her expertise in specific functional areas;	√		
1.5(xxii)c	names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.	**Chief Financial Officer (CFO), Head of Internal Audit & Company Secretary**			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and their clearly defined roles, responsibilities and duties.	√		
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting.	√		
3.	**Audit Committee**			
3. (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
3. (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3. (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	**Constitution of the Audit Committee**			

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Condition No.	Title	Compliance status		Remarks
		Complied	Not Complied	
1	2	3	4	5
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1(ii)	Constitution of Audit Committee with Board Members including one independent director.	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	Filling of Casual Vacancy in Committee			N/A
3.1(v)	The Company Secretary shall act as the secretary of the Committee.	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2	**Chairman of the Audit Committee**			
3.2(i)	Chairman of the Audit Committee shall be an independent director.	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of Audit Committee**			
3.3(i)	Oversee the financial reporting process.	√		
3.3(ii)	Monitor choice of accounting policies and principles.	√		
3.3(iii)	Monitor Internal Control Risk management process.	√		
3.3(iv)	Oversee hiring and performance of external auditors.	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3(vii)	Review the adequacy of internal audit function.	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results.			N/A
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
3.4.1(ii)a)	Report on conflicts of interests;			
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			
3.4.1(ii)c)	suspected infringement of laws, including securities related laws, rules and regulations;			No such events occurred. Thus not reported
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.			
3.4.2	Reporting of anything having material financial impact to the Commission.			
3.5	Reporting to the Shareholders and General Investors	√		
4.	**External/Statutory Auditors**			
4.(i)	Appraisal or valuation services or fairness opinions.	√		
4.(ii)	Financial information systems design and implementation.	√		
4.(iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4.(iv)	Broker-dealer services.	√		
4.(v)	Actuarial services.	√		

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Condition No.	Title	Compliance status		Remarks
		Complied	Not Complied	
1	2	3	4	5
4.(vi)	Internal audit services.	√		
4.(vii)	Any other service that the Audit Committee determines.	√		
4.(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
4.(ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No.7	√		
5.	**Subsidiary Company**			
5.(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
5.(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
5.(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5.(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company as well.	√		
5.(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
6.	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
6.(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief :-	√		
6.(i)a	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
6.(i)b	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6.(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7.	**Reporting and Compliance of Corporate Governance**			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis. **Explanation:** Chartered Accountant means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No.2 of 1973); Cost & Management Accountant means Cost & Management Accountant as defined in the Cost & Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); Chartered Secretary means Chartered Secretary as defined in the Chartered Secretaries Act, 2010 (Act No.25 of 2010)	√		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		

Board of Directors' Report

The Board of Directors takes the opportunity to welcome you all in the 34th Annual General Meeting of the Bank and have the pleasure to place the Annual Report before you along with the Auditors' Report and Audited Financial Statements of the Bank for the year ended December 31, 2016. This part of the annual report contains a brief overview of the world economy, Bangladesh economy and banking industry scenario etc.

Global Economy & Banking

The global economy has witnessed another challenging year in 2016 against the backdrop of a diverse range of macroeconomic and political factors affecting the financial sector. Global economic growth is subdued last year following a slowdown in the United States and Britain's vote to leave the European Union but stable growth performance has reduced near-term concerns about China. The global growth is projected to decline to 3.1 percent in 2016 from 3.2 percent in 2015, and to rebound next year to 3.4 percent in 2017.

The strong dollar and weak demand in much of the world are hurting exports and eroding growth in the U.S.A. The U.S. economy has lost momentum over the past few quarters and growth estimated at 1.6 percent in 2016, a sharp decreased of 1 percent from 2015. The change in regime of US Govt.has also created uncertainity in US and the rest of world.

Expectedly the "Brexit'' referendum has taken a toll on the confidence of investors. U.K. growth is predicted to slow to 1.8 percent this year and to 1.1 percent in 2017. The Euro zone economy has shown resilience in the face of heightened uncertainty and this area will expand 1.7 percent this year and 1.5 percent next year, compared with 2 percent growth in 2015. China's economy, the world's second largest economy remains in despair, is forecasted to expand 6.2 in 2017, down from growth of 6.9 percent last year.

The price of Brent crude oil rose to $56 per barrel, the highest level since mid-2015 after Russia joins OPEC's big deal to cut oil production in recent month and expected to further increase of the price.

The financial world has changed permanently; both in terms of the balance of power within the industry and how banks will be allowed to operate in future as the modern banking breaking the traditional one where technology is the driver. The core challenge for banks is to create long-term sustainable success as global economic recovery, heightened political uncertainty and low interest rates will continue to impact the global banking sector. Banks need to understand their business models to deliver sustainable value – with appropriate risk mitigations as necessary.

European banks have broadly improved or stabilized their credit profiles but the uncertainty stemming from Brexit adds to European banks' already existing concerns related to bad loans and low profitability. The World Bank estimated the ratio of non-performing loans to total gross loans in 2015 at 4.3%, before the 2009 global financial crisis, the ratio stood at 4.2%. Banks in emerging markets are now well capitalized and well funded and big enough to compete directly against their western counterparts in the global marketplace. They have greater potential for growth because of the relatively immature development of their domestic financial markets and their rapidly growing economies.

The Islamic finance industry continues to be characterized by rapid innovation and growth. The south-east Asian markets, in conjunction with the countries of the Gulf Cooperation Council (GCC), are at the forefront of this growth. Islamic finance asset stood around $2.1 trillion in 2016. Most of these Islamic finance assets (78 percent) are held by Islamic banks and most of the assets are located in Muslim-majority countries within the 57-member countries of the Organization of Islamic Cooperation (OIC). The rest takes the form of Sukuk (17%), Islamic investment funds (3%) and Takaful (2%). The demand for Islamic Finance around the globe is in increasing trend and continuous to expand to serve a growing population of Muslims as well as conventional, non –Muslim investors.

Bangladesh Economy & Banking

The Bangladesh economy demonstrated little uptrend in 2016 with steady GDP growth, controlled inflation, and rising forex reserve. However, the economy suffered from political uncertainties and lack of business confidence affecting private investments. Inflation was on a downturn trend caused by low global commodity market and no major internal shocks. Sluggish trend in employment generation was also evident in the year.

The bygone year faces a number of problems in terms of credit growth, risk management, compliance, and cyber security. The NPL has increased immensely coupled with excess liquidity putting the banking industry in further challenge in terms of asset quality and profitability.

Bangladesh broke its economic growth trap of 6% for the first time in history as GDP at constant price grew by 7.1 percent in FY16 which is higher than 6.55 percent growth in FY15. Besides, the country's per-capita income also increased to US$1,465 in the FY16 from $1,316 in the previous FY15. The 12-month average inflation came down to 5.92 percent in FY16 from 6.40 percent in FY15, driven mainly by falling food inflation. Export earnings increased by 9.77 percent to USD 34.26 billion in FY 16, compared to USD 31.21 billion in FY15. Import payments increased by 5.74 percent to USD 43.04 billion in FY16 from USD 40.70 billion in FY15. The inflow of workers' remittances came down by 2.52 percent to USD 14.93 billion in FY16 compared to 15.32 billion in FY15. During Q4FY16 all the indicators of the Dhaka Stock Exchange (DSE) improved compared to the Q3FY16. Over the same period, market capitalization increased by 5.5 percent.

The banking sector performance during last quarter of FY16 shows some distress compared to that of the Q3FY16 as the key indicators such as gross nonperforming loans (NPL), provision shortfall position, return on assets (ROA) and return on equity (ROE) demonstrate deterioration during Q4FY16 relative to the previous quarter.

The ratio of gross NPL to total outstanding loans of the banking sector increased from 8.79 percent at the end of Dec'15 to 10.34 percent at the end of Sept'16. The Provision shortfall position of the banking sector in Sept'16 stood at BDT (-) 43.8 billion from BDT (-) 42.8 billion at the end of Dec'15. However, the Capital to Risk-weighted Asset Ratio (CRAR) marginally decreased from 10.8 percent in Dec'15 to 10.3 percent in Jun'16. Return on Asset (ROA) of the banking industry declined from 0.77 percent at the end of December 2015 to 0.44 percent at the end of June 2016. Return on equity (ROE) of the banking industry also decreased to 6.74 percent at the end of June 2016 from 10.51 percent at the end of December 2015. On the other hand, the monthly interest rate spread for all banks remained below 4.55 percent in Nov'16.

Islamic Finance in Bangladesh

With a predominantly Muslim population of 160 million in Bangladesh, Islamic finance has been growing faster attributed to its intrinsic value, uniqueness of distinctive banking, and sustainability aspects.

Among 57 scheduled banks working in the country, 8 full-fledged Islamic banks with 1,006 branches and 15 conventional banks with their 20 branches and 25 windows have Shariah banking operations. Moreover, some six banks are in the process of converting into full-fledged Islamic operation. Most of the Islamic banks

have performed better than conventional counterparts in 2016. Market share of the Islamic banks in deposit increased to 21.9% and in investment to 23.5% in September 2016.

In addition to General Index and Blue Chips Index, both the Stock Markets (Dhaka Stock Exchange and Chittagong Stock Exchange) in Bangladesh have separate Shariah Index. Around one third of 293 companies listed in DSE from different sectors comprise the Shariah Index. Out of CSE's 258 companies, 63 companies are included in the Shariah Index.

Takaful has been growing steadily in Bangladesh as a Shari'ah-based segment of the financial products since its inception in 1999. At present 78 insurance companies are in operation of which 32 life insurance and 46 are non-life or general insurance. The asset of Takaful Industry has stood at around 17 percent of the Insurance Industry in Bangladesh.

Out of 34 mutual fund under both the Dhaka Stock Exchange and the Chittagong Stock Exchange, 3 are oprated under Islamic shari'ah. Market capitalization of those funds stood at 7.7 percent of the total mutual fund market. The Bangladesh Securities and Exchange Commission has approved the prospectus of SEML IBBL Shariah Fund, a closed-end mutual fund. The size of the Shariah Mutual Fund will be BDT1,000 million and the offer price of the units of the mutual fund will be BDT 10 each. Now the fund is listed with DSE.

In order to mitigate liquidity crisis of Shari'ah based banks and financial institutions and for their better management, Bangladesh Bank introduced Islami Interbank Fund Market in 2012. Under this arrangement, an interested Islamic financial institution can place their surplus fund overnight at Bangladesh Bank. Islamic banks and banks having Islamic banking branches and windows may borrow from this fund overnight.

BGIIB, introduced by the Ministry of Finance, Government of Bangladesh in 2004, has been playing an important role in developing Islamic Money Market. The unit price of the Bond is taka 1 (one) lac having tenure of 6 (six) months, 1 (one) year or 2 (two) years. The Bond is treated as a component of Statutory Liquidity Ratio (SLR). IBBL is actively involved in buying and redeeming of the bond. Now a 3-month bond worth at least Tk.100,000 are available in the market alongside the existing 6-month bond. The issuing banks calculate the profit or loss on the basis of their fixed deposit rates as per Islamic banking rules instead of the earlier annual profit or loss. The bonds are sold through auction.

Islamic Banks Consultative Forum (IBCF)

IBCF, with Islamic Banks and Conventional Banks having Islamic Banking Branches as members, was established in 1995 for effective interaction, cooperation, promotion and furthering the cause of Islamic banking in Bangladesh. Eight full-fledged Islamic Banks and six Banks having Islamic Banking Branches are the members of the IBCF. IBBL, being a vibrant member of IBCF, contributes significantly in the forum. In 2016, the Forum has organized a number of seminars and symposia attended by Islamic scholars and dignitaries from home and abroad which contributed to building awareness among stakeholders and expansion of Islamic banking.

Central Shari'ah Board for Islamic Banks of Bangladesh (CSBIBB)

CSBIBB was established in 2001 to offer Shariah opinion and assistance to member banks in matters related to harmonization of Islamic banking policies and practices. It also promotes knowledge on Islamic Banking by organizing seminars and conducting training and research on Islamic Shari'ah issues. CSBIBB Members include seven full-fledged Islamic Banks, eight conventional banks having Islamic banking branches, five conventional banks having Islamic banking windows and one non-bank financial institution. In 2016, the Board has organized a number of trainings, workshops, and capacity building programs for Islamic banking practitioners of the country.

Shari'ah Indices

On January 20, 2014, Dhaka Stock Exchange Ltd. (DSE) launched Shari'ah index, which will represent share price movements of the listed companies based on Islamic Shari'ah. The broadbased index, developed for encouraging more Shari'ah-based companies offer shares, is known as DSES. The base-value of the new index is 1000. S&P Dow Jones Indices served as a consultant to the Dhaka Stock Exchange in designing the methodologies for the DSEX Shari'ah Index.

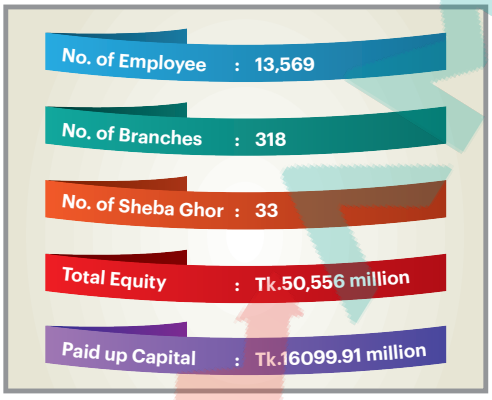
Chittagong Stock Exchange Limited (CSE) launched CSE Shari'ah Index (CSI) with base point of 1,000. The index could be followed by the investors to track the performance of Shari'ah compliant securities that form part of all listed companies on the CSE other than mutual funds and corporate bonds.



One of the IBBL Financed Power Plants

Corporate Profile

Islami Bank Bangladesh Limited (IBBL) was established as the first Shariah based bank in South and South-East Asia on March 13, 1983 with 70% of foreign shareholding including Islamic Development Bank (IDB) and 30% local sponsorship of which 5% share of



Bangladesh Government. Since inception, Islami Bank Bangladesh Limited has been rendering its banking services by offering diversified and a wide range of deposit, investment & foreign exchange products coupled with technology based banking devices, which have successfully earned a huge clientele base. As a true reflection of the inner urge of the people of the country and to conduct all banking & investment activities based on Islamic Shari'ah, IBBL unveiled a new horizon and ushered in a new ray of hope towards realizing a long cherished dream of the people of Bangladesh for conducting their banking transactions in accordance with the spirit of Islam. After launched on the 13th March 1983 IBBL started its functioning on 30th March 1983 although the formal inauguration was on 12th August 1983. The first branch of the Bank (Local Office) is located at 75, Motijheel, Dhaka. At present IBBL is the highest corporate taxpayer among the local banks and is the second highest taxpayer in the banking sector of Bangladesh. After passing a long journey of continuous success and glory in almost all business indicators, the Bank is now running with Authorized Capital of Tk. 20,000 million and Paid up Capital of Tk.16,099.91 million. The aesthetically viewed 18-storied own building located at 40, Dilkusha Commercial Area, Dhaka is the Corporate Headquarter of the Bank.

Unique Features:

- **Welfare-oriented Banking:** IBBL started its operation to introduce a welfare-oriented banking ensuring equity and justice in all of its activities. Unlike conventional financial institution, profit or

wealth maximization has never been among the prime objectives of IBBL. We extend our services to individuals of all walks of life with strong commitment in advancement and upliftment of economically backward segments.

- **Focus on 'Maqasid-al-Shari'ah:** IBBL does not merely focus on Shari'ah compliance issues ignoring the Maqasid of Shari'ah. Keeping Shari'ah compliance at the core of its value, IBBL focus on 'Makasid-al-Shari'ah' in all of its operational portfolios.

- **Mass Banking:** For making banking facility available for maximum number of people, since inception IBBL has been providing mass banking instead of class banking. Around 1/5th of our manpower is engaged to serve about 3% of the total investment under Rural Development Scheme (RDS).

- **Need-based Banking:** In line with following need prioritization in financing as per Islamic Shari'ah, IBBL does not work to fulfill the need of few people rather focuses on the requirement of the real needs of the common people. Thus, IBBL strives to substitute the 'Greed-based Banking' through establishing 'Need-based Banking'.

- **Special Investment Scheme:** To uplift the socio economic status of general people of all sectors and address the special needs of particular group of people IBBL has launched several special investment schemes. The supervision cost of these investments is high which makes our income lesser compared with other market participants.

- **Socially and Environmentally Desirable Investments:** IBBL, by virtue of its adherence to Shari'ah and its commitment to ensure welfare, does not invest in socially and environmentally undesirable projects even though the projects seem to be financially viable and profitable.

- **Widening Network to Address Unbanked Population:** IBBL is continuously pursuing for widening its network by maximizing the opening of new branches to reach the unbanked and underserved segment of population of the country.

- **Financial Inclusion and Sustainable Development:** Since its journey, IBBL has been working relentlessly towards overall development by ensuring financial inclusion, sustainable & inclusive growth as well as socio-economic development of the country through introduction of modern & welfare oriented banking products & services including financial literacy programs.

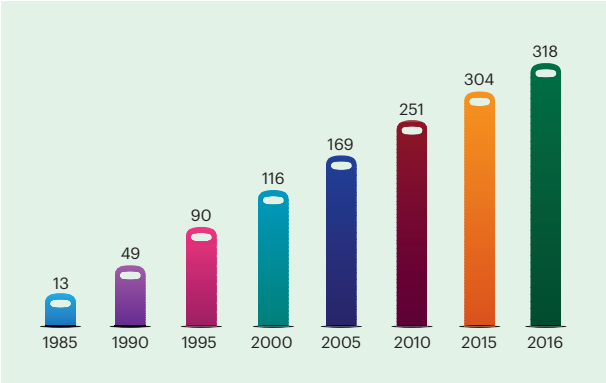
Network:

As a Bank of the mass people, IBBL delivers its banking services to the highest possible number of customers. IBBL is enriched with a vast banking network across the country by setting up its branches all over the country. Moreover, Alternative Delivery Channels (ADC) of the Bank having 491 owned & more than 6,000 shared ATM booths, 520 ATM Machine, 122 IDM & 33 Sheba Ghars have expanded this network up to the doorstep of the customers. As a part of gradual expansion of its coverage to the important commercial places both in urban & rural areas, during 2016 the Bank has successfully opened 14 new branches raising the total number of Branches to 318 from 304 of the previous year.

No. of ATM : 520
No. of IDM : 122

Aiming to achieve a balanced development of the country as well as to uplift the socio economic conditions at rural areas, IBBL has been conducting banking operation with highest number of rural branches (112 branches) among all the first generation private commercial banks.

Trend of Branch Network:



Subsidiary Companies

Islami Bank Securities Limited (IBSL)

Islami Bank Securities Limited (IBSL) - a subsidiary company of Islami Bank Bangladesh Limited - was incorporated in March 22, 2010 as a Public Limited Company under Companies' Act, 1994. Authorized capital and Paid-up capital of the company is Tk.5,000.00 million and Tk.2,700.00 million respectively. IBSL is one

of the largest and leading corporate entities operating in Bangladesh capital market with a view to carry out business of Stock Broker and Stock Dealer based on Shariah principle. IBSL is involved in investment activities in capital market, besides providing trading facilities to customers. Moreover, the company provides investment facility to its Customers under Musharaka mode as per Margin Rules 1999, Bangladesh Securities & Exchange Commission (BSEC) and in compliance with Shariah Principle.

IBSL:
Yusuf Chamber (5th Floor)
20 Dilkusha C/A, Dhaka-1000

- BO account opening
- Stock trading facility
- Investment facility
- i-Trading facility

IBBL provides the following services:

- Trading facilities through Dhaka Stock Exchange and Chittagong Stock Exchange
- Open BO Account at nominal fee from anywhere home and abroad
- Competitive commission to buy and sale shares
- i-Trading facilities from anywhere home and abroad
- Easy IPO participation from home
- Fund transfer through BEFTN/i-banking.
- Customer service through email/SMS/PhoneFax, etc.
- Demat and Remat facilities of shares
- Full service DP facilities
- Share transfer facility through link account
- Special service for Non-Resident Bangladeshis (NRBs)

Islami Bank Capital Management Limited (IBCML)

IBCML was incorporated on the 01 April 2010 under the Companies Act 1994 as a Public Limited Company with Authorized Capital of Tk. 1,000.00 Million & Paid Up Capital of Tk. 300.00 Million divided by 3,00,000 (three lac) shares of Tk. 1000/- each.

The main objectives of the company are to carry out the business of a Merchant Banking in all its aspects including Underwriting and/or Management of Issue, Public offer of Shares, Stocks, Debentures, Bonds etc. sale or purchase of Securities or transfer thereof Fund Management for clients, Managing Portfolio Investment of any person or Company by making profitable Investment in various avenues etc.

IBBL Exchange Singapore Pte. Ltd

IBBL Exchange Singapore Pte. Ltd. has been corporated in Singapore, as a subsidiary of Islami Bank Bangladesh Limited for remittance services and things incidental thereto under the Companies Act, CAP.50 of the Republic of Singapore. Till 31 December 2016, no share capital of the subsidiary has been paid its parent company i.e. Islami Bank Bangladesh Limited. Therefore, the financial statement of IBBL Exchange Singapore Pte. Ltd. has not been prepared and accordingly not consolidated with that of the parent i.e. IBBL.

Offshore Banking Units

The operations of Off-shore Banking Units (OBU) of the Bank were commenced on January 4, 2011 as per the approval of Bangladesh Bank. The Off-Shore Banking Units (OBU) of the Bank are located at

- Head Office Complex Branch, Dhaka
- Uttara Branch, Dhaka and
- Agrabad Branch, Chittagong.

National Membership

a. Bangladesh Institute of Bank Management (BIBM)
b. The Institute of Bankers Bangladesh (IBB)
c. Bangladesh Association of Banks(BAB)
d. Bangladesh Foreign Exchange Dealers' Association (BAFEDA)
e. Bangladesh Association of Public Listed Companies (BAPLC)
f. Central Shari'ah Board for Islamic Banks in Bangladesh (CSBIBB)
g. Islamic Banks Consultative Forum (IBCF)
h. Dhaka Chamber of Commerce & Industry (DCCI)
i. Dhaka Stock Exchange Limited (DSE)
j. Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
k. Bangladesh Chamber of Industries (BCI)

International Membership

a. Accounting and Auditing Organizations for Islamic Financial Institutions (AAOIFI), Manama, Bahrain and has become member of its Board of Trustees.
b. Islamic Financial Services Board (IFSB), Kuala

Lumpur, Malaysia.

c. General Council for Islamic Banks and Financial Institutions (CIBAFI), Manama, Bahrain

d. International Islamic Financial Market (IIFM) Manama, Bahrain

e. International Islamic Centre for Reconciliation and Arbitration (IICRA)

f. International Chamber of Commerce Bangladesh Limited (ICC-Bangladesh)

g. American Chamber of Commerce in Bangladesh (AmCham)

IBBL's Equity Investment

a. Central Depository Bangladesh Limited (CDBL)

b. Karmasangsthan Bank (Employment Bank)

c. Bangladesh Shipping Corporation (BSC)

d. Bangladesh Aroma Tea Ltd.

e. Financial Institutions and Investors Portfolio Management Company Ltd.

f. Runner Automobiles Ltd.

Financial Review

Competitive Positioning and Strategic Response

Operating in the financial services industry, IBBL is exposed to several risks both internally as well as externally, some of which are beyond its control. However, in line with more than three decades of rich experience, the Bank has witnessed several industry cycles and hence has developed and fine-tuned a risk identification and mitigation framework that protects at from adverse risks, enhances operating viability and ensures the sustenance of its business.

We have provided a detailed analysis of the competitive intensity we face. While operating in Bangladesh's dynamic financial services industry and our responses to minimize the impact of these risks on our business model, to the extent possible.

Competitive Contention

- **Number of competitors:** The Bangladeshi banking industry is marked by high levels of competition with as many as 57 banks working in the industry. However, due to our strategic positioning of differentiation in the industry we have already created a strong market position.
- **Switching cost:** The switching cost is low due to a high concentration of service providers. The risk is mitigated by strong bondage with clients as well as providing wide variety of products and services.
- **Quality difference:** IBBL belongs to the top quartile of service providers as such there are few banks comparable in terms of service quality;
- **Customer loyalty:** Traditionally, customers are reasonably loyal; however, the recent phenomenon of excess liquidity and intense price war has reduced loyalty to a great deal, especially across large investment clients. The risk is mitigated by strong bondage with the clientele base.

Threat of new entrants

A number of new banks has already entered in the financial services industry over the last couple of years. The possibility of new entrants, intensifying competition further, cannot be ruled out although the new entrants will less likely to affect the operation of the Banks in view of the strong market image and branding.

Sensitivity of clients

- Customers have typically a high power in the equation since big corporates tend to be extremely rate sensitive. The issue is being addressed by customized handling as well as relationship with the clients. The bank is also focusing on SMEs clients to gradually reduce dependency on large investment clients.

Threat of substitute products

- Low threat within the Banking Industry.
- Additionally, for some segments, there exists a high threat of substitute products The issue is handled by continuous research and development on new and innovative product line.

Business Model of IBBL

IBBL is a matured bank with more than three decades of operation. The bank's business model has been structured around meeting customer needs both on the investment and deposit front and meeting their growth expectations on the basis of trust and respect.

The Bank has consistently created value for its stakeholders. Leading the critical anchors of fostering the sense of governance and transparency, IBBL

presents integrated reporting of its business model that include inputs, business activities, outputs and outcomes. A brief description of each of these is delineated below.

Inputs

- IBBL enjoys 34 years of experience in the banking business.
- During this long journey, the bank has witnessed several market cycles and created a business model that is not only resilient but also risk mitigated.
- The Bank's dedicated human base is reflected in the very low turnover rate of its employees.

Resources

- One of the bank's significant competitive advantages comprises of its robust and dedicated human resource pool.
- Total human resources of the Bank stood at 13,569 as on 31.12.2016.
- Constant productivity enhancement programmes have resulted in a better output from employees. Continuous training both home and abroad has excelled the professional excellence of the human resources base of the Bank.

Financial capital

- The Bank possesses an experienced management team that is continually appraising and analyzing key trends of business.
- The Bank enjoys a healthy CRR and SLR that are much above the limits stipulated by the Bangladesh Bank.
- It has strong eligible capital to address the risk of the Bank.

Information Technology

- IBBL possesses a robust in-house IT backbone that enhances business sustainability in terms of facilitating quick decision making.
- A strong IT infrastructure also results in enhancing transparency, helps detect bad accounts early and also enables environmental preservation through the optimized use of paper etc.

Product and business exposure

- The Bank offers a wide range of lending products across corporate and SME clients and for retail customers that enables it to meet the tailor-made requirements of a wide demographic.
- On the deposit side, IBBL offers a wide range of long and medium term savings products that enables it to meet the financial security and liquidity goals of a number of consumers.
- IBBL also operates two wholly-owned subsidiaries (Islami Bank Capital Management Ltd. and Islami Bank Securities Ltd.) that offers a vast range of capital market products and solutions.

Business activities

IBBL Group provides financial solutions as a Bank and capital market solutions through its subsidiaries. IBBL as a Bank, offers investments across its well-structured and functional divisions:

- Corporate Investment Division-I : This segment effects lending to a large number of corporate customers across Bangladesh in a variety of industries and sectors. The typical investment size categorized under this division is above Taka 1,000 million.
- Corporate Investment Division-II: It deals with investment ranging from Tk. 150 million to Tk. 1,000 million.
- SME Investment Division-I: IBBL is the country's largest SME investment Bank. SME-I deals with investment size of Tk. 50 million to Tk. 150 million.
- SME Investment Division-II: It deals with investment below Tk. 50 million.
- Retail Consumer & Real Estate Investment Division: The Bank offers retail and consume financing under this segment, thereby meeting the lifestyle requirements of its customers.
- Capital markets: Islami Bank Securities Limited (IBSL) is a fully-owned subsidiary engaged in providing brokerage and a wide range of capital market services

Innovation

Towards providing the financial solutions, IBBL nurtures its spirit of innovation through its three integral pillars- People, Product and Processes. IBBL's unique process of recruitment helps to ensure diverse blending of human resource base to serve diverse group of stakeholders. Requirement of clients help to develop required product based on which process is developed.

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Outputs

The Bank possesses a considerable product line described later in the report.

Outcomes

Some of the company's key financial and non-financial outcomes include the following:

- ❒ Total assets have grown by 9.90% in 2016 from 2015.
- ❒ Deposit base have grown by 10.72% in 2016 from 2015.
- ❒ General Investment increased by 16.26% in 2016 from that of previous year.
- ❒ Classified investment to general investment reduced to 3.83% in 2016 from 4.25% in 2015.

External factors

Though we have created an operating model based on our previous experience, some of the key external factors that influence our business include the following:

- Prevailing interest/profit rate regime, especially governed by policy rates as stipulated by the Bangladesh Bank from time to time.
- Political upheavals that impact economic and consumption demand.
- Slowdown in the economy, measured by the Gross Domestic Product (GDP), that might lead to deceleration and push back in the investment plans of corporates and other businesses.
- A general decline in the risk-taking appetite of the country, impacting its entrepreneurial capabilities.

In summation, at IBBL, our business model is anchored on the following areas:

- ❒ Wel-fare oriented
- ❒ Diversification focused
- ❒ Financial inclusion driven both in deposit and investment
- ❒ Risk mitigated
- ❒ Customer focused
  Balanced
- ❒ Technologically proactive
- ❒ Financially well-capitalized
- ❒ Highly compliant
- ❒ Environmental friendly

IBBL's sustainable value creation process

With a vision that is anchored on the sustainability of our business enterprise, we uphold the highest regard to our entire stakeholder ecosystem by being honest and open to our employees, by being reasonable to our customers, by being fair among our competitors and by being true to our shareholders by contributing to value creation in their hands.

Business Review

IBBL successfully mobilized Tk.681,352 million Deposit from 10,262,879 Depositors and deployed Tk.616,419 million as General Investment into 745,984 accounts up to 31st December 2016. In the year 2016, total income of the Bank was Tk.61,557 million and total Expenditure was Tk.47,032 million resulting in pre-tax profit of Tk. 10,299 million showing 13% growth in 2016 as against 14% growth in 2015. The Board of Directors of the Bank has recommended 10% cash Dividend to the shareholders for the year 2016.

- New Deposit: Tk. 65,993 million
- Growth: 10.72% ↑
- New Deposit A/c: 336,525
- Growth: 3.39% ↑

- New Investment: Tk. 86,224 million
- Growth: 16.26% ↑

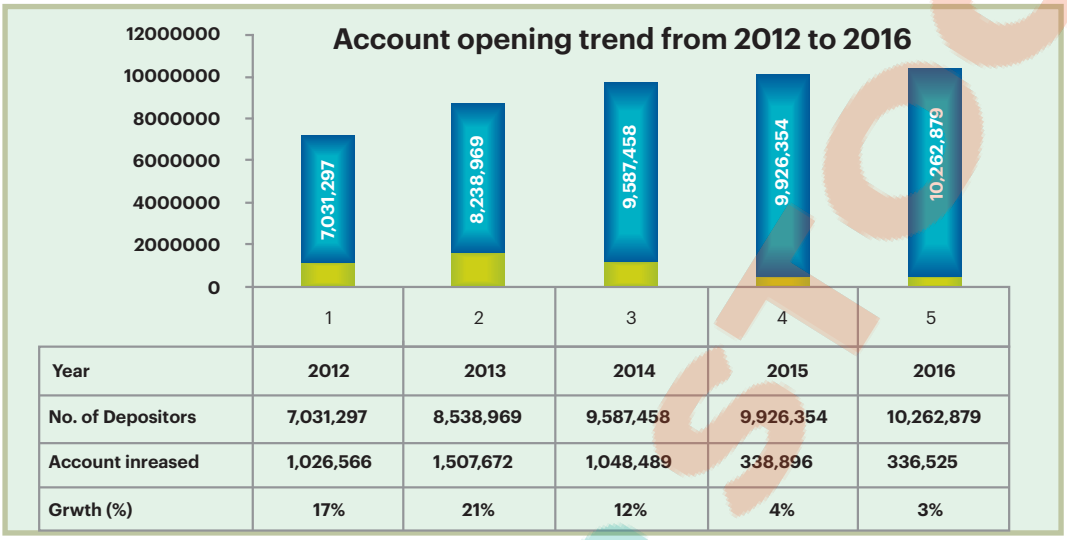
- Total Income: Tk. 61,557 million
- Total Expenditure: Tk.47,032 million
- Pre-tax Profit: Tk. 10,299

Deposit Products

Any financial institution especially a Bank can hardly prosper and compete with other banks effectively without multidimensional and diversified products. Keeping this in view, IBBL has introduced 25 deposit products so far. Historical trend of the deposit mobilization shows doubling its deposit base in every 4 years.

Bank of Crore Depositors

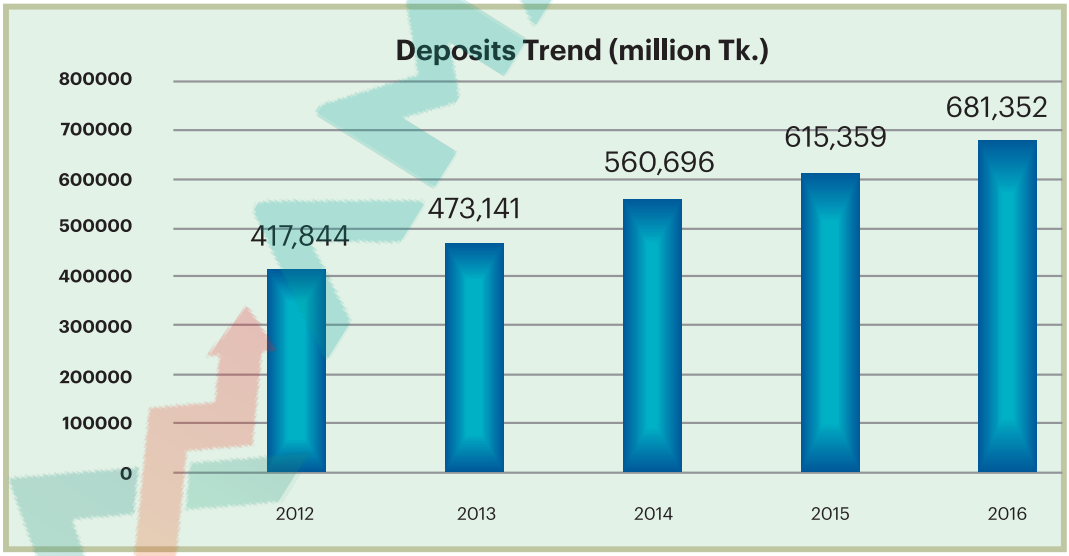
Total number of Depositors of IBBL increased to 10,262,879 in 2016 from 9,926,354 of the preceding year, registering an increase of 336,525 accounts in 2016, with 3.39% growth over 2015.



Year	2012	2013	2014	2015	2016
No. of Depositors	7,031,297	8,538,969	9,587,458	9,926,354	10,262,879
Account inreased	1,026,566	1,507,672	1,048,489	338,896	336,525
Grwth (%)	17%	21%	12%	4%	3%

Mobilization of Deposits

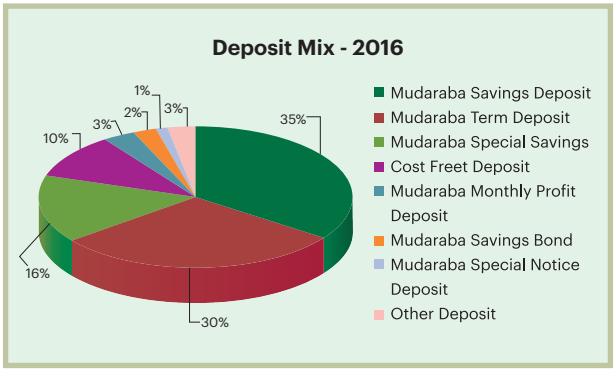
In the year 2016, total Deposit stood at TK. 681,352 million as against Tk.615,359 million of the preceding year registering a growth of Tk. 65,993 million, i.e. 11.72% growth.



Deposit Mix, Growth, Final Rate & Weightage

Sl. No.	Types of Deposits	Weightage	Final Rate (%)		Deposit (In million Taka)		Growth	Deposit Mix (%)	
			2016	2015	2016	2015	%	2016	2015
1	2	3	4	5	6	7	8	9	10
A	Mudaraba Deposits								
1	Mudaraba Savings Account (MSA)	0.62	3.94	4.26	237,089.17	209,573	13.13%	34.80%	34.06%
2	Mudaraba Term Deposits (MTDR)				201,544.65	179,465	12.30%	29.58%	29.16%
2.1	36 Months	1.10	6.98	7.20					
2.2	24 Months	1.07	6.79	7.00					
2.3	12 Months	1.05	6.67	6.80					
2.4	06 Months	1.03	6.54	6.67					
2.5	03 Months	1.00	6.35	6.42					
2.6	01 Month	0.82	5.21	5.17					
3	Mudaraba Special Savings (Pension) Scheme (MSS)				106,349.41	101,258	5.03%	15.61%	16.46%
3.1	10 years Term	1.25	7.94	8.44					
3.2	5 years Term	1.10	6.98	7.42					
4	Mudaraba Monthly Profit Deposits Scheme (MMPDS)				22,296.00	22,100	0.89%	3.27%	3.59%
4.1	5 years Term	1.18	7.65	8.54					
4.2	3 years Term	1.10	6.98	7.75					
5	Mudaraba Savings Bond (MSB)				16,744.90	16,601	0.87%	2.46%	2.70%
5.1	8 years Term	1.25	7.94	8.34					
5.2	5 years Term	1.10	7.11	7.55					
6	Mudaraba Special Notice Deposits (MSND)	0.50	3.17	3.08	8,153.67	7,636	6.78%	1.20%	1.24%
7	Mudaraba Hajj Savings (MHS)				2,496.80	2,153	15.97%	0.37%	0.35%
7.1	Above 10 years Term	1.30	8.25	8.83					
7.2	Upto 10 years Term	1.25	7.94	8.43					
8	Mudaraba NRB Savings Bond				994.36	962	3.36%	0.15%	0.16%
8.1	10 years Term	1.30	8.25	8.64					
8.2	5 years Term	1.15	7.30	7.80					
9	Mudaraba Farmers Savings (MFS)	0.75	4.76	5.03	1,023.88	917	11.66%	0.15%	0.15%
10	Mudaraba Waqf Cash Deposit (MWCD)	1.35	8.57	9.33	748.90	634	18.12%	0.11%	0.10%
11	Mudaraba Muhor Savings (MMS)				526.95	463	13.81%	0.08%	0.08%
11.1	10 years Term	1.25	7.94	8.44					
11.2	5 years Term	1.10	6.98	7.42					
12	Students Mudaraba Savings (SMSA)	0.62	3.94	4.26	1,051.92	874	20.36%	0.15%	0.14%
13	Mudaraba Upahar Deposit Shceme (MUDS)	0.62	3.94	4.26	13.78	9	53.16%	0.00%	0.00%
14	Mudaraba mCash Deposit Scheme	0.50	3.17	3.08	23.70	27	-12.22%	0.00%	0.00%
15	Mudaraba Industrial Employees Savings	0.62	3.94	-	9.62	1.59	505.03%	0.00%	0.00%
16	Mudaraba Foreign Currency Deposits (MFCDA)	0.75	1.18	1.52	12,774.90	10,281	24.26%	1.87%	1.67%
17	Mudaraba Perpetual Bond (MPB)	1.25	8.94	10.34					
B	Cost Free Deposits								
18	Al Wadeeah Current Account (AWCA)				32,247.46	28,326	13.84%	4.73%	4.60%
19	Bills Payable				5,523.59	5,091	8.49%	0.81%	0.83%
20	Cost Free Foreign Currency Deposits				21,422.31	8459.88	153.22%	3.14%	1.37%
21	Other Cost Free Deposits				10,316.28	20,527	-49.59%	1.52%	3.34%
	Total				681,352.25	615,359	10.73%	100.00%	100.00%

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Welfare Oriented Deposit Products

Mudaraba Waqf Cash Deposit

A/c opened in 2016: 1,011
Total No. of A/c: 27,119

Mudaraba Cash Waqf provides a unique opportunity for making investment in different religious, educational and social services. IBBL plays a leading role in introducing this exclusive product. The objective of the product is solely welfare of the society. This account may be opened at a time with a minimum deposit of Tk. 1,000/- and the subsequent deposit by installments in thousand Taka or in multiple of thousand Taka. Profit of this account is utilized for social and human welfare as per instruction of the account holders.

Mudaraba Hajj Savings

A/c opened in 2016 : 5,005

IBBL has introduced monthly installment based Hajj Saving Account for any Muslim. The Account may be opened for a period ranging from 1 year to 25 years considering the capacity and ease of the account holder for building up savings by monthly installments.

Mudaraba Special Savings (Pension) Scheme:

A/c opened in 2016 : 262,711

It is a simple, attractive & unparallel scheme which makes a source of income in future from monthly small savings. In this scheme, a person acquires the opportunity to build up savings by small monthly installments for getting an attractive amount at the end of a specified time or a monthly amount for a specific period on the expiry of 5 years or 10 years term. The parents or legal guardians are allowed to open this account jointly with a minor. This account can be opened for monthly deposits of Tk. 100/- (RDS), Tk. 200/-, Tk. 300/-, Tk. 400/-, Tk. 500/-, Tk. 600/-, Tk. 700/-, Tk. 800/-, Tk. 900/-, Tk. 1000/- and multiple of thousand up-to Tk. 20,000/- only.

Mudaraba Monthly Profit Deposit Scheme:

Any individual may open account under this attractive saving scheme by depositing a minimum amount of Taka 1,00,000/- and multiple thereof at a time either for 3 or 5 years. Monthly provisional profit is given to the account just after completion of one month from the date of opening of the account. The profit amount is adjusted on completion of each accounting year after declaration of final rate of profit.

Mudaraba Muhor Savings:

Product for protecting the human right of the women as per Islamic Shariah

This scheme has been designed for all classes of people particularly the professionals & service holders creating an opportunity for them to save in monthly installment basis according to their capability for paying muhorana to their wives as well as rectifying their marriage life and protecting the human right of the women as per Islamic Shariah. Any married and/or unmarried person can open this account by depositing monthly installments of Tk.500/-, Tk.1,000/-Tk.2,000/-, Tk.3,000/-,Tk.4,000/- and Tk.5,000/- only for a period either of 5 or 10 years.

Mudaraba NRB Savings Bond:

Product for Expatriates

The Non-Resident Bangladeshis (NRBs) aged 18 years and above or Family Members of NRBs are eligible to purchase Mudaraba NRB Savings Bond in single or joint names. An expatriate may purchase Mudaraba NRB Saving bond in the name of his/her minor children as per usual terms & condition applicable to other deposit products. The Mudaraba NRB Savings Bond shall be of 6(six) denominations in Bangladeshi Currency i. e. i) Tk. 25,000/-, ii) Tk. 50,000/-, iii) Tk. 1,00,000/-, iv) Tk. 2,00,000/-, v) Tk. 5,00,000/- and (vi) Tk. 10,00,000/-. Service charge, account closing fee and account maintenance fee are not applicable for this account. As per client's demand, maximum 90% quard may be allowed against total outstanding balance in this account.

Students Mudaraba Savings

A/c opened in 2016: 20,044
Total No. of A/c: 199,893

Students of any educational institute are eligible to open Students Mudaraba Savings Account with minimum balance of Tk.100/-. No charge is applicable on this account except excise duty and tax as per govt. policy. The account may be continued as Mudaraba Savings Account in their own name when the student becomes adult.



Ceramic Industry

Mudaraba Farmers Savings

A/c opened in 2016: 3,831

This product is designed to provide banking facilities to the unbanked people especially for farmers. Only a genuine farmer can open this account by initial deposit of Tk.10/-. Farmers, Association or Co-operative society of farmers shall also be eligible to open Mudaraba Farmers Savings Account (MFSA). This MFSA may be opened by the father/mother/legal guardian (farmer) in favor of a minor.

Mudaraba Upohar Deposit Scheme

Gift Product

In our country, on many occasions like Marriage Ceremony, Aqiqa, Sunnate Khatna, even during Eid festival people offer Upohar in cash or in other form. The common practice of giving Upohar/Gift to the bride/bridegroom or other recipients can comfortably be served by "Mudaraba Upohar Deposit Scheme". Any individual may purchase Upohar Cheque of Tk.500, Tk.1000 & Tk.5000 denomination initially under this scheme from any branch of IBBL as well as can encash the same from any branch of IBBL.

Mudaraba Industry Employees Savings

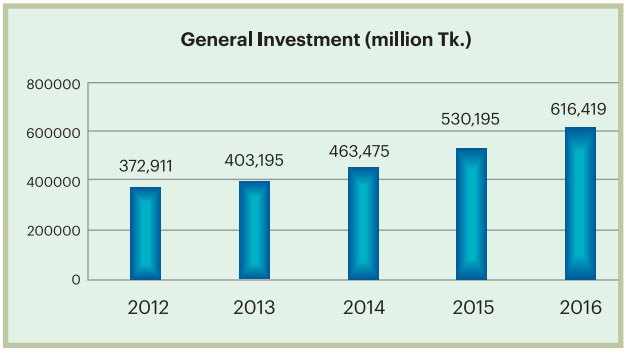
In order to improve the life standards of the employees/ workers of RMG, Leather and Footwear sector, IBBL has launched Mudaraba Industry Employees Saving (MIES) Account with an initial deposit of Tk.100/-. No charge is applicable on this account except excise duty and tax as per govt. policy. ATM/VISA Debit Card and Cheque are available against these accounts as per usual norms.

Account for Street Children & Working Children

As a part of better financial inclusion and to ensure financial services for all, IBBL has already taken initiatives to introduce account for Street Children & Working Children.

General Investment

Total General Investment of the Bank increased to Tk. 616,419 million as on 31.12.2016 from Tk.530,194 million as on 31.12.2015 showing an increase of Tk.86,225 million, i.e. 16.26% growth. The trend of investment shows near doubling of the figure in 5 years.



Sector-wise General Investment

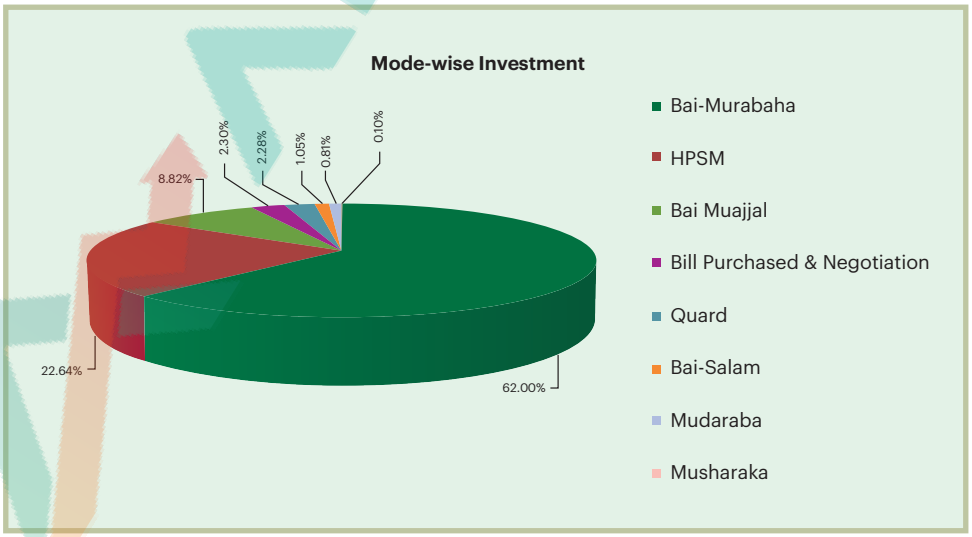
(Amount in million Taka)

Sl. No.	Sector	2016		2015	
		Amount	% to Total Investment	Amount	% to Total Investment
1	2	3	4	5	6
01	Industrial (Excluding SME)	219,377	35.59%	172,591	32.45%
02	Commercial	43,873	7.12%	36,854	6.93%
03	Real Estate	47,972	7.78%	44,159	8.30%
04	Agriculture (including investment in Fertilizer and Agriculture Implements)	15,425	2.50%	10,638	2.00%
05	Transport	7,592	1.23%	7,207	1.36%
06	SME	244,713	39.70%	229,864	43.22%
07	Others	37,467	6.08%	28881	5.74%
		616,419	**100.00%**	**530194**	**100%**

Mode-wise Investment

(Amount in million Taka)

Sl. No.	Mode	2016		2015	
		Amount	% to Total Investment	Amount	% to Total Investment
1	2	3	4	5	6
01	Bai-murabaha	382,176	62.00%	331,239	62.48%
02	HPSM	139,567	22.64%	123,856	23.36%
03	Bai Muajjal	54,387	8.82%	34,818	6.57%
04	Bill Purchased & Negotiation	14,204	2.30%	15,004	2.83%
05	Quard	14,047	2.28%	14,564	2.75%
06	Bai- Salam	6,436	1.05%	5,320	1.00%
07	Mudaraba	5,000	0.81%	5,000	0.94%
08	Musharaka	602	0.10%	393	0.07%
	Total	**616,419**	**100.00%**	**530,194**	**100%**





Spinning Industry

The Five Year Business Plan (2017–2021) of the bank is under implementation. The investment plan has been formulated keeping in view the national economic priorities and diversification of the Investment portfolios by size, sector, geographical area, economic purpose, securities, administrative divisions and modes.

Investment in Industrial Sector

Industrial development of the country falls under the priority areas of IBBL. The Bank has considerable amount of investment in the industrial sector. Total investment for projects finance together with Working Capital stood at Tk 219,377 million as on 31.12.2016 as against Tk. 172,591 million as on 31.12.2015. The Bank has deployed 35.59% of its total investment in industrial sector out of which export oriented textile and garment industries takes a share of 38.54% to Total Industry.

Garments

IBBL ventured in financing garment industries in the early stage of the Industry. The bank also financed in the backward linkage industries. It is mentioning here that, most of the leading export-oriented garment industries of the country initially started their business taking small size investment from IBBL. Gradually they have developed their industries into a large one. The outstanding balance of this sector is 8.25% of total Industry as on 31.12.2016.

Textile

A good number of spinning mills, weaving mills, dyeing finishing mills of textile sector has been set-up with IBBL Investment. Most of these mills are set-up with brand new state of the art machines. This contributes immensely toward value addition in RMG. The outstanding balance of this sector is 30.30% of total Industry in December, 2016 which was 20.64% in December 2015.

Pharmaceuticals & Health Care

To boost the pharmaceutical industry, the bank invested Tk. 5,610 million in this sector among 22 beneficiaries so far. Besides, 115 industries among hospital, clinic and pathological centers have been established by the bank finance of Tk. 4,559 million.

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Housing

IBBL has extended investment facility to 20,276 clients by disbursing Tk. 47,972 million at individual level



Pharmaceutical Industry

of which Tk. 7,751 million to 116 developer companies which is 7.78% of total investment. At the close of the year 2015 outstanding in Housing investment was Tk. 44,160 million which was 8.30% of total investment.

Agro-Based

For qualitative improvement of agricultural sector and procurement of logistics including raw materials for the agro-based industry, IBBL extended finance to ventures like Automatic Rice Mills, Flour Mills, Edible Oil Mills, Jute Mills, Fishery, Poultry & Dairy, Salt, Sugar, Food and Beverage, Cold Storage, Fertilizer, Oil and Electricity from Rice Bran etc. IBBL financed Tk. 70,236 million to 1,801 agro-based industries as on 31.12.2016 which is 21.87% of total investment of the Bank.

Electricity & Power

14 power plants have been financed by IBBL so far to the tune of Tk. 3,534 million. The bank has also financed Tk. 3,782 million for the production of electric instruments. Moreover, 1122 clients availed investment of Tk. 3,290 million for purchasing and procuring electronics goods. Apart from power plants and electrical goods, we are also working on solar power and an investment scheme under the name and style "Solar Panel Investment Scheme" has been introduced.

Transport

To develop the transport sector, IBBL has disbursed substantial amount of investment in road, water and air transport to 644 clients and the balance of investment is Tk. 7,560 million as on 31.12.2016 which is the highest among all nationalized and private commercial banks of Bangladesh, Besides, IBBL financed 77 Filling/CNG stations and the outstanding balance of investment is Tk. 450 million as on 31.12.2016.

Information Technology

IBBL has so far extended finance amounting to Tk. 424 million to 6 clients for producing and procuring hardware & software. IBBL is also working on developing new entrepreneurs with innovative ideas to go for big investments in this sector.



KPC Industry

SME Investments

Cottage, Micro, Small and Medium Enterprises (CMSMEs) are the pivotal business concerns for the economic and social developments of any country. As labor intensive industry, CMSMEs are significantly contributing in creating employment and generating income. They are the major driving forces for economic growth both in rural and urban areas in Bangladesh. Since inception, IBBL is relentlessly working for the betterment of the CMSME sector of the country. IBBL has a well-organized and fully functional SME Division equipped with resourceful manpower and is actively supporting this industry through its widespread network all over the country. Based on the requirements of the entrepreneurs, both existing and new, IBBL presents innovative products and services to meet the emerging financial needs of the client.

Along with Corporate Banking IBBL always prefer to walk in different avenues keeping in mind the concurrent socioeconomic development. IBBL values the role of Microfinance, Small and Medium Enterprise that can play in building the nation. By way of illustration, in 2016, IBBL disbursed SME investment of Tk. 322,270 million, which is 22% more than the previous year. During the year, approximately 8,500 new SME investment clients have been added to the portfolio. IBBL is holding highest position in financing SMEs among the Banks/FIs in the country having 27% market share. At present SME Investment of IBBL creates about more than one million employments in the country. To expand the unexplored SME Market, IBBL is continuously improving efficiency standards.

In line with Bangladesh Bank's guidelines, IBBL has started Women Entrepreneur Development Unit (WEDU) for functioning to deal with the affairs of Women Entrepreneurs. Besides this, women entrepreneurs are properly addressed by IBBL with the diversified Investment scheme named Women Entrepreneur Investment Scheme (WEIS). Women Entrepreneurs can enjoy this scheme at a low rate i.e. @ 10% only up to the ceiling of 4.00 million and collateral free investment facility up to 0.50 million. Most of our Branches have disbursed minimum 01(one) fresh women entrepreneur to follow Bangladesh Bank's guidelines. In 2016, IBBL has disbursed investment of Tk. 17,680 million and outstanding balance as on 31.12.2016 is Tk. 7,730 million among nearly 3,100 clients. IBBL has achieved 118% of annual target of Tk. 15,000 million.

Bangladesh Bank has urged all Banks and NBFIs to adopt a cluster-based approach for financing Small and Medium Enterprise (SMEs). IBBL is an active participant in these sectors and considers that a cluster-based approach and acknowledged groups.



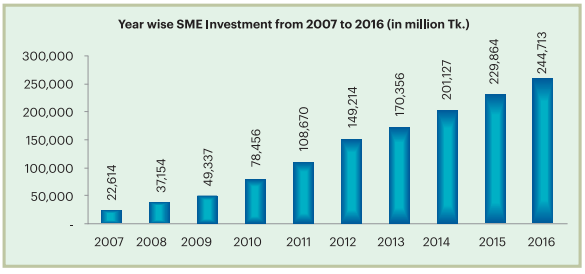
Garments Industry

As such IBBL has given importance in Cluster Approach Method for developing CMSMEs and has disbursed Tk.13,639 million in 39 clusters among 7,374 clients in the year 2016.

Besides, IBBL provides various Non-Financial Services (NFS) to the SMEs. IBBL participates/sponsors in various meetings, seminars, symposiums, fairs for developing SMEs. During this year IBBL participated and organized the following programs:

- Banker- Entrepreneur exchange views & Open loan/ Investment distribution meeting held at Chatak.
- Declaration of "Footwear" as a model cluster of IBBL, at Bhairab under IBBL Bhairab Branch in collaboration with Bangladesh Bank.
- "Women Entrepreneurs Conference & Product Exhibition 2016" organized by Bangladesh Bank at Bangladesh Bank Training Academy, Mirpur, Dhaka where IBBL Women Entrepreneurs participated.
- International Conference on "Development of Micro, Small and Medium Enterprises (MSMEs) in Bangladesh: Sharing Asian Experience at South East University Campus at Tejgaon Industrial Area, Dhaka.
- "Alleviating poverty in the ethnic Rakhaine society and protecting social degradation" organized by "Alo Aro Alo Foundation" with the help of Bangladesh Bank in Kuakata, Patuakhali. This program focused on the issue of access to finance of the Rakhain people in order to upgrade their standard of living. In the program all branches from different banks in Kuakata area disbursed credit/investment openly to minimum 2(two) entrepreneurs where at least 1(one) was Rakhain entrepreneur.

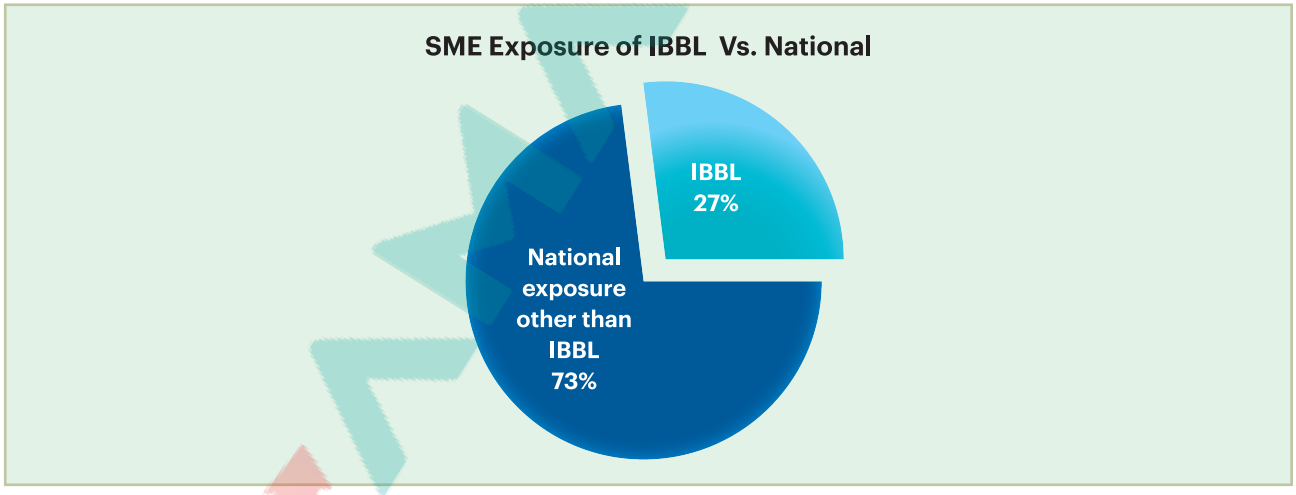
SME Portfolio
Disbursement Tk. 322,270 million
Growth 22%, New Client: 8,500





Shoe Industry

Contribution of IBBL's SME Exposure to National SME Exposure:



Welfare Oriented Investment Schemes

In addition to the usual investment operations, IBBL has 11 Special Investment Schemes for different groups of people. The schemes as part of bank's welfare mission aim at fulfilling finance needs of different segments of people particularly the under privileged downtrodden and neglected section of population of the country. To improve the living standard of these people some welfare oriented special investment schemes as under have been undertaken: also have significant impact on the lives of the dwellers in terms of skills enhancement, income generation, increased security, health, self-confidence and human dignity.



Auto Rice Mill

Scheme-wise Investment

(Amount in million Taka)

Sl. No.	Name of Scheme	2016	2015	2014	2013	2012
1	2	3	4	5	6	7
i.	Rural Development Scheme (RDS)	24,477	20,799	17,380	13,731	10,390
ii.	House-hold Durables Scheme	1,755	1,545	1392	1,048	955
iii.	Investment Scheme for Doctors	49	58	55	37	32
iv.	Transport Investment Scheme	7,962	7,207	6832	7,057	6,887
v.	Car Investment Scheme	212	124	69	75	113
vi.	Small Business Investment Scheme (SBIS)	4,515	4,094	3817	3,202	2,774
vii.	Micro-Industries Investment Scheme	18	54	22	29	36
viii.	Agricultural Implements Investment Scheme	4,330	2,929	882	337	278
ix.	Housing Investment Scheme	135	166	209	261	316
x.	Housing Investment Program (HIP)	24,184	23,250	20,780	15,903	15,660
xi.	Palli Griha Nirman Beniyog Prakalpa (PGNBP)	3,441	3,260	2,717	2,059	1,483
Sub-total		71,078	63486	54,155	43,739	38,924
Total Investment		616,419	530,194	463,475	403,195	372,921
% to total Investment		11.53%	11.97%	11.68%	10.85%	11.73%

Household Durable Investment Scheme

Low-income people in diverse profession with limited income are benefited by this scheme. They can purchase household requirement like Refrigerator, TV, Motor-cycle, Furniture, Ornaments, Computer etc. at investments under this financing scheme.

Housing Investment Program

Housing Investment plays a vital role in improving standard of living, empowering the middle-income and lower-income groups and thereby promoting equitable growth in the society. The Scheme not only caters to fulfilling one of the basic needs i.e. shelter but also have significant impact on the lives of the dwellers in terms of skills enhancement, income generation, increased security, health, self-confidence and human dignity.

Welfare Oriented Investment Schemes

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Transport Investment Scheme

IBBL has introduced Transport Investment Scheme to improve the existing transportation problem and to ensure speedy economic growth and development of the country, particularly through expansion of trade, commerce and industry.

Car Investment Scheme

IBBL has designed the scheme for the mid and high ranking officials of the government and semi-government organizations, corporations, executives and directors of big business houses and companies and for persons of different professionals groups on easy payment terms and conditions.

Investment Scheme for Doctors

The scheme has been offered for fresh medical graduates intending to set up medical centers. IBBL comes forward with finance to help procure medical equipment or to set up diagnostic laboratory, pharmacy, clinic etc.

Small Business Investment Scheme

To give a boost to the small businesspersons and entrepreneurs, the Bank has launched the scheme and it is contributing a lot to generate income and employment as well as to develop the standard of life of different segment of low-income people. The Bank provides different types of agricultural instruments, equipment for operating small trade and finance, small shop, light transport, machinery for small and cottage industry etc. under this scheme.

Agricultural Implements Investment Scheme

The Bank has introduced this scheme keeping in view the people-orientation and welfare objectives of the Bank. Under the scheme, power tillers, power pumps, shallow tube-wells, thresher machines etc. are provided on easy terms to the unemployed rural youths for self-employment and to farmers to help them augment production in the agriculture sector.

Micro-Industries Investment Scheme

Micro Industries investment Scheme aims at creating a wider base for industries and to encourage establishment of micro-industries in different areas of the country by the potential entrepreneurs and to diversify the Bank's investment portfolio.

Rural Housing Investment Scheme

To extend housing facility to the rural people living within 10 kilometers area of an IBBL branch a scheme named "Palli Griha Nirman Beniyog Prakalpa" has been introduced. Service holders at public, semi-public or autonomous institutions, non-resident Bangladeshis and businesspersons are preferred for this investment.

Women Entrepreneurs Investment Scheme

Islami Bank has always given priority for developing the women entrepreneurs. Under 'Women Entrepreneurs Investment Scheme (WEIS)' IBBL offers lower rate of return i.e. 10% only and collateral free investment up to 0.50 million with some other flexible terms & conditions to the women entrepreneurs. Up to December 2016, IBBL disbursed Tk. 7,765 million favoring the women entrepreneurs.

NRB Investment Scheme

IBBL has launched NRB Entrepreneurs Scheme for promoting investment among non-resident Bangladeshi and for encouraging them to remit money through banking channel. Expatriates aged between 18 to 60 years or their family members who maintain accounts with IBBL for remitting money are eligible for the investment.

Micro-investment activities

IBBL launched its microfinance program for the rural poor under the name and style of "Rural Development Scheme (RDS)" in the year 1995 to address the needs of investment of the agriculture and rural sector. This is to create opportunity for employment generation and raising income of the rural people with a view to fight against poverty. In the meantime, 228 branches of the Bank have been operating RDS activities in 64 districts of the country.

The Bank launched another microfinance program namely "Urban Poor Development Scheme (UPDS)" in May 2012 for extending micro-investment facilities among the urban poor. At present, the Scheme is being operated through 24 urban branches under Dhaka, Chittagong & Sylhet metropolitan cities. The bank has brought more than one million poor under the purview of banking services in rural and urban areas through the schemes.

Performance under the Schemes at a glance as on 31.12.2016

(Amount in million Taka)

Sl.	Particulars	RDS	UPDS	Total
1	2	3	4	5
01	No. of Branches	228	24	252
02	No. of Employees	2,458	115	2,573
03	No. of Members	970,750	28,390	999,140
04	No. of Client (members availing investment)	564,873	17,979	582,852
05	Total disbursement	30,348.61	1,097.55	31,446.16
06	Investment Outstanding	23,537.73	939.26	24,476.99
07	Overdue	98.34	13.04	111.38
08	Savings	7,758.18	194.46	7,952.64

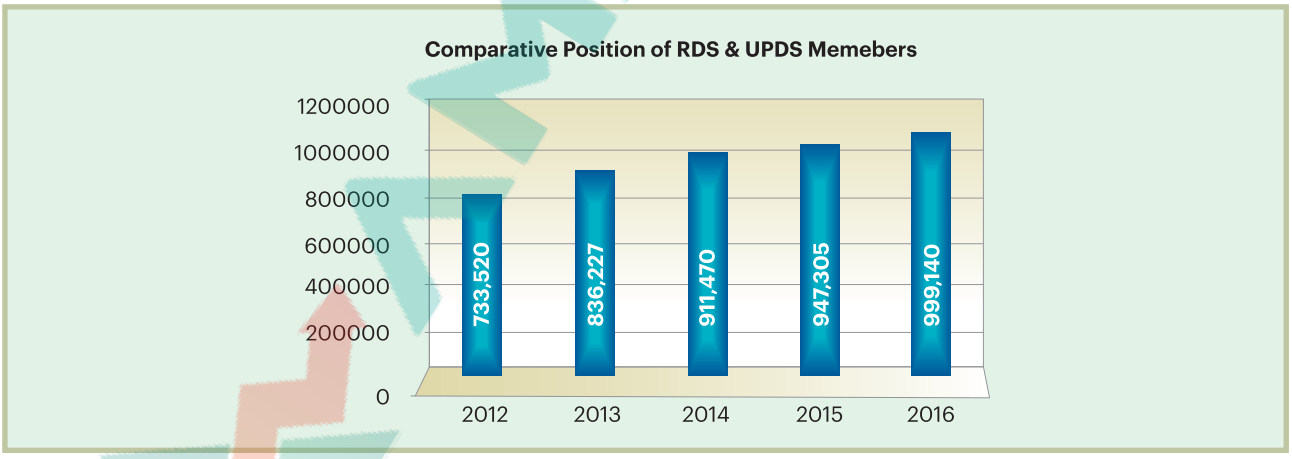
The detailed performance of both the Schemes are mentioned below:

Inclusion

The eligible segment of people are enrolled as members in the selected villages/areas in groups under different centres. At present, 999,140 members are enjoying financial services under 28,960 centres in 19,418 villages. It may be mentioned here that ratio of male & female members are 17:83

Expansion of RDS & UPDS in the last 5 years is shown in the following table

Sl.	Particulars	2012	2013	Growth	2014	Growth	2015	Growth	2016	Growth
1	2	3	4	5	6	7	8	9	10	11
01	Villages	15,507	17,104	10%	18,086	6%	18,615	3%	19,418	4%
02	Centres	24,883	26,887	8%	27,874	4%	28,822	3%	28,960	0.5%
03	Members	733,520	836,227	14%	911,470	9%	947,305	4%	999,140	5%



Savings Program

The members under the Schemes have to deposit a compulsory weekly savings with the Bank at least Tk.25/- per week, even though they can enroll as a member by depositing only Tk.10/-as an initial deposit. Total savings of RDS & UPDS members was Tk.7,952.64 million as on 31-12-2016

RDS Deposit

(Amount in million Taka)

Sl.	Type of Deposit	2012	2013	Growth	2014	Growth	2015	Growth	2016	Growth
1	2	3	4	5	6	7	8	9	10	11
01	MSA-RDS	2,895.05	3,750.86	30%	4,572.49	22%	5,315.64	16%	5,974.73	12%
02	MSS-RDS	428.09	780.60	82%	1,154.66	48%	1,617.25	40%	1,977.91	22%
03	Total Savings	3,323.15	4,531.46	36%	5,727.15	26%	6,932.89	21%	7,952.64	15%

Investment Program

Types of investment product

There are 02 types of investment facilities are being provided to the beneficiaries namely (a) Micro-investment (collateral-free investment maximum Tk.75,000/- for the RDS members) and (b) Micro-enterprise Investment (Investment with collateral security maximum Tk.500,000/- for the graduated micro-clients and newly inducted local micro-entrepreneurs). We also extend Quard-al-hasana to the eligible RDS clients for setting up tube-well, sanitary latrine. Quard-al-hasana is also extended for rehabilitation purposes on account of natural and social disasters up to Tk.10,000/- .and rehabilitation of the hardcore poor who are not the member of RDS under welfare activities up to Tk.5,000/-.

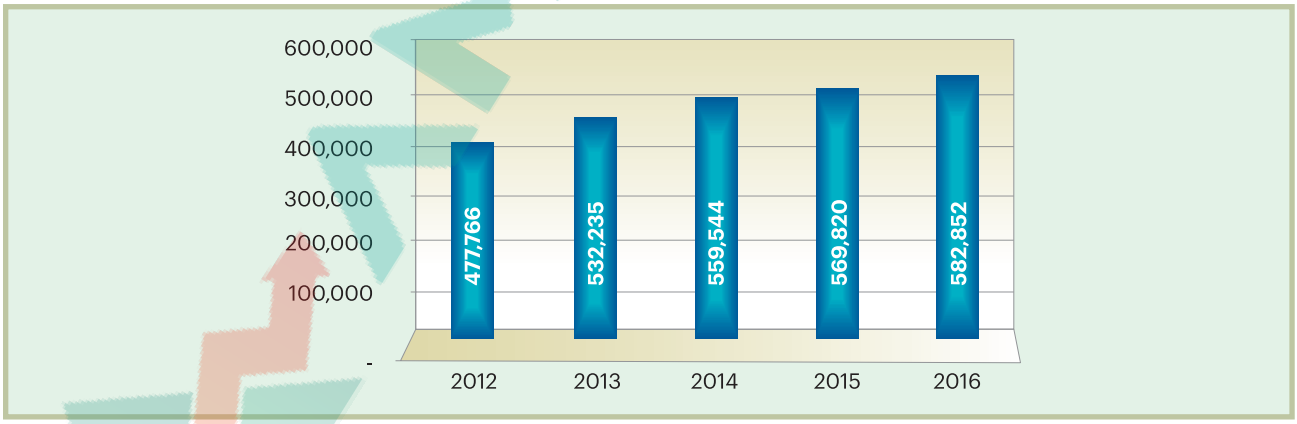
Growth of the Client

A comparative position of growth of client under micro-investment (MI) and micro-enterprise investment (MEI) of the schemes in the last 5 years is shown in the following table:

(Amount in million Taka)

Sl.	Particulars	2012	2013	Growth	2014	Growth	2015	Growth	2016	Growth
1	2	3	4	5	6	7	8	9	10	11
01	MI Clients	421,703	472,146	12%	501,559	6%	500,216	(1%)	506,504	1%
02	MEI Clients	53,063	60,089	13%	57,985	(4%)	69,604	20%	76,348	10%
03	Total Clients	474,766	532,235	12%	559,544	5%	569,820	2%	582,852	2%

Comparative Position of Clients



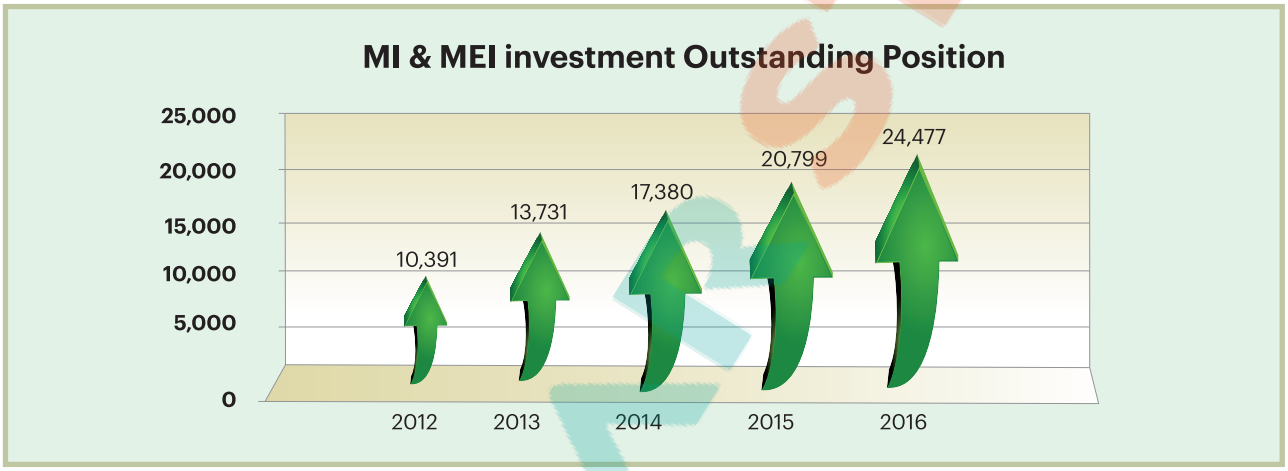
* It may be mentioned that the highest ceiling of micro investment is Tk.75,000/-. Therefore, a total of 14,207 micro-enterprise clients, who were availing investment below Tk.75,000/-, are now being reported under micro-investment.

Growth of investment

Cumulative disbursement among the beneficiaries was Tk.161,891.28 million up to December-2016; outstanding of which is Tk.24,476.99 million. A comparative position of growth of investment under micro-investment (MI) and Micro Enterprise Investment (MEI) of the schemes is shown in the following table:

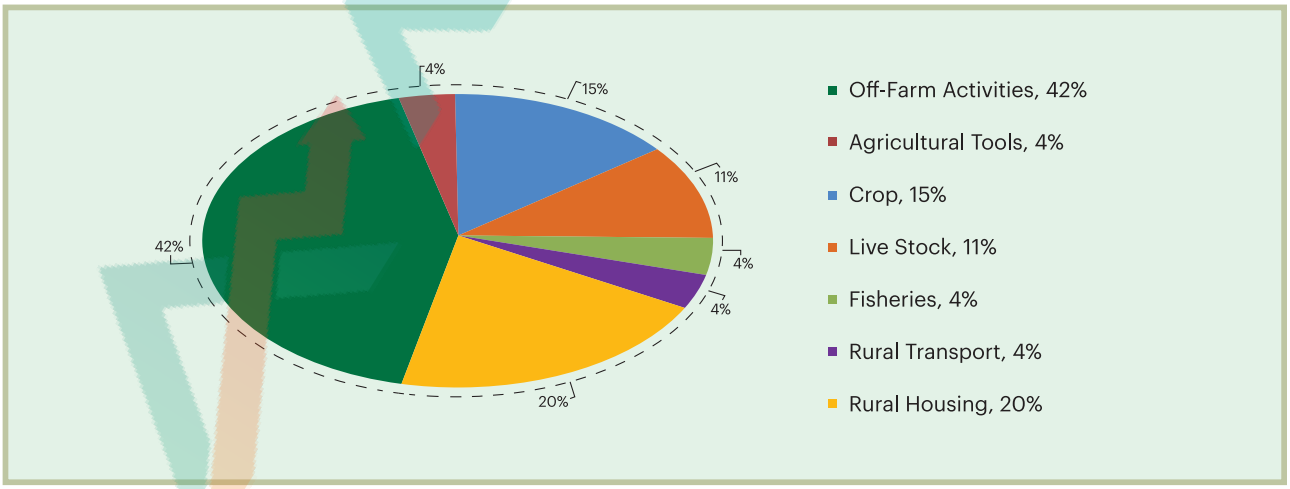
(Amount in million Taka)

Sl.	Particulars	2012	2013	Growth	2014	Growth	2015	Growth	2016	Growth
1	2	3	4	5	6	7	8	9	10	11
01	Outstanding (MI)	6,036.74	7,956.89	32%	10,254.76	29%	11,781.60	15%	13,645.88	16%
02	Outstanding (MEI)	4,353.97	5,774.03	33%	7,125.20	23%	9,017.21	27%	10,831.11	20%
03	Total Outstanding	10,390.71	13,730.92	32%	17,379.97	27%	20,798.82	20%	24,476.99	18%
04	% MEI in total investment	42%	42%	--	41%	--	43%	--	44%	--



Sector-wise Investment

Investments under the Schemes are extended especially in the agriculture sector. However, a significant investment has also been extended in different income generating off-farm activities, rural housing & transport. It is viewed that 34% investment was extended in different sub-sectors of agriculture, 20% in rural housing, 5% in rural transport and 42% in different off-farm activities



Graduation Program

Under the Schemes Micro Investment (MI) clients are nurtured to develop financially. Apart from investment, they are provided with capacity building training, counseling and other nonfinancial services. We assess the graduated clients considering the following criteria:

1. The clients who have availed Micro Investment above 0.50 lac; the highest ceiling of investment under RDS and transferred to MEIS.
2. Clients who have availed maximum ceiling of MEIS and already transferred to mainstream by availing Commercial Investment under SME.

Graduated cumulative clients up to December 2016 is mentioned below:

Sl.P	articulars	Number of clients
01	Graduated clients who availed Micro Investment above 0.50 lac; the highest ceiling of MI and transferred to MEIS from MI after availing maximum ceiling under RDS.	128,090
02	Clients who have availed maximum ceiling of MEIS and already transferred to mainstream.	5,315
	Total	**133,405**

Non-financial (welfare) Programs under the Schemes

Since poverty alleviation needs a combination of financial and non-financial programs. In this perspective, different non-financial welfare services have been extended under the Schemes from the year 2012 to the areas of (1) Education, (2) Training, (3) Health, (4) Relief & Rehabilitation and (5) Environment.

Performance of welfare activities at a glance during the Year 2016

(Amount in million Taka)

Sl. No	Description	Jan'2016 to Dec'2016		Since inception to 2016	
		Beneficiaries	Amount	Beneficiaries	Amount
1	Education Program	48,221	75.47	175,730	254.83
2	Training Program	211,018	28.34	633,240	84.82
3	Health Program	50,191	38.70	189,706	148.79
4	Relief & Rehabilitation Program	3,379	33.66	15,361	101.14
5	Environment Program	690,246	25.90	5,607,824	106.21
	Grand Total	**1,003,055**	**202.07**	**6,621,861**	**695.79**

Details of the Programs are mentioned below:

Education Program

Under Education Program there are three types of activities like (1) Scholarship (for the children of the beneficiaries secured GPA-5 in the SSC & HSC examination), (2) Academic Award (to the meritorious children of the members from class I to class IX) and (3) Establishment of pre-primary school, maqtab & adult education centre in the project areas.

Activities under Education Program during the year 2016

(Amount in million Taka)

Activities	Number	Beneficiary	Amount
a. Scholarship	--	1,073	25.38
b. Academic Award	--	28,743	24.81
c. Pre-primary School	353	9,234	15.06
d. Maqtab	346	9,171	10.22
Total	**699**	**48,221**	**75.47**

Training Program

There are three types of training activities under the Program like (a) Skill Development Training (b) Self-employment Training and (c) Centre Leaders' Training. Activities under Training Program during the year 2016 at a glance are shown in the following table:

(Amount in million Taka)

Activities	Number of Programs	Beneficiary	Amount
a. Center Leader Training Program	92	21,570	9.52
b. Skill Development Training	3,560	188,970	16.74
c. Self-employment Training	-	478	2.08
Total	**3,652**	**211,018**	**28.34**

Health Program

Under Health Program, there are four types of activities like (1) Installation of Tube-well & Sanitary Latrine, (2) Conducting medical camps (general, eye & circumcision), (3) Medical Assistance and (4) Assistance to mother & neonatal. Activities under Health Program during the year 2016 at a glance are shown in the following table:

Activities	Number	No. of Beneficiary	Amount in million (Tk.)
a. Water & Sanitation:			
Quard for tube-well	6,299	6,299	50.99
Quard for sanitary latrine	3,068	3,068	16.25
Quard Total	-	**9,368**	**67.24**
b. Medical Assistance:			
General medical camp	142	23,016	4.27
Eye Camp	50	4,991	1.37
Circumcision Camp	28	659	0.81
Cash assistance -	1,826		12.55
Sub-total	-	**30,492**	**19.00**
c. Gift to the newborn baby:	-	19,699	19.70
Total		**50,191**	**38.70**

Relief & Rehabilitation Program

Under the program, 3 types of assistance are being provided to the poor and distressed members like (a) Waiver of Bank's dues, (b) Relief & Donations and (c) Rehabilitation Quard. Activities under Relief & Rehabilitation Program

during the year 2016 at a glance are shown in the following table:

Activities	No. of Beneficiary	Amount in million (Tk.)
a. Financial Asst. For distressed clients	1,541	22.36
b. Quard for Rehabilitation:		
Of the distressed members	--	--
Of the hardcore poor	3702	17.82
Sub-total	**5,243**	**40.18**
c. Relief & Donations:		
For marriage of sons & daughters of the members	1,156	8.82
For Burial/funeral purpose of the deceased members	578	1.45
For the disaster victims members (Fire, Cyclone, Flood etc.)	104	1.04
Sub-total	**1,838**	**11.31**
Total	**7,081**	**51.49**

Environment

The Bank has been observing Plantation Program during the rainy season almost every year since 2003. Each of the RDS members have provided with one sapling free of cost and encouraged to implant two others by their own. Since 2003, the Bank has distributed about 6,621,861 saplings. This year we have distributed 690,246 saplings among the RDS members and different educational institutions in the working areas with the cost of Tk. 25.90 million.

Agricultural Investment

Islami Bank Bangladesh Limited has been giving due importance on agricultural/rural investment from its inception. To make it more convenient, five investment schemes like Agricultural Implements Investment Scheme (AIIS), Rural Development Scheme (RDS), Micro Enterprise Investment Scheme (MEIS) ,Solar Panel Investment Scheme (SPIS) and Fruit Gardening Investment Scheme (Falbithi) have been introduced in 1992, 1995, 2005, 2011 & 2016 respectively. Falbithi is our new Agricultural Investment product specially for Fruit Gardening.

In every Financial Year (July to June), Bangladesh Bank declares their **"Agricultural & Rural Credit Policy and Program"** and they have fixed up a target for Agricultural and Rural Credit for each bank.

In the Financial Year 2015-16, the Bank has disbursed Tk. 11,296.00 (achievement 133%) million in Agriculture sector against its target of Tk. 8,500.00 million among 144,538 farmers/investment clients. Besides, under the special program of Bangladesh Bank (investment in cultivation of pulse, oil seed, spices & maize at subsidized rate of profit 4%), IBBL has disbursed Tk. 10.4 million against targeted amount of Tk. 10.00 million in the Financial Year 2015-16. The target of Agricultural Investment for the current Financial Year 2016-17 is Tk. 9,800.00 million and IBBL has already disbursed Tk. 6,642.00 million among 69,482 farmers/investment clients up to December-2016, which is 136% of the proportionate target of Bangladesh Bank.

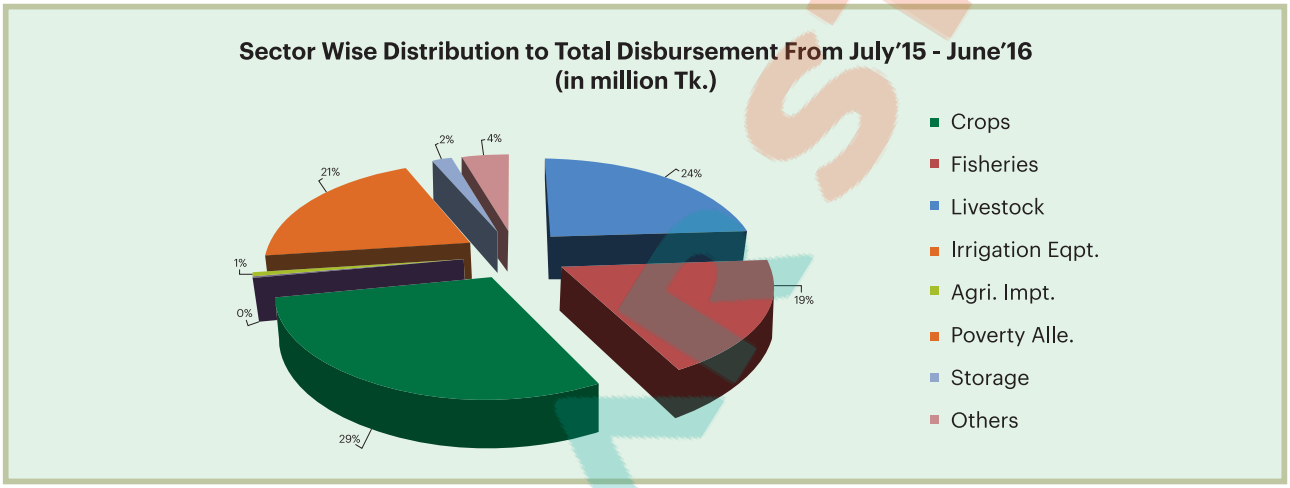
Financial Year wise Comparative position of Agricultural Investment

(Amount in million Tk)

Fiscal Year	Target		Disbursement		% of Achievement	
	National	IBBL	National	IBBL	National	IBBL
2010-2011	126,174	9,500	121,844	10,210	97%	107%
2011-2012	138,000	10,000	131,320	11,703	95%	117%
2012-2013	141,300	7,250	146,670	13,074	104%	180%
2013-2014	145,950	7,550	160,368	13,199	110%	175%
2014-2015	155,500	7,900	159,785	9,716	103%	123%
2015-2016	164,000	8,500	176,464	11,296	107%	133%

Sector-wise disbursement under Agricultural Investment of IBBL in the FY2015-16 (July'2015-June'2016)

Sl. No.	Sector	No of Clients	Disbursement (million Tk.)
1	Crops	47,739	2,704
2	Fisheries	18,130	2,103
3	Livestock	36,774	3,321
4	Irrigation Equipment	647	31
5	Agricultural Implement	864	58
6	Poverty Alleviation	30,019	2,351
7	Storage	3,809	228
8	Others	6,556	500
Total		**144,538**	**11,296**



Asset Quality

IBBL continues to maintain strong asset quality despite many odds in macroeconomic fundamentals. Investment facilities are allowed in a manner so that credit expansion goes on ensuring optimum asset quality. Investment facilities are extended to customers who comply bank's norms and principles.

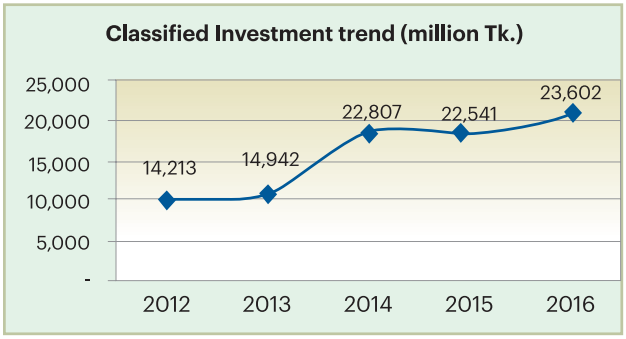
Non-performing Investment

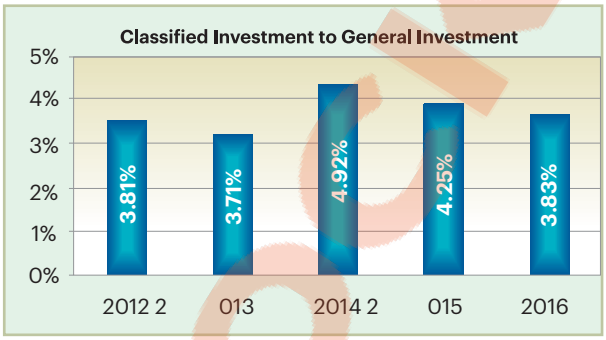
IBBL's position was better than national non-performing Investment position. Classified investment of the Bank as on 31.12.2016 was Tk.23,602 million which is 3.83% of general investment as against 4.25% at the close of the year 2015.

NPI in IBBL

(Amount in million Tk)

Sl No.	Particulars	2016	2015
1	2	3	4
1	NPI (NPL) Ratio at IBBL	3.83%	4.25%
2	Industry Average of NPL	10.40%	8.79%
3	Required Provision	26,784.00	23,254.28
4	Provision Maintained	26,787.84	23,255.00
5	Provision Maintained Ratio	100%	100%





Trade Business (Import &Export) and Remittance

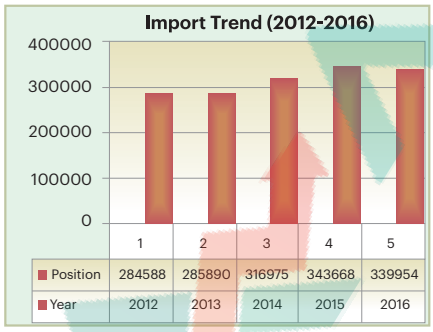
Foreign trade & remittance business of IBBL completed another year with success in some areas and good hopes for some other after facing some challenges. Import, Export & Remittance business stood at Tk.339,954 million, Tk.243,647 million & at Tk.279,980 million resulting total International business to Tk.863,581 million in the year 2016. International business is handled by 58 (Fifty Eight) Authorized Dealers (AD) branches including 1 (one) new branch which was added in 2016.

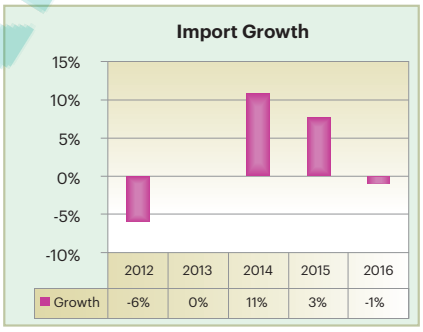
(Amount in million Taka)

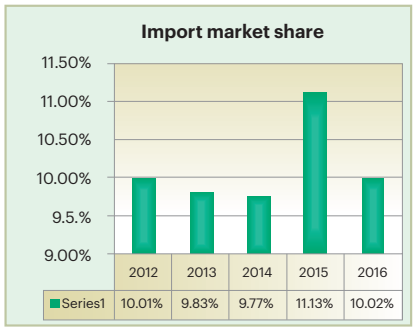
Sl. No.	Particulars	2015		2016	
		Amount	% of Total	Amount	% of total
1	2	3	4	5	6
1	Import	343,668	39.00	339,954	40.00
2	Export	224,236	25.00	243,647	28.00
3	Remittance	321,066	36.00	279,980	32.00
	Total	**888,970**	**100.00**	**863,581**	**100.00**

Import

From 2012 to 2016 import business rose from Tk. 284,587.00 million to Tk. 339,954.00 million. Total 77,317 LCs were handled in the year 2016. 5 (five) years import performance (2012-2016) is shown in the chart.

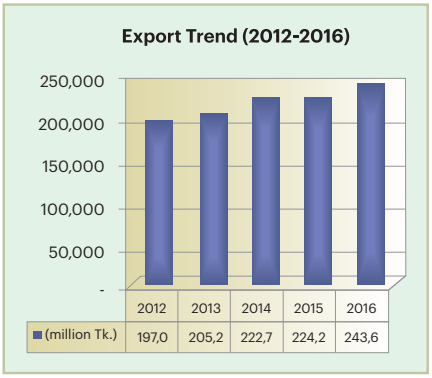




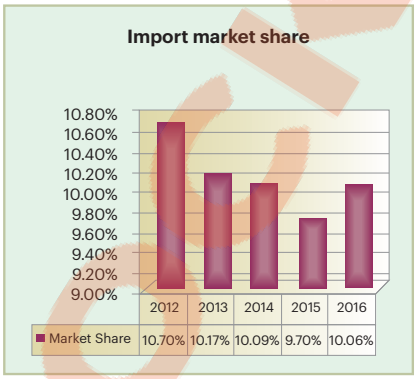


Export

Export Business rose to Tk. 243,647.00 million in 2016 from Tk. 197,095.00 million in 2012. Growth in amount was Tk.19,411 million and growth in percentage was 9% in 2016 over 2015. Total 78,453 Export Bills were handled in the year 2016. 5(five) years export performance (2012-2016) is shown in the chart:

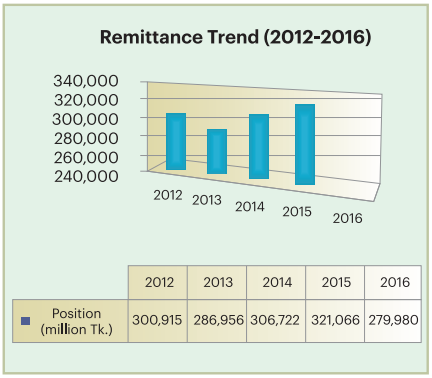


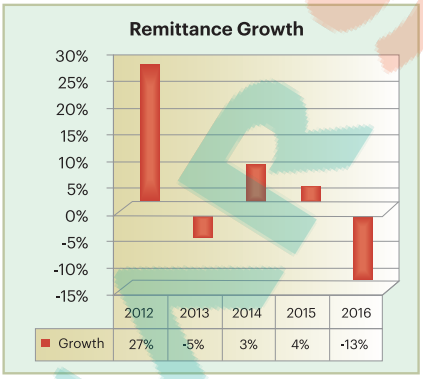


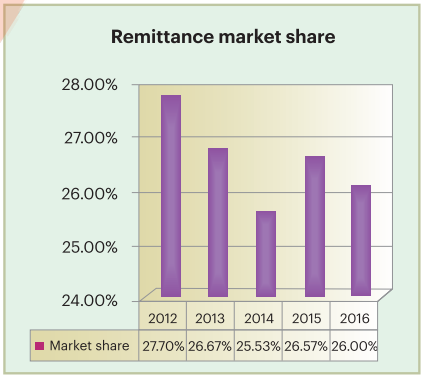


Remittance

Remittance Business stood at Tk.279,980.00 million at the end of the year 2016. Market share of Remittance of IBBL at the end of 2016 stood at 26.00%. 5 (five) years Remittance performance (2012-2016) is shown in the chart.

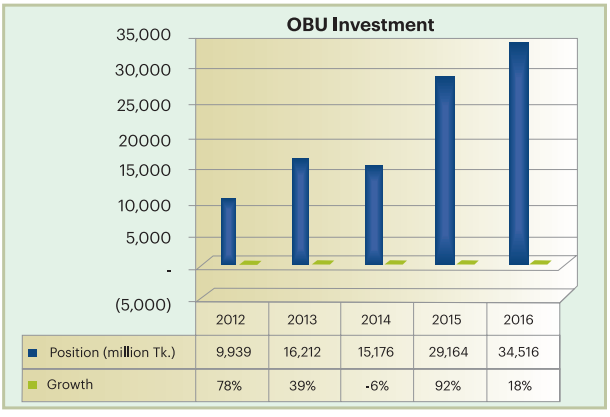






Off-Shore Banking

Volume of business in OBU operations increased showing a trend of market demand for low cost Foreign Currency for project and Working Capital finance. There are 3 (three) Off-Shore Banking Units of IBBL viz OBU-HOCC Branch, OBU-Agrabad Branch & OBU-Uttara Branch. In 2012 the amount invested through OBU was Tk. 9,939.00 (USD126) million only which rose to Tk. 34,516 (USD 438) million in 2016. The growth in 2016 over 2015 was 18%.



Import Basket

(Amount in million Taka)

Sl. No.	Items	2015		2016		Growth
		Amount	% of Total	Amount	% of total	
1	2	3	4	5	6	7
1	Raw cotton, Yarn, Fabrics & Accessories	111,040	32%	109,874	32%	(1%)
2	Capital Machinery	19,692	6%	18,062	5%	(8%)
3	Fertilizer	13,048	4%	8,265	2%	(37%)
4	Iron, Steel & base Metal	13,370	4%	7,621	2%	(43%)
5	Wheat	10,870	3%	12,698	4%	17%
6	Rice	9,648	3%	1,800	1%	(81%)
7	Sugar	11,167	3%	6,895	2%	(38%)
8	Onion	11,222	3%	7,465	2%	(33%)
9	Chemicals	9,921	3%	9,625	3%	(3%)
10	Edible Oil (Crude, refined)	9,672	3%	1,375	1%	(85%)
11	Coal	6,651	2%	5,065	1%	(24%)
12	Other Machinery	6,594	2%	8,043	2%	22%
13	Scrap Vessel	2,094	1%	2,824	1%	35%
14	Motor Vehicles	2,029	1%	2,941	1%	45%
15	Others	106,650	30%	137,401	41%	29%
	Total	**343,668**	**100%**	**339,954**	**100%**	(1%)

Export Basket

(Amount in million Taka)

Sl. No.	Items	2015		2016		Growth
		Amount	% of Total	Amount	% of total	
1	2	3	4	5	6	7
1	Garments & Textiles	171,524	76%	169,190	69%	(1%)
2	Frozen Foods & Vegetables	3,897	2%	4,705	2%	21%
3	Jute & Jute Goods	12,321	5%	19,105	8%	55%
4	Leather	1,177	1%	1,580	1%	34%
5	Tea	0	0%	0	0%	0%
6	Chemicals	0	0%	0	0%	0%
7	Others	35,318	16%	49,067	20%	39%
	Total	224,237	100%	243,647	100%	9%

Centralized Trade Processing Centre (CPC):

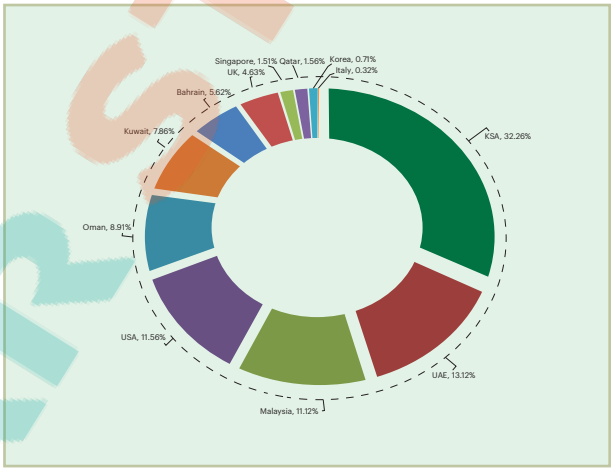
CPC has become a prestigious project for IBBL i.e. unique centralized system of the country which started its journey in 2010. This centre has enabled to increase its trade handling capacity to a great extent. It is reducing the risk of compliance and litigation, minimizing cost and thus improving the service quality up to a remarkable standard. In its day-to-day operations, CPC has been meticulously following the trade regulations and sanctions as well as introduced faster compliance of new rules, regulation and uniform practices to all Branches.

Transactions handled by CPC from 2012-2016.

Sl. No.	Name of the Product	2012		2013		2014		2015		2016	
		No.	Growth (%)	No.	Growth (%)	No.	Growth (%)	No.	Growth (%)	No.	Growth (%)
1	2	3	4	5	6	7	8	9	10	11	12
1	Cash LC Opening	23358	120.48	29672	27.03	35045	18.11	41334	18	44571	8
2	Back to Back LC Opening	16771	70.04	19903	18.68	21982	10.45	24668	12	25228	2
3	Cash & BB L/C Amendment	12666	113.95	15278	20.62	17064	11.69	20896	20	23781	14
4	Document Scrutiny	6833	210.17	9342	36.72	11185	19.73	15364	37	15843	3
5	Acceptance	16627	246.00	22186	33.00	24494	10	27166	11	28678	6
6	Cash Bills Payment	25006	141.46	29802	19.18	37077	24.41	44367	20	47475	7
7	BB Bills Payment	14544	197.18	18037	24.02	21445	18.89	22051	3	22535	2
8	Export Bills	32675	261.00	38970	19.00	38879	(0.23)	53019	36	51656	(3)
	Total	**148480**	**157.39**	**183190**	**23.38**	**207171**	**13.09**	**248865**	**20**	**259767**	**4**

Remittance Country Shares

Like earlier years, a substantial amount of remittance has been originated in 2016 from K.S.A which was 32.26%. Other major remittance source countries in 2016 are UAE, Malaysia, USA, Oman, Kuwait, & Bahrain with contribution of 13.12%, 11.12%, 11.56%, 8.91%, 7.86% and 5.62% respectively.



Centralized Remittance Service hub

Since the very beginning of its journey, IBBL has been giving priority to foreign remittance. The bank takes a challenge with enjoying the competitive advantage in foreign remittance business as its contributing significantly in Bangladesh economy since the inception. It has been continuing its premier position even in 2016 holding 26% market share.

Accordingly, 10 numbers of new foreign banks and exchange houses of different countries have been on board in IBBL last year for offering more customer centric services towards the expatriates. Besides, it strives to adopt modern technologies and products to conquer the challenges in this business.

The Bank has also set up a dedicated expatriate customer help desk named ÔcewmxMvnK †mev †W¯Ô in all of its branches for extending supports only to expatriates and beneficiaries of remittance.

Some of our pioneer services are as Automated Central Credit, IBBL Online Money Transfer System ,Web Based Spot Cash BEFTN, Real Time Gross Settlement (RTGS).

IBBL has introduced some products to popularize remittance through banking channel such as NRB Entrepreneurs Investment Scheme (NEIS), Mudaraba NRB Savings Bond and Remittance Card etc.

Latest Techniques used by IBBL

The Bank uses the latest technologies to extend services to customers on 24/7 basis. In this connection, 45 foreign Banks and Exchange Houses have been integrated with the Application Programming Interface (API) of IBBL. API is the latest technology used throughout the world for real time credit. In this system, a teller of the foreign Banks and Exchange Houses can credit beneficiary account directly. So beneficiary receives the fund to his account instantly. Bangladeshi expatriates can send money to IBBL from any Bank or Exchange Houses at any corner of the world through SWIFT, File Transfer Protocol (FTP) and Secure File Transfer Protocol (SFTP) etc.



View Exchange with Bangladesh Expatriates in Malaysia

Account Opening Centrally

IBBL's representatives encourage expatriates to open account at Bank's Central Remittance Service HUB for sending remittance through banking channel.

Compliance

IBBL has effective compliance tools in place for remittance operation. All the transactions are scanned by world famous real time sanction screening solution vendored by 'Accuity', which filters every transaction under sanction lists of UN, EU and OFAC.

Relationships Abroad

Twenty Nine (29) new Correspondent Banking Relationship was established in the year 2016 in order to facilitate foreign exchange business.

The table shows the relationship status of the bank with Global Banks:

Nostro Accounts Stands in 2016	Nostro Accounts in Currencies	RMA Stands in 2016	Countries with RMA	Banks with RMA
1	2	3	4	5
46	10	584	70	259

New Remittance Relationships with Banks/Exchange Houses

IBBL established relationship with 10 (Ten) Banks/Exchange Houses in 2016 around the world. At present, the total number of remittance partnering Banks/Exchange Houses of IBBL is 136.

Correspondent Banks & Exchange Houses visiting IBBL

Round the year, 96 foreign correspondents & 17 international agencies and 29 banks & exchange houses visited our Bank. The major foreign banks are Rabo Bank, Netherland, SCB, Mashreq, Commerz AG, ICICI, Axis India, UBAE Italy, Habib AG Zurich Switzerland, Iamic Corporation for the Development of the Private Sector (ICD) of IDB Group, IDB etc. The major agencies are International Finance Corporation (IFC), World Bank Group, and International Development Bank (IDB). The major exchange banks & houses are Al Rajhi Bank, Bank Al Bilad KSA, Money Gram Payment System USA, UAE Exchange UAE, Xpress Money UAE, Al Amoudi Excchange KSA, IME SDN Berhad Malaysia, Transfast Remittance LLC USA, Prabhu Money Transfer USA, Ria Financial Services, Al Fardan Ex. UAE, Oman International Exchange, Oman & UAE Exchange, Al Ansari Exchange, Global Exchange, Asia Express Exchange Oman, etc.

Remittance Marketing:
IBBL Delegation's visit abroad

The delegation of IBBL have visited 49 Banks & Exchange Houses to extend correspondent relationship and enhancing remittance partnership. The major Banks & Exchange Houses are Mashreq Bank, Habib Bank, State Bank of India, ICICI Bank, Sumitomo Mitsui Banking Corporation, Japan, First Gulf Bank, Al Rajhi Bank, Bank al Bilad, Arab National Bank, Bank al Jazira, MoneyGram Payment System USA, UAE Exchange,UAE, Asia Express, Oman, Global Exchange, Oman, Al Jadeed Exchange, BRAC Sajaan UK, IME SDN Berhad Malaysia, Transfast Remittance LLC USA, Prabhu Money Transfer USA etc.

Nationwide Remittance Promotional Program

With a view to boost up remittance in 2016, we have arranged promotional program and CSR activities jointly with following houses:

- 30 days long promotional program arranged with UAE Exchange Centre LLC, UAE jointly on the eve of Bangla Nobo Borsho-1423 and distributed 21 Upohar Cheque valuing Tk. 5000 each and one is Tk. 50000 as mega gift.
- 21 days long promotional program arranged with Transfast Remittance LLC, USA jointly on the occasion of Eid-ul- Fitr and distributed 60 sewing machines and 1Freezer as a mega gift.
- Month long promotional program arranged with MoneyGram Payment System, USA jointly before Ei-ul-Azha & distributed 15,000 umbrellas and 110 bi-cycles
- 21 days long promotional program arranged with Xpress Money jointly on the occasion Ei-ul-Azha & distributed 30,000 water pots and 16 deep freezer.

Participation in the SIBOS in Geneva

IBBL management nominated two executives to attend SIBOS (SWIFT International Banking Operations Seminar)-2016 at Geneva, Switzerland. Accordingly, they took part in SIBOS-2016, attended conferences, met staggering banks around the globe. Besides, they had important talk with exchange houses. During meetings and networking sessions, they discussed mutual business interests, compliance capacities, technologies, financing Offshore banking units, opening Nostro accounts, remittance arrangement, operational aspects of our bank and potential scope for facilitating guarantee and LC business & such.

Deputed more 2 (Two) more Representatives Abroad

IBBL has been deputing officials of our bank in different exchange houses/banks abroad since 90's. At present, 22 representatives are working in four locations including 2 (two) in 2016.

Corporate Governance

Details of Corporate Governance have been presented in the earlier pages of this Annual Report under the title "Corporate Governance".

Vote of Thanks

The Board of Directors expresses its deepest gratitude to the Almighty Allah for enabling the bank to achieve steady progress in all aspects of operations during the year 2016. The Board extends thanks to the Ministry of Finance, the Bangladesh Bank, the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, Registrar of Joint Stock Companies, Statutory Auditors and the Government Agencies for providing necessary assistance, guidance, support and co-operation at various stages of operations of the Bank. With deep sense of gratitude, the Board also keeps on record the excellent co-operation, exchange of views and constant support of the Islamic Development Bank (IDB), other national and overseas Islamic Banks and Financial Institutions.

The Board appreciates the support and co-operation received from overseas correspondents of the bank all over the world. The Board particularly likes to record its appreciation for the Shari'ah Supervisory Committee whose guidance has enabled the bank to conduct its business complying Islamic Principles. The Board of Directors also extends the best compliments to all of its valued Shareholders, Depositors, Investment Clients, Print and Electronic Media and other stakeholders and well-wishers and expresses thanks and gratitude to them for their valuable support and confidence reposed on the bank.

Finally, the Board would like to express its great appreciation and thanks to all the officials and staff of the Bank for their untiring efforts, leadership and dedication for bringing about a better performance of the Bank during the year.

In conclusion, notwithstanding the fact that Islamic banks have been able to shield themselves from the spillover impact of the global economic recession, no one can predict the extent to which the Islamic finance's principles will serve to protect it from the looming financial crisis. Whilst some have pointed out that it is already knotted with the mainstream finance whereby its future is as risky as any other part of the global financial industry, experts in Islamic finance believe that their way of carrying out finance-related activities has shielded them from the global credit crisis and hence, the model stands on its own merit. London, Singapore, Paris and Hongkong the financial heartthrob of the world, are competing with each other to become centre of excellence in Islamic finance. Reputed banks like Standard Chartered, HSBC and Citi Bank have already set up Islamic banking subsidiaries that are flourishing.

May Allah, the most Merciful bestow on us courage, dedication, patience and fortitude to serve the cause of Islam and also of Bangladesh and run the bank as per the vision and mission put forth earlier and tenets of Islamic Shari'ah. Ameen.

Dated, Dhaka
30 March 2017

(Arastoo Khan)
Chairman

Integrated Reporting

INTEGRATED REPORTING

Our 2016 Annual Report has been presented as an 'Integrated Report' with the aim of articulating how IBBL, as an organization, has effectively managed its business to deliver consistent value to its stakeholders. It encompasses the efforts we have undertaken towards contributing to economic progress, environmental sustainability and social well-being for a better Bangladesh.

CAPACITY AND REPORT PERIPHERY

Integrated Reporting covers the integrated reporting checklist issued by the Institute of Chartered Accountants of Bangladesh (ICAB). In explaining the Bank operations and financial performance, financial information so disclosed has been extracted from the Audited Financial Statements for the financial year ended 2016 with relevant comparative information. The financial statements are prepared complying with the requirements of

- Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), Bank Company Act 1991 (as amended)
- Companies Act 1994;
- Securities and Exchange Rules 1987;
- The Income Tax Ordinance 1984;
- Relevant rules & regulations of Bangladesh Bank (The Central Bank);
- And other applicable laws and regulations of the land.

The disclosure of non-financial information has been extracted from internally-maintained records reported for the statement of financial position, unless otherwise stated that it has been extracted from a reliable source. To report our corporate governance practices, we have drawn reference from the revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission BSEC) as well as Bangladesh Bank directives.

The scope of our Annual Report comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as IBBL does not have operation or subsidiary in other countries. Further, there have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of December, 31 2015.

External Declaration

The bank has obtained external assurance on the following reports in the reporting period under consideraton:

Comparability

All the information presented in this report is on the same basis as the report of 2015 in terms of the entities covered, the measurement methods applied and time frames used. The information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication to our stakeholders.

Availability of the Annual Report

The hard copy of the Annual Report is sent to all the shareholders, prior to holding the Annual General Meeting, giving due period of notice. Separately, for the benefit of all stakeholders, our report has been made available in the **website** http://www.islamibankbd.com.

Sl.No.	Description of the Report	External Assurance
1	Financial Statements Audit Report	1. M/s. S.F. Ahmed & Co., Chartered Accountants 2. M/s. Khan Wahab Shafique Rahman & Co., Chartered Accountants
2	Corporate Governance Audit	M/s. Masih Muhith Haque & Co., Chartered Accountants

Risk Management Committee Report



In compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of Islami Bank Bangladesh Limited (IBBL) formed a three member Risk Management Committee (RMC) of the Board on 05 September 2013 which was re-constituted on 04 October 2016 with the objective to reduce probable risks arising during execution of Board approved policies, procedures and strategies.

Composition of the Risk Management Committee

All members of RMC are Non-Executive Directors of the Board. The name of members, their status in the RMC is mentioned below:

Sl No	Name	Status in the Board of Directors	Status in Risk Management Committee
01	Mr. Md. Abdul Mabud P.P.M	Independent Director	Chairman
02	Dr. Md. Zillur Rahman	Independent Director	Member
03	Mr. Md. Joynal Abedin	Director	Member
04	Prof. Dr. Md. Sirajul Karim	Director	Member
05	*Prof. Md. Nazmul Hassan,Ph.D	Director	Member

* Inducted as per decision of the Board of Directors in its 240th meeting held on 05.01.2017

The Company Secretary acts as the Secretary of the Risk Management Committee of the Board as per the BRPD Circular No.11 as mentioned above.

Roles and Responsibilities of Risk Management Committee

The roles and responsibilities of RMC have been formed in accordance with the provisions of BRPD Circular No. 11 dated 27 October 2013 and other best practices and standards. Some important roles and responsibilities are highlighted below:

- It is the responsibility of RMC to identify and assess risk of the bank and guide Management to formulate strategies for minimizing/ controlling of various risks. The Committee shall review the risk management policy of the bank and modify the same as per requirement.
- For controlling of risk, it is the responsibility of RMC to ensure suitable administrative structure at the bank. To ensure the compliance of risk management guidelines relating to credit risk, liquidity risk, foreign exchange risk, internal control and compliance risk, money laundering risk and information and communication technology risk, the RMC shall form monitor their activities.

- RMC shall review the risk management policy and guidelines of the bank at least once a year, make necessary modifications as per requirement and submit the same to the Board for approval. Besides, the Committee shall review the limits of loan and others and take necessary initiatives to modify the same as per requirement.
- The Committee shall review and thoroughly examine the system regarding preservation of information and reporting of the Management and recommend appropriate measures for the same from time to time.
- The Committee shall monitor the overall implementation of risk management policy of the bank and also examine whether remedial measures have been taken for minimization of credit risk, market risk and operation risk of the bank.
- The Committee shall review different decisions taken by the different risk committees formed at management level and their recommendations/ minutes are submitted to the Board on regular basis.
- The Committee shall also comply with different directives/guidelines as issued by Regulators from time to time.

Meetings of the Risk Management Committee

Bangladesh Bank advised to hold at least 4 meetings in a year. The RMC held 8 (Eight) meetings during 2016 having detailed discussions and review session with the Chief Risk Officer (CRO) regarding their findings, observations and recommendations on the risk issues and its mitigation process of bank affairs that need improvement. The proceeding of the Risk Management Committee meetings were reported timely and regularly to the Board of Directors as well as Bangladesh Bank to comply the Bangladesh Bank DOS Circular Letter No. 13 dated 09.09.2015.

Major areas focused by RMC in 2016

The major areas focused and perused by the RMC during 2016 are highlighted below:

- Reviewed the impact of new capital accord 'BASEL III' on IBBL, implementation of the same started from 2015 as instructed by Central Bank;
- Reviewed and approved Bank's ICAAP (Internal Capital Adequacy Assessment Process) and SRP (Supervisory Review Process) report for the year 2015 for onward submission to Bangladesh Bank;
- Reviewed Bangladesh Bank's recommendations as highlighted in SRP-SREP dialog on ICAAP report for the year 2014 and advised Management for proper implementation/compliance of the same;
- Reviewed Risk Papers, discussed on recommendations of RMCC (Risk Management Co-ordination Committee) for the period of 2016 and recommend the same to Bangladesh Bank;
- Reviewed Stress Testing Report from quarter ended on December 2015 to quarter ended on September 2016 and recommended the same for onward submission to Bangladesh Bank on regular basis;
- Followed up and monitored Classified, Special Mentions, Written-off and compromised settlement A/C outstanding and recovery status from classified, written-off and compromised settlement A/C and also taken follow up of concerning A/C in every meeting;
- Reviewed Bangladesh Bank's report on IBBL's Comprehensive Risk Management Rating and Stress Test Reports;
- Reviewed bank's own guidelines of the 06 (six) Core Risk Management in line with the guidelines of Bangladesh Bank;
- Reviewed the Risk Appetite Statement (RAS) of Islami Bank Bangladesh Limited for the Year-2016 for onward submission to the Board;
- Reviewed the position of Non-Performing Investment of the bank and recovery thereof on regular interval. Provided suggestions and strategies guidelines for recovery of the non-performing investment to maintain assets quality of the bank;
- Reviewed the position of New, Renewed, Enhanced, Rescheduled, Regretted, Overdue and Large Investment clients etc. to have clear idea regarding investment portfolio and provided necessary guidelines;
- Discussed regarding the Policy Guidelines on Valuation of Collateral Securities and provided their valuable guidelines on the issue to minimize risk;
- Reviewed the risk factors of all the new and existing products of the bank and provided valuable guidelines to the management and emphasized on implementation of the same for sustainable growth of the bank;
- Reviewed position of Suits by/ against, position of top 10 non performing Investment clients, Capital planning, Green Banking performance, Investment portfolio of IBBL;
- Reviewed position of Assets quality, investment policy and top 50 classified investment client of IBBL.

The Minutes of the RMC Meetings containing various suggestions and recommendations to the Management were placed to the Board subsequently for ratification on a regular basis.

Risk Management Report

Risk Management Framework and Procedure

Banking Business grows mainly by taking risk. Risk management is the deliberate acceptance of risk for profit making. Banks have grown from being a financial intermediary into a risk intermediary at present. In the process of financial intermediation, banks are exposed to severe competition and hence are compelled to encounter various types of financial and non-financial risks. Risks and uncertainties form an integral part of banking which by nature entails taking risks. Profits are the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of a bank's depositors.

Risk Management is a discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. The essential functions of risk management are to identify measure, monitor, control and more importantly mitigate the risk profile of the bank.

Risk Management Philosophy

Being a shariah based bank, IBBL mitigates it risk observing shariah rules and regulations. Again, it has its own risk management philosophy for giving proper attention to risk management. The key elements of the Bank's risk management philosophy are as under:

The Bank considers sound risk management to be the foundation of a stable financial institution.

- The Bank continues to adopt a holistic and integrated approach to risk management and, therefore, brings all risks together.
- Risk management is governed by well-defined policies that are clearly communicated across the Bank.
- Risk management is a shared responsibility. Therefore, the Bank aims to build a shared perspective on risks that is grounded in consensus.
- Risk-related issues are taken into consideration in all business decisions. The Bank shall continue to strive to maintain a conservative balance between risk and revenue considerations.
- Risks are reported openly and fully to the appropriate levels once they are identified.
- Risk officers work as allies and thought partners to other stakeholders within and outside the Bank, and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.
- All subsidiaries are guided by the principles enshrined in the risk management policies of the Bank.

Risk Management Principles

The risk policy is geared in particular towards both financial and non-financial risks. The Board of Directors of the Bank determines the risk strategy and overall risk appetite and defines accountabilities, reporting structures, documentation and management of identified risks, and thresholds.

- Risk management is carried out in a decentralized manner; Risk management, which is geared towards financial resources as well as strategic and operational planning, is considered a primary responsibility of the CEOs and Risk Management Units of the different operating units.

FINANCIAL STOCK

- IBBL is required to manage and report risks on a quarterly basis to the Bangladesh Bank in accordance with the prescribed KRIs.
- Bangladesh Bank is responsible to ensure that the measures introduced to manage risk are closely monitored on an ongoing basis and adjusted to a new risk assessment where necessary.

Risk Management Objectives

IBBL has clear risk management objectives and a well-established strategy to address them, through core risk and capital adequacy related risk management processes and encompasses all the activities that affects its risk profile. At a strategic level, our risk management objectives are to:

- Identify the Bank's significant risks, assess the same, taking appropriate mitigating steps to ensure optimum and sustainable profitability;
- Formulate the Bank's risk appetite and ensure that business profile and plans are consistent with it;
- Optimize risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures;
- Ensure that business growth plans are properly supported by effective risk infrastructure;
- Manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions; and
- Help executives to improve the control and co-ordination of risk taking across the business.

Risk Management Culture

The Board and the Management promote a responsible approach to risk.

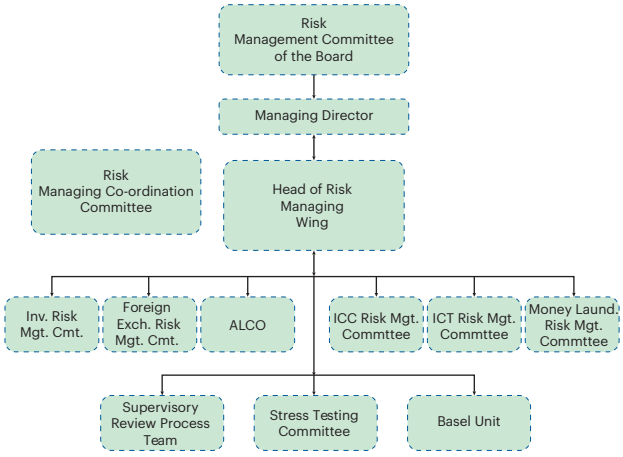
- The responsibility of risk management is fully vested in the Board of Directors, which in turn delegates this to senior management;
- The risk management officials enjoy the sufficient professional independence and stature;
- The Bank pays close attention to both quantifiable and unquantifiable risks;
- The Bank's management ensures that risk and risk management awareness is enshrined throughout the Bank; and
- The Bank avoids any business where the associated risks cannot be objectively assessed or managed.

Three Lines of Defense



Responsibility and accountability for risk management remain at all levels within the Bank, from the Board, down through the organization to each business manager, support functions and risk owner.

Risk Management Framework



Board's Oversight on Risk Management

The Board is responsible for approving risk appetite, which is the level of risk the Bank chooses to take in pursuit of its business objectives. It oversees the man agement of the most significant risks through the regular review of risk exposures and key controls.

As per the obligations of the Bank Company (Amendment) Act 2013, section 15 (kha), and BRPD Circular No. 11 dated October 27, 2013 of Bangladesh Bank, IBBL has its Board's Risk Management Committee (RMC). The Committee monitors the Bank's risk profile against the agreed appetite. Where actual performance differs from expectations, the actions are being taken by management and reviewed to ensure that the RMC is comfortable with them and guides the Management for taking pragmatic steps. The Specific Roles of the Committee are as under:

- Approval of Risk Identification and Mitigating Techniques;
- Preparation of Organizational Structure;
- Review of Risk Management Policy and Approval;
- Maintaining Information and Reporting System;
- Supervising the overall risk management policy and implementation of the same;

Miscellaneous issues like submission of the decisions and recommendations of the Committee before the board quarterly, compliance of the instructions of the Regulatory Authorities from time to time, evaluation report of the internal and external audit reports etc.

Role of the Risk Management Function:

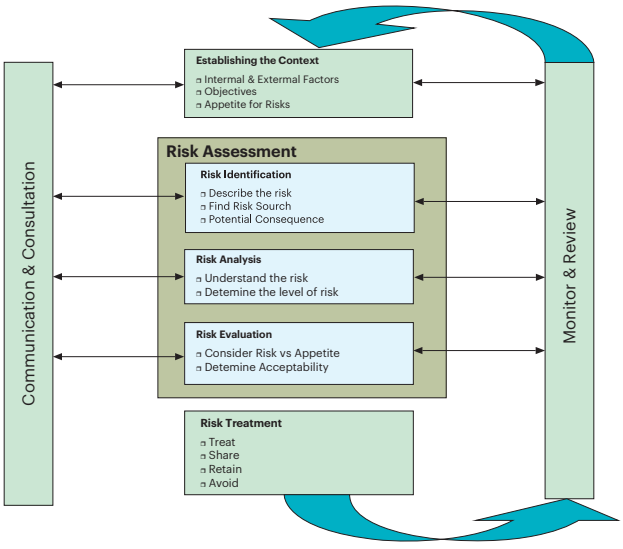
In line with Bangladesh Bank risk management guidelines, IBBL restructured its risk management process, oversee of which in management level are being made by Risk Management Wing. The specific roles of the Risk Management Wing are as under:

- Designing bank's overall risk management strategy;
- Developing and overseeing implementation of stress tests;
- Developing, testing, and observing use of models for measuring and monitoring risk;
- Informing the board and All Risk Committee about the appetite for risk across the bank;
- Communicating views of the board and senior management throughout the bank;
- Independently monitoring limits, in addition to the monitoring that is done by business units;
- Establishing risk management policies and procedures;
- Formulating guidelines on the handling of all property and liability claims involving the organization;
- Developing and implementing loss prevention/ loss retention programs;
- Identifying and quantifying bank's exposures to material loss;
- Securing and maintaining adequate loss coverage at the most reasonable cost;
- Adopting proper financial protection measures through risk transfer, risk avoidance, and risk retention programs;
- Determining the most cost effective way to construct, refurbish, or improve the loss protection system of any facility leased, rented, purchased, or constructed by the bank;
- Managing claims for insured and uninsured losses; and

Participating on all contract negotiations involving insurance, indemnity, or other pure risk assumptions or provisions prior to the execution of the contracts.

Risk Management Process

The Risk Management process is then segregated into five steps: establishing the context, risk identification, risk analysis, risk evaluation and risk treatment. From the each steps of the risk management process, there is sufficient option for communication, consultation, reporting, monitoring and review system.



Core Risk Management

IBBL exclusively manages 6 (six) core risks and has designed and implemented its own Risk Management Guidelines in accordance with the guidelines prescribed by the Central Bank and formed 6 core risk management committees which conduct meeting periodically. The major concerns of the committees are as under:

a) Investment Risk Management Committee supervises and monitors investment concentration, investment risk grading, corporate clients rating, non performing investment, residual risk against investment, provision against classified investment, investment mix, asset quality etc.

b) Foreign Exchange Risk Management Committee oversees foreign exchange risk, treasury, net open position, import & export business, dealing room operations and anti-money laundering aspects in foreign exchange transactions and remittance etc.

c) Information & Communication Technology Risk Management Committee monitors and supervises the risks related to data security, physical security, network security, disaster recovery, fraud, forgery, system failure and business continuity etc.

d) Money Laundering Risk Management Committee looks after the money laundering activities, STR, CTR, KYC and TP related compliances. The committee also supervises and monitors the entire transactional activities of the Bank including money laundering aspects involved with foreign exchange transactions.

e) Internal Control and Compliance Risk Management Committee is recognized to assess and mitigate the risk related to compliance with regulatory requirements, set rules of the Bank, internal checking system, lapses, fraud, forgeries, violations of the set rules etc.

f) Asset Liability Committee (ALCO) looks after the asset-liability risk, liquidity risk, Investment Deposit Ratio (IDR), deposit mix, investment mix, gap analysis etc. under direct guidance of CEO.

Basel Accord Implementation

Banking industry in Bangladesh is highly regulated. Central Bank of the country is very much aware to keep the capital of individual Bank as per international standard and for this reason, Bangladesh Bank issued guidelines on risk based capital adequacy (RBCA) for Banks and separate Supervisory Review Guidelines under Basel II. Again they have issued guidelines for Basel III which will gradually be implemented from 2015 to 2019. To implement Basel III guidelines, we have formed committees as under:

a) Basel Unit b) Supervisory Review Process Team

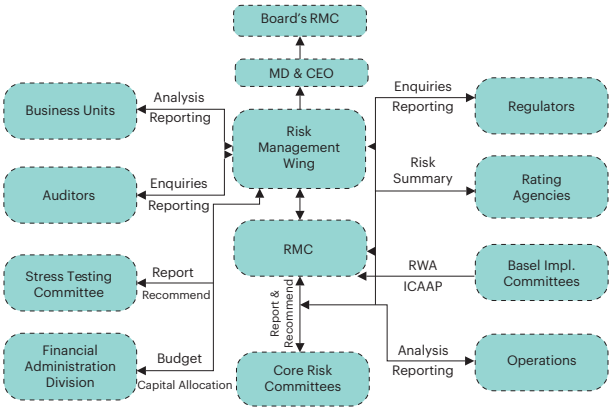
a) Basel Unit

Considering the changing global concepts and new inclusions in Basel Accords a Basel Unitwith has beenformed headed by a DMD to implement of the action plan of Basel Accords in the Bank, communicate issues related to Basel implementation, to attend QIS and accountability for the compliance of Basel Accords etc.

b) Supervisory Review Process Team

Banks also face some other risks which varies from country to country, business to business. Hence, banks are somewhat independent to identify and assess the additional risks and hence are advised by Bangladesh Bank to form a Supervisory Review Process Team in each Bank. IBBL has formed such a committee which is headed by the Hon'ble Managing Director of the Bank.

Relationship with Risk Management & Other Units



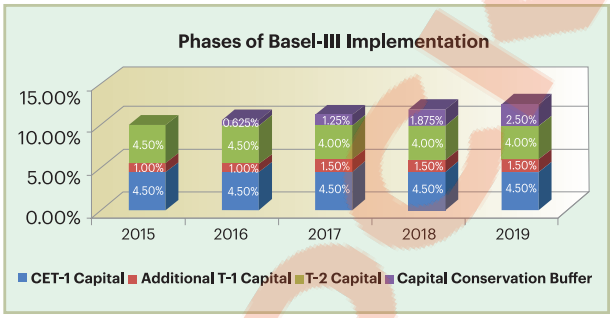
Risk Management Wing (RMW) is directly involved with the total risk management process of the Bank. The major job of RMW is to integrate the risk issues, bank-wide risk monitoring and reporting. Other units provide relevant data to RMW and it makes recommendation on capital allocation, budgeting and pricing, portfolio structuring, liquidity management, setting risk appetite, compliance culture etc. based on the risk reports and Risk Management Papers (RMPs).

Risk Management Meeting

The Management Committee of the Bank has also formed a strong Risk Management Co-ordination Committee (RMCC) comprising heads of all the risk taking organs of the Bank which is arranged and organized by Risk Management Wing. The committee sits at least once in a month or more when necessary. In the meeting of RMCC, all the existing/identified and foreseeable/potential risks issues are discussed and make recommendations to the concerned risk taking organs to address, measure and take the required steps to mitigate the risk factors. All the meeting minutes along with all the Risk Management Papers (RMPs) are reported to the Department of Off-site Supervision of Bangladesh Bank on quarterly basis.

Preparedness in Implementation of Basel-III

Bangladesh Bank vide BRPD Circular No. 18 dated December 21, 2014 issued Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III) wherein a roadmap for implementing Basel-III framework is mentioned which is as under:



- According to guidelines on Basel-III, the minimum requirement of tier-1 capital will be 7% in 2019 but presently IBBL possesses 8.74% tier-I capital which much higher than the required ratio.
- Including capital conservation buffer of 2.5% which is to be built from 2016 to 2019, the common equity tier-I capital requirement is 7% still IBBL is above the requirement as on 31.12.2016.
- The total Minimum capital requirement in as per Basel-III is 10.625% including capital conservation buffer where IBBL's capital adequacy as on December 2016 is 10.82%.

Therefore, in the context of capital adequacy for implementation of basel-III, IBBL is in a secured position. Moreover, around 95% of the corporate clients are rated by ECAIs and the rating efficiency is around 60% in terms of outstanding exposure and risk weight.

Risk Management Disclosures

Risk Appetite

The Bank's risk appetite is established by the Board and reviewed on a quarterly basis. The Bank's appetite for risk is governed by the following:

- high-quality risk assets as measured by ratio of non-performing investments to total investments and maximum average internal risk rating of the investment portfolio;
- a diverse investment portfolio to ensure that there are no undue concentration concerns taking into consideration the business unit, business sector, country at risk and asset portfolio tenor;
- losses due to operational risk to be constantly monitored and to be lower than industry averages;
- financial and prudential ratios to be pegged at levels more conservative than regulatory requirements – Investment to Deposit Ratio (IDR), Capital Adequacy, Deposit Concentration etc.; and

- the Bank strives to minimize the independent indicators of excessive risk appetite like overdue audit queries, adverse publicity and fines & regulatory penalties:
- The Bank does not compromise its reputation through unethical, illegal, unprofessional conduct or violation of the commandments of Islam and the Bank has a zero appetite for association with disreputable individuals, entities and activities.

Key Initiatives in 2016

Increasing capital adequacy ratio and maintaining adequate capital base for adopting Basel-III Capital Accord;

- Improving Asset Quality and thus profitability, ROA, ROE and protecting the interest of the stakeholders;
- Restructuring and diversification of the investment portfolio;
- Optimization of gap and duration gap between assets and liabilities;
- Maintaining optimum liquidity and maintaining Liquidity Coverage Ratio (LCR) and Net Stable Funding Ration (NSFR) at the optimum level;
- Reducing RWA through portfolio restructuring, optimum rating of corporate and SME Investment clients and improving the ratio of RWA and total assets;
- Reducing Sharia'h compliance risk to the optimum level;

Priorities for 2017

- Maintaining optimum liquidity and maintaining Liquidity Coverage Ratio (LCR) and Net Stable Funding Ration (NSFR) at the optimum level;
- Implementation Disaster Recovery System. Improving Asset quality by reducing Non Performing Investment.
- Implementation the decision given by Kroll for money laundering.
- Diversifying risk by portfolio management of the Bank.

Implementation of Core Risk Management Guidelines

Bangladesh Bank conducts inspection on implementation of the core risk guidelines of the bank each year. Lastly, conducted inspection based on the accounts as on 30.06.2016 and mentioned their observations in the respective reports. IBBL, being the compliant Bank, has immediately taken effective initiatives to ensure implementation of all the observations of the central bank and meanwhile implemented most of the observations and have communicated to the competent authority of the central bank well ahead of the deadline.

Investment Risk Management

Investment risk concerned with the possibility of financial losses due to counterparties' inability or unwillingness to make contractually-agreed-upon payments. In the most radical scenario of deterioration in credit quality, this inability or unwillingness becomes a default event. Analyses of banking industry data indicate that the share of risk weighted assets (RWA) assigned to credit risk was 85 percent of the total RWA. In perspective of IBBL, investment risk exposure is 89%. As such, investment risk is the key factor of IBBL's risk management for determination of capital requirement, profitability, liquidity and many other risk elements.

Investment Risk Management Policy

IBBL's Investment Risk Management Policy is approved by the Bank's Board of Directors, which plays a central and strategic role in managing daily business activities. The policy defines the principles encompassing client selection, due diligence, early alert reporting, tolerable levels of concentration risk and portfolio monitoring, in line with the Bank's risk appetite. The approach is to avoid large investment risk on a counterparty or portfolio level by applying stringent standards combined with sound collateralization where feasible. The policy is reviewed regularly by the Board of Directors and updated throughout the year to ensure consistency with the Bank's business strategy. A monthly Investment Risk Management Committee meeting chaired by the Head of Investment Wing drives policy decisions and implementation plans.

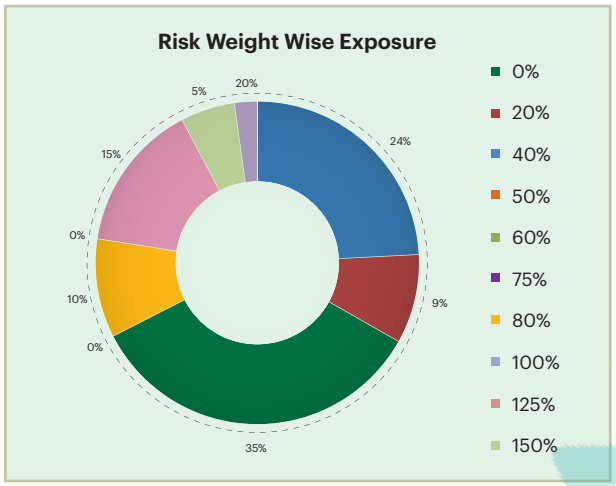
Investment Processing and Approval Structure

IBBL, being the largest investment portfolio-dealing bank of the country amongst the private sector banks has specific policies in place for inducting, dealing, processing, sanctioning, handling overdue and non-performing investments of the Bank. The Board of Directors of the Bank delegates sanctioning power from

the Board to the Branch Incumbent. The investment approval procedure is being followed in accordance with the approved policy of the Bank.

Investment Portfolio and Risk Weighted Assets

Islami Bank Bangladesh Limited follows the standardized approach for assessing investment risk and the Risk Based Capital Adequacy Guideline prescribed by Bangladesh Bank. According to the aforesaid guideline, the risk weight categories are 0%, 20%, 40%, 50%, 60%, 75%, 80%, 100%, 125% and 150%. Risk weight wise exposure of the Bank is as under:



Portfolio wise Exposure

(Amount in crore Taka)

Particulars	2016	2015	Incr/(Decr)
Total Assets	79,769.96	72,582.11	7,187.85
Total RWA	46,721.24	41,033.23	5,688.01
Efficiency in RWA	58.57%	56.53%	2.04%
Total Eligible Capital	5,055.65	4,784.53	271.12
CAR	10.82%	11.66%	(0.84)%

Capital Requirement against Investment Risk

88.41% of the total Risk Weighted Assets (RWA) is against the Investment Risk Exposure. Amongst Tk. 386,196 million of RWA, 93% arises from the on Balance Sheet Exposure and the rest Tk. 26,877 million i.e. 7% of RWA arises from the off Balance Sheet Exposure. Thus the total RWA Tk. 467,212 million against which Minimum Capital Requirement is Tk. 49,641 million (10.625% of the RWA).

Market Risk

IBBL adopted Standardized Approach and follows the Risk Based Capital Adequacy Guidelines issued by Bangladesh Bank for assessing the Market Risk. There are four components from which Market Risks are evolved. The components are as under:

- Interest Rate Related Instruments
- Equities
- Foreign Exchange Position
- Commodity Risk

Being a Sharia'h based Bank, IBBL does not deal with any interest related instruments and purchases goods/ commodities from the seller and simultaneously sell the same to the ultimate buyer. IBBL does not hold the goods/ commodities as owner of the same at any stage. As such, IBBL has no exposure under these components. The Market Risk Exposure of IBBL has been shown in the Basel Disclosure part of this report.

Operational Risks

Operational Risk is the potential loss arising from breakdown in Bank's systems & procedures and corporate governance practices that results in human error, fraud, failure, damage of reputation, delay to perform or compromise of the Bank's interest by employees.

IBBL follows Basic Indicator Approach for assessing the Operational Risks. Under this approach, average of the Gross Incomes of last three years is taken as the determinant for operational Risks. The capital charge against Operational Risk is Tk. 4,250.90 million.

Supervisory Review Process

IBBL is committed for continuous improvement of Bank's internal procedure for assessing the specific risk situation, ongoing adjustment and further development of new methods of risk management and internal control, covering external factors as well as risk areas which are not taken into account or partially taken into account while calculating Minimum Capital Requirements, quantifying the risks under pillar 2 of Basel-II, stress testing, Internal Capital Adequacy Assessment process (ICAAP), setting capital targets that are commensurate with the Bank's risk profile and control environment etc. For adequate supervision of capital functions and risks, Bank has formed a Supervisory Review Process Team (SRPT) as stipulated in Bangladesh Bank's guidelines.

Internal Capital Adequacy Assessment Process (ICAAP)

In 2013, IBBL revised its own ICAAP document as

directed by Bangladesh Bank which is duly approved by the competent Board of the Bank. In accordance with the document, IBBL identified, assessed the risk areas which the bank faces in its day to day business and calculated capital charge there against. In accordance with approved ICAAP document, IBBL conducts rigorous review on its risk exposure and allocates the required capital for the same which are annually being reported to the Central Bank.

Stress Testing

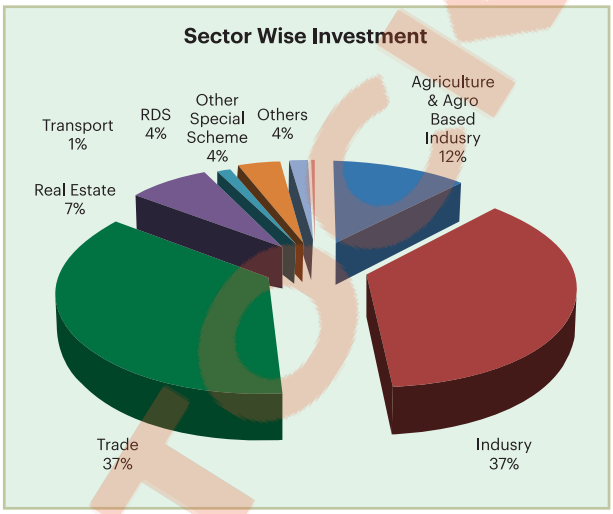
IBBL conducts periodical stress tests and assesses stress on the capital both giving individual and combined shocks on different aspects. In case of giving individual shocks deterioration of performing investment, increase of NPIs due to default of top large borrowers, negative shift in NPI categories, decrease in FSV of collaterals, profit rate, foreign currency appreciation, equity shocks are considered. Combined shocks increases, FSV of the collateral decreases, NPIs increases, negative shift in NPI categories, profit rates, foreign currency appreciation.

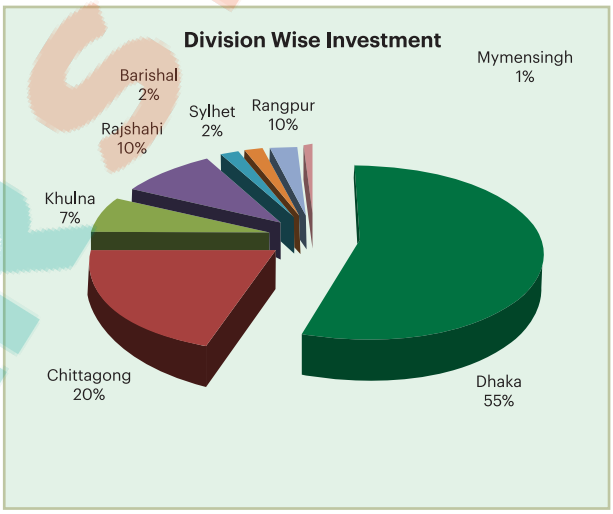
Stress Testing results of all the quarters of 2016 reflect that the Capital Adequacy Ratio (CAR) of IBBL remains above 10% for both individual and combined shock at minor and moderate level.

Investment Concentration Risk

It is known that the Economy of Bangladesh is not well distributed and IBBL is functioning under this economy. As such, IBBL has to run its activities in accordance with the supply and demand rule of the Economy. IBBL is now exposed to some of the specific sectors highly which is inviting concentration risk. On the other hand, the Bank has also concentrated its exposures in some specific regions though these regions are economically important but IBBL has the scope to come out from such concentration gradually having a structural perspective plan. A comparative analysis of sectoral and regional distribution of investments by IBBL is as under:

IBBL has the scope to diversify its investment portfolio in more potential sectors & areas and distribution of the risk factors.





Asset-Liability Risk

To deal with Balance Sheet risk, IBBL has a dedicated committee, called the Asset Liability Committee (ALCO) comprising of the senior officials of the bank to make important decisions related to the Balance Sheet, Liquidity & Profit Rate risks of the Bank.

The ALCO generally meets at least once in every month and reviews liquidity requirement, the maturity of Assets and Liabilities, Deposit and Investment pricing strategy/ transfer pricing, Sensitivity of Assets and Liabilities, key Management Indicators and the Liquidity Contingency Plan of the Bank. In every ALCO meeting, the key points of the discussion are minuted and theaction points are highlighted to ensure implementation. As a part of regulatory requirement, the management reviews the ALM Manual and its components regularly.

Liquidity Risk

IBBL is running in a mixed economy where both interest based and Sharia'h based transactions are taken place at the same time. But Sharia'h based money market is yet to be flourished and is under development process. Being the Sharia'h based bank, it cannot lend or borrow money from the conventional money market. As such, IBBL has to remain always concern and vigilant regarding liquidity risk. IBBL continuously monitor the liquidity ratios and periodically conducts GAP and Duration GAP analysis. As on 31.12.2016, the key liquidity ratios are as under:

Name of the Ratio	Standard Ratio	IBBL's Scenario
Cash Reserve Ratio (CRR)	6.50%	8.38%
Statutory Liquidity Ratio (SLR)	5.50%	12.59%
Investment Deposit Ratio (IDR)	<90%	86.43%

Contingency Planning

While it is the Bank's policy to ensure that it has sufficient liquidity to meet any emergency at times, it is possible that the Bank may experience liquidity problems due to both external and internal conditions. The bank also has in place a liquidity contingency plan to manage such situations.

Measuring Liquidity Risk - Maturity Mismatch Approach

The mismatch approach measures liquidity through the difference or mismatch between inflows and outflows in various time-bands. Mismatches are measured on a net cumulative basis on the predefined time buckets. Inflows and outflows are measured using behavioral method.

Foreign Exchange Risk Management

In recent time, managing the foreign exchange risk of a bank draws much more attention of policy makers and management as well as the regulators and supervisors globally. Foreign Exchange risk is the risk of loss from movements in cross-currency exchange rates between foreign currencies and from changes in the value of the home or functional currency against other currencies. The foreign exchange risks of IBBL are identified, measured, monitored and controlled by treasury division through treasury front office i.e. dealing room, treasury back office, ALM desk and treasury mid office.

The foreign exchange risks are mitigated through proper market analysis, adherence of different dealing limits such as daylight, overnight, stop loss limit, off premises dealing limit Management Action Trigger (MAT) and counterparty credit/investment limits as proposed by treasury mid office and approved by the competent authority of the Bank. Current developments on FX market and risk appetite of the Bank are also addressed for minimizing the foreign exchange risk of the Bank.

The dealing room of the Bank performs the deals independently; the treasury back office checks, confirms and settles the deal on due time and treasury mid office monitors the adherence of the limits for better risk management of FX transactions. All foreign exchange transactions are revalued at weighted average exchange rate as provided by Bangladesh Bank at the end of each month. All Nostro accounts are reconciled regularly and also reviewed by the management. The exchange position of the Bank is maintained at the end of the day within the stipulated limit as fixed by the Bangladesh Bank.

Internal Control and Compliance Risk Management

IBBL organizes its management through Internal Control & Compliance Wing consisting of three Divisions namely (i) Audit & Inspection Division (ii) Compliance Division, and (iii) Monitoring Division to develop sound, sustainable and secured growth of the Bank.

The Audit Committee of the Board subsequently reviews the lapses identified by the Audit & Inspection Division, Bangladesh Bank and other regulators. Subsequently appropriate actions are taken as per decisions of the said Committee for protecting the Bank's interest. Thus Internal Control & Compliance (ICC) system of IBBL always plays active role in mitigating operational risk and contributes in the process of being a well compliant Bank.

Money Laundering Risk Management

In order to ensure the best corporate governance practices and aiming at protecting the Bank and its Employees, Shareholders, Management and Customers, IBBL is committed to comply with all the applicable Rules of the Anti Money Laundering Act, Anti-Terrorism Act. For mitigating risks the Bank has formed Central Compliance Unit (CCU) under the leadership of the Chief Anti Money Laundering Compliance Officer (CAMLCO) at Anti Money Laundering Department, Branches Control Division

in Head Office. An independent CCU of the Bank is performing supervisory and monitoring activities for the event of the aforesaid programs on Anti-Money Laundering and Anti Terrorism Financing. Anti Money Laundering Compliance Units are also functioning under the leadership of the Branch Anti-Money Laundering Compliance Officer (BAMLCO) and Zonal Anti-Money Laundering Compliance Officer at Branches and Zonal Offices respectively, who independently review the transactions of the accounts to verify Suspicious Transaction Report (STR).

IBBL has introduced uniform Account Opening Forms, KYC (Know Your Customer) profile, and TP (Transaction Profile) and CTR (Cash Transactions Report) in the bank as per instruction of Bangladesh Bank. To establish fruitful Anti Money Laundering drive at Branch level, IBBL introduced ALM rating systems through self assessment report & independent testing procedure as per instruction of Bangladesh Bank.

Information & Communication Technology Risk Management

The Bank has adequately addressed Information & Communication Technology (ICT) Risk Management which ensures ICT security functions and operations in a more effective manner. It is an in-depth exercise and continual process. The ICT Risk Management exercise mainly include minimizing financial and image loss to the institution in all events such as natural disasters, technological failure, human errors etc. The Bank uses own developed Core Banking Software to perform all types of transactions including Local/Online/ Internet in a secured way. To take care of its core banking system, a separate security module has been incorporated in the software which manages different roles for different users. All financial transactions can be tracked for future audit purposes. The Bank uses Central Data Centre travelling through network uses encryption and decryption mechanism.

Strategic Risk:

Strategic Risk is the risk of a potential earnings downside due to revenues and/or costs underperforming plan targets. Strategic Risk may arise from poor strategic positioning, failure to execute strategy or lack of effective responses to material negative plan deviations caused by either external or internal factors (including macro, financial and idiosyncratic drivers). Strategic Risk has been defined as part of overall Business Risk.

The key aim of Strategic Risk Management is to strengthen the bank´s earnings resilience and protect it against undue earnings volatility to support overall risk appetite targets (especially CET 1 ratio and Leverage Ratios). We aim to achieve this by identifying, assessing, limiting, mitigating and monitoring key strategic risks.

Currently, the modeling and quantitative measurement of Strategic Risk is primarily covered by our internal economic capital (EC) framework. In 2017, we will implement a comprehensive framework to manage Strategic Risk.

Sources of Strategic Risk:

There are generally two sources of strategic risk, these are:

1. Internal source: resource capability and availability, customer treatment, products and funding and the risk appetite of other risk categories; and
2. External source:economic, technological, political, social competitive behavior.

Mitigating Strategic Risk

In order to minimize strategic risk the bank adopts the following:

1. Involve all levels of management in formulating strategy
2. Establish a robust strategic planning process
3. Regular reviews incorporating changes to strategic environment.

Corporate Governance framework:

The Board and the management of IBBL are committed to the long-term success of the Bank as a leading Bank in the South Asia and generating stable and sustainable returns for the shareholders. Fundamental to the Banks strategy are the standards of Corporate Governance, in particular those defined by the Central Bank of Bangladesh (BB) and other guidelines in that regard.

The Bank has developed its Corporate Governance framework to the highest standards defined by the regulatory authorities. It is embedded into the day-to-day business and practices of the Bank and has evolved to reflect the Bank's strategy, lessons learnt and the global leading practices. The Bank as a whole, along with the Board, Senior Management and all employees are collectively responsible for integrating the Corporate Governance framework into their day-to- day activities.

Business Continuity Planning:

A Business Resumption Plan describes how to resume business after a disruption. A Disaster Recovery Plan deals with recovering Information Technology (IT) assets after a disastrous interruption. Both imply a stoppage in critical operations and are reactive. Recognizing that some services or products must be continuously delivered without interruption, there has been a shift from Business Resumption Planning to Business Continuity Planning. A business continuity plan enables critical services or products to be continually delivered to clients. Instead of focusing on resuming a business after critical operations have ceased, or recovering after a disaster, a business continuity plan endeavors to ensure that critical operations continue to be available.

Being the first and largest Islamic bank in Bangladesh Islami Bank Bangladesh holds a copious depositors account, ample transactions and exotic natured customers, it has Data center situated at 9th floor, 40 Dilkusha, Motijheel Dhaka, Disaster Recovery site at VIP road, Dhaka and Disaster Recovery system at Savar, Dhaka which are well equipped, designed, managed and monitored by Information & Communication Technology Wing.

Specific Risk for Islamic Banking

Being the Sharia'h based bank, IBBL may also face the following specific risks due to its operations in addition to the usual risks. IBBL remains always vigilant, stringent and proactive to address and mitigate the risks:

a) **Fiduciary Risk:** Where Mudarabah Depositors' funds are commingled with the Banks own funds, the bank shall ensure that the bases for asset, revenue, expense and profit allocations are established, applied and reported in a manner consistent with the Bank's fiduciary responsibilities.

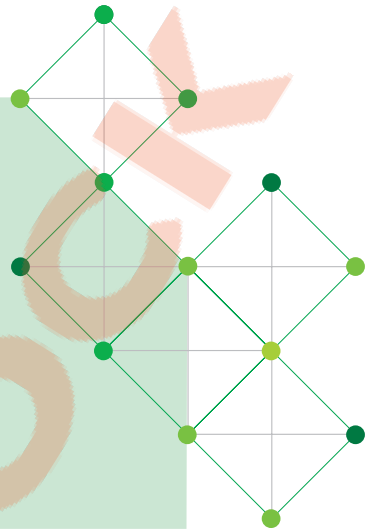
b) **Displaced Commercial Risk:** Banks may be under market pressure to pay a return that exceeds the rate that has been earned on assets financed by the Mudaraba depositors when the return on assets is under performing as compared with the competitors' rates. In such case, banks may decide to waive their rights to part or its entire mudarib share of profits in order to satisfy and retain its fund providers and dissuade them from withdrawing their funds.

   Asset liability management committee (ALCO) of IBBL regularly meets to assess the fiduciary risk, rate of return risk and displaced commercial risk if any in IBBL, and recommends mitigating and encountering the above risks.

c) **Sharia'h Compliance Risk:** IBBL is always stringent about compliance Sharia'h rules in all of its operations. Since IBBL is performing in the mixed economic system (i.e Islamic and Interest Based economy), Sharia'h compliance is the one of the vital factors particularly for IBBL. The independent Sharia'h Board keeps keen observations on the day to day transactions of the Bank and they declare doubtful transactions as suspended.

d) **Liquidity Risk for lack of non-structured Islamic Financial Market:** Since, Islamic Financial Market in Bangladesh is not strong enough and there is inadequate Islamic financial instruments, IBBL has limited scope for placement of fund with the desired return from the market at the time of surplus liquidity and similarly limited scope in receiving fund complying sharia'h rules at the time of liquidity crisis. However, during more than three decades of banking operations, IBBL did not face any liquidity crisis since it remains vigilant enough to address the issue.

Capital Plan



Capital planning is a dynamic and ongoing process that is forward looking in incorporating changes in a bank's strategic focus, risk tolerance levels, business plans, operating environment, or other factors that materially affect capital adequacy. Capital planning assists the bank's policy makers and management to identify risks, improve the bank's overall risks, set risk tolerance levels and assess strategic choices in longer-term planning. Thus, capital planning is related with risk profile of the bank resulting to direct implication on Capital Adequacy Ratio (CAR) of the bank. Basel Committee on Banking Supervision (BCBS), time to time, prescribes the capital adequacy requirements to support the risk profile of the banks. Bangladesh Bank, in line with the Basel Capital Adequacy Framework, also emphasized the capital planning in the Revised Guidelines of Risk Based Capital Adequacy framework.

Capital planning process of IBBL considers both short-term and long-term capital needs in line with bank's overall strategy and planning for prospective business growth with a horizon of five years. The capital planning process is tailored with the overall risk, complexity, and corporate structure of the Bank. While the content, extent, and depth of the capital planning process may vary, we have an effective capital planning process to address the same in line with the Basel guideline which include the following:

I. Identifying and evaluating risks;
II. Setting and assessing capital adequacy goals that relate to risk;
III. Maintaining a strategy to ensure capital adequacy and contingency planning;
IV. Ensuring integrity in the internal capital planning process and capital adequacy assessments.

Keeping in view of the above, we have devised a proactive strategy to maintain adequate capital in line with the risk appetite of the bank. Different components of risk as well as eligible and required capital there against are regularly reviewed for maintaining targeted capital adequacy ratio. The role of capital management is to ensure capital levels are adequate and with efficient capital composition.

Management of Capital

Our capital management is guided by robust capital management policies and procedures across the Bank. The Bank's approach to managing capital is set out in various frameworks which are approved by the Risk Management Committee (RMC) and the Board. The key areas of management of capital are:

a. Capital Management Framework

The Capital Management Framework comprises the governance, policies and procedures which set out the requirements for effective management of capital of the Bank including identification, assessment, monitoring, managing and reporting of any capital matters to relevant committees such as RMC and the Board.

b. Capital Contingency Plan

The Capital Contingency Plan is to ensure robust monitoring of capital position and provides a framework for effective governance and escalation process in the event of a capital crisis. The Capital Contingency Plan also formalizes the basis, strategies and action plans to restore capital back to healthy levels in the fastest possible time without affecting business plans, assets growth and strategic priorities.

Capital Plan

c. Capital Plan

The Capital Plan involves detailed planning of the Bank's strategic capital planning over at short horizon of one year, which is included in the Annual Business Development of the Bank at the beginning of the year. In addition, we have capital planning in line with our perspective business plan for a time horizon of five years. The plan highlights the capital projections, capital requirements, levels of capital and capital mix to support the Bank's prospective business growth.

Capital Structure

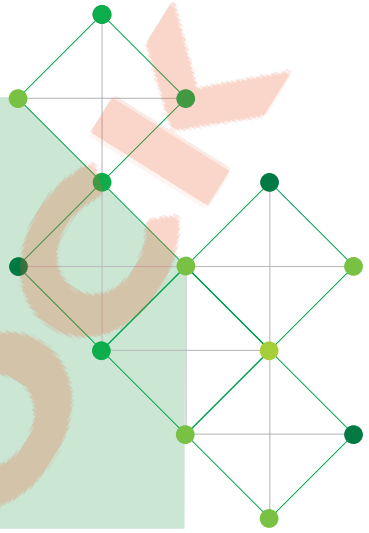
IBBL gives due importance on quality of its capital in order to continue meeting the minimum regulatory requirements along with capital buffer set by Bangladesh Bank. IBBL historically maintained sound Tier-1 capital base which has the highest loss absorption capability on going concern basis. In addition to common equity Tier-1 capital, we also maintain other types of capital instruments under Tier-2 capital in order to optimize capital mix and reduce overall costs of capital.

Capital Initiative

IBBL manages its capital position proactively in order to meet stringent Basel III capital requirements. In order to strengthen our capital base we have decided to issue a 7 years Non-convertible "IBBL Mudaraba Redeemable Subordinated Bond" of Tk. 5,000.00 million under Mudaraba principle of Islamic Shari'ah, subject to the approval of Bangladesh Bank and the BSEC.

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Disclosure on Risk Based Capital (Basel III)



The purpose of Market Discipline in Basel III is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a Bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, this "Disclosures on Risk Based Capital (Basel III)" is made as per Bangladesh Bank's Guideline.

Scope of Application	
Qualitative Disclosures	
a) The name of the top corporate entity in the group to which this guidelines applies:	**Islami Bank Bangladesh Limited**
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group	The Consolidated Financial Statements of the bank include the financial statements of (i) Islami Bank Bangladesh Limited (including Off-Shore Banking Units (OBUs). (ii) Islami Bank Securities Limited (iii) Islami Bank Capital Management Limited
(a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted).	A brief description of the Bank (Main Operation) and its subsidiaries are given below: **Islami Bank Bangladesh Limited** Islami Bank Bangladesh Limited was incorporated on March 13, 1983 as a Public Limited Company (Banking Company) with limited liability under the Companies Act 1994 as interest free Islamic Shari'ah based commercial bank and commenced its operation on March 30, 1983 with the permission of Bangladesh Bank. The authorized and paid up capital of the bank respectively stood at Tk.200,000 million and Tk. 16,099.91million as on December 31, 2016. Presently the Bank is operating its business through Head Office having 318 Branches (including 30 SME/ Agriculture Branches) and 518 own ATM booths all over Bangladesh. The shares of the Bank are listed with both the Stock Exchanges of the country, i.e. Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. **Subsidiary Companies** **i) Islami Bank Capital Management Limited (IBCML)** IBCML is a fully owned subsidiary of IBBL. IBCML was established in April 2010 under the Companies Act 1994 as a Public Limited Company with Authorized Capital of Tk.1,000.00 million & Paid-Up Capital of Tk.300.00 million. The Company was established as per Bangladesh Bank Letter

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	No. BRPD(R-1)717/2010-47 dated 07 February 2010. The registered Office of IBCML is located at 20, Dilkusha C/A in Dhaka, Bangladesh. **ii) Islami Bank Securities Limited (IBSL)** IBSL is also a fully owned subsidiary of IBBL. IBSL was incorporated in March 2010 as a Public Limited Company under Companies Act, 1994 with the objectives to carry out business of Stock Broker & Dealer in the capital market. The authorized and paid up capital of the company stood at Tk.5,000 million and Tk.2,700 million respectively as on December 31, 2016. The overall increase of activities in Brokerage operation plays an important role in the improvement of capital market of the country and enhances earning capability of IBBL through corporate declaration. **Off-shore Banking Unit (OBU)** Off-shore Banking Unit is a separate business unit governed by the applicable rules & regulations and guidelines of Bangladesh Bank. IBBL got permission to operate Off Shore Banking unit in its 3 Branches under International Banking Wing.
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not Applicable
Quantitative Disclosures	
d) The aggregate amount of capital surplus capital of insurance subsidieries included in the capital of the consolidated group.	Not Applicable
Capital Structure	
Qualitative Disclosures	
a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET1, Additional Tier 1 or Tier 2	As per the guidelines of Bangladesh Bank, CET-1 Capital of IBBL consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve, (iii) General Reserve (iv) Non-Repayable Share Premium Account (v) Retained Earnings (vi) Dividend Equalization Account and (vii) Minority Interest in Subsidiaries (viii) Non-Cumulative irredeemable Preference Share. Additional Tier 1 consists of Subordinated Debt (Mudaraba Perpetual Bond) (up to max. 1.5% of the Total RWA or 88.89% of CET1, whichever is higher). Tier-2 Capitalconsists of applicable amount of (i) General Provision (against Un-classified Investments, Off-Balance Sheet exposure & Off-Shore Banking Units)(ii) Assets Revaluation Reserves up to 30%, (iii) Revaluation Reserve for Securities up to 30% and (iv) Revaluation Reserve for equity instruments up to 6% (v) All Other Preference Shares.

Quantitative Disclosures			
b) The Amount of Tier 1 Capital, with break-up			
Particulars		**As on December 31,2016 (In million Taka)**	
		Solo	**Consolidated**
A.	**Tier-I (Going Concern Capital) Common Equity Tier-1(CET)**		
I	Fully paid-up Capital	16,099.91	16,099.91
II	Statutory Reserve	16,099.91	16,099.91
II	Non-repayable Share Premium account	1.99	1.99
IV	General Reserve	4,004.52	4,004.52
V	Retained Earnings	1,609.99	1,717.28
VI	Minority interest in Subsidiaries		0.22
VII	Divident Eqilization Account	32.00	32.00
VIII	Acturial gain/ Loss		
IX	Any others(if approved by the Bangladesh Bank)		
(A)	Sub-Total (Common Equity Tier 1 Capital A (i to ix)	37,848.31	37,955.82
B.	**Additional Tier 1 Capital**		
(I)	Instrumensts issued by the Banks that meet the quialfying criteria for AT1(Mudaraba Perpetual Bond)	3,000.00	3,000.00
(II)	Non-cumulative Irredemable Preference Share	0.00 0.00	
(B)	Sub-Total (Additional Tier-1 Capital) (i to ii)	3,0000.00	3,000.00
C.	**Total Tier 1 Capital (Going Concern Capital) (A+B)**	**40,848.31**	**40,955.82**
D.	**Tier 2 Capital (Going Concern Capital)**		
(I)	General Provision (against Un-classified Investments, Off-Balance Sheet exposure & Off-Shore Banking Units & limited to 1.25% of Risk Wighted Assets for Credit Risk	6,234.01	6,234.01
(II)	Assets Revaluation Reserves up to 30%	3,449.69	3,449.69
(II)	Revaluation Reserve for Securities up to 30%	24.45	24.45
(D)	Total Tier 2 Capital	9,708.15	9,708.15
c)	Other deductions from capital		
d)	**Total Eligible Capital**	**50,556.47**	**50,663.97**

Capital Adequacy

Qualitative Disclosures	
a) A summary discussion of the Bank's approach to assess the adequacy of its capital to support current and future activities.	The Bank has adopted Standardized Approach (SA) to computation of capital charge for investment risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to Bangladesh Bank. The Bank has maintained capital adequacy ratio at 10.84% & 10.82%on the basis of "Consolidated" and "Solo" respectively as against the minimum regulatory requirement of 10% plus capital conservation buffer of 0.625% totaling of 10.625%. Tier-I capital adequacy ratio under "Consolidated" basis is 8.77% and "Solo" basis is 8.74% as against the minimum regulatory requirement of 6.00%. The Bank's policy is to manage and maintain strong Capital Adequacy Ratio through investing high rating grade investment clients. The Bank maintains adequate capital that is sufficient to absorb all material risks associated with the Bank. The Bank also ensures that the levels of capital comply with regulatory requirements and satisfy the external rating agencies and other all stakeholders including depositors

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Disclosure on Risk Based Capital (Basel III)

Quantitative Disclosures			
Particulars		As on December 31,2016 (In million Taka)	
		Solo	Consolidated
b)	Capital requirements for Investment (Credit) Risk:	41,307.32	41,277.53
c)	Capital requirements for Market Risk	1,163.01	1,163.01
d)	Capital requirements for Operational Risk	4,250.91	4,277.33
e)	**Total Capital Requirement**	**46,721.24**	**46,717.87**
f)	Capital Conservation Buffer	00.625%	00.625%
	Capital Adequacy Ratio: Total CRAR	10.82%	10.84%
	CET1 CRAR	8.10%	8.12%
	Tier-I CRAR	8.74%	8.77%
	Tier-II CRAR	2.08%	2.08%
g)	Avilable Capital under Piller 2 Requirment		

Investment (Credit) Risk

Qualitative Disclosures	
a) The General Qualitative disclosure requirement with respect to credit risk, including:	
i) Definitions of past due and impaired (for accounting purposes):	- As per Bangladesh Bank guidelines, any Investment if not repaid within the fixed expiry date will be treated as Past Due/ Overdue. Bangladesh Bank issued Circulars from time to time for strengthening Investment (Credit) discipline and brings provisioning. All Investments/ loans &advances will be grouped into four (4) categories for the purpose of classification, namely (a) Continuous Investment/Loan (b) Demand Investment/Loan (c) Fixed Term Investment/Loan & (d) Short-term Agricultural & Micro Investment. The above Investment (Credit) are classified as follows: Continuous and Demand Investment/ loanare classified as: • Sub-standard'if it is past due/over due for 03(three) months or beyond but less than 06 months; • Doubtful'if it is past due/over due for 06 (six) months or beyond but less than 09 (nine) months; • Bad/Loss'if it is past due/over due for 09 months or beyond from the date of expiry or claim by the bank or from the date of creation of forced loan. **Fixed Term Investment (Loans), which are repayable by installment(s)are classified as:-** a) In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting upto Tk.10.00 Lacs is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or over due installment'. In case of such types of Fixed Term Loans: • Sub-standard' if the amount of 'past due Installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire Investment (loan) will be classified as ''Sub-standard''; •

	• Doubtful' if the amount of past due installmentis equal to or more than the amount of installment(s) due within 09 (nine) months, the entire Investment (loan) will be classified as ''Doubtful"; • Bad/Loss' if the amount of 'defaulted installment'is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire Investment/loan will be classified as ''Bad/Loss''. b) In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting more than Tk.10.00 Lacs is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or over due installment'. In case of such types of Fixed Term Loans: • Sub-standard' if the amount of 'past due Installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire Investment (loan) will be classified as ''Sub-standard''; • Doubtful' if the amount of past due installmentis equal to or more than the amount of installment(s) due within 06 (six) months, the entire Investment (loan) will be classified as ''Doubtful"; • Bad/Loss' if the amount of 'defaulted installment'is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire Investment/loan will be classified as ''Bad/Loss''. **Short-term Agricultural and Micro-Investment are classified as:** If not repaid within the due date as stipulated in the Investment (loan) agreement. If the said irregular status continues, the Investment (credit) will be classified as 'Substandard ' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per Investment (loan) agreement. A continuous Investment, Demand or a Term Investment which will remain overdue for a period of 02 (two) months or more will be put into the Special Mention Account (SMA). The Bank follows the specific and general provision for investment/ loan on the basis of Bangladesh bank Guidelines issued from time to time.
ii) Description of approaches followed for specific and general allowances and statistical method;	(1) @ 0.25% against all unclassified loans of Small and Medium Enterprise (SME) as defined by the SME & Special Programmes Department of Bangladesh Bank from time to time and @ 1% against all unclassified Investments (other than Investments/loans under Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock dealers etc., Special Mention Account as well as SME Financing.) (2) @ 5% on the unclassified amount for Consumer Financing whereas it has to be maintained @ 2% on the unclassified amount for (i) Housing Finance and (ii) Investments/Loans for Professionals to set up business under Consumer Financing Scheme. (3) @ 2% on the unclassified amount for Investments/Loans to Brokerage House, Merchant Banks, Stock dealers, etc. (4) @ 5% on the outstanding amount of Investments/loans kept in the 'Special Mention Account'. (5) @1% on the off-balance sheet exposures. (Provision will be on the total exposure and amount of cash margin or value of

	eligible collateral will not be deducted while computing Off-balance sheet exposure.) **b) Specific Provision:** Banks will maintain provision at the following rates in respect of classified Continuous, Demand and Fixed Term Investments/Loans: (1) Sub-standard : 20% (2) Doubtful : 50% (3) Bad/Loss : 100% **c) Provision for Short-term Agricultural and Micro-Investments:** (1) 'Unclassified and SMA' @2.50% (2) 'Sub-standard' and 'Doubtful' @ 5% (3) 'Bad/Loss' : 100%
ii) Decision of the Bank's Investment (Credit) Risk Management Policy;	The Bank has put in place a well-structured Investment/ Credit Risk Management Policy known as Investment Risk Manual approved by the Board. The Policy document defines organization structure, role and responsibilities and, the processes whereby the Investment (Credit) Risks carried by the Bank can be identified, quantified and managed within the framework that the Bank considers consistent with its mandate and risk tolerance. Authorities are properly delegated ensuring check and balance in investment operation at every stage i.e. screening, assessing risk, identification, management and mitigation of investment risk as well as monitoring, supervision and recovery of investments with provision for Early Warning System and Grading of Investment clients as Blue, Green, Grey, Yellow, Red and Brick Red. Bank has framed Investment Policy, Investment (Credit) Assessment & Risk Grading, Approval Authority, Internal Audit Approval Process, Investment (Credit) Administration, Investment (Credit) Monitoring, Investment (Credit) Recovery etc. which forms integral part in monitoring of Investment (Credit) Risk in the Bank. Status of investments is regularly reported to the Board /Executive Committee of the Bank.

Quantitative Disclosures

b) Total gross Investment/ Credit risk exposures broken down by major types of Investment exposure.

Total gross Investment/ Credit risk exposures broken down by major types of Investment exposure of the Bank are as under:

Particulars	As on December 31,2016 (In million Taka)
Bai – Murabaha	342,271.87
Bai - Muajjal	41,545.46
Hire Purchase under Shirkatul Melk	139,963.72
Bai- Murabaha Import Bills	4,157.29
Baim FC Bills	11,734.40
Musharaka	602.05
Mudaraba Investment	5,000.02
Bai – Salam	6,435.57
Murabaha Foreign Currency Investment	12,207.91
Quard	14,047.32
Investment in Khidmah Card	106.55
Bills Purchased and Discounted	38,346.75
Total	**616,418.91**

c) Geographical Distribution of exposures, broken down in significant areas by major types of credit exposure.

Geographical Distribution of exposures, broken down in significant areas by major types of Investment/ credit exposure of the Bank are as under:

Particulars	As on December 31,2016 (In million Taka)
In Rural Areas	53,279.88
In Urban Areas	563,139.03
Outside Bangladesh	0.00
Total	**616,418.91**

Division wise distribution of Investment/ credit exposure of the Bank are as under:

Name of Division	As on December 31,2016 (In million Taka)
Dhaka Division	343,406.98
Chittagong Division	123,098.86
Khulna Division	41,484.99
Rajshahi Division	56,525.61
Barisal Division	9,431.21
Sylhet Division	13,068.08
Rangpur Division	20,280.18
Mymensingh Division	9,123.00
Total	**616,418.91**

d) Industry or counterparty type distribution of exposures, broken down by major types of investment/ credit exposure.

Industry or counterparty type distribution of exposures, broken down by major types of investment/credit exposure of the bank are as under:

Particulars	As on December 31,2016 (In million Taka)
Economic purpose wise Investment	
Investment to Directors	243.15
Investment to CEO & Sr Executives	965.70
Trade & Commerce	191,303.57
Real Estate	47,972.33
Transport	7,591.97
Agriculture (including fertilizer & agriculture implements)	15,424.72
Industrial investment*	**321,172.52**
Others	31,744.95
Total	**616,418.91**
*Industrial Investment	
Textile- Spinning, Weaving & Dyeing	97,308.80
Steel, Re-Rolling & Engineering	26,483.96
Agro-based Industry	23,452.25
Garments & Garments Accessories	70,236.44
Food & Beverage	4,421.70
Cements Industry	5,770.61
Pharmaceuticals	5,609.62
Poultry, Poultry Feed & Hatchery	1,031.93

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	Sanitary Wares	151.76
	Chemicals, Toiletries & Petroleum	4,984.66
	Printing & Packaging	1,890.27
	Power (Electricity)	3,534.43
	Ceramic & Bricks	5,246.18
	Health care (Hospital & Others)	4,559.40
	Plastic Industries	2,768.17
	Petrol Pump & CNG Filling Station	450.47
	Information Technology	424.03
	Hotel & Restaurant	603.15
	Other Industries	62,244.69
	Total	**321,172.52**

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of investment/ credit exposure.

Geographical Distribution of exposures, broken down in significant areas by major types of Investment/ credit exposure of the Bank are as under:

Particulars	**As on December, 31 2016 (In million Taka)**
Repayable on Demand	-
Upto 1 month	68,262.84
Over 1 month but not more than 3 month	102,116.12
Over 3 months but not more than 1 year	183,003.26
Over 1 year but not more than 5 years	115,378.80
More than 5 years	109,311.14
Total	**578,072.16**

f) By major industry or counterparty type

i) Amount of impaired Investment/ loans and if available, past due investment/ loans provided separately

The amount of classified/ past due investment of the bank is as under:

Particulars	**As on December 31,2016 (In million Taka)**
Past Due	
Special Mention Account (SMA)	20,460.66
Sub Standard	2,341.64
Doubtful	1,064.12
Bad & loss	20,195.82
Total	**44,062.24**

ii) Specific and General Provision

Specific and General Provisions were made on the amount of classified and unclassified investments/ loans, Off- balance Sheet exposure of the bank according to Bangladesh Bank guidelines.

Particulars	**As on December 31 2016 (In million Taka)**
Unclassified Investment	592,817.32
Classified Investment	23,601.59
Off Balance Sheet Exposure	139,246.02
Total	**755,664.93**

iii) Charges for specific allowances and charge - offs during the period

During the period the specific and general provision were made on the amount of classified investment, Un classified Investment and Off Balance sheet exposures.

Particulars	As on December 31 2016 (In million Taka)
Provision on Unclassified Investment	671.70
Provision on Classified Investment	3,834.38*
Provision on Off Balance Sheet Exposure	58.80
Total	**4,564.88**

* Provision for Classified investment includes provision made against subjective judgement

g) Gross Non Performing Assets (NPAs)

i) Movement of Non Performing Assets (NPAs)

Particulars	As on December 31 2016 (In million Taka)
Opening Balance	22,541.24
Additions	35,847.70
Reductions	34,787.35
Closing Balance	23,601.59

ii Movement of specific provisions for NPAs	Opening Balance	17,751.49
	Recovery amount previously written off	43.94
	Provisions made during the period	3,834.38*
	Fully provided Investment write-off	(1,075.98)
	Closing Balance	20,553.83

* Provision made during the period includes provision made against subjective judgement

Qualitative Disclosures

a) The general qualitative disclosures requirement with respect to equity risk, including:

• Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	Investment in equity securities are broadly categorized into two parts: i) Quoted Securities (common or preference share & mutual fund) that are traded in the secondary market (Trading Book Assets). ii) Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. held to maturity (HTM). And securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.
• Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	The primary objective is to investment in equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received and right to receive when established. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price.

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	As per Bangladesh Bank guidelines, the HFT equity securities are revaluated once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh bank guideline. The HTM equity securities are also revaluated if any, are reclassified to HFT category with the approval of Board of Directors.

Quantitative Disclosures		As on December 31,2016 (In million Taka)	
		Solo	Consolidated
	Particulars		
a)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments, for quoted securities a comparison to publicly quoted share values where the share price is materially different from fair value.	1,268.25	1,268.25
b)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	-	-
c)	Total unrealized gains (losses)	14.86	14.86
d)	Total latent revaluation gains (losses)	-	-
	Any amounts of the above included in Tier – 2 capital.	-	-
e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.		
	• Specific Market Risk	147.18	147.18
	• General Market Risk	147.18	147.18

Profit Rate Risk in the Banking Book

Qualitative Disclosures	
a) The general qualitative disclosure requirement including the nature of Profit Rate Risk in the Banking Book (PRRBB) and key assumptions, including assumptions regarding investment prepayments and behavior of non-maturity deposits, and frequency of PRRBB measurement.	Profit rate risk is the risk where changes in market profit rates might adversely affect bank's financial condition. Changes in profit rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of profit rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.
	The short term impact of changes in profit rates is on the bank's Net Investment Income (NII). In a longer term, changes in profit rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other profit rate sensitive position.

Quantitative Disclosures					
					As on December 31,2016 (In million Taka)
b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring PRRBB, broken down by currency (as relevant)	**Particulars**	**1-90 days**	**Over 3 Months to 6 Months**	**Over 6 Months to 99 Months**	**Over 9 Months to 12 Months**
	Rate Sensitive Assets	215,610	71,170	41,550	31,990
	Rate Sensitive Liabilities	207,710	55,550	39,130	29,990
	GAP	7,900	15,640	2,420	2,000
	Cumulative Gap	7,900	23,540	25,960	27,960
	Adjusted profit rate changes (PRC)	1%	1%	1%	1%
	Quarterly earnings impact (Cum. Gap*PRC)	19.48	58.04	64.01	68.94
	Accumulate earning impact to date	19.48	77.52	141.53	210.48

Market Risk

Quantitative Disclosures	
a) i)Views of BOD on trading / investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions.
ii) Methods used to measure Market risk	Standardized rule based approach has been used to measure the Market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category, minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".
iv) Market Risk Management system	The Treasury Division manages market risk covering liquidity, profit rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. The Managing Director chairs ALCO. ALCO meets at least once in a month.
iv) Policies and processes for mitigating market risk	There are approved limits for credit deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect the market risks. The exchange rate of the Bank is monitored regularly and the prevailing market condition, exchange rate, foreign exchange position and transactions are reviewed to mitigate foreign exchange risks.

Quantitative Disclosures		
	As on December 31,2016 (In million Taka)	
The Capital Requirements for	**Solo**	**Consolidated**
Profit (Interest) rate risk	-	
Equity position risk	294.35	294.35
Foreign exchange risk	868.66	868.66
Commodity risk.	-	
Total Capital Requirement	**1,163.01**	**1,163.01**

Operational Risk

Quantitative Disclosures	
a) i) Views of BOD on system to reduce Operational Risk	Operational risk is the risk of loss or harm resulting from inadequate or failure of internal processes, people and systems or from external events. Capability to carry out a large number of transactions effectively and accurately while complying with applicable laws and regulations constitutes operational risk management activities of the bank. The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control & Compliance to protect against all operational risk.
ii) Performance gap of executives and staffs	IBBL has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. IBBL's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
iii) Potential external events	-No potential external events are expected to expose the Bank to significant operational risk.
iv) Policies and processes for mitigating operational risk	- The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit (RBIA) system is in operation. As per RBIA branches are rated according to their risk grading/ scoring audit procedure and required frequent audit to the Branches are operated by the Audit Division. In addition, there is a Vigilance Cell established in the bank to reinforce operational risk management of the Bank and to minimize the same. Bank's anti money laundering activities are headed by (Chief Anti Money Laundering Compliance Officer) CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
v) Approach to calculating capital charge for operational risk	- Basic Indicator Approach is being used for calculating capital charge for operational risk as of the reporting date.

Quantitative Disclosures

As per the risk based Capital Adequacy Framework, the capital charge for operational risk is equal to 15% of average positive annual Gross Income of the previous three years:

In line with the above, the Bank has adopted the Basic Indicator Approach for computing capital to operation risk.

As on December 31,2016
(Figure In million Taka)

Capital Requirement	Solo	Consolidated
Operational Risk	**4,250.90**	**4,277.32**

Liquidity Risk

Quantitative Disclosures

i. Views of BOD on system to reduce liquidity risk	The Board approves the strategy and significant policies related to the management of liquidity. In IBBL, the BOD guides on the level of appetite for liquidity risk and overall liquidity risk profile through reviewing various report and ensure necessary steps taken by management to identify, measure, monitor and control liquidity risk.
ii. Methods used to measure Liquidity Risk	At a very basic level, liquidity measurement involves assessing all of a bank's cash inflows against its outflows to identify the potential for any net shortfalls going forward. This also includes funding requirements for off balance sheet commitments. An important aspect of measuring liquidity is making assumptions about future funding needs. Although certain cash inflows and outflows can be easily calculated or predicted, bank also makes assumptions about future liquidity needs, both for short-terms and long terms. One important factor to consider is the critical role a bank's reputation plays in its ability to access funds readily and at reasonable terms. Several key liquidity risk indicators have been identified for monitoring the liquidity position on regular basis.These are: Statutory Liquidity Requirement (SLR), Cash Reserve Ratio (CRR),Investment to Deposit Raito(ADR) Maximum Cumulative Outflow (MCO), Medium Term Funding Ratio (MTFR) ,Liquid Asset to Total Deposit Ratio, Liquid Asset to Short Term Liabilities, Liquidity Coverage Ratio (LCR) , Net Stable Funding Ratio(NSFR).
iii. LiquidityRisk management system	In order to develop comprehensive liquidity risk management framework, Contingency Funding Plan (CFP) has been developed which is a set of policies and procedures that serves as a blueprint for the bank to meet its funding needs in a timely manner and at a reasonable cost.

	For day-to-day liquidity risk management, CFP ensures that the bank is well prepared to respond to an unexpected problem. In this sense, a CFP is an extension of ongoing liquidity management and formalizes the objectives of liquidity management by ensuring: A reasonable amount of liquid assets are maintained; Measurement and projection of funding requirements during various scenarios; and Management of access to funding sources. CFP also provides directions for plausible actions in distress and emergency situations. In case of a sudden liquidity stress, it is important for the bank to handle the same in an efficient and organized way to meet its obligations to the stakeholders. Since such a situation requires a spontaneous action, CFP will put the bank in better position by addressing the liquidity problem more efficiently and effectively. CFP ensures that bank management and key staff are ready to respond to any distress situation.
iv. Policies and processes for mitigating Liquidity Risk	Maturity ladder of cash inflows and outflows is an effective tool to determine bank's cash position. A maturity ladder estimates a bank's cash inflows and outflows and thus net deficit or surplus (GAP) both on a day-to-day basis and over a series of specified times can be estimated. A bucket wise (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years) maturity profile of assets and liabilities is prepared to understand mismatch in every bucket. A structural maturity ladder or profile is prepared periodically following guidelines of the Bangladesh Bank DOS circular no. 02 dated March 29, 2011.

Quantitative Disclosure

As on December 31' 2016
(In million taka)

Capital Requirement for	Solo	Consolidated
Liquidity Coverage Ratio (LCR)	125.89%	125.89%
Net Stable Funding Ratio (NSFR)	104.61%	104.61%
Stock of High Quality Liquid Assets (HQLA)	126,719	126,719
Total net cash outflows over the next 30 calendar days	100,658	100,658
Available amount of Stable Funding	688,693	688,693
Required amount of Stable Funding	658,361	658,361

Leverage Risk

Quantitative Disclosures	
i. Views of BOD on system to reduce excessive leverage	The Board approves all policies related to Leverage Ratio. In order to avoid building-up excessive on-and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced to constrain leverage in the banking sector.
ii. Policies and processes for mitigatingexcessive on and off-balance sheet leverage	There are approved limits for maintaining Regulatory Liquidity Indicators (RLIs) which will be ensured asset quality and strong capital base. To achieve non-risk based regulatory leverage ratio We have taken the following steps • Constrain leverage to mitigate the risk of the destabilizing deleveraging process which can damage the financial system and the economy; • Introducing additional safeguards against model risk and measurement error by supplementing the risk-based measure with simple, transparent, independent measure of risk.
iii. Approach for calculating exposure	A minimum Tier 1 Leverage ratio of 3% has been prescribed both at solo and consolidated level. IBBL has been maintaining leverage ratio.The calculation at each quarter end submitted to BB considering the following: **1. Capital Measure:** The capital measure for theleverage ratio will be based on the new definition of Tier 1 capital as specified in Chapter 3 of 'Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III' **2. Exposure Measure: General Measurement Principles:** The exposure measure for the leverage ratio will generally follow the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following will be applied by the bank:
	i. Onbalance sheet, non-derivative exposure will be net of specific provisions and valuation adjustment. ii. Physical of financial collateral, guarantee of credit risk mitigation purchased in not allowed reducing on-balance shhet exposure. iii. Netting of loans and deposits is not allowed. **On-Balance Sheet Items:** Bank includes item using their accounting balance sheet for the purposes of leverage ratio. In addition, the exposure measure has been included the treatments of Securities Finacing Transactions 9e.g. repo, reverse repo and derivatives etc.)

	Off-Balance sheet Item: Bank has calculated the off-balance sheet (OBS) items by applying a uniform 100% Credit Conservation Factor (CCF). For unconditionally cancellable commitments without prior notice, a CCF of 1% is applied.

Quantitative Disclosure

As on December 31' 2016
(In million taka)

Capital Requirement for	Solo	Consolidated
Leverage Ratio	4.97%	4.99%
On balance sheet exposure	778,203.44	778,430.34
Off balance sheet exposure	42,992.04	42,992.04
Total exposure	**821,195.48**	**841,422.38**

Remunaretion

Qualitative Disclosures

a) Name, composition and mandate of the main body overseeing remuneration. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process. A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	Board of Directors of the Bank is actually the main body to oversee the remuneration. The Board, however, generally suggest the management to place proposal for revision of remuneration from time to time. Generally, no advice with regard to the remuneration process of the bank from any external consultant is sought whatsoever and therefore no commission to this effect is paid to any agencies. The bank does not have any foreign subsidiary; rather it has branches as well as zonal offices throughout the country. The remuneration policy follows uniform rule and does not change due to the employees working at diversified geographical locations. Any group of the employees has not been categorized as the material risk taker as well as senior managers; rather the risks in different areas of operations of the bank are taken by the employees concerned as a team.
b) An overview of the key featureand objectives of remuneration policy. Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.	Remuneration policy is based on attracting, retaining and motivating the employees to ensure that they perform in the best interests of the bank and its shareholders by growing and developing the business. The remuneration system of the bank has been designed to ensure optimum level of fairness in reward to the service of the employees in such a way so that they can satisfactorily manage the basic expenses concerning their household as well as get sufficient future benefits on attaining the superannuation. The key features of the remuneration system are as under:

	In consideration of the nature of works/responsibilities fixed remuneration has been established for the employees of a particular grade. However, the fixed remuneration differs from grade to grade and generally changes with the promotion/demotion to the higher/ lower grades. The components of the fixed remuneration are basic pay, house rent, medical as well as conveyance allowances etc. The basic pay is increased at a fixed rate every year towards adjustment of the inflation. Employees may have additional remuneration by means of getting special increment, promotion for their extraordinary performance. Remuneration concerning the future benefits of the employees is paid in the form of Gratuity, Provident Fund and Superannuation Fund. The amount of such remuneration varies in terms of grade, basic pay as well as service length. Variable remuneration is paid to the employees in the form of Incentive Bonus on the basis of the performance resulting satisfactory annual profit of the bank. The overall performance of the employees is considered as the team performance without categorizing any 'Identified Staff as Risk Takers' and Incentive Bonus is allowed to them in proportion to their respective basic pay. The remuneration of the bank was reviewed by the Board of Directors twice last year and consequently changes have taken place in the remuneration process.
A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	No segment of the employess has been categorized as the 'risk and compliance employess" and therefore no scope is there to seperatly remunerate such type of complyess for their overssing the business.
c) An overview of the key risks that the bank takes into account when implementing remuneration measures. An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure A discussion of the ways in which these measures affect measuers	Basically, the 'fixed remuneration' process is being practiced and in some cases the adjustment of the losses, so incurred by the bank due to the employees' non-compliance of different rules & regulations is compensated from the fixed remuneration as well as deferred future benefits of the employees concerned through claw back process as a means of adjustment of the current and future risk. The risk of non-adherence to regulatory compliances as well as violations of different rules and procedures causing significant losses from the side of the employees is taken into consideration while implementing the remuneration measures. To avert the risks, the provisions with regard to partial payment of basic pay as well as non-disbursement of incentive bonuses and future benefits, claw back process from the monthly remunerations etc. are there.

A discussion of how the nature and type of these measures has changed over the past year and reasons for the change , as well as the impact of changes on remunaretion	Various disciplinary measures ranging from the issuance of censure to dismissal from the service for committing the irregularities is there and such measures significantly affect the remuneration process. Over the past years, due to committing various types of violations, remuneration of the individual employees has been changed but no change affecting the remuneration system has taken place.
d) An overview of the main oparetion mertrices for the bank , top level business lines and indiduals	The individual performance measurement metrics affecting the remuneration is strictly followed. Overall performance of the employees is considered as the team result.
d) A sicsussion of bank's policy on deferrel and vesting of variable remunaretiomn and if, the fraction of variable remunaretion that is deffered across employess or groups of emloyess, a description of the factors that determine the fraction and their relative importance.	Variable remuneration in the form of Incentive Bonus is allowed to them in proportion to their respective basic pay which generally varies in relation with the operating profit. However, employees may get accelerated promotion for extraordinary performance as well as may be awarded demotion for committing violations that has a link with the remuneration process. In the case of weak performance of the employees, considering the performance as the team result, the incentive bonus may not be allowed or may be allowed less. In some cases the employees committing lapses and incurring financial losses, are not allowed the incentive bonus.
A discussion of the bank's policy and criteria for adjusting deffered remuration before vesting and (if permitted by national law) after vesting throuth clawback arrangements.	To ensure long-term retention of the employees remuneration concerning future benefits has been designed which includes Gratuity, Provident Fund, and Superannuation Fund etc. As per the prevailing practice, the incentive bonus, as variable remuneration, is to be completely paid to the eligible employees and any fraction thereof is not deferred with regard to the determination of their relative performance. Once the incentive bonus, as variable remuneration, is paid it cannot refunded through claw back arrangement.
g) An overview of the forms of variable remunaretion affere(i.e. cash, share and share-linked instrument and other forms)	No different form with regard to payment of variable remuneration is there. The remuneration of the employees is paid in the form of cash.
A discussion of the use of the different forms of variable remuretion and , if the mix of different forms of variable remuretion differes across employess or groups of employes) adiscriction the factors that determine the mix and their relative importance.	Not Applicable.

Qualitative Disclosures

g) Number of meeting held by the main body overseeing remuretion during the financial tear and remuretion paid to its member	Not Applicable.
h) Number of employess received a variable remnaretion award during the financial year.	Not Applicable.
Number and total amount of guaranteed bonuses awar-ered during the fianacial year.	5 (five) Basic Pay as Incentive bonus amounting Tk.1,923 million has been paid.
Number and total amount of sign-on awards made during the fianacial year	Not applicable.
Number and total amount of servance payment made during the year.	Not applicable
i) Total amount of outstanding deffered remunaretion, split into cash,shares and share linked instruments and other form.	Not applicable
Total amount of deffered remunaretion paid out in the financial year.	Not applicable
j) Breakdown of amount of remuneration awars for the financial year - Fixed and variable - derreded and non-deffered - different forms used(Cash, Share and share linked in-strument)	Not applicable
k) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or Implicit adjustments.	Not applicable
Total amount of reductions during the financial year due to ex post explicit adjustments.	Not applicable
Total amount of reductions during the financial year due to exposit implicit adjustments.	Not applicable

AMARSTOCK

Non-Performing Investment Management

Overall Trade and Commerce in the country experienced no better last year than that of previous year. Banking sector faced excess liquidity, lesser investment demand from the entrepreneurs, new increase in NPI, reclassification of rescheduled investment. Dissatisfactory performance of few numbers of large investment clients mainly responsible for increased Non-Performing Investment (NPI). Despite of these adversities, IBBL, Alhamdulillah, achieved the targets in major business dimensions.

Managing NPI including recovery of classified, rescheduled and written off investment were among the major challenges during 2016. Big clients did not perform in line with expectations.

NPI of a bank is its past due asset from its investment client who has not paid off as per agreed upon terms for an extended period of time. As a result, such assets do not give any income to the bank. The NPI's impacts on a bank's profitability are manifolds such as:

i. Loss of Income.
ii. Loss of Income in the form of provisioning from hard earned income from performing investment;
iii. A net loss on investment not recovered;
iv. An increase in costs, because of additional management time and servicing costs;
v. Additional capital requirement for high-risk weighted assets;
vi. Reduction in bank's net profitability because of all above;
vii. Lower Ratings and increase cost of funding;
viii. Reduced risk appetite for new Investment;
ix. Adversely affecting equity valuations;
x. Threat of liquidity crisis, which ultimately disrupts clients' interests, protecting which is one of the commitments of Maqasid Al- Sharia'h; etc.

Therefore, keeping NPI at the lowest possible level is at the core of IBBL. For this, the bank's efforts are always dedicated to devise the efficient strategies to follow the industry's best practices in this regard both of local and international.

To this end, Bank's Assets Management Division (AMD) is dedicated. AMD, based on the approved policy, strategies and rules, concentrates on off-site supervision and monitoring of Zones'/ Branches' activities for recovery/collection/ reduction of NPI, up gradation of CL status from worse to better grade, reduction of provision requirement, processes the proposals for disposal of mortgage property and filing suit against the stubborn client, rescheduling/ solenama of the client intending amicable settlement, waiver (Compensation/ Profit) of genuine sufferer, write offs the long outstanding bad investment. AMD also prepares reports thereof with due recommendation on timely basis to place before the competent authority and disseminates/ implements advice/ decisions given by the authority for bringing efficiency and momentum in the aforementioned affairs for the management of NPI. Besides, the following special initiatives are also functioning to strengthen the NPI management:

i. A Central Task Force comprising with the top executives at Head Office headed by the Hon'ble Managing Director is functioning, which reviews the recovery position of NPI through video conferencing where all Zonal Heads participate with their performance and commitment.

ii. 8 (Eight) Special Monitoring & Supervision Committees are formed headed by DMDs, and EVPs at Head Office, among others, for monitoring and supervision of NPI and provision reduction.

iii. A Special Coordination Committee has also been formed for looking after the activities and performance of the above 8 Special Committees.

iv. 8 Special Committees place their report on the progress of works before the Special Coordination Committee and Central Task Force.

v. Task Force Committees are also formed in every Zone/ Branch having NPI, who sit on regular basis at Zones /Branches, review the recovery progress of NPI and the compliances with the guidance/ direction/ advice of responsible HO Special Committees and also take new strategies especially for recovery of due installments against both regular and reschedule investment for keeping them regular.

Legal Affair Division of the bank, equipped with qualified law officers coordinates AMD to ensure all legal actions as appropriate in timely manner for collection of Bank's dues.

Introduction of a new squad, to be equipped with the skill manpower having required qualification and experiences for solving the problem investment as their regular on-site job, under AMD is also mulling for gearing up the Risk Management travail.

Key Priorities for 2017

IBBL identified several key areas for the capacity building of the involved officers to make improvements of the NPI management System:

- Recovery of Written off Investment;
- Amicable settlement especially with the big defaulter clients including those reporting regular in CIB following HC stay order, by way of rescheduling/ Solenanma
- Recovery/ Regularization of the liability of genuine sufferer client by way of waiver of partial/ full compensation and/ or profit and/or Rescheduling
- Improving staff skill to deal with NPIs;
- Speeding up in-court debt recovery;
- Aligning the Investment Risk Management Process with the national and international regulator's standard to facilitate capacity building of the business staff for NPI Management.

Enhanced Banks' Capacity to deal with NPIs

Actually, NPI management as a part of Investment Risk Management starts at the origination of an investment client and spreads throughout Relationship, Investment Approval and Administration.Client profiling (evaluation) is the first step. Better data means better Risk Rating. Client profiling, combining information/data on financial assets and their financial and consumption behaviors, can help to balance a high level of industrialization within a pre-defined set of actions (policy, procedures and guidelines) for low-value clients and a bespoken approach for high-value ones, reducing costs and time to recovery.

An industrialized approach as above is now being recommended with a top emphasis by national and international regulators to manage NPIs volumes and banks have the opportunity to extract more value than in the past by industrializing the operating model and adopting digital technologies across the value chain.

In this regard, As per approval of the Board of Directors, the bank digitalized the Investment Proposal Processing in the name of Central Investment Proposal Processing System (CIPPS) last year, which not only accelerates the investment approval process but also enhances efficient investment administration and control on effective information/ data preservation for forming a data bank.

Board of Directors of IBBL last year also approved revised Investment Risk Management Policy (IRMP) and Investment Policy (IP) of IBBL based on Guidelines on Credit Risk Management for banks issued by Bangladesh Bank.

The revised IRMP delineate, among others, the following:

- ❒ Indicators of High Investment Risk and Poor Investment Risk Management;
- ❒ Risk Appetite Statement;
- ❒ Managing Investment Risk in the origination process
- ❒ Investment Client Evaluation (profiling) and Rating;
- ❒ Risk Base Pricing;
- ❒ Managing Investment Risk in Administration Process;
- ❒ MIS system which will be able to provide with the quality data on the segmented and disaggregated portfolio on timely basis which, among others, are as under:

Non-Performing Investment Management

- Limit Increases, Limit Decreases, Renewals;
- Unutilized and Undrawn amounts;
- Attrition (voluntary and involuntary);
- Net Investment Income (NII) %;
- Overdue (days: 30, 60, 90, 120, 150, 180 or more);
- First Installment Default (FID) or First Payment Defaults;
- Risk Grading/ Rating of customer exposures;
- Early Alert Reporting, Classified Account Reporting, Collateral Values;
- Overdue Annual Reviews (aged) and Extended Accounts;
- Gross Write-offs, New Provisions, Releases, Recoveries, Net Bad Investment, Provisioning Balance;
- Repossessions/foreclosures - initiated, in progress, Inventory;
- Expenses associated with foreclosure process; Foreclosure Assets sold, Write-downs taken periodic and on sale;
- Expenses incurred in maintaining and selling repossessed property.

Investment risk management starts when investment client walks through the door and goes through the application process. When appraising the Investment proposal, completing/ updating the KYC and TP accurately applying CDD, EDD and FATCA is a must. Bank must study the investment history and data including supply-demand gap in the industry and technical knowhow chain to ascertain sufficient capability and character of repayment of the relevant party so that bank can select a good client with a least risk of indulging in NPI.

At the end of the year 2016, NPI Ratio of the Bank decreased to 3.83% from previous year's 4.25%. NPI in absolute figure stands at Tk. 23,601.59 in 2016 million as against Tk 22,541.24 million in 2015 which is due to the impact of national economy.

AMARSTOCK

ICT & Automation



IBBL has always been a front-runner in using new technologies and innovative services to make banking easier & simpler. In addition, it has been taken Initiatives to make the Bank totally IT driven and targeted

- Large ATM network
- Salary card
- Travel card
- VISA debit card
- Remittance Card
- Khidmah Credit Card
- EFT
- SMS Banking
- i-Banking
- Mobile banking
- Phone banking

to achieve full automation. The Bank has established online connectivity to its all branches having dual connectivity at all branches, which is the largest network amongst all Banks in Bangladesh. IBBL's data center is the largest in the Banking sector of the country. Establishment of own ATM network of the Bank and introduction of different cards like, Salary card, travel card, VISA debit card, Remittance Card and Khidmah Credit Card and existing ATM (debit) Card make the services of the bank more attractive to the customer. All types of Electronic Fund Transfer (EFT) and Alternative Payment Systems i.e. ATM, IDM, POS, SMS and Internet banking, mobile banking, phone banking are already incorporated in our long list of services. Some service like POS (Point of Sale) acquiring is in the waiting list, which will be incorporated into our long list of services very soon. All Branches including SME/Krishi Branches of IBBL have sophisticated IT systems equipped with state of the art IT components used in the Banking sector.

eIBS (Electronic Integrated Banking System)

IBBL boasts to be the only Bank in Bangladesh possessing own developed full-fledged Centralized Core Banking System, eIBS, which is based on open source technologies and most secure database management system, on ORACLE ExaData platform. All banking modules have been fully integrated in eIBS including three major modules: General Banking (GB), Investment, and Foreign Exchange. Each module is running at all branches and integrated with each other. Centralized RDS/UPDS module of eIBS has also implemented for all RDS/UPDS branches of the Bank.

Any Branch Banking

Presently IBBL possesses the largest online banking network in the country. All branches are under on-line connectivity via dual connectivity using Fiber Optics and Radio Link where "Any Branch Banking" facilities to the clients are being provided. Both the revenue and number of transactions of online banking of IBBL have showed positive growth over the past year. For example, more than 1,00,000 transactions per day are being performed with volume of approx. Tk. 1000 cores using on line remote deposits and withdrawals operation. About two core ten lacsnumber of transaction was committed by IBBL any branch banking module in 2016.

Equipping IBBL workforce

We have achieved the vision of 'one man one computer' for all employees. For now, all working forces (AOG-III and above) of the Bank are availing Computer. We have already set up more than seventeen hundred IP Phones and thirty Video Phones. We have already provided email and internet facility to most of the officials and executives. We have proposed Email facility for the rest of officers gradually. Last year ICTW has arranged more than fifty IT related training and workshop for the employee of IBBL where more than three thousand employees were attended and the productivity of the employee has tremendously improved due to these programs.

SMS Banking

Through SMS push service, remitters and beneficiaries of the Foreign Remittance can automatically receive a message in their mobile phones once the amount is credited in their accounts. From the teller if any account transacted BDT Fifty thousand or above an SMS is sending to clients registered mobile via IBBL SMS PUSH services. Through SMS push-pull service,

- **Balance Enquiry**
- **A/c. statement**

clients can see their latest balance information and last three transactions in their mobiles from anywhere in the world at any time by sending SMS to 6969 (for local clients) +8801714006969 (for international clients). At present more than 3.45million clients have been registered in SMS Banking and on an average 20,000 requests are being received per day. About 7.5 million SMS push pull notification has processed by

IBBL SMS system in the year 2016.We have integrated with Grameenphone SMS Gateway for SMS Banking services through PUSH-PULL concept. Under this service, we are earning Tk. 1.00 for each SMS to IBBL SMS Gateway 16259.

Management Information System (MIS)

IBBL has built a strong Central MIS for the Bank. It now contains any Branch Level, Zone Level, Central Level data and information and also contains information of ATM, iBanking, SMS Banking, Mobile Banking and External Market. Thus IBBL Management can observe the business trend, growth and performance of the bank, can get any business analytics at any moment from the Central MIS which enabled us to provide current information to the bodies like Ministries, Bangladesh Bank, World Bank, IFC, IMF, and ADB etc. IBBL also built a strong Branch MIS like GBMIS, INVMIS, FEXMIS for the branches which contains Branch Accounts, Daily Transactions, Remittances, General Ledger (GL) related information for the monitoring of Branch Incumbent and as well as branch users.

Centralization of the Core Banking System (CBS)

Our CBS (eIBS) and its associated systems are centralized that is why all services and supports can be provided from a single operational point. Implementation of BACH, BEFTN, Call Center etc. are parts of the centralized approach. They all ensure services on fast track and enable to deliver more innovative ones in electronic and alternate delivery channels (Cards, SMS Banking, iBanking, Mobile Banking, etc.). Centralization of IBBL branched has improved the customer services tremendously and reduced the operating cost and ensuring more security and regulatory compliance.

IBBL online Money Transfer

IBBL online Money transfer system is using by the exchange houses for sending spot/instant cash and direct IBBL customer account credited from abroad. IBBL employees use this for payout the spot/instant cash. About 18 lacs transaction amounting of 5700 crore taka is committed by IBBL online money transfer system in the year 2016. At present 89 exchange house are directly connected with the system IBBL online money transfer system.

Internet banking (iBanking)

Through iBanking-valued clients of IBBL and Foreign Remittance exchange Houses can check account details at IBBL's Web Portal (https://ibblportal.islamibankbd.com).So far, nearly 0.2 million clients have registered for taking the Internet Banking services. IBBL iBanking clients can transfer up to 0.5 million taka daily from one account to other accounts of any branches of IBBL by himself without any interaction of banks. IBBL iBanking introduced EFT service through which customers can transfer fund to any Bank's account in Bangladesh. IBBL clients can also enjoy mobile top up services, postpaid bill payments, utility bill payment etc. by iBanking services. About 18 lacs transactions amounting around 2000 crore taka are handled by IBBL iBanking system in year 2016.

Internet Banking Services

1. View Accounts & Statement Checking
2. Search FTT Message
3. Search FDD Payment
4. Transaction Summary
5. Clearing Instrument Status
6. Outstanding Liability Position
7. iTransfer (Fund Transfer)
8. iTransfer-EFT (Transfer To Other Bank)
9. iRecharge (Mobile Airtime Top Up for all TELCOs)
10. Wimax Recharge (Banglalion&Qubee)
11. Utility Bill Payment (DESCO & DPDC)
12. Khidmah Credit Card - Bill Pay
13. Account No Withdrawal
14. Manage Cheque (Issue Cheque Requisition & Stop Cheque Payment)
15. iPaySafe –Payment Gateway Service (Our customers can place orders on around 500+ e-commerce sites and make the payment through iPaySafe (https://ipaysafe.islamibankbd.com)
16. Cost Sheet (Negotiation & Realization)

Corporate houses collect transactions information or account statement of their collection accounts through integration with our iBanking API.

IBBL iSmart: In year 2016, IBBL introduced mobile app for IBBl iBanking customers. Mobile phone has become the most popular tech gadget people can afford. To replicate the in-bank experience through a mobile app, this app can act as a true extension of customer service team by providing data that is both accurate and relevant. The latest of version of IBBL iSmart has the following features:

service team by providing data that is both accurate and relevant. The latest of version of IBBL iSmart has the following features:

- Account Information
- Balance Enquiry
- Account Statement
- Transaction summary
- iRecharge
- Wimax recharge
- Fund transfer
- Password Management

E-commerce sites:

IBBL introduces e-Commerce Payment gateway through which customer can pay merchants for online buy. Currently IBBL iBanking and mCash customers can avail this facility. Over 500+ sites are facilitating with payment options through iPaySafe. Currently the following aggregators are integrated with our Payment Gateway:

- Software Shop Limited (SSL Wireless)
- Techno Index Limited
- Walletmix Limited
- Shurjomukhi Limited
- The Codero Limited
- PORTONICS LIMITED
- NETSOFT LIMITED
- Banglafire Solution Ltd
- Bangladesh BancNet Limited

IBBL website

Presently IBBL possesses the largest online banking network in the country. All branches are under on-line connectivity via dual connectivity using Fiber Optics and Radio Link where "Any Branch Banking" facilities to the clients are being provided. Both the revenue and number of transactions of online banking of IBBL have showed positive growth over the past year. For example, more than 1,00,000 transactions per day are being performed with volume of approx. Tk. 1000 cores using on line remote deposits and withdrawals operation. About two crore ten lacs number of transaction was committed by IBBL any branch banking module in 2016.

ATM and IDM Services

From 2001, IBBL started providing ATM service to its customers using a 3rd party ATM service provider. And from 2009, the Bank is operating its own ATM network where till December 2016, we have installed 520 ATM booths and 122 IDMs (cash deposit machine) across the whole country. Also we are waiting to deploy new 150 units of ATMs that will be completed within 2017.

Now, total about 2.71 Million no. of ATM and VISA debit cardholders are using IBBL's own 520 ATMs and all other ATMs of the country through NPSB and VISA. More than 24 million transactions has committed from IBBL ATM & SWITCH Network in 2016. At present, on an average daily 60%-70% transactions are performing through IBBL ATM Network where per day transaction amount is less than Tk. 50,001.00 instead of cash transactions performed by IBBL branch network.

IBBL has received one prestigious award from VISA International for "Outstanding Achievements in Debit Portfolio Growth" for the year 2015.

ATM NETWORK
ATM : 520
IDM: 122

We have started the implementation project of the new ATM SWITCH and Payment solution. The other deliverables of the projects are POS (Point Of Sale) Acquiring, EMV (Europay, MasterCard and VISA), VISA & MasterCard ATM Acquiring, eCommerce & Card payment gateway, Salary Card and this project with be completed within 2017.

Different Card Services

IBBL is providing following different card services to the customers:

1. IBBL Proprietary Card (for local use)
2. VISA Debit Card (for local ATM, merchant payment & e-Commerce)
3. Khidmah Credit Card (for local, merchant payment, e-Commerce & international)
4. Remittance Card (for local use)
5. Hajj Prepaid Card (for pilgrim purpose at Saudi Arabia)
6. Business Prepaid Card (for local use)
7. Travelers Card etc. (for international use)
8. Salary Card (will be started in 2017)

IBBL Contact Center

IBBL has established contact Center to provide smart, appropriate and state of the art support services to the clients, Branches and Head Office simultaneously. Dialing 16259 and +8809611016259 / (+880)-2-8331090 from abroad, anyone can enjoy IBBL phone banking or agent base services round the clock. Since 01 January 2013 over 34 million callers availed customer service from IBBL Contact Center till 19th November 2016. Every day on an average 2500 caller called us for different types of customer service.

The following banking services are provided by IBBL Contact Center.

1. Cheque book requisition
2. Stop payment/ Cheque leaf stop
3. Positive pay notice
4. Standing instruction
5. Seven days' notice
6. Restriction to Account

Besides these, the following ADC services also are provided by contact Center.

1. Phone Banking service/ IVR based Banking
2. Khidmah card activation
3. All type of ATM/VISA debit/credit card instant stop
4. mCash A/C block/unblock
5. iBanking profile unbanned
6. Re-pin request for all cards

Moreover, other banking information is also being provided through this center. By this service customers need not go to the Bank premises in every case. They can get information like profit rate, deposit products, investment facilities, account opening rules & requirements, ATM booth location, ATM/VISA card/Khidmah Card/Remittance card/Travel card information, mCash service, branch information and any other bank related query or request. Customers can lodge complaint against any service denial or getting any problem in any of our products or services.

Mobile Financial Services: Islami Bank mCash

By grace of Almighty Allah, Islami Bank has inaugurated Mobile Financial Services i.e. Islami Bank mCash on 27th December, 2012, to ensure the access of unbanked people to financial services by taking advantage of countrywide mobile network coverage through a bank-led model.

Accordingly, the MFS system has been developed by Islami Bank's own developer and administer and manage by the Bank. From the very beginning of inauguration Islami Bank mCash has offering different financial services to customers, stakeholder, partners like Cash-In, Cash-Out, P2P, ATM Withdrawal, Salary Disbursement, Corporate Collection, Fees Payment, Merchant Payment, Utility, Bill Payment, Foreign Remittance, Airtime Top-up etc. IBBL's MFS System has integrated with the Core Banking System of the Bank. This allows both way transactions between the CBS and MFS System.

Recently Islami Bank mCash has incorporated with BURO Bangladesh for Loan Disbursement, Collection of Deposit and Loan Re-Payment for 1.5 million BURO's active customers.

CIPPS (Centralized Investment Proposal Processing System):

The Centralized Investment Proposal Processing System (CIPPS) is to automate the life cycle of an investment proposal and to maintain limit information of the customer. Branch maker can initiate the proposal with all information and documents. Then an authorizer will authorize the proposal. After authorization, respective authority will check and approve the proposal. After approving, the authorized user can finalize the sanction letter and create a limit profile for the customer. This system maintains all fields of branch appraisal and user can generate appraisal report. A user can generate the XML file and send to the branch to import in eIBS. Branch user cannot add/or modify the limit.

LAMS (Legal Affairs Management System):

Legal Affairs Management System (LAMS) is designed and developed with a view to fostering management of suit/case data and strengthening monitoring and supervision of suits/cases for early disposal of the same. With the new developed Legal Affairs Management System (LAMS), now all data related to suits/cases of the Bank shall be preserved in the Banking data system in the structured way, and be retrievable to any strata of the Management having required access to it at any time. It will empower the Branches by providing itself a digital platform where data of cases/suits are to be inserted only as & when it happens as such periodical or other statements shall not be required to send

anymore. Trail of changes of case history and billing history (legal expenses) etc. shall be maintained in the proper way. This module shall include, stage after stage, all the interfaces required to preserve data of any suits/cases with which the Bank may be connected.

Bangladesh Bank Automated Clearing House

Clearing of instruments on the same day is now being possible due to implementation of BACH. In-house developed software used by IBBL in this purpose. About 25 lacs inward and outward clearing instruments with the value of Tk. 88320 crore are cleared by IBBL BACPS system during the year 2015.

BEFTN (Bangladesh Electronic Fund Transfer Network)

IBBL is one of the few banks to develop own BEFTN system. As per guidelines of Bangladesh Bank, IBBL customer able to offer electronic fund transfers to and from to third bank via BEFTN system in addition to its conventional banking channels. About 2 million transactions amounting over tk.9,732 Crore have been handled by our EFT system during the year 2016 so far. Until now inward EFT instruments have been processed in each branch separately. IBBL has tested and is ready to deploy centralized EFT process from December 2016. This will result in significant risk reduction and operational costs.

RTGS (Real Time Gross Settlement)

RTGS (Real Time Gross Settlement) is an electronic interbank settlement system where transfer of funds or securities takes place from one bank to another on a 'real time' and on 'gross' basis. Settlement in real time means transaction is not subjected to any waiting period. 'Gross Settlement' means the transaction is settled in central bank's account on one to one basis without netting with any other transactions.

The RTGS system reduces credit risk, settlement risk etc. and makes the inter-bank transactions faster at lowest possible cost. Subsequently, liquidity management and customer services of the banks improve.

Bangladesh Bank started live operation of RTGS from 29th October, 2015. IBBL are prepared including Hardware procurement, software development etc. to execute RTGS operation inline of Bangladesh Bank's schedule and already started RTGS transaction from day one. In 2016 over 43 thousand instruments amounting to over Tk 830 Crore have been processed with RTGS.

On-line Data Centre (DC) and Disaster Recovery Site

IBBL intends to get smart improvement in its operational processes by leveraging innovations of the Information & Communication Technologies (ICT). As a part of ICT initiatives, Bank has implemented various ICT Products and Services. The core point of these operations is the Data Centre (DC), which provides the necessary physical environment to keep various devices & servers healthy, up and running round the clock for various operations. In addition, to ensure Business Continuity Plan (BCP) & standby of Data Center, Disaster Recovery Site (DRS) has been established as a backup of Data Center.

Green Banking of IBBL:

IBBL has taken initiative to migrate IBBL in compliance with fullfledged Green banking operation. To achieve the milestone of green banking, we have started the reengineering process our system and mode of operation.

eIBS-RDS Module

Development of eIBS-RDS modules (tree modules) centralization completed on August 2015. The centralized modules implementation and data conversion started from September 2015 and completed on January 2016. New product RDS cluster investment development and implementation completed on August 2016.Security features implemented for the requirements of IT security auditor Verizon USA. Furthermore, KYC, TP & NID verification implemented on September 2016 in RDS modules to implement the recommendation made by Anti-moneyLaundering & Risk management consultant &auditor Kroll.

CSR (Corporate Social Responsibility) Automation

The IBBL total money management had been audited by kroll. They strongly recommended to automate the CSR activities. Therefore, automation process of CSR activities has been taken by ICTW. Development of eIBS-CSR Module has been completed soon.

Green Banking



Green Banking

An Approach for Sustainable Banking

Green Banking means promoting environmental friendly practices and reducing carbon footprint from banking activities. It is also called as ethical banking or a sustainable banking.

Green Banking is a process practiced by the banks to make the earth environmentally appeasing and safe habitable for all of the species on the earth. A Green Bank considers all the social and environmental/ ecological factors in its normal banking operations with an additional agenda toward taking care of the Earth's environment/habitats/resources. Green Banking involves the tenets of sustainability, ethical investing, conservation and energy efficiency to protect the environment and natural resources.

The banking sector is one of the major sources of financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which cause maximum carbon emission. Therefore, the banking sector can play an intermediary role between economic development and environmental protection, for promoting environmentally sustainable and socially responsible investment. "Green banking" refers to the banking business conducted in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of carbon emission, the Bank has taken the following initiatives.

Initiatives taken by the Bank:

Areas of Green Banking

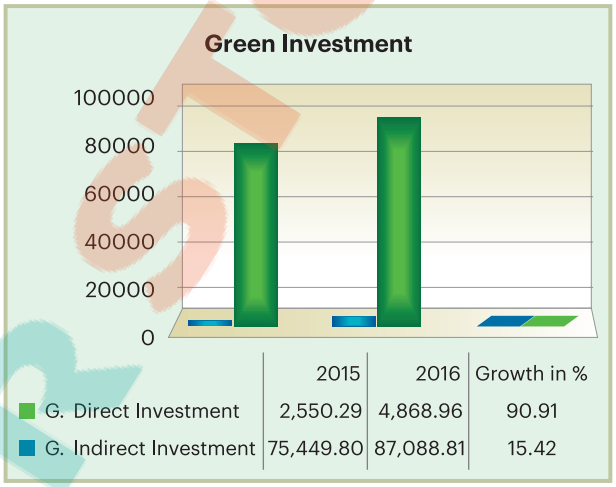
1. **General banking:** The Bank uses the state-of-the art technology to provide various banking services on E-commerce platform. These products are like i-Banking, Phone banking, Visa Debit Card, Khidma Credit Card, mCash, Call centre and so on.
2. **Green investment:** Green Investment implies investment that helps recover the environmental degradations, prevent deterioration of the environment and are not harmful to the environment. Green Investment includes both Direct and Indirect Green Investment.

(i) Direct green investment: Direct Green Investment means investment to the businesses to procure/ purchase/set up Green Products, establish Green Industry and transform existing traditional ones to environment friendly ones.

(ii) Indirect green investment: Indirect Green Investment means working capital investment to environment friendly plants /industry/products to carry out their businesses.

The total disbursement in green investment in 2016 and 2015 were respectively Tk. 91,957.77 million and Tk. 78,000.09 million, i.e. 17.89% growth in 2016. The following chart presents a brief disbursement scenario of green investments of the Bank for the year 2015 and 2016:

Amount in Million Tk.



	2015	2016	Growth in %
G. Direct Investment	2,550.29	4,868.96	90.91
G. Indirect Investment	75,449.80	87,088.81	15.42

The chart presents that, the growth of Direct and Indirect investment in 2016 was 90.91% and 15.42%

3. **Environmental risk management (ERM):** The Bank in its business decision considers Environmental Risk Management alongside the Investment Risk Management system and carries Environmental Risk Rating (EnvRR) of the investment proposals within the following applicable investment limits/ thresholds:

- ❑ For Small and Medium Enterprises (SMEs), financing > BDT2. 5million
- ❑ For Corporate, financing > BDT 10 million and
- ❑ For real estate financing > BDT 10 million.

In 2016, 2142 number of investment projects were rated out of 2624 applicable investments.

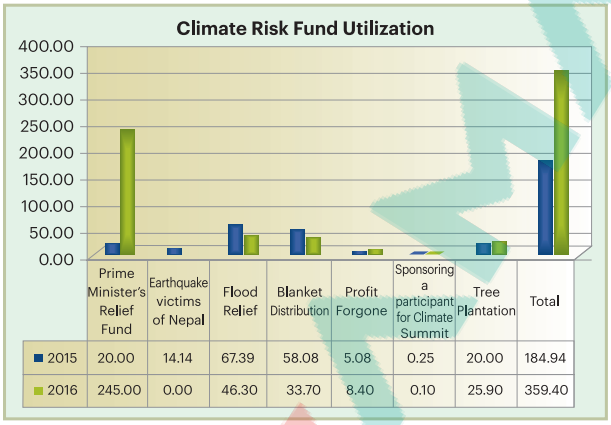
4. **Climate risk fund (CRF):** Climate change is the most complicated issue the world is facing. Across the globe there have been continuous endeavors to measure and mitigate the risk of climate change caused by human activity.

   As per Bangladesh Bank requirement, CRF as a part of CSR is used under Environment Friendly Banking for the activities related to prevention of environmental pollution and degradation, mitigation and adaptation of climate change issues, reduction of carbon emission rate, disaster management (prevention & rehabilitation) etc.

   The fund may be used as donation as well as investment at reduced rate of return (Rate of return is less than the weighted average cost of fund) for the climate change vulnerable people.

   The total CRF utilization of 2016 was Tk. 670.77 million. The percentage of CRF in 2016 in relation to the total CSR activities was 53.58%. It is to be mentioned that, as per Bangladesh Bank requirement, the Bank is to allocate minimum 10% of its annual CSR budget as CRF which is also treated as a part of bank's CSR.

The following chart presents a brief scenario of uses of climate risk fund for the year 2015 and 2016:

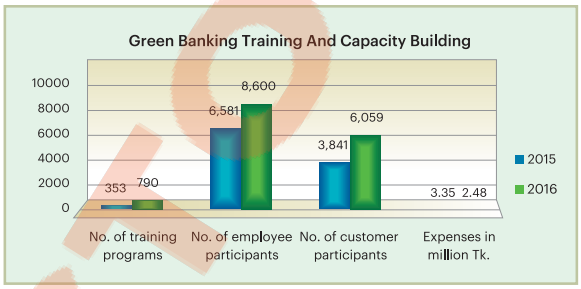


	Prime Minister's Relief Fund	Earthquake victims of Nepal	Flood Relief	Blanket Distribution	Profit Forgone	Sponsoring a participant for Climate Summit	Tree Plantation	Total
2015	20.00	14.14	67.39	58.08	5.08	0.25	20.00	184.94
2016	245.00	0.00	46.30	33.70	8.40	0.10	25.90	359.40

The chart shows that the Bank increased its Climate related CSR activities in 2016 in relation to the year 2015. It is to be noted that the Bank sponsored Tk.0.25 million in 2015 & 0.10 million in 2016 for a Bangladeshi Reporter who participated in the World Climate Summit.

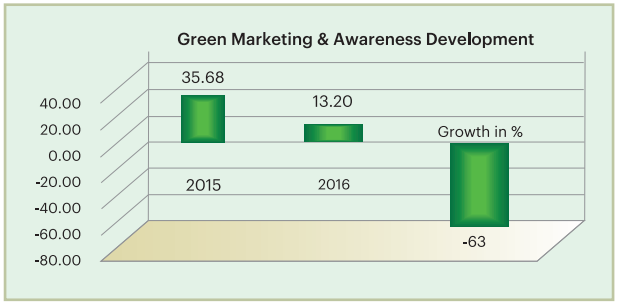
5. **Green training and capacity building:** Green banking training and capacity building for the employees in the form of (a) Green Events like seminars, symposiums, discussion meetings etc. are arranged by all the operational units, and (b) Academic training and workshops on green banking, environmental & social risk management were arranged by IBTRA and HRD.

The following chart presents a brief scenario of green banking training and capacity building for the year 2015 and 2016. In 2016, the Bank increased its green training and capacity building activities in relation to 2015:



6. **Green marketing and awareness development:** For the marketing of the Bank's green products and awareness development of the clients and public on environmental issues, the following steps were undertaken:

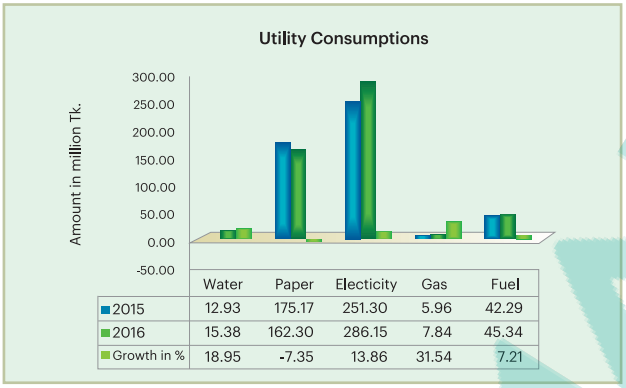
- ❑ Motivation: Clients were motivated for making their products, productions & packaging process environment friendly.
- ❑ Advertisements: Advertisements were given in both print and electronic media on green banking products/issues.
- ❑ Publications: The Bank published various publications exclusively on green banking products and issues.
- ❑ Public Events: The Bank arranged events publicly on green banking.



The chart shows the Bank's vigorous efforts for green marketing and awareness development programs and relevant expenses. The growth in 2016 of Green marketing and awareness development programs was (63%) over 2015.

7. **In-house environmental management:** The Bank manages its in-house activities in environment friendly ways to reduce its own carbon footprint by exercising the direction of the Holy Qur'an "And do not spend wastefully. Do not be a spendthrift because the spendthrifts are the brethren of Satan and Satan has been ungrateful to his Lord."Surah Bani Israil-26-27. Different areas of in-house environment management are given below:

A. Utility consumptions: Responsible usage of utilities is a primary commitment of the Bank. The following chart presents a brief scenario of utility consumptions of the Bank for the year 2015 & 2016. Papers consumptions had negative growth, i.e. despite the growth of establishments and business volume, the workforce used it very responsibly. Other cases, due to the growth of offices and business, had positive growth.



	Water	Paper	Electicity	Gas	Fuel
2015	12.93	175.17	251.30	5.96	42.29
2016	15.38	162.30	286.15	7.84	45.34
Growth in %	18.95	-7.35	13.86	31.54	7.21

B. Waste management: The Bank emphasizes in waste minimization of its resources and centrally collects its e-wastes and other solid wastes from every operational unit and disposes centrally through e-tendering that are environmentally friendly and safe. In 2016, the Bank earned Tk.4.50 million from sale of its e-wastes.

C. Renewable energy: The Bank has strong commitment to use renewable energy resources in its operations and as such installed solar panels at Head Office and 50other branches.

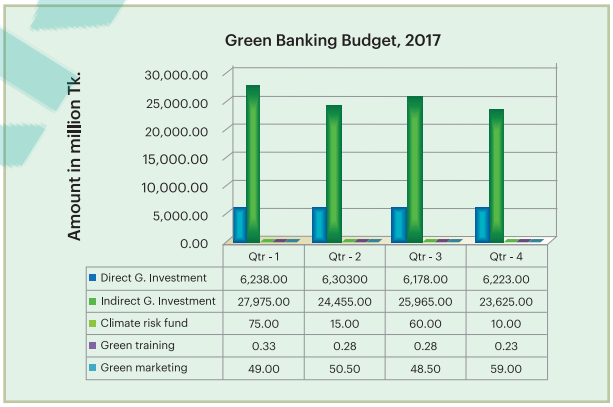
D. Green travel: IBBL always encourages its employees to undertake Green travel for personal as well as business travel and has the arrangements of hybrid autos and car pooling system.

E. Ethical banking: The Bank aims to run in such a way that does not have any negative impact on either society or the environment. The principles of the Bank based on Islamic Shari'ah have a direct impact on how it invests and utilizes its resources. It does not finance enterprises that deal in morally questionable businesses.

The Bank attempts to maximize social welfare, reduce any type of environmental degradation and hazards through its operational activities and protect the nature. Moreover, the Bank's core principle is the protection of resources for the future generation.

8. **Green targets, strategic plan and budget:** The Green banking requires annual targets, strategic plan and budget at the relevant activities duly approved by the competent authority.

- **Targets:** Each year the Bank is required to determine a set of green yearly targets.
- **Strategic plan:** It includes required means of materializing the actions, supervision, monitoring, evaluating the achievement, training/ awareness development (with numbers and nature) and promotion programs.
- **Budget:** Necessary budget for pursuing the strategic plan and the targets will also be drawn.



	Qtr - 1	Qtr - 2	Qtr - 3	Qtr - 4
Direct G. Investment	6,238.00	6,30300	6,178.00	6,223.00
Indirect G. Investment	27,975.00	24,455.00	25,965.00	23,625.00
Climate risk fund	75.00	15.00	60.00	10.00
Green training	0.33	0.28	0.28	0.23
Green marketing	49.00	50.50	48.50	59.00

The quarterly segmented budgets of various areas of green banking show that Indirect Green Investments have the largest budget followed by Direct Green Investment. The Green Training has the smallest allocation, i.e. only Tk. 1.12 million.

Priorities for 2017

The Bank will pursue all the relevant areas of green banking with the special focus on the following areas of Green Initiatives in 2017:

- 5% of total disbursed funded investments in Direct Green Investments.
- Expansion of i-Banking and ADC products coverage.
- Use of Video Conferencing instead of physical movement.

- Lesser paper use and use of on net communication.
- E-tendering and E-recruitment.
- Careful use of paper, water, electricity, gas and other materials to reduce own carbon footprint as well as cost.
- To check the awareness of green banking among bank employees, associates and general public.
- To create more awareness about green banking among the general public and consumers and bank employees.
- Creating awareness to business people about environmental and social responsibility enabling them to do an environment friendly business practices.
- To categorize all the transactions based on their environmental and social risk.
- To conduct environmental and social due diligence.
- To monitor the clients' environmental and social performance.
- To manage a client's non-compliance with the banks environmental and social standards.

Green Banking or Environment friendly banking assures sustainable growth of the institutions and the country. It contributes quality avenues of the banking. The Bank by its morale exercises the environment friendly banking from its very inception. Nowadays it gained a new shape of budget, target and disclosure based on national and international demand. We are to go to the optimum level in the formal manner. The green banking concepts and its practices are to be internalized by the all workforce. So, it is now become imperatives for us to realize and implement the green banking practices to protect the image of the institution as well as to remain compliant of the regulatory guidance.

Imperatives of Green Banking: Green banking is very important in mitigating the following risks involving the banking sector:

1. **Credit Risk:** Due to climate change and global warming, there have been direct as well as indirect costs to banks. It has been observed that due to global warming, there have been extreme weather conditions which affect the economic assets financed by the banks, thus leading to high incidence of credit default. Credit risk can also arise indirectly when banks lead to companies whose businesses are adversely affected due to changes in environmental regulation.
2. **Legal risk:** Banks, like other business entities, face legal risk if they do not comply with relevant environmental regulation. They may also face risk of direct lender liability for cleanup costs or claims for damages in case they actually take possession of pollution causing assets.
3. **Reputation Risk:** Due to increasing environmental awareness, banks are more prone to reputation risk, if their direct or indirect actions are viewed as socially and environmentally damaging. Reputation risks emerge from the financing of environmentally objectionable projects.

VALUE STOCK

Stakeholder and Materiality

Identification of Stakeholder

Identification of stakeholders is the key to understanding the expectations from the Company and as such helps pave the pathway towards delivering value and fulfilling those expectations. While shareholders, customers, suppliers and employees are the prime stakeholders; the regulators, local community, and the environmentally interested groups complete stakeholder circle of IBBL.

Engagement with Stakeholders

The first step of Stakeholder Engagement process for IBBL is to establish the three pronged sustainability dimension- economic, social and environmental. The key stakeholders are hence aligned with these dimensions and sustainable business objectives are identified by understanding correlated stakeholder expectations. By gauging these objectives, IBBL has formulated strategies through aligning the business model with the value creation process that targets stakeholders' expectations. This is summarized in the table below:

Sustainability Dimension	Key Stakeholders Targeted	Sustainable Business Objectives	How IBBL Addresses this
Economic	Shareholders	Maximizing shareholder wealth by declaring sound returns annually	Being strategically focused, planning well ahead to counter challenges and identifying opportunities. Continuing to uphold sound governance practices and effective risk management infrastructure. Reinforcement of the internal controls, compliances.
	Customers	Provide quality product/ service that meets absolute needs of customers Careful management of operations so as to protect customer interest especially of depositors	Spreading the geographical boundaries through opening more branches across the country. Molding existing service suites to cater to diversified customer requirements. Continuously innovating in product suite and operational process to meet customer requirements in the most efficient manner.
	Suppliers/ Service Providers	Adhere to proper procurement regulations while maintaining a good business relationships with the service providers	Rigorously following internal procurement policy and upgrading the policy regularly to ensure strong control and fair treatment of suppliers.
	Regulators	Ensure compliance with all regulatory guidelines and directives	Putting in place processes, practices and controls to ensure compliance with applicable rules and regulations imposed by local and international laws and regulations. Maintaining sound relation with regulators. Always thriving to achieve global best practices.

AMARSTOCK

Sustainability Dimension	Key Stakeholders Targeted	Sustainable Business Objectives	How IBBL Addresses this
Social	Employees	Continuously encouraging employees and working towards creating a healthy, ethical and supportive work environment Nurturing human capital to ensure sustained collaboration with the Company	Engaging employees in activities other than business as usual, to achieve a balanced productive environment which is beneficial to both employees and IBBL Investing in a wide range of training programs for every member of the human capital to ensure personal and professional development.
	Local Communities	Adding value to the society Conducting business without causing disruptions in the society	Implementing programs and initiatives targeted at marginalized communities and underprivileged to address the requirement of society in education/ skills development, healthcare and overall poverty alleviation Enhancing financial access to marginalized population Most importantly, adding value to the society by being a good and transparent corporate citizen.
Environmental	Environmentally Interested groups/ Non-Government Organizations	Conducting business without harming the environment	Implementing Green Banking practices and ensuring compliance through Green Reporting to Bangladesh Bank Holding a rigid control on energy consumption to reduce wastage

Stakeholder and Materiality

In consideration of the above, IBBL has engaged with regulators, management and employees to identify their references, concerns and expectations from IBBL.

Stakeholders Engaged	Engagement Process	Key Issues raised by Stakeholders
Regulators	One-on-one Meetings All local regulations Circular/directives/instructions issued by Bangladesh Bank, Banglaesh Securities & Exchange Commission(BSEC) and other regulatory bodies.	Corporate Governance, Ethics and Compliance Anti-corruption measures implemented by the organization Responsibility of the organization towards the environment and the community
Management	Interactions	Corporate Governance, Ethics and Compliance Anti-corruption measures implemented by the organization Financial Performance Creating an enabling environment for all IBBL employees Non-discrimination, Diversity and Equal Opportunities Social obligations through capacity development of the underprivileged and women empowerment Environmental obligations through in-house management, CSR and Green Banking initiatives Superior customer experience through continuous improvement
Employees	Interactions	Remuneration and Benefits Career Growth and Development Opportunities Fair Treatment Safe and Healthy Work Environment Work-life Balance Employee Grievance Management

AMAR STOCK

Addressing the Material Issues:

Category	Aspects	Material within the Organization	Material outside the Organization
Economic	Economic Performance Procurement Practices	Yes	N/A
Environmental	Energy Biodiversity Compliance	Yes Any negative influence on protected and/ or high biodiversity areas caused by IBBL's operations may lead to fines/sanctions/loss of license to operate/ negative publicity.	Yes This aspect is material for the environment, and for communities living close to protected and/or high biodiversity areas.
Social			
I. Human Resources Practices			
Employment and Occupational Health and Safety		Yes	N/A
Training and Education		Yes	N/A
Diversity and Equal Opportunity		Yes	Yes This aspect is material for communities where IBBL creates job opportunities through its operations/ branch networks.
Equal Remuneration for Women and Men		Yes	N/A
II. Human Rights			
Child Labour		N/A	N/A
Security Practices		Yes	N/A
Non-discrimination		Yes	Yes This aspect is material for communities where IBBL creates job opportunities through its operations/ branch networks.
III. Society/ Local Communities			
Local Communities		N/A	Yes This aspect is material for local communities where IBBL has operations or investments in projects.
Anti-corruption		Yes	Yes This aspect is material for IBBL's customers and other stakeholders.

AMAR STOCK

Category	Material within the Organization	Material outside the Organization
IV. Product Responsibility		
Customer Health and Safety	N/A	Yes This aspect is material for IBBL's customers.
Marketing Communications	Yes	Yes This aspect is material for IBBL's existing and potential customer groups.
Customer Privacy	Yes Maintaining privacy of sensitive Customer information is one of the major priorities of IBBL staff and a significant part of its employee Code of Conduct.	Yes This aspect is material for IBBL's customers.

IBBL is committed to continually review all corporate governance policies and guidelines to ensure transparency in its practices and delivery of high standards and quality information to its stakeholders.

Therefore, through continuous improvements and aiming to attain the sustainability business objectives by maintaining communication with all the key stakeholders, IBBL envisions to uphold and realize its sustainable business practices best clarified and anchored by its sustainability positioning statement.

IBBL is committed to sustainable development by creating long-term value – value for our stakeholders, value for the environment and value for the community.

AMARSTOCK

Sustainability Report



IBBL awarded scholarships to underprevileged meritorious students

As a responsible corporate citizen and one of the biggest Islamic Bank of the world.IBBL has responsibility to its stakeholders as well as to the communities in which it work and live. Our commitment is built on a deeply ingrained sense of social responsibility among our stakeholders, employees, customers alike and that we grow stronger by serving the communities, improving business practices and individual lives around us.

Why CSR?

CSR is seen as a concept in which companies voluntarily integrate social and environmental concerns into their business operations and into the interaction with their stakeholders. As a matter of fact, over the last few decades, corporations in the developed economics have moved to 'Social Responsibility Approach' from classical 'Profit Maximizing Approach' where businesses are not only responsible to its stakeholders but also to the society as a whole in a broader inclusive sense. The idea of being a socially responsible company means doing more than complying with the legal and regulatory requirements.

CSR is the built-in mechanism of IBBL

In order to popularize the concept of Islamic Banking, IBBL has started its charitable activities since inception through creation of "Sadaqah Tahbil". Thereafter, it was done through IBF converting the Sadaqah Tahbil into a full fledged foundation since May 20, 1991. Further to its activities under IBF, IBBL established Corporate Social Affairs Department (CSAD) in compliance with the instruction of the Central Bank.

The Triple Bottom Line

The CSR program of IBBL aims at the welfare and well-being of the people of the earth, the planet itself and all its stakeholders. Keeping that in view this reports focuses on triple bottom line: People, Planet and Profit. The purpose of this Sustainability Report is to provide an account in a single document of IBBL's overall contribution to sustainable development of the country during the year 2016.

CSR EXPENDITURE
In 2016 : Tk. 670.77 million
Up to 2016 : Tk. 4,997.88 million

No. of Beneficiary
In 2016: 1,187,094
Up to 2016: 14,991,452



Winter-Cloth Distribution

PEOPLE

We try to increase the welfare of our employees and the communities in which we live and work.

Our Commitment to Employees

Our people are our capital - no matter what their title or job function. We strive to make IBBL a great place to work and build a career. Our employees describe the workplace as collaborative and collegial, where the views of all employees are taken into consideration. We possesses value-driven culture, where good ideas are recognized regardless of the level of the employees.

Training and Development

To develop professional knowledge, skill and attitude of the employees, the Bank established its own training academy 'Islami Bank Training & Research Academy (IBTRA)' where training courses are conducted round the year. Employees are encouraged to complete 'Diploma in Islamic Banking' from IBTRA and 'JAIBB & DAIBB' from Institute of Bankers Bangladesh by allocating points for both the diploma in promotion criteria. Besides, each of the employees is given cash incentive for completing diplomas. IBBL has highest number of CDCS in the country which makes the Bank a global valued Bank.

Remuneration and Benefits

The Bank has developed a structured comprehensive pay-scale for the employees, the ratio of the highest and lowest level in the pay-scale has been maintained at 10:1(DMD:MCG). To meet the housing need and to ensure comfortable life, employees are provided with investment at a discounted rate under SHBIS and SHDS. The executives of the Bank are provided with car either from bank management or under "Car Scheme for the Employees of the Bank".

Apart from regular pay packages, IBBL has policies for its employees to make their life secured during the superannuation period. Under the policies, 'Contributory Provident Fund', 'Superannuation Fund' and 'Gratuity Fund' have been developed.

Human Rights

The Bank is very much conscious about human rights at every level of its operations. We do not employ workers under the legal minimum age, prohibit the use of forced labour, respect employees rights to join or not to join a labour union, respect the principles of collective bargaining, provide healthy & safe work place. The Bank does not make any discrimination on the basis of age, gender, race or socio-economic background. It limits work to standard accepted hours and denounces any sort of abuse of its workforce whatsoever.

Practicing Good Corporate Governance

We follow a structured and transparent corporate governance culture where roles, duties and scope of policy level & management level are well defined and the



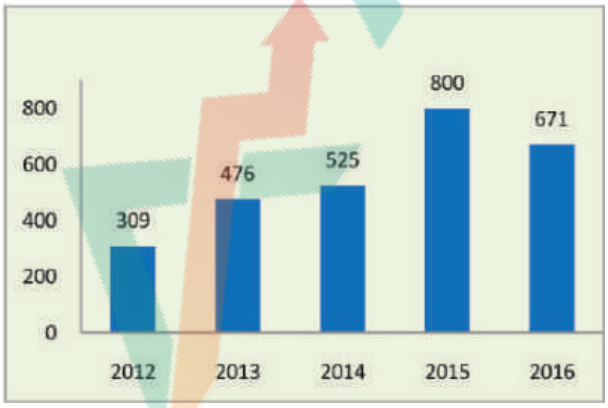
Donation to Freedom Fighter Abdul Jabbar

same are followed meticulously to make the organization thriving one and moving towards its goal.

Service rules governs the employee

Every employee of the Bank is expected to adhere to the service rules (code of Business conduct) of IBBL- no exceptions. The service rule guides everything that we do. It governs the behavior of employee and includes corporate policies on employee relations, ethical business practices, compliance with laws and regulations, confidentiality, fair dealings, antitrust and competition, bribery and anti-corruption, marketing and sponsorships, among other topics. Violations of the service rules are taken seriously and processes are in place to address alleged violations confidentially and systematically.

Year wise CSR Expenditure (in million Tk.)

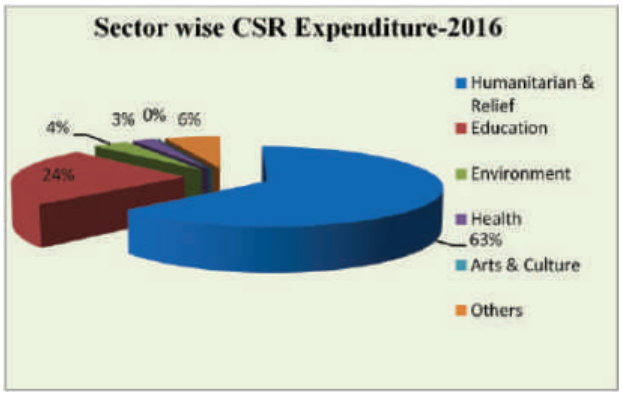


Our Commitment to Communities

IBBL is committed to being a responsible corporate entity. We make grants and support volunteerism in all our communities around the country. We take several initiatives in individual and organizational level for development of the community especially the less fortunate segments of the community. We support: (1) Education, (2) Health, (3) Humanitarian & Disaster Relief and(4) Sports, arts & culture.

An amount of Tk. 4997.88 million for 14,991,452 beneficiaries was spent by IBBL from 1983- 2016 in these areas. Out of which Tk.670.77 million for 1,187,094 beneficiaries was contributed in 2016.

Sector wise CSR Expenditure-2016



Sector wise CSR expenditure of IBBL from 1983-2016

(Amount in million taka)

Year	Humanitarian & Disaster Relief		Education		Health		Sports		Arts, Literature & Culture		Environment		Others		Total	
	Amount	Beneficiary	Amount	Beneficiary	Amount	Beneficiary	Amount	Beneficiary	Amount	Beneficiary	Amount	Beneficiary	Amount	Beneficiary	Amount	Beneficiary
1983-2009	217.61	452291	285.34	265197	873.62	6055481	60.83	413622	68.75	187107	-	-	61.31	56674	1567.46	7430372
2010	64.06	158,760	67.8	98,787	64.11	721,160	12.00	2	11.22	41,964	7.36	15,240	11.87	655	238.42	1036568
2011	21.79	32,928	56.17	128,925	25.78	128556	248.75	636	7.15	643	0.48	3	50.55	118115	410.67	409806
2012	87.93	597866	83.8	3014	39.75	19230	1.61	144	8.24	11	12.48	493822	75.38	34438	309.19	1148525
2013	140.10	254078	135.26	7,756	71.50	95,255	78.97	7	5.86	21	22.94	592722	21.79	768	476.42	950607
2014	190.16	498768	161.34	7928	89.47	125079	40.2	5	15.21	17	21.12	723673	7.02	51	524.52	1355521
2015	323.90	606320	175.24	8930	226.04	99469	26.60	6	5.12	643	21.42	757558	22.11	33	800.43	1472959
2016	425.95	481644	161	14235	16.84	209	0.00	0	0.12	4	26.39	690251	40.47	751	670.77	1187094
Total	**1,471.5**	**3,082,655**	**1,125.95**	**534,772**	**1,407.11**	**7,244,439**	**468.96**	**414,422**	**121.67**	**230,410**	**112.19**	**3,273,269**	**290.5**	**211,485**	**4,997.88**	**14,991,452**

SAMPLE STOCK

Education

From the very beginning, IBBL engaged with promotion of education sector of the country. IBBL spent an amount of Tk.1,125.95 million for 534,772 beneficiaries from 1983-2016 for this purpose.

Scholarship Program

IBBL has been providing scholarship to the very poor 2,700 students (1500 in HSC, 800 in Graduation and 400 in Special Scholaship level) securing GPA 5 in SSC & HSC examinations under its direct Scholarship program. The Scholarship is provided to the students @ Tk. 2,000/- per month for 2 years for HSC level with Tk. 3,000/- at a time for purchasing Books per year. Tk. 4,500/- (Urban) & Tk. 3,000/- (Rural) per month for 3 to 5 years for Graduation level with Tk. 5,000/- at a time for purchasing Books per year.

In addition, Special scholarship is allowed to 400 meritorious but poor students in different educational institutions.

Support to the disable children

'PROYASH' is an institute run under the patronization of Bangladesh Army for the well-being of children with special needs and disability. During this period IBBL donated Tk. 35.00 million to 'PROYASH', Jessore. Considering the disabled children as asset of the society, the Bank stands beside the authority of Proyash for fulfillment of their need.

Support to the Educational Institutions

During this period IBBL donated Tk. 5.00 million to Rabeya Ali girls school & college, chandraw digolia, Gopalgonj, Tk.5.00 million to Panchkhola Mukti sena high school & College, Madaripur and Tk 2.5 Million to Fakir Sohrab Ali Collage, Mymensingh.

Health Program

Health care is a basic need of all societies. But people are facing here a perilous situation due to hazardous Medicare system of the country. Considering this, IBBL takes several initiatives in individual and organizational level for developing health sector of Bangladesh. IBBL spent an amount of Tk. 1,407.11 million for 7,244,439 beneficiaries from 1983-2016 for this purpose.

Support to the Health Institutions

During this period IBBL decides to donate Tk. 87.41 million to The International Centre for Diarrhoeal Disease Research, Bangladesh (icddr,b) Dhaka, Tk. 20.00 million to Holy Family Red Crescent Medical College Hospital and Tk.35.00 million to Anjuman Mufidul Islam, Kakrail, Dhaka.

Humanitarian and Disaster Relief

Disasters can strike anywhere. No country, rich or poor, is immune from risks of accidents and disasters causing deaths and injuries, destruction and damage to properties and assets; disrupting economic activities and livelihoods of individuals and households.

Over the year, people of this land are fighting with poverty and many other natural disasters. Being a corporate citizen of the country, IBBL always stands beside the distressed humanity. By devising special deposit products, extending financial inclusion and providing financial assistance, the Bank discharges its responsibilities towards the poor and less fortunate segments of the society. Disaster relief program includes winter cloths distribution, Donation to PM's relief fund, distribution of Tohfa-e-Ramadan, sacrificial meat distribution, rehabilitation program etc. An amount of Tk. 1,471.50 million for 3,082,655 vulnerable persons was spent by IBBL from 1983-2016.

Winter cloth distribution program

IBBL always stand beside the cold affected people of the country. We have distributed more than 0.30 million worm cloths amounting of Tk. 101.20 million all over the country during 2016.

Tohfa-e-Ramadan

A unique step taken by IBBL for fasting people of the country named "Tohfa-e-Ramadan". Under this Program we provided food items to 57,800 poor and religious scholars families amounting of Tk. 91.38 million during last Ramadan.

Sports, Arts & Cultural Program

Sports, Arts & cultural programs make a nation physically and mentally sound and healthy. Engaging with this type of works young people could be able to avoid many bad involvement, as like taking drugs, involving forbidden underworld parties, hijacking money from innocent people etc. This is why IBBL sponsors various sports & cultural events every year. IBBL encourages sports and cultural activities of its employees. An amount of Tk. 590.63 million was spent by IBBL from 1983-2016 for this purpose.

PLANET

Environmentalism at IBBL

The main theme of environmental responsibility is to protect the environment from destruction with a view to keep it healthy for future generation. Recently, the issue of climate change is being considered seriously all over the world. It is identified that Bangladesh being a country of southern delta is under serious threat from natural disaster. IBBL contributed an amount of Tk. 112.19 million to 3,273,269 beneficiaries from 1983-2016 for environmental issues of the country.

We try to reduce our impact on the planet. We took initiatives to reduce carbon emission through installation of solar panels, introducing measures for saving electricity, water, gas and fuel, encouraging double-sided printing, use of scrap/one-side-used papers for note pad etc. We are strict to installation of biomass processing plants, waste recycling plants and Effluent Treatment Plants (ETPs) in our financed projects. We also educate and encourage our employees to be sensitive to the environment both inside and outside of the office.

Environmental Policy Statement

IBBL is committed to doing its part to protect and care for the environments in it operations. This commitment is demonstrated by the continuous development and implementation of practical and effective corporate policies and programs that support more efficient use of natural resources and reduce the impact of our businesses on the environment.

Bank premises are taken with adequate space and interior decorations are made to keep the office environment healthy and work-friendly. Female employees are also provided with comfortable working environment along with other required facilities.

Economic Development

Sustainability encompasses within itself apart from environmental protection, the idea of human beings having what they need to survive and thrive. In a country like ours, economic development projects are crucial to giving people a chance for a better wage, one that provides food, shelter, clothing and perhaps even more. IBBL as a policy prioritizes the labor intensive and import substitute projects to improve the economic well being of the common messes.

Workforce Development

Workforce development is one route to prosperity for individuals in the world. A healthy planet needs people, young and old, who are trained for work that pays a livable wage for them to provide for themselves and their families.

IBBL has established institutes like Medical College, Health Technology Institute, Nursing Training Institute, English medium school, Bangla medium school, girl's madrasha and Technical Institutes under its Foundation management to contribute for workforce development of the country.

Micro finance

In the developing world, the path to prosperity can be challenging and can require a different approach than just job training. IBBL believes in the power of micro finance - small loans made to individuals to start or expand their businesses - to lift people out of poverty and to give them a better life.

IBBL started its micro finance operation through Rural Development Scheme (RDS) since 1995. So far, out of 318 branches, 228 carry out RDS activities in 64 districts of the country. The Bank launched another micro-finance scheme for urban poor in 2012 in the name of 'Urban Poor Development Scheme (UPDS) on pilot basis under its 24 urban branches. These two schemes enable IBBL to achieve financial inclusion of poor women from rural & urban areas.

Financing in SME Sectors

SME is considered as the engine of growth in any economy which generates a huge employment relative to big industries. Therefore, SME is essentially required to be flourished in the country like Bangladesh. Keeping this in view, the Bank, from its inception, has been encouraging investment in SMEs. To expedite SME investment, the Bank has opened 30 SME & Agriculture Branches especially in the rural areas of the country.

Contributing for Women Empowerment

Keeping in view the prevailing conditions of the women in the society, IBBL takes various programs for empowering the women through awareness building, training, financing etc.

The introduction of the deposit scheme namely "Mudaraba Mohor Deposit Scheme" is a recognition to the women's right and husbands are now coming forward to fulfilling their religious obligation to pay Mohor. Rural under privileged women are organized

under rural development scheme and encouraged to make savings at least Tk. 10/- per week with the Bank. The Bank deviced an investment Scheme exclusively for the women namely "Investment Scheme for the Women Entrepreneurs".

Distressed women rehabilitation centre

The bank has established a rehabilitation centre for the distressed women namely "Islami Bank Distressed Women Rehabilitation Centre". Distressed and destitute women are given shelter, education, training and employment opportunities there.

PROFIT

We seek to make our country more prosperous through the development of the financial system based on Islamic principles and become the Global Leader in Islamic Banking.

Commitment to the Shareholders

In the backdrop of volatile global and country politico economy as well as regulatory changes, Islami Bank Bangladesh Limited made excellent performances in different areas of business. Although nowhere in our vision and mission statement profit maximization came as a priority issue, profitability has become the logical outcome of our performance. From the investors' perspective, the IBBL's stock always give high yield to its shareholders.

Commitment to the Customers

IBBL considers the customers as partners and develop long-term sustainable relationships with them, different need based welfare oriented investment schemes contribute to the well-being of the customers. To encourage financial inclusion, customers can open a saving account with Tk. 500/-, a current account with Tk. 1,000/- and a special savings scheme (pension scheme) with minimum monthly installment of Tk. 100/- only. The rural poor are allowed to maintain savings account by depositing weekly installment of Tk. 10/- only under Bank's Rural Development Scheme.

The most important contribution of the Bank is the creation of huge employment opportunities in its financed projects as well as in its own organization. At present more than 13,000 inspired people are serving in IBBL and millions in its financed projects. Through its wide-range network of 318 branches and utilizing mobile phone technology, IBBL serves a huge number of rural families by channeling foreign remittance. The customers of the Bank have by now been extended online ATM services. The Bank has already started Web Portal, SMS Banking and Spot Cash services.

Management Report and Analysis



Business Development Conference

Business and Financial Overview

In spite of having volatile global & national economic situation and regulatory changes in 2016, Islami Bank BangladeshLimited was able to show consistent performance in most of the business areas. It was possible because of the grace of Al-mighty Allah, Bank's massive induction of new customers, modernization of payment system, strengthened bank customers relationship, enhanced service quality apart from complying banking regulations and Shari'ah rules.

Profit before Tax

In 2016, the Bank earned highest operating profit in the country's banking sector. The profit before tax of the Bank was Tk. 10,299 million during 2016. However, comprising of the income of two subsidiaries of IBBL that is IBSL and IBCML, the consolidated profit before tax in 2016 was Tk. 10,431 million.

Deposit

At the end of 2016, deposit of the Bank reached to Tk. 681,352.25 million with an increase of Tk.65,993.04 million registering growth 10.72% over previous year. In 2016, IBBL's market share in deposit stood at 8.11%.

General Investment

Total general investment of the Bank stood at Tk. 616,419 million with an increase of Tk.86,224.41 million registering 16.26% growth over 2015. In 2016, the Bank secured 8.64% market share of investment. Investments in corporate, SME, agriculture, housing, transportation, rural and urban development are major sectors stated as below:

Corporate Investment

Investment products of IBBL are fundamentally welfare oriented and inclusivity-driven to fit to the requirements of Shari'ah. Shari'ah objectives, while financing under different modes, are met through diversification of investment by size, sector, economic purpose and geographical location. The investment policy of the Bank has completely stirred integrating the latest concepts of inclusive growth, green finance and sustainable growth towards achieving Maqasid-al-Shari'ah. Investment products of IBBL include general investment, trade finance for domestic and international transactions, project finance and syndication services, and treasury operations.

Micro, Small and Medium Sector Investment

MSMEs account for 30% of GDP, 40% of employment, 80% of industrial jobs and 25% of the total labour force in Bangladesh. In 2016, IBBL's SME exposure was 27% of the total national SME financing. IBBL's SME contributes over 40% in the total investment of the

Bank. The Bank was involved in general and women entrepreneurs' development in particular by providing training, counseling and other facilities to them in 2016. IBBL sponsored and participated in various programs like road-shows, fairs, seminars, symposiums for the development of MSME sector.

Agriculture & Agro based Investment

Investment in Agriculture and Agro based sector stood at TK. 70,236 million. Allocation in this sector as on December 31, 2016 is 11.39% of the total investment.

Rural & Urban Poor Development Investment

The performance of both RDS (Rural Development Scheme) and UPDS (Urban Poor Development Scheme) is improving systematically and gradually. In 2016, RDS investment reached to 4.92% of total investment whereas UPDS investment stood at 0.18% of the total investment. By the end of 2016 the operation of RDS was spread to 19,418 villages with 999,140 members through 28,960 centers. Besides, 24 branches under Dhaka, Chittagong and Sylhet metropolitan cities implemented the Urban Poor Development Scheme (UPDS) in 2016 to alleviate poverty.

Housing Investment

The housing investment of the Bank stood at Tk. 47,972 million marking 7.78% of total general investment in 2016.

Transportation Investment

Transport Investment of the Bank in 2016 became Tk. 7,560 million which is 1.23% of the total general investment.

Foreign Exchange Business

Total foreign exchange business of the Bank stood at Tk. 863,581 million and marked (2.86%) growth over 2015. The external sector performance on three major indicators of IBBL in 2016 is noted below:

- **Import:** Import business of the Bank in 2016 stood at Tk. 339,954 million marking growth of (1%) with market share of 10.02%.
- **Export:** In 2016, the export business of the Bank was Tk. 243,647 millionand marked 9% growth over 2015 with market share of 10.06%.
- **Wage Earners' Remittance:** In 2016, the Bank's totalwage earners' remittance stood at Tk. 279,980 million making 26% market share.

In addition to the above areas, treasury, dealing room etc. are the integral parts of the foreign business of the Bank.

Information and Communication Technology

Since 2009 IBBL has been operating its own ATM network and now with 520own ATM booths and above 6,000 shared ATMs and has planned to setup more 1500 ATM booths throughout the country by 2017. In 2016, more than 8 million transactions have been transmitted through IBBL ATM. Necessary stepswere taken to integrate IBBL with NPS (National Payment System) network of Bangladesh Bank for facilitating access of customers to all banks' ATM booths. In 2013, IBBL launched VISA debit card for POS and other related transactions facilities of the customers. Other ICT based products includes online banking, e-banking, mCash, ATM, SMS banking, Call Center, Phone Banking, e-recruitment, etc. IBBL has launched Hajj prepaid debit card in 2013 to fulfill instant cash need of the pilgrims. The Bank has launched VISA based Khidmah Credit in the year 2014.

Investors' Capital Management

IBBL always strives to give high Return on Equity (ROE) to shareholders through prudential business decision while deploying their capital. The Bank has also implemented the Revised Guidelines on Risk Based Capital Adequacy for Banks as designed in Basel II. It is also in process of implementing Basel–III although it is a Basel–III compliant Bank now. The Bank maintained Capital to Risk-weighted Asset Ratio (CRAR) above minimum requirement including capital buffer (10.625%) throughout 2016 and it stood 10.84% (consolidated) as on December 31, 2016.

Operations and Compliance

The Bank adheres to the highest standards of risk management and compliance throughout 2016. The compliance policies of the Bank are formulated following the standards and policies of national and international regulatory and non-regulatory bodies. In 2016 the Bank properly adopted the regulatory guidelines like Money Laundering Prevention Act, Anti-Terrorist Act etc. to prevent fraud and forgery.

Financial Inclusion

IBBL kept continuity of sustainable financial inclusion throughout 2016. Welfare and inclusivity oriented

deposit products such as Muhor, Cash Waqf, Hajj, Farmers etc. of the Bank highly partake to the development of economic empowerment of less privileged people of the society. In 2016, the Bank also reached to the unbanked people through various special programs and was able to open 3,831 Farmer accounts, 35,614 Student accounts, 1,721 Mohor accountsand 1,011 Cash Waqf accounts.

Green Banking

The Bank used to emphasize on social, ethical and environmentally responsible approaches to business activities. Keeping in view the spirit of Green Banking, IBBL opened a Green Banking Department and took effective steps in line with Central Bank's directives. By now, the Bank has been able to reduce paper use substantially through automation and simplification of its procedures.

CSR Activities

IBBL through its various CSR programs is contributing significantly to develop socio-economic condition of Bangladesh. The Bank spent Tk. 670.77 million as CSR expenditure in various sectors such as disaster management, education, health, sports, art & culture and environment etc. in 2016. IBBL brought a new dimension to its CSR operations since 2013 donating Tk.150 million to Proyash, an institute run under the patronization of Bangladesh Army dedicated to the wellbeing of children with special needs and disability. Thus, IBBL has been exerting CSR in areas of basic needs such as education and healthcare, particularly for the underprivileged section of population in our society. IBBL has made a number of successful cases over time through its CSR engagements.

Relationship between the entities performance with the management's objectives and strategies

Management's objectives are consciously directed toward that effective and efficient achievement of organizational objectives. On the other hand, management's strategy involves formulation and implementation of the major goals and initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes. Management strategy provides overall direction to the enterprise and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives, and then allocating resources to implement the plans. Being a welfare oriented bank, IBBL always strives for highest standards of equity and distributive justice in the field of all economic activities. The performance of the entity is linked with the Management's objectives and strategies in the following manner:

Welfare is a condition of having good health, comfortable living and pleasant working conditions. Hence, it can be said that welfare services are those which ensure conditions of having good health, comfortable living and working conditions, which are generally one's basic needs. Islam views work as the primary means of earning and acquiring income and wealth. As such, IBBL has earned reputation to ensure welfare oriented banking services through its welfare oriented Special Investment Schemes, Cash Waqf Deposit, dynamic Corporate Social Responsibility, Mobilization of Zakah etc.

Financial inclusion has emerged as a tool to achieve inclusive growth for poverty reduction since 2005, a year that the UN has declared International Microcredit Year. Studies indicate that a positive correlation exists between financial development and economic growth. Current development theories suggest that greater financial inclusion can have a positive impact on the lives of the poor. IBBL based on its Rural and Urban Poor Development Schemes as a successful model has a share of more than 50% of the world Islamic microfinance. Welfare and inclusivity oriented deposit products such as Muhor, Cash Waqf, Hajj, Farmers etc. ofthe Bank highly partake to the development of economic empowerment of less privileged people of the society.

Our efforts continued during the whole year under review to further diversify investment portfolio by size, sector, economic purpose & geographical location. Alhamdulillah, we see positive shift in our investment portfolio in reducing concentration in big clients. Investment share of top 100 clients to general investment decreased. Percentage of investment up to Tk.100 million to general investment increased. SME investment & rural investment to our general investment also increased.

Investment in thrust sector of the economy of our country falls under the priority areas of IBBL. The Bank

has considerable amount of investment in the industrial sector. IBBL ventured in financing garment industries in the early stage of the Industry. The Bank also financed in the backward linkage industries. It is mentioning here that, most of the leading export-oriented garment industries of the country initially started their business taking small size investment from IBBL.

Development of human resources is necessary to ensure sustainable growth and advancement of an organization.

This approach is a framework for helping the employees develop their personal and organizational knowledge, skills and abilities by means of extensive improvement process covering systematic training, motivation, coaching, counseling, mentoring and the likes. This is also an initiative to equip & assist the staffs to be adequately improved to shoulder optimum workload towards efficient accomplishment of organizational goals.

To materialize the spirit of the above, a comprehensive as well as inclusive development initiative covering various dimensions is accomplished by Human Resources Division. Apart from the traditional top-down approach of human development, an initiative is going on to transform every Branch into a Center of Excellence to ensure effective capacity building of the employees of every tiers.

IBBL is also committed to provide banking services that are purely based on Islamic Shari'ah, transparent and efficient.It always struggles for achieving the utmost stage of excellence to establish a set of managerial succession and adopt technological changes to ensure the development of an Islamic Bank as a stable financial institution, emerge as a healthier & stronger bank at the top of the banking sector and continue to maintain stable positions in all the major business indicators.

Challenges in 2016

Banking sector in Bangladesh has come across another turbulent year facing many odds and pitfalls in the macroeconomic fundamentals. The major challenges faced by the banking industry were moderate Investment (credit) growth, increasing trend of non-performing investment (credit) resulting to higher provisioning requirements and surplus liquidity. The cumulative effects of these put pressure on the profitability of the banking sector as a whole. Being an integral part of the banking industry, IBBL had to face the challenges. Despite all the challenges, IBBL could close the year in a positive note.

Outlook for 2017

The economy of Bangladesh, one of the most potential emerging economies of the world, is gradually moving forwards higher growth regime. IBBL, being one of the leading players of this economy, is committed to meeting all the needs of every family of Bangladesh. IBBL is going to focus more on inclusivity driven sustainable financing for becoming the 'Bank of Choice' for all. The shortand mid-term strategies to achieve the desired success are as follows:

- Efficient fund management through deploying surplus liquidity in priority sectors with particular focus on small and medium enterprises.
- Mobilization of low cost deposit be strengthened while investment diversification will be made with more focus in service and infrastructure sectors.
- Competitive pricing of Asset and liability products will be ensured.
- Vigorous risk management practices and a high level of vigilance will be maintained to keep asset quality at standard level.
- 100% compliance will be ensured in all respects through both on-site and off-site supervision.
- Implement a rigorous talent management and industry best human resource development program.
- New products will be developed to cater to various needs of the client of different strata and add value to the existing products and services.
- Automation process will be strengthened to bring more customers under virtual banking and upgrade services networks.
- Steps will be taken to ensure green and sustainable growth of banking business.

Report on Financial Inclusion

Financial inclusion has emerged as a tool to provide access to financial services to all the people even in remote areas of the country in a fair, transparent and equitable manner at affordable cost, and address the imperative need to modify the financial services delivery system to achieve greater inclusion. To percolate the benefits of economic development of Bangladesh to different segments of our society, IBBL has been working relentlessly towards overall development of the country by ensuring sustainable development of the mass people of the country as a whole. In line with this, IBBL has introduced banking products for farmers, students, leather footwear and garments employees and investment facilities for rural poor people & slum dwellers in urban areas. IBBL has also been conducting its banking activities through introducing modern & welfare oriented banking products & services that facilitate socio-economic development, balanced growth and equity & justice in the field of all economic activities. The initiatives have already been taken & performance regarding financial inclusion are as follows:

1. **Rural Development Scheme (RDS):** In order to ensure financial inclusion & to facilitate financial empowerment, self employment and raising income of the rural people with a view to alleviate poverty, IBBL has been conducting collateral free micro investment program under Rural Development Scheme (RDS) among the rural poor people. At present this scheme has covered about 10.00 lac clients of 20,000 villages of the country where 85% beneficiaries are women.
2. **Banking for Farmers:** In order to ensure smooth economic activities of the country by way of inclusion of unbanked farmers into banking services, Islami Bank Bangladesh limited has introduced Farmers Account with minimum balance of Tk.10/-. The Bank has opened 670903 farmers accounts till end of 2016.
3. **School Banking Activities:** Students are the future of a nation. With a view to encouraging savings & ensuring financial services, the Bank has introduced Student Saving Account with minimum balance of Tk.100/-. The Bank is trying best to popularize the product among the students. In this regard during 2016, IBBL has conducted 100 Financial Literacy campaign among different level of educational institutions (School, College, Madrasah & Kindergarten) throughout the country which cover about 30,000 (thirty thousand) students. The Bank has opened 234,009 School Banking accounts till end of 2016.
4. **Banking for Industry Employees:** In order to improve the life standards of the workers of RMG, leather and footwear sector IBBL has launched Industry Employees Saving Account with an initial deposit of Tk.100/-. The Bank has opened 712 accounts in this sector till end of 2016.
5. **Banking for street children & working children:** Initiatives have been taken to introduce account for street children & working children to facilitate financial services for them.

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Products & Services

Deposit Products

Deposit Products in Local Currency

1. Al-Wadeah Current Account (AWCA)
2. Mudaraba Savings Account (MSA)
3. Mudaraba Special Notice Account (MSNA)
4. Mudaraba Special Savings (Pension) Account (MSSA)
5. Mudaraba Term Deposit Account (MTDA)
6. Mudaraba Savings Bond Account (MSBA)
7. Mudaraba NRB Savings Bond (MNSB)
8. Mudaraba Hajj Savings Account (MHSA)
9. Mudaraba Waqf Cash Deposit Account (MWCDA)
10. Mudaraba Monthly Profit Deposit Account (MMPDA)
11. Mudaraba Muhor Savings Account (MMSA)
12. Students Mudaraba Savings Account (SMSA)
13. Mudaraba Farmers Savings Account (MFSA)
14. Mudaraba Upohar Deposit Scheme (MUDS)
15. Mudaraba Industry Employees Saving Account (MIESA)

Deposit products in Foreign Currency

1. Mudaraba Foreign Currency Account (MFCA)
2. Mudaraba Exporters' Retention Quota Account (MERQ)
3. Foreign Currency Account (FCA)
4. Foreign Currency Account (ERQ)
5. Foreign Currency Account of EPZ Enterprise
6. Resident Foreign Currency Deposit Account (RFCD)
7. Non-Resident Foreign Currency Account of Exchange Houses/Banks
8. Non Resident Investors Taka Account (NITA) for Foreign port-folio Investors.
9. Non-Resident Taka Account (NRTA) for Foreign Direct Investors.
10. Foreign Currency Account for EPZ Companies (FCA-EPZ)
11. Foreign Currency Account for Recruiting Agency of women workers abroad

Investment Products & Schemes

Investment Products

1. Bai-Murabaha
2. Bai-Muajjal
3. Bai-Istijrar
4. Bai-Salam
5. Bai-Salam (Pre-shipment)
6. Bai-Istisna
7. Mudaraba
8. Musharaka
9. Musharaka Documentary Bill (MDB) Inland

10. Musharaka Documentary Bill (MDB) in Foreign Currency
11. Musharaka Investment in Potato Storage
12. Hire Purchase under Shirkatul Melk (HPSM)
13. Murabaha Post Import (MPI)
14. Murabaha Import Bills (MIB)
15. Murabaha Import LC
16. Murabaha Foreign Currency Investment (MFCI) under EDF
17. Murabaha Foreign Currency Investment (MFCI) under Balance of MFCD A/C
18. Bai-Muajjal Back to Back Bills
19. Bai-as-Sarf (Foreign Documentary Bill: FDB)
20. Bai-as-Sarf (Foreign Currency Cheques/Drafts: FCD)

Welfare-oriented Investment Schemes

1. Household Durable Scheme (HDS)
2. Housing Investment Scheme (HIS)
3. Real Estate Investment Program (REIP)
4. Transport Investment Scheme (TIS)
5. Car Investment Scheme (CIS)
6. Investment Scheme for Doctors (ISD)
7. Small Business Investment Scheme (SBIS)
8. Agriculture Implements Investment Scheme (AIIS)
9. Rural Development Scheme (RDS)
10. Micro Enterprise Investment Scheme(MEIS)
11. Urban Poor Development Scheme (UPDS)
12. Micro Industries Investment Scheme(MIIS)
13. Women Entrepreneurs Investment Scheme
14. Palli Griha Nirman Beniyog Prakalpa
15. NRB Entrepreneurs Investment Scheme(NEIS)
16. Solar Panel Investment Scheme(SPIS)

Offshore Banking Unit (OBU) Products

Depsoit Products

1. Al-Wadeah Current Account (FCA)
2. Mudaraba Savings Account (MFCD)

Remittance Services

Foreign Remittance Services

1. Central Crediting Account
2. Payment of 3rd Bank Remittance through TT & PO
3. Payment of Spot Cash Remittances
4. Centrally NRB Accounts Opening
5. SMS Notification
6. SMS Push Pull Service
7. Maintaining NRD & NRT Account

Inward Remittance

- Electronic fund Transfer
- Spot cash
- Application for Programming Interface
- Encashment of cash Foreign Currency
- Collection of FC Cheques / drafts
- Payment of Foreign TT & DD (FTT & FDD)

Outward Remittance

- Travel purpose
- Study purpose (Student File)
- Medical purpose
- Issuance of Foreign TT & DD (FTT & FDD)
- Selling / Issuance of Foreign Currency note
- Travel pre-paid Card
- Commercial Remittance
- Different Private Remittance

Treasury Activities

Dealing Room Operations

- Foreign Exchange Operations
- Money Market Operations

Money Market Operations

- Placement to others Islami Bank & Financial Institutions.
- Bangladesh Government Islamic Investment Bond(BGIIB)
- Islamic Interbank Fund Market (IIFM)

Technology Based Services

Any Branch Banking Services

1. Countrywide largest online banking network
2. Lowest fees for online deposit and/or withdrawal across the country
3. Charge free depositing facility up to Tk.2.00 lac (2 times, maximum Tk.1.00 lac/transaction) -within Divisional City
4. Any branch cash deposit and/or withdrawal
5. Quickest fund transfer
6. Charge free for investmentrecovery/disbursement

Investment Products

1. Bill Financing under Mudaraba Documentary Bills (Mura-UPAS) against Usance import Bills
2. Bill Financing under Mudaraba Documentary Bills (HPSM-UPAS) against Usance import Bills
3. Bill Financing under Mudaraba Investment for MDB

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in FC against Inland Export Bills
4. Import Financing
5. Export Financing
6. Short term Murabaha
7. Post-Shipment Financing (Bai-as-Sarf, MDB in FC)
8. Project Finance (HPSM investment)

Cash Service

1. 520 own ATM Booths and more than 6000 shared ATM Booths.
2. 122 IDM (Islami Bank Deposit Machine)
3. 33 Sheba Ghars (Islami Bank Electronic Booth)
4. Connectivity with NPSB & VISA network
5. 24 hour support service for ATM
6. ATM card
7. Visa Debit Card
8. Khidmah Credit Card
9. Remittance Card
10. Hajj Card
11. Travel Card
12. Business Expenses Card
13. i-PaySafe: e-Commerce Payment Gateway

Corporate Services

1. Corporate Salary Payment,
2. Free/reduced charges of ATM,
3. Standing Instruction facility for depositing MSS & Hajj A/c,
4. Existing BEFTN facilities through Bangladesh Bank,
5. Existing BACPS service through Bangladesh Bank,
6. Existing RTGS service through Bangladesh Bank,
7. Crediting salary instantly throughout the Country,
8. Centralized Investment Proposal Processing System (CIPPS),
9. Centralized foreign trade processing system,
10. IBBL Online money transfer,
11. mCash withdrawal From ATM.

Other Value Added Services

1. Payment Order (PO)
2. Demand Draft (DD)
3. Telegraphic Transfer (TT)
4. Locker
5. Quard against TDR
6. Quard against MSS
7. Counseling
8. IBBL Web portal facility
9. Letter of Credit
10. Back to Back Letter of Credit
11. Bank Guarantee
12. Foreign Bank Guarantee
13. Export Bills Collection
14. Substitute Cash Assistance
15. SWIFT
16. Automated Clearing
17. IBBL Call Center
18. Phone Banking
19. Point of Sale (POS)
20. e-Recruitment procedure
21. IBBL iSmart: Mobile App
22. 'Payroll' software
23. Dissemination of information through Web-site
24. EFT
25. Foreign Currency endorsement

Services through Islami Bank Foundation

1. Islami Bank Hospitals
2. Islami Bank Medical College, Rajshahi
3. Islami Bank Community Hospitals
4. Islami Bank Nursing Training Institute
5. Islami Bank Institute of Health Technology
6. Islami Bank Homeopathic Clinics
7. Monorom: Islami Bank Crafts & Fashion
8. Islami Bank Institute of Technology
9. Islami Bank International School and College
10. Islami Bank Model School
11. Islami Bank Mohila Madrasah
12. Bangladesh Cultural Centre
13. Distressed Women Rehabilitation Centre

Training Services

- International: Officials of Foreign Banks on Islamic Banking
- National: Training of own manpower & others on Islamic Banking

Diploma in Islami Banking

Islami Bank Training & Research Academy (IBTRA) is launched a professional Banking Diploma Course in the name as 'Diploma in Islamic Banking (DIB)' for the professionals working in the Bank & financial industry who want to get knowledge about Islamic Banking.

Upcoming Services

- Upcoming debit facility from POS with Biometric option
- Full-fledged corporate banking module.
- School Fees payment services.

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Alternative Delivery Services

It is patently obvious that now a days only traditional methods of providing banking services are not enough to ensure smooth & better customer services. For building a profitable & rapport customer relationship, technology based modern products & services play pivotal roles in retaining the existing customers as well as attracting new and potential ones. So, Islami Bank Bangladesh Limited, the biggest commercial Bank in the country, has introduced a good number of technology based smart products by the various Alternative Delivery Channels (ADC) to render quick, easy and customized banking services to the customers. Through using these products and services, the customers can avail necessary banking facilities round the clock. The ADC facilities of the Bank are furnished below:

ATM/ VISA Debit Card

To save the customers from hazards of carrying cash and to ensure availability of cash in need, the Bank has introduced ATM/VISA supported debit card. By using this card, the customers can withdraw cash up to Tk. 50,000/- (fifty thousand) from all VISA & National Payment Switch Bangladesh (NPSB) ATM Booths throughout the country. The clients can also purchase products through VISA Debit Card up to Tk.50,000/- Major features are:

- ❒ No issuance fee (free of charge for the 1st year);
- ❒ 24 hour Cash withdrawal from ATM booth;
- ❒ Alternative to cash for shopping through POS;
- ❒ Mini Statement;
- ❒ Utility Bill Payment;
- ❒ Fund Transfer;
- ❒ Hotel and Hospital booking, Bus, Train and Airplane Ticketing;
- ❒ Connectivity with VISA & NPSB Network;
- ❒ e-commerce facilities over internet;
- ❒ Exclusive discount on the purchase at Superstores, Megamalls & Supershop etc.

Islami Bank Deposit Machine (IDM)

With a view to ensuring modern banking facilities for the customers, IBBL has introduced IDM through which a customer is facilitated to deposit any amount of cash in accounts at any time without going to bank premises physically. The salient features of IDM are as follows:

- ❒ 24x7 hours service;
- ❒ Cash depositing in any account, any time of any branch of IBBL;
- ❒ Depositing Cheque, Payment Order, Dividend Warrant etc;
- ❒ Immediate receipt;
- ❒ Utility bills payment;
- ❒ No need to stand in long queues.

Sheba Ghar

For reaching the banking services to the doorsteps of the peoples, IBBL has introduced the electronic Booth under the brand name "Sheba Ghar" which actually works as a mini branch. All retail banking services can be performed here. The major services provided through Sheba Ghar are as follows:

- ❒ 24/7 hours open;
- ❒ Deposit through IDM;
- ❒ Withdrawal through ATM;
- ❒ Collection of Cheque/PO/DD/Dividend Warrants;
- ❒ Payment of utility bills;
- ❒ Opening of mCash Account;
- ❒ Balance inquiry;
- ❒ A/c Statement ;
- ❒ Investment installment receive through IDM/ KIOSK;
- ❒ Receiving Cheque requisition;
- ❒ Distribution of leaflet, brochure and AOF;
- ❒ Receiving complains & suggestions from clients and many others.

Phone Banking

By using Phone Banking, the customers can enjoy banking services round the clock. Major services provided through Phone banking are:

- ❒ Balance Inquiry;
- ❒ Mini Statement;
- ❒ Fund Transfer;
- ❒ Mobile Phone Recharge;
- ❒ Utility Bills Payment;
- ❒ TPIN Request;
- ❒ Cheque Book Requisition;
- ❒ Stop Payment;
- ❒ Remittance Services and many more.

i-Banking

To enjoy banking services by a finger click, the Bank is providing internet banking services to the customers. Major features of i-Banking are:

- ❒ Anytime banking from anywhere of the world;
- ❒ Account Balance Inquiry;

- Mini Statement;
- i-transfer (Fund transfer) at the lowest fees;
- i-transfer –EFT (Fund transfer to other bank's account);
- i-recharge (Mobile recharge) completely free of charge;
- Utility Bill Payment;
- Wimax bill payment/recharge;
- Instrument/Challan/Sales Proceed number can be viewed;
- Status of clearing instruments;
- Foreign remittance status;
- Payment of Khidmah Credit Card Bill;
- VISA instant payment;
- Manage Cheque (issue cheque requisition & stop payment of cheque);
- Cost Sheet of Foreign Exchange bills.
- Outstanding liability position.

SMS Banking

The customers can avail this facility after registration of their mobile number through push/pull service. Major features of SMS banking are:

- Free SMS Banking;
- Balance Inquiry;
- Mini Statement;
- Push/Pull service by SMS from mobile;
- Transaction alert for Cash Withdrawal, ATM Withdrawal, Cash Deposit & Clearing Message.

mCash

The Bank has been rendering modern technology based services for the mobile phone users through mCash. Major features of mCash are:

- Cash Deposit and Withdrawal;
- Instant Fund Transfer;
- Remittance Service;
- Account Balance;
- Mini Statement;
- Salary Payment and Receive;
- Mobile Phone Recharge;
- Utility Bills Payment;
- Corporate Payment;
- Merchant Payment;
- Tuition fee Payment;
- Govt. Payment.

'Khidmah' Credit Card

IBBL has introduced shari'ah complaint credit card 'Khidmah' with a view to providing credit facility for limited income people within their ability to meet the daily demand and to develop the living standard of the people. Three categories- Platinum (Tk.300,000/-), Gold (Tk.200,000/-) and Silver (Tk.100,000/-) are available at all branches of IBBL across the country. Major features of Khidmah Credit Card are:

- Shari'ah- compliant Credit Card based on "Ujra" concept;
- Payment of gas, electricity, WASA etc. bills; Hotel and Hospital booking, Bus, Train and Airplane Ticketing;
- Global usage privilege;
- Lowest charge;
- First Supplementary Card free;
- Card Cheque facility/Cash Withdrawal facility up to 50% of the limit;
- Exclusive discount on the purchase at superstores, megamall, supershops.
- No risk in buying.

Remittance Card

IBBL has introduced 'Islami Bank Remittance Card' for sending money from abroad. This card ensures the Non Residence Bangladeshi of safe & hassle free money transfer to their family. Basic features of Remittance Card are:

- Incoming facility of Foreign Remittance;
- Draw money from any IBBL ATM Booth;
- Only Foreign Remittance sender/receiver can take this card;
- Card Balance Inquiry;
- Bank account is not necessary;
- Utility Bill Payment;
- Balance Inquiry through SMS or i-Banking Service.

Hajj Card

IBBL has introduced 'Hajj Prepaid Card' to provide special service to Hajj pilgrims. The Hajj Pilgrims can bear the permitted US Dollar and Saudi Rial through this card. The Pilgrims can withdraw the Dollar and Saudi Rial form the ATM booths of Saudi Arabia bearing VISA Logo. Major features of Hajj Card are:

- The card is issued to the Hajj Pilgrims at free of cost;
- Pilgrims may make transaction in the ATM Booth

and Point of Sale (POS) at Saudi Arabia through this card;
- Hajj Agencies may consume service by this card;
- Can be used to perform Umrah;
- Maximum transaction is allowed up to USD 1,000 as per Bangladesh Bank rule;
- One can get service by Hajj card without maintaining bank account.

Travel Card

'IBBL Travel Card' is a pre-paid foreign currency card that makes foreign trip totally hassle-free and convenient. One can load this pre-paid card with foreign currencies as per Bangladesh Bank rule. It's a smart alternative to paper based instruments like Traveller's Cheque or Currency Notes.The main features are:
- Cash withdrawal and transaction service from any place of the world;
- Maximum transaction allowed up to USD 5,000 as per Bangladesh Bank rule;
- One can get service by Travel Card without maintaining bank account;
- One can reload in this card any time from any branch of IBBL or authorized agent.

Business Expenses Card

In order to increase customer base & competitive advantage, IBBL has introduced 'Business Expenses Card' which facilitates electronic payment instead of cash payment. The main features are:
- Prepaid in nature;
- Reduce risk of carrying cash;
- Reduce administrative time;
- Facilitates corporate purchase;
- Bills payment regarding purchase of business equipment and services;
- Bills payment regarding different programs like conference, seminar, iftar mahfil etc.;
- Reduce expenditure of the bank.

IBBL Call Centre: 16259

IBBL Call Center is a modern banking service by which clients can get 24 hours of service over any mobile/ T&T phone without going to any branch. Customers also have access to all sorts of queries/ requests/ suggestions/experiences/complaints about IBBL products & services.The main features are:
- 24 hours/day, 7days/week and 365 days/year banking facilities;
- Availing services from all over the world;
- Balance Inquiry;
- Cheque Book Requisition;
- Stop Payment;
- Products and Services Information;
- Lodging Complains;
- Input 7 (seven) days notice;
- Getting any information relating to Bank.

e-Commerce Payment Gateway (iPaySafe)

Payment Gateway (iPaySafe) of IBBL has opened up unique opportunities for paying different bills and purchasing through internet for the customers who intend to purchase or pay their bills through online. Basic features are as follows:
- Online Shopping;
- Utility Bills Payment;
- Purchasing Bus & Air Tickets, Goods or various Services etc.;
- Mobile Recharge;
- No security cost;
- No yearly charge;
- Low commission;
- Duration of settlement is only 24 hours;
- Customer friendly e-Payment service.

Corporate Salary Payment

IBBL has initiated Corporate Salary Payment service to disburse salaries quickly and conveniently. The major benefits are:
- More convenient for the employers and workers/ employees of a company;
- Reduces the cost associated with salary disbursement;
- Reduce volume of works for cashiers & accounting department of a company.

IBBL iSmart

IBBL has introduced 'IBBL iSmart' a mobile application of IBBL iBanking. This app is to facilitate smartphone and tablet users' instant access to IBBL iBanking services in secure way. At present following basic services are provided through this app:
- View Account Information;
- Check Account Statement;
- Check Account Balance;
- iRecharge: Mobile airtime top up of any operators in Bangladesh;
- Wimax Recharge;
- i-Transfer;
- Transaction Summary;
- i-Banking Transaction History;
- Password Management.

Communication and Business Promotion



Clients Get-Together

Branding and Public Relations

IBBL is engaged in promoting the brand image through diversified jobs i.e publicity, publication, advertisement, sponsor, communication and bridging rapport with the authority, management and stakeholders keeping them informed on and responsive to public opinion. A proactive team has relentlessly been working to harvest optimum branding of the bank in home and abroad in order to keeping the bank's image atop. With utmost endeavor and dedication, Public Relation (PR) team achieved remarkable progress in the previous years. To the development trend, PR team carried out substantial jobs in 2016 as follow in brief:

1. Publicity & Branding

Islami Bank remains visible in media through various publicity measures i.e press release, feature, article, interview, advertisement, out-door publicity, beautification, and sponsor. Major dailies, electronic media, periodicals, online news portals provided our coverage giving utmost importance.

1.1 Press Release: Press Release is the important official exposure of the bank incurring no expenditure but gaining huge publicity. In recent years the quality and quantity of our press releases has developed up to the mark drawing attention to the mass people. Our position regarding publishing press release in the media is remarkable among all other banks. IBBL major press release covers AGM, Business Development Conference, Branch Opening, Award, Recognition, Achievement etc. During the year we disseminated a total of 120 press releases at an average 10 item per month and average 55 mileage per item.

1.2 Features: Feature is an important tool of inclusive publicity of the bank at free of cost. We publicized a total of 12 features giving due importance on RDS, SME, Entrepreneur Development, Remittance, Women Empowerment, Employment Generations. The features elaborately described especial services, products, and activities of the bank. Major newspapers and online portals published our features at an average of 40 per item.

1.3 Advertisement: Press advertisement is one of the vital publicity tools of our bank. PR team developed a number of eye-catching but meaningful press advertisements both official and development advertisement by the reputed design houses and agencies. Our advertisements on product, services, and activities drew attention to the mass people. We published a total of 80 press advertisements in 142 newspapers and in 400 periodicals and magazines etc.

1.4 TVC Campaign: To have better exposure in elec tronic media and huge mass engagement to our activities, we made an exclusive corporate TVC directed by famous director Mostafa Sarowar Farooki. The TVC has already drawn attention to the millions of people across the globe through different satellite TV channels. The TVC hits rapid expansion in social media as around 2 million viewers have visited the TVC ensuring vigorous publicity of the bank. We telecast TVC in most of the TV channels in the country. Besides, we branded business related magazine programs and news at ten televisions, and major TV channels provide good coverage of our bank.

1.5 Special TV Branding: We telecast our TVC in Channel 9, GTV and BTV during the crickets matches of Bangladesh-England series and BPL season-III. Besides, we broadcasted our RDC in different Radio stations during the cricket tournament which was a vigorous publicity measures of the bank. With these special sports branding we reached to the millions of sports loving people especially young generations with our positive brand image.

1.6 Program Branding: PR team deals with branding and publicity of all programs and events of the Bank. In 2016, IBBL conducted branding with creative design to the programs like Annual General Meeting, Business Development Conference, Scholarship Program, Central Ifter Mahfil, Anniversary Program, MoU Signing, Seminar, Conference, Branch Opening etc. We also arranged huge publicity of these programs in print, electronic and online media.

1.7 Outdoor Branding: Billboard and roadside display play vital role of outdoor branding and publicity. It is the visible and long-term branding of the bank's services and products especially the Remittance Services, Awards and Recognitions. To have the better publicity, we have placed billboards in different key locations in inside and outside Dhaka like Bangabhaban Chatta, Gulistan Circle, Matchya Bhaban, Kakrail, Agargaon, Mawa, Ashulia, Dhaka Airport etc.

2. Public Relations

2.1 Sponsor: IBBL sponsored a total of 137 organizations, association, agencies and forums on different occasions with a view to bridging and developing relations with the people of various segments in the society. Our focus is on young and educated entrepreneurs, academic institutions, sports, culture and glorious heritage of the country. Our major sponsors include National Victory Day Celebration, Bangabandhu Gold Cup Football Tournament, International Handball Tournament, BPL, DU International Conference, CU Golden Jubilee Celebration, DU Hironmoy Celebration, BAU Convocation, BPO Summit 2016 etc.

2.2 DITF and Sports: Since 2012, IBBL has been participating at the Dhaka International Trade Fair with lucrative pavilion in the fair premises gaining huge publicity among millions of visitors. IBBL pavilion got prizes in previous years. Besides, Islami Bank sponsors major national sports competition in order to accelerating the national culture and heritage. Islami Bank is the franchisee owner of a team in Bangladesh Cricket League under the supervision of Bangladesh Cricket Board. All these efforts brought a positive impression for our bank from every corner.

2.3 Media Relations & Greetings: As regular job,PRteam visits media houses on different occasions like anniversary, get-together etc. Besides we greets senior journalists, columnists, intellectuals and social dignitaries on the occasion of Bangla New Year 1423 and Eid festivals with sweetmeats, token gift etc. We also greet our valued customers, clients, business partners on different occasion.

2.4 Gift and Promotional Item: PR team prepares different types of gift item and promotional materials like wallet, mug, key-rings gift box for special branding purpose. Our branded gift item were distributed among the valued clients, business partners, dignitaries and VIP visitors.

3. Publications

Being pioneer in Islamic Banking, we have been working for flourishing Islamic Banking & Economics knowledge in Bangladesh through various kind of literature. In this purpose, we publishes different book, booklet, journal etc. In 2016, we published the following items.

3.1 Book & Booklet:

- Investment Operations Manual
- Annual Report (Photography, Design and Creative Part)
- Islami Bank Prokrroma- two issues
- Polli Unnayan Barta- 4 issues
- Islami Bank Babosthar Bikashey Shariah Bisheshaggyader Bhumika
- Islami Bank the Development Partner
- Islami Banking 'Jiggasha o Jabab'
- Director's Profile (Bangla & English)
- Islamic Banking in light of Maquasid as Shariah
- 'Manobik Banking'

- Probasider Jonno Islami Banker Sheba
- Superiority and Success of Islamic Banking
- Progress of Bangladesh and 33 years of Islami Bank
- Islamic Microfinance: RDS Model etc.
- 'Jiarate Baitullah' etc.

3.2 Product related publication:

- 'Student Mudaraba Saving Account
- 'SMS Banking
- 'Hajj Saving Account
- 'Freelancing Investment
- 'Rural Transport Investment Scheme
- 'Light Engineering Scheme
- 'Work Order Investment Scheme
- 'SME investment scheme
- 'IBBL ADC products
- 'Biday Hajj Speech
- 'Nari Uddakta Biniyok Prokalpa
- 'Mudaraba Waqf Cash Account etc.

3.3 Other Publication/Design:

- Diary
- Wall Calendar
- Desk Calendar
- Invitation Cards for Scholarship
- Gift Bag
- Note Book
- Greeting Cards
- 33rd Anniversary Decoration
- Ramadan Calendar
- Branch Opening Branding and Decoration
- Seminar Paper
- Leaflet, poster, festoon dangler etc.
- Eid Campaign with VISA Card
- ATM Skimming leaflet etc.

4. Archiving: We have taken an initiative for developing a well-equipped and enriched archiving of the Bank encapsulating Photos, Videos, Books, necessary documents, special publications etc. To this effect, we have already developed a digital photo archiving since inception of the Bank.

5. Planning for 2017

PR has taken a time-befitting and foresighted plan for wider range of publicity, public relations and publications of the bank for the year 2017.

5.1 Publicity:

- A total of 120 Press Releases shall be disseminated on different events with an average of 10 items every month
- A total of 24 features on different schemes, products & services of IBBL shall be published with an average of one item per month
- A total of 24 articles shall be published in national newspapers, magazines as well as online media
- A total of 24 interviews of honourable Chairman/ EC Chairman/Managing Director & top executives of the Bank shall be arranged to publish in the newspapers, magazine & electronic media at least two item per month
- Press briefing & press conference shall be arranged on different occasions
- One special supplement shall be published in newspapers on Islamic Economics, Banking as well as IBBL
- A total of 30 development advertisements shall be designed and published on different deposit & investment products, anniversary, national days, branch opening etc.
- Billboards at lucrative locations of Dhaka, Chittagong, Cox's Bazar, Rajshahi, Khulna, Sylhet, Rangpur, Barisal, Narayangonj and Comilla along with other important cities shall be displayed
- Major News and popular magazine branding in Television shall be covered
- Two documentaries on the Bank shall be developed
- Two TVCs and two RDCs shall be developed
- 20 articles & features on Islamic Banking and Economics shall be written by prominent economists & intellectuals for publishing in media
- We have taken special plan for Airport branding

5.2 Public Relations:

- Four Roundtable Discussions on Islamic Banking & Economics shall be arranged in association with Media House, at least one quarterly
- Two get-togethers for Economic Reporters shall be arranged, one by June and another by November 2017
- Two group-wise get-together and discussions with newspaper editors, CEOs of electronic media, senior journalists and economic reporters shall be arranged one in half-yearly
- Two workshops on Islamic banking and economics for economic reporters shall be arranged

Sufficient and quality gift items like pen, mug, wallet, notebook, crest, books, key ring etc. shall be branded for VIP clients and dignitaries

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IBBL Pavilion at Dhaka International Trade Fair 2016

5.3 Publications:

- Four issues of Islami Banking Journal shall be published.
- In-house magazine Islami Bank Parikroma shall be published quarterly with elaborated version.
- Palli Unnayan Barta shall be published quarterly with more RDS success story.
- Special Bulletins on IBBL success and performance shall be published half-yearly.
- Five Books/Booklets on Islamic Banking shall be published.
- Sufficient number of folder, poster, calendar, greetings card, dangler, chain festoon, festoon, cut-out/signage, sticker/banner, invitation card, sehri-ifter schedule, note book shall be published.
- Leaflet/brochures on every products of IBBL shall be designed and published.
- We shall publish a special publication on success story of RDS project

6. Five year perspective plan

- A 'Think Tank of Islamic Banking' comprising the resource personalities, intellectuals, experts, bankers, educationists and business leaders shall be developed.
- Friendly and professional relations shall be developed with all media house.
- IBBL website shall be well equipped with all information of the bank.
- Friendly relations shall be developed with the new/ young generations.
- The slogan of the bank 'Islami Bank My Bank' shall be popularized among mass people.
- IBBL publicity and branding shall be international standard.
- International media shall cover IBBL publicity.
- IBBL shall sponsor the international events like World cup cricket and football etc.
- Positive perception regarding Islamic Banking and Economics shall be enhanced with wide spread knowledge in this arena.
- Special attention shall be given on branding in new media like facebook, youtube, twiter etc.

Stakeholders' Information

Distribution of Shareholding

Sl. No.	Particulars	No. of shares as on 31.12.2016	Percentage (%) to total	(Taka)	No. of shares as on 31.12.2015	Percentage (%) to total	(Taka)
1	Sponsors / Directors Local : (Excluding Foreigners)	315,779,835	19.6138%	3,157,798,350	91,585,789	5.6886%	915,857,890
2	Foreigners						
	(a) Foreign Sponsors / Directors	838,385,510	52.0739%	8,383,855,100	838,285,575	52.0677%	8,382,855,750
	(b) Excluding Foreign Sponsors / Directors	102,758,583	6.3826%	1,027,585,830	178,835,969	11.1079%	1,788,359,690
	Sub-total	941,144,093	58.4565%	9,411,440,930	1,017,121,544	63.1756%	10,171,215,440
3	Govt. of Bangladesh**	20,317	0.0013%	203,170	20,317	0.0013%	203,170
4	Institutions (Excluding Foreigners)	81,100,279	5.0373%	811,002,790	146,019,668	9.0696%	1,460,196,680
5	General Public	271,946,144	16.8912%	2,719,461,440	355,243,350	22.0649%	3,552,433,500
	Total	1,609,990,668	100.0000%	16,099,906,680	1,609,990,668	100.00%	16,099,906,680
	Foreign: Local:	941,144,093 668,846,575	58.4565% 41.5435%	- -	1,017,121,544 592,869,124	63.1756% 36.8244%	- -

** The shares have already been sold by the Government of Bangladesh but no transfer has been made in share register of the Bank.

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Evaluation of Paid-Up-Capital

(In Million Taka)

Year	Particulars	Increase	Total
1983	Initial Capital	0.50	0.50
1983	Sponsors (56 million Foreign, 11.50 million Bangladeshi, 4 million Govt. of Bangladesh)	71.50	72.00
1985	I.P.O	8.00	80.00
1990	1st Rights/1989 (1R:1)	80.00	160.00
1996	2nd Rights/1996 (1R:1)	160.00	320.00
2001	3rd Rights/2000 (1R:1)	320.00	640.00
2003	4th Rights/2003 (2R:1)	1,280.00	1,920.00
2004	Bonus/2003 (1B:5) – Stock Dividend @20%	384.00	2,304.00
2005	Bonus/2004 (1B:5) – Stock Dividend @20%	460.80	2,764.80
2006	Bonus/2005 (1B:4) – Stock Dividend @25%	691.20	3,456.00
2007	Bonus/2006 (1B:10) – Stock Dividend @10%	345.60	3,801.60
2008	Bonus/2007 (1B:4) – Stock Dividend @25%	950.40	4,752.00
2009	Bonus/2008 (3B:10) – Stock Dividend @30%	1,425.60	6,177.60
2010	Bonus/2009 (1B:5) – Stock Dividend @20%	1,235.52	7,413.12
2011	Bonus/2010 (35B:100) – Stock Dividend @35%	2,594.59	10,007.71
2012	Bonus/2011 (1B:4) – Stock Dividend @25%	2,501.93	12,509.64
2013	Bonus/2012 (17B:100) – Stock Dividend @17%	2,126.64	14,636.28
2014	Bonus/2013 (10B:100) – Stock Dividend @10%	1463.63	16,099.91

AMAR STOCK

Share price status in the Stock Exchanges

Month	DSE			CSE		
	Highest rate	Lowest rate	Average rate	Highest rate	Lowest rate	Average rate
January	28.10	25.80	26.95	28.00	25.80	26.90
February	27.00	23.00	25.00	27.20	23.00	25.10
March	24.80	22.40	23.60	24.70	22.40	23.55
April	27.80	22.00	24.90	27.80	21.10	24.45
May	27.80	21.00	24.40	27.90	20.80	24.35
June	29.90	25.90	27.90	32.00	24.80	28.40
July	34.70	28.90	31.80	34.80	28.90	31.85
August	33.30	28.50	30.90	33.20	28.40	30.80
September	32.00	28.60	30.30	32.00	29.00	30.50
October	32.00	30.50	31.25	32.00	30.50	31.25
November	31.00	29.10	30.05	31.00	29.20	30.10
December	30.30	28.90	29.60	30.20	28.80	29.50
During 2016	34.70	21.00	27.85	34.80	20.80	27.80

Stock Details of Share and Bond

SL. No.	Particulars	DSE	CSE
1	Share Symbol	ISLAMIBANK	ISLAMIBANK
2	MPB Symbol	IBBLPBOND	IBBLPBOND
3	Company Code	11104	22008
4	Share Listing Date	02.07.1985	07.03.1996
5	MPB Listing Date	25.11.2007	25.11.2007
6	Market Category	'A'	'A'
7	Electronic Share	Yes	Yes
8	Face Value of Shares (Taka)	10	10
9	Face Value of MPBs (Taka)	1000	1000
10	Market Lot of Shares (Nos)	1	1
11	Market Lot of MPBs (Nos)	5	5
12	Total Shareholders	44,126	44,126
13	Total MPBholders	19,577	19,577
14	Position in Stock Exchanges	DSE-30	CSE-30
15	Closing Market Price of Share (Taka)	29.70	29.70
16	Closing Market Price of MPB (Taka)	981.50	980.50
17	Highest Price of Share (Taka)	34.70 (18.07.16)	34.80 (18.07.16)
18	Lowest Price of Share (Taka)	21.00 (02.05.16)	20.80 (02.05.16)
19	Highest Price of MPB (Taka)	1,000.00 (02.05.16)	1000.00 (08.12.16)
20	Lowest Price of MPB (Taka)	901.00 (18.05.16)	907.00 (17.05.16)

AMAR STOCK

Accessibility of Annual Report

Annual Report 2016 and other information of the Bank may be accessed on Bank's Website: www.islamibankbd.com. IBBL provides copies of Annual Report to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange and Chittagong Stock Exchange for their reference.

Governance on Investors' Relation

IBBL strongly committed to equitable treatment of every shareholder. The Company Secretary of the Bank may address queries relating to any corporate information and published financial information.

Investors' Inquiries and Communication

Shareholders and others may contact at any time to share department for any sort of information and query. In order to make the AGM more participatory, it is arranged in a well-known place & convenient time to allow shareholders to speak in the AGM freely for their valuable suggestions. Any quarries relating to shareholders such as transfer of shares, changes of name and addresses and payment of dividend may be communicated to the following address:

Share Department

63, Dilkusha Commercial Area, (5th Floor),
Dhaka-1000.
PABX: 9551105, 9551062, 9550415; Ext-627,624,615
Fax: 9564595 Mobile : 01714-003950
E-mail: ibblshare@islamibankbd.com

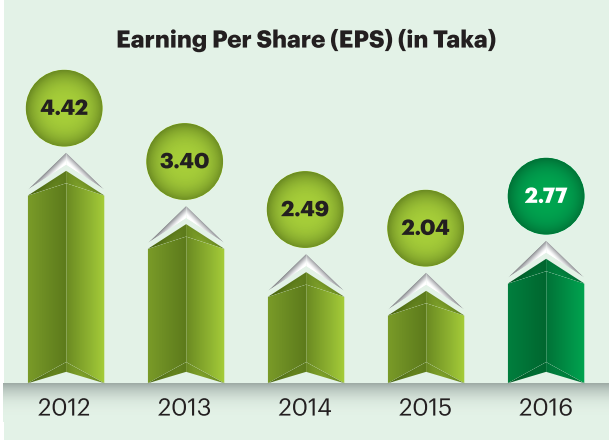
Redress of Investors' Complaints

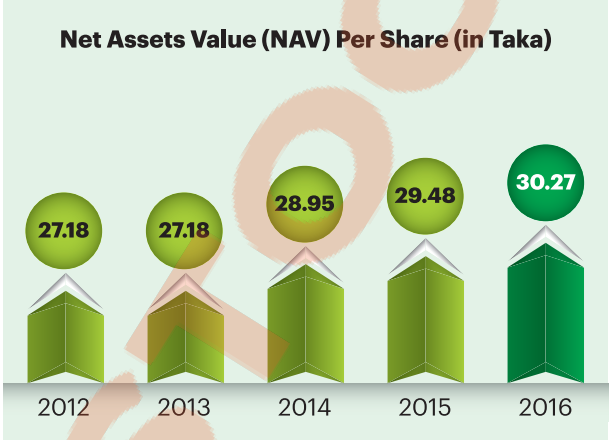
In the 33rd Annual General Meeting, some shareholders sug-gested about different aspects of financial, development and services of the bank. Management of the bank has tried address the issues with due case.

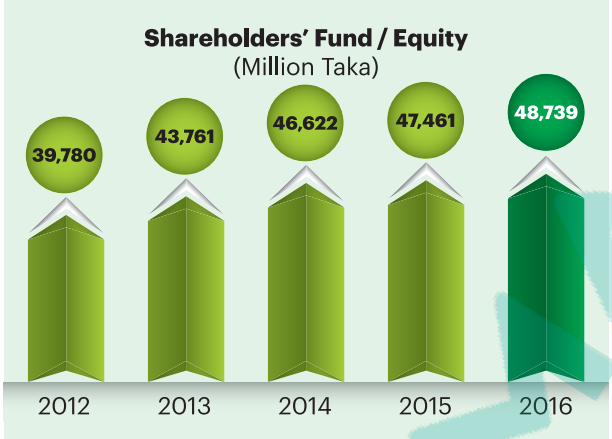
Shareholders' Suggestions and their Implementation Status

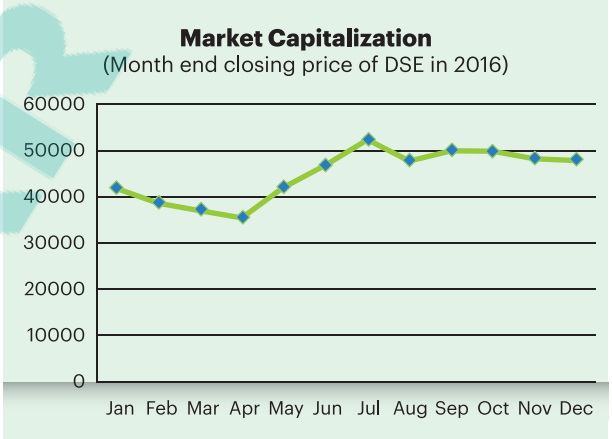
Sl. No.	Complaints/Suggestions	Redressal
1.	One Shareholder requested to hold the future AGM on Friday or Govt. Holiday, if possible.	AGM will be arranged subject to availability of suitable Venue.
2.	Shareholders suggested for establishing more Branches/ SME Centers in the rural areas and requested to open some Branches at different places in South-Eastern part of Barisal Division like Baufal, Galacipa, Dashmina, Pairabandar, Bagabandor, Kalaia Bandor, Ulania, Rangabali, Charbiswas, Mohipur Bandar & Kuakata.	The competent authority of the bank is concerned about the matter. As priority basis, the uncovered area will be brought under branch network. Arrangement of 'Sheba Ghar' and 'Agent Banking' will also be considered where necessary.
3.	One of the Shareholders requested to open a new branch at Dania, Dhaka and another Shareholder urged for opening branch at Atghar Kuriana of Swarupkathi under the district of Pirojpur.	The Dania Branch, Dhaka has already opened on December'18, 2016. The competent authority of the bank will decide where to open a Branch or not.
4.	Shareholders urged for publishing Speeches of the Chairman & Managing Director in the Annual Report in Bangla & English version simultaneously.	As decided by the competent authority, the Annual Report is published in English Language
5.	Shareholders requested to take all possible steps for increasing Earnings per Share (EPS) in the future.	The Bank has taken strategy to increase the volume of the business as well as income of the Bank. Hope it will increase in future.
6.	Shareholders thanked the new Directors in the Board of the Bank and expected for declaring more dividend in future.	Dividend depends on the income of the Bank. However, the Bank has taken strategy to increase income of the Bank.
7.	Shareholders expressed satisfaction for declaring 20% Cash Dividend & suggested for declaring 30% to 35% Cash Dividend in the coming year.	Dividend depends on the income of the Bank. However, the Bank has taken strategy to increase income of the Bank.
8.	One of the Shareholders suggested the Management for not compromising with any kind of Shariah violations in its banking activities.	Strict adherence to the principles of Islamic Shari'ah is the core of all banking activities of IBBL. The Bank does not compromise with any kind of violations in its banking activities and this efforts will be strengthening in future In-sha-Allah.

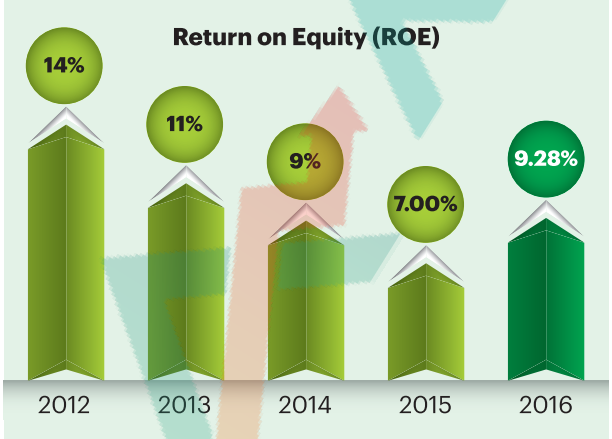
Graphical Presentation

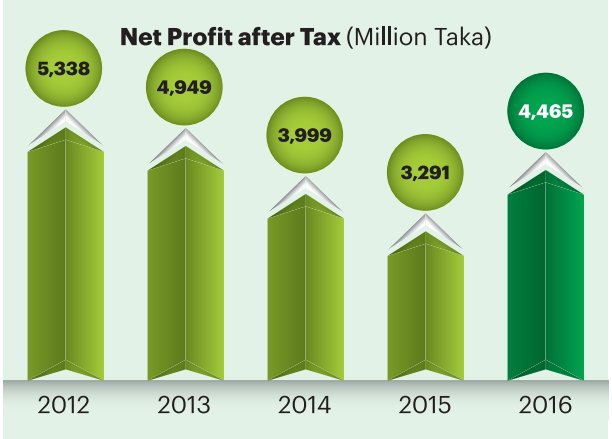






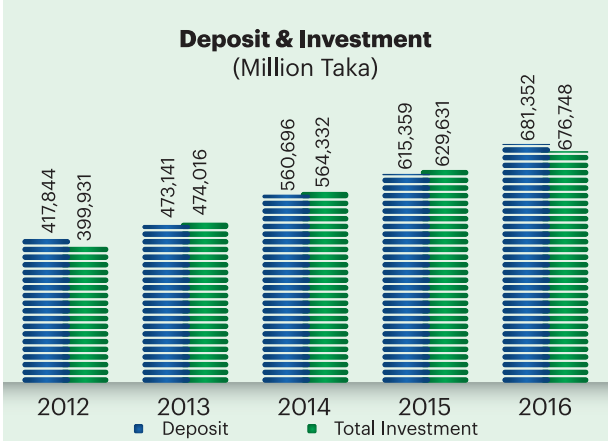


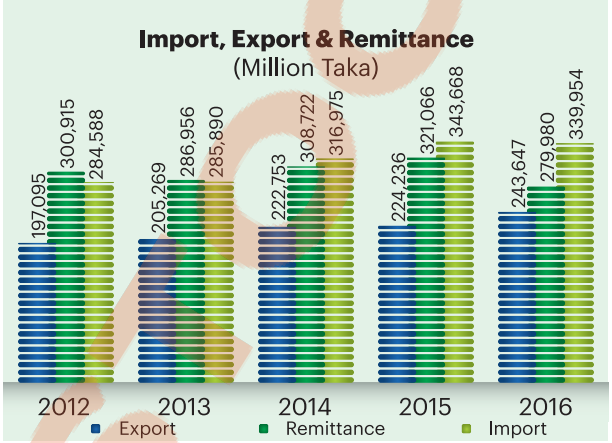


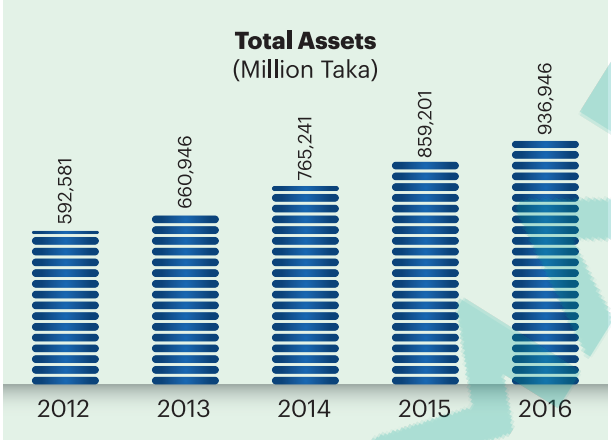


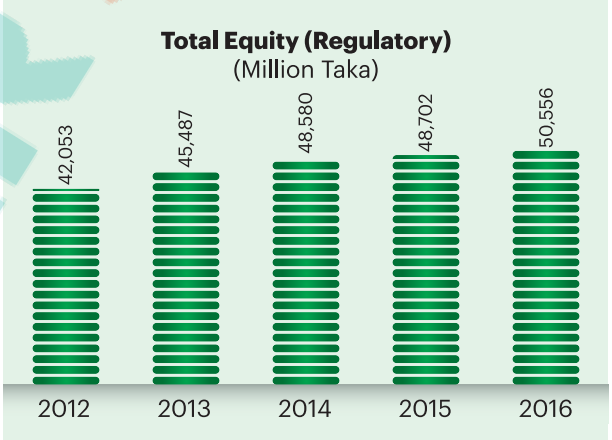
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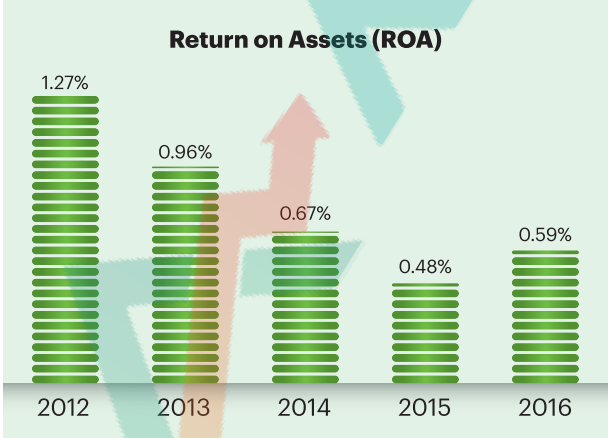
Graphical Presentation

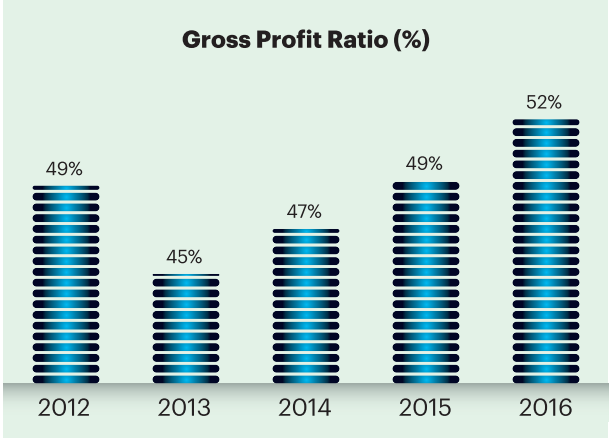




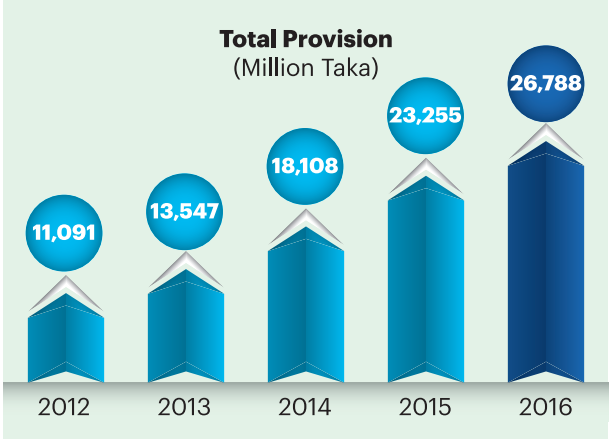


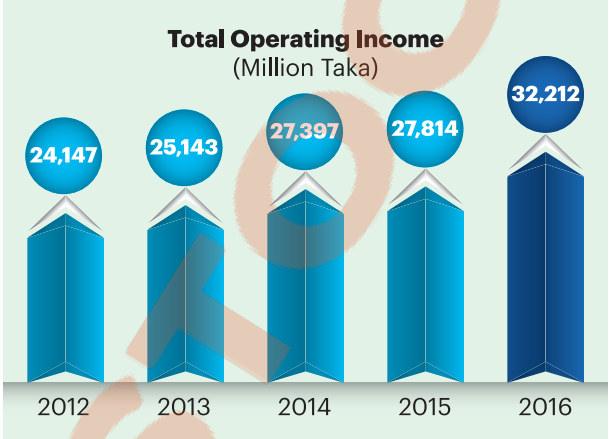


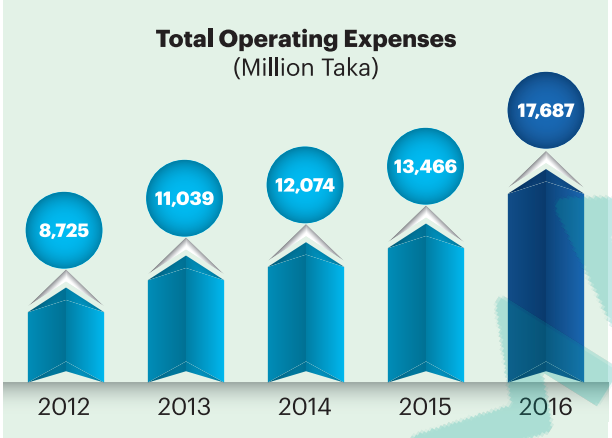


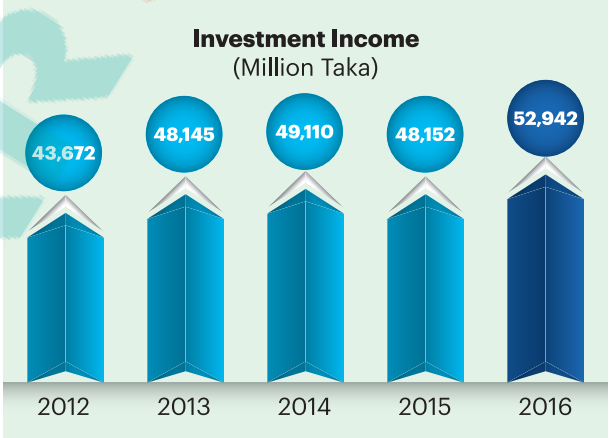


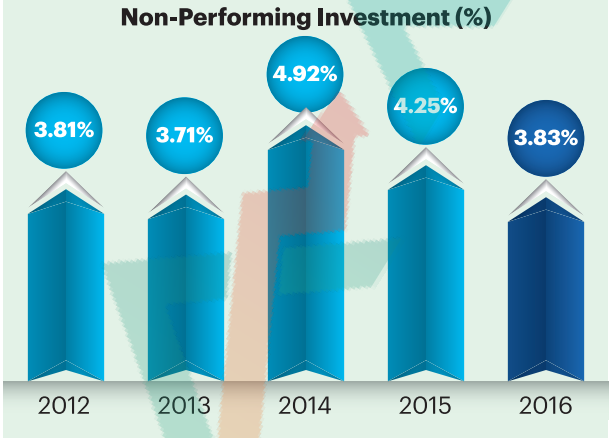
Graphical Presentation

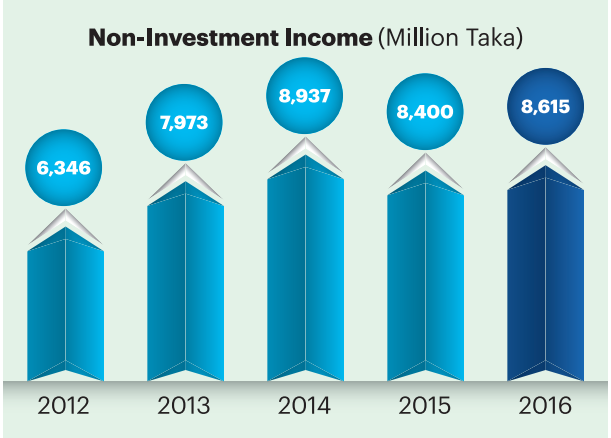






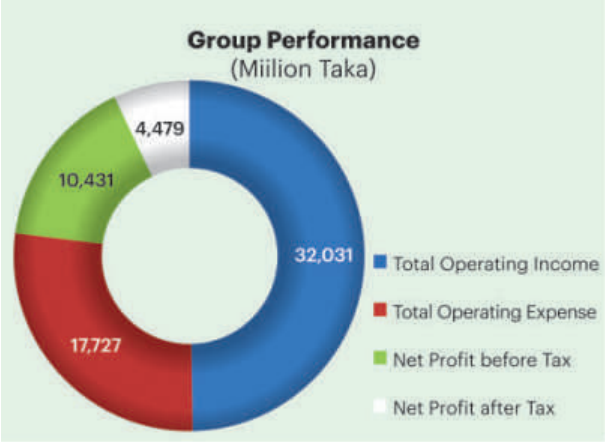


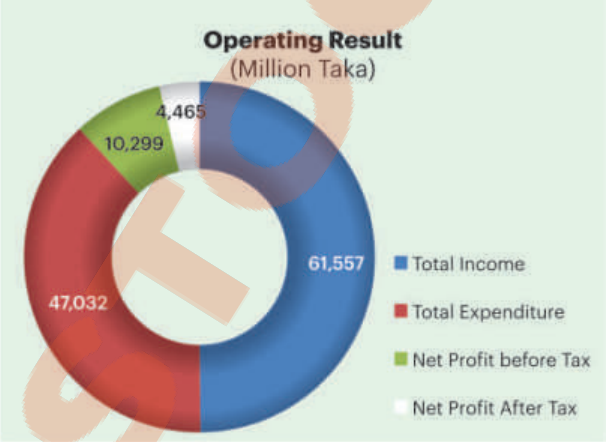


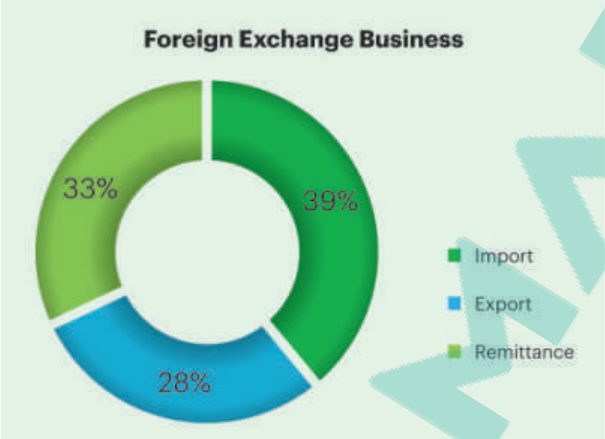


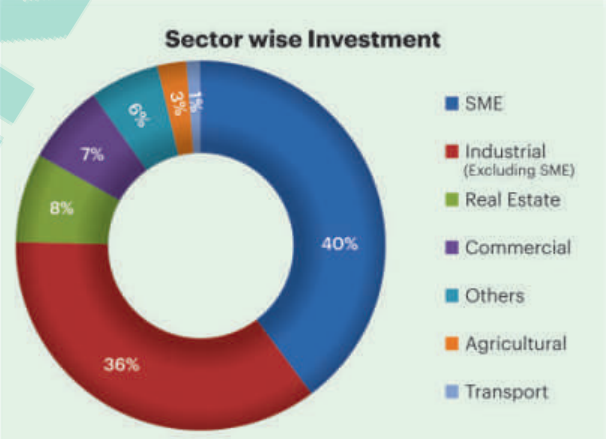
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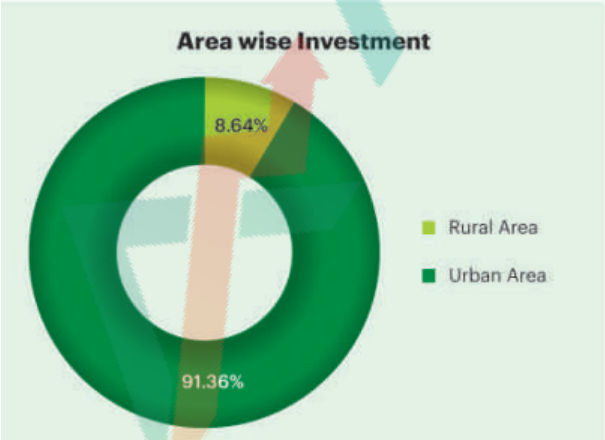
Segment Information

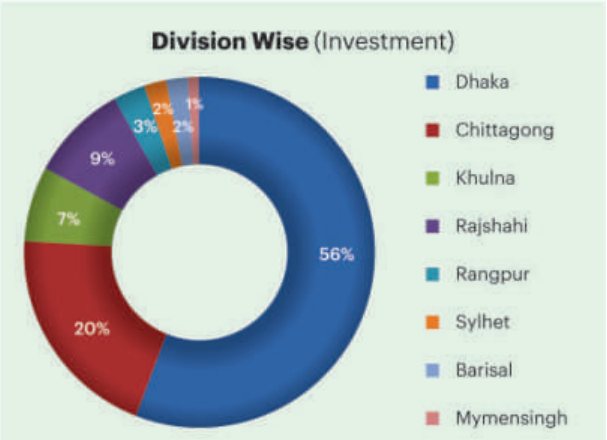










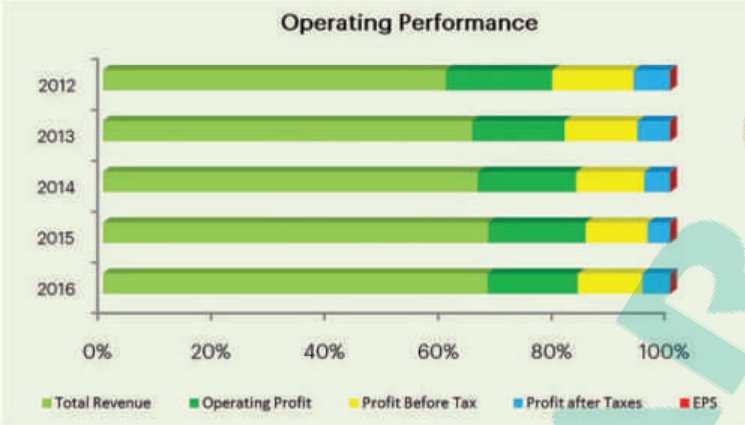


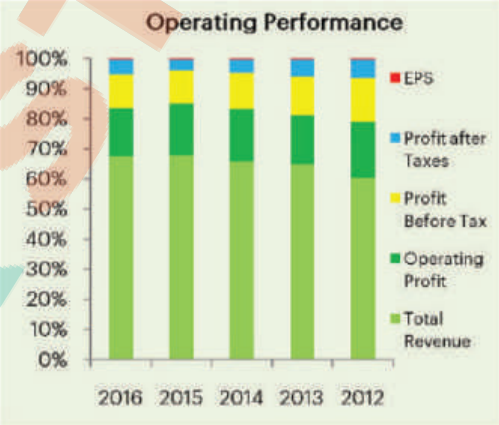
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Horizontal & Vertical Analysis

(Amount in million Tk.)

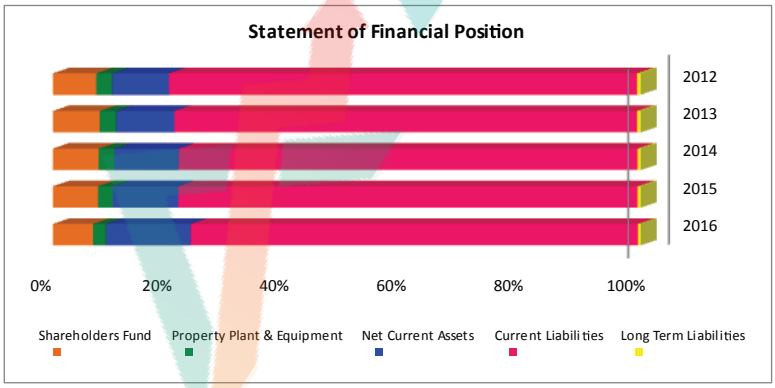
Operating Performance (Income Statement)	2016	2015	2014	2013	2012
Total Revenue	61,557	56,552	58,047	56,118	50,160
Operating Profit	14,525	14,348	15,322	14,104	15,608
Profit Before Tax	10,299	9,117	10,532	11,075	11,910
Profit after Taxes	4,465	3,291	3,999	4,973	5,338
EPS	2.77	2.04	2.48	3.07	4.42

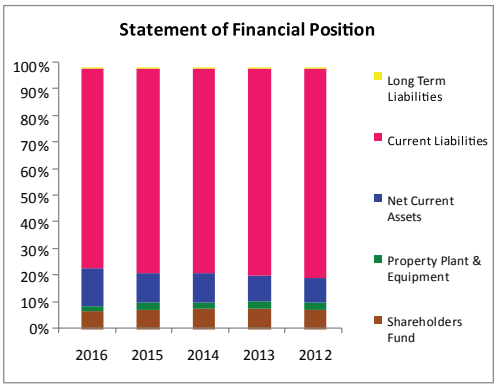




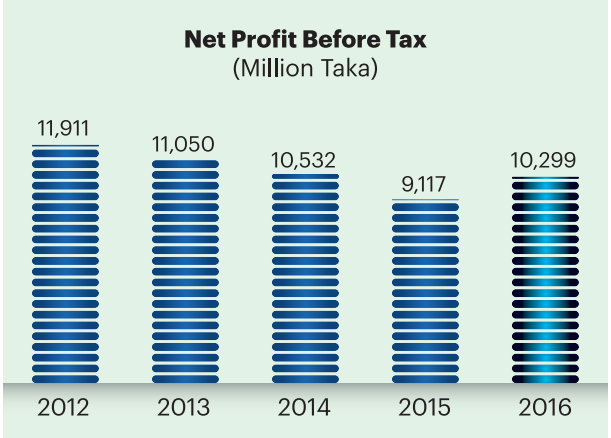
(Amount in million Tk.)

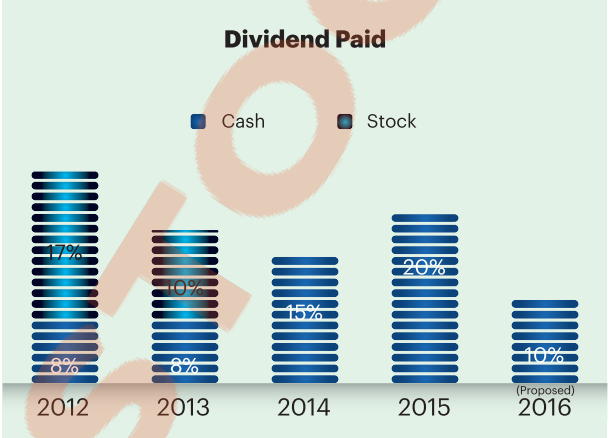
Statement of financial Position (Balance Sheet)	2016	2015	2014	2013	2012
Shareholders Fund	48,739	47,461	46,622	43,785	39,780
Property Plant & Equip-ment	15,587	15,836	15,926	15,733	14,808
Net Current Assets	102,425	78,022	65,280	54,292	51,774
Current Liabilities	541,811	483,158	467,275	433,860	429,517
Long Term Liabilities	3,000	3,000	3,000	3,000	3,000

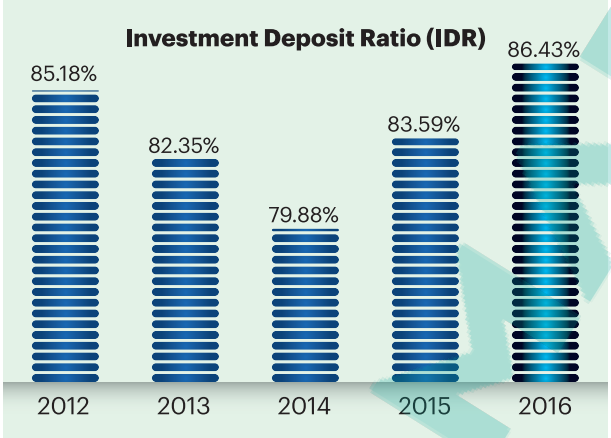




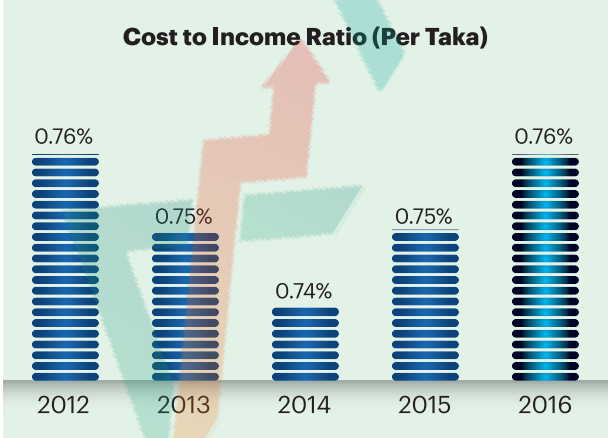
Profitability, Dividend, Performance and Liquidity Ratios

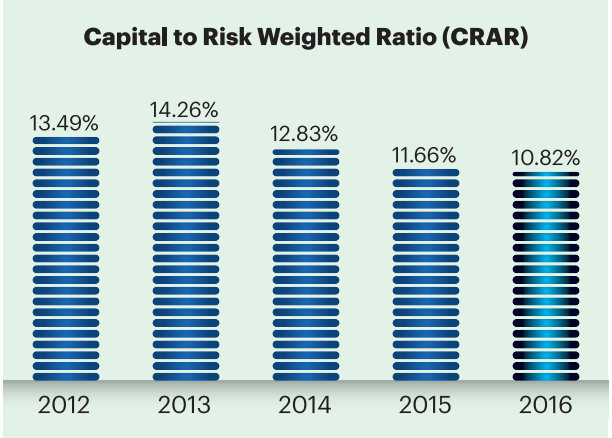












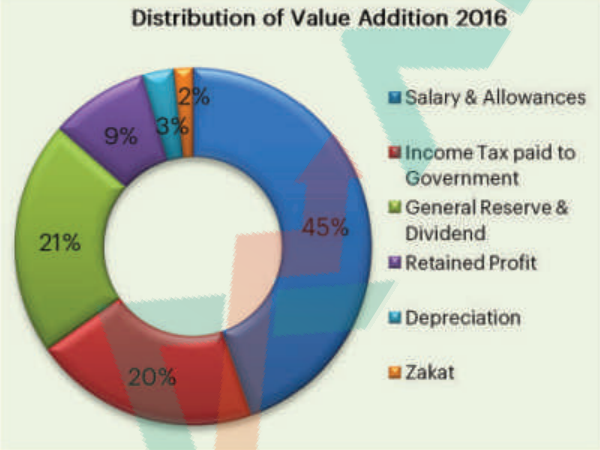
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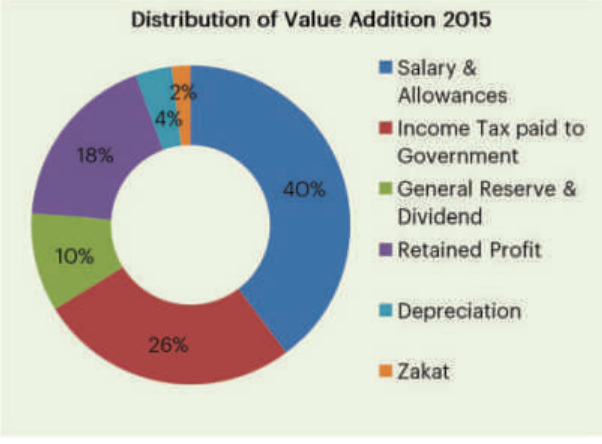
Statement of Value Added

Statement of Value Added

(Amount in million Taka)

Particulars	2016		2015	
	Amount	%	Amount	%
Income from Banking Service	61,557		56,552	
Less: Cost of Services	31,896		32,074	
Value added by Banking Service	29,661		24,478	
Non-Banking Income	-		-	
Provision for Investment & Off-Balance Sheet exposures	4,085		5,493	
Total Value Added	25,576		18,985	
Distribution of Value Addition				
To government (income tax)	5,834	22.81%	5,909	31%
To providers of capital (dividend- cash/stock)	1,610	6.29%	3,220	17%
To employees (salaries, allowances and other benefits	12,801	50.05%	8,876	47%
Zakat	495	1.94%	421	2%
Retained profit	3,808	14.89%	(191)	(1%)
Depreciation	964	3.77%	833	4%
Deferred taxation	64	0.25%	(83)	
Total	**25,576**	**100%**	**18,985**	**100%**





FMARSTOCK

Integrated Reporting

Particulars	2016	2015
Financial Inclusion		
Total Customers	10,262,879	9,926,354
Rural Investment extended through Rural Development Scheme (RDS) (Million Taka)	24,477	20,799
Number of RDS members	970,750	923,250
Villages of the country covering through RDS	19,418	18,615
Farmers Account (Nos.)	432,369	428,538
Percentage of Rural Branch	35.22%	22.61%
Deposit per Account(Million Taka)	0.066	0.062
Investment per Account(Million Taka)	0.826	0.545
SME exposure of IBBL to Total Investment Portfolio	41.70%	49.91%
Spread	4.45	4.29%
Tackling Financial Crime		
Staffs completed training on Anti Money Laundering (AML)	1,308	1,162
Suspicious Transaction reported to Bangladesh Bank	102	302
Amount financed for installation of ETP to plants in operations	272.90	353.63
Amount financed in plants having ETP	81,521.98	72,473.79
Amount financed to solar panel/renewable energy plants	154.92	180.82
Amount financed to Bio-fertilizer plants	30.79	13.90
Amount financed to brick kilns adopted cleaner technology	5,612.19	2,858.92
Amount financed to other green projects	4,365.03	2,119.03
Total Sustainable Finance	91,957.81	78,000.09
Promoting Sustainable finance		
Total Employee	13,569	13,622
Percentage of voluntary attrition	0.98	0.39
Number of employee received training	14,472	10,084
Total number of training	581	479
Percentage of employee received training	107%	74%
Number of fresh employee recruited	177	212
Employer of Choice		
Number of customers eligible for Environmental Due Diligence	2,624	2,628
Number of customers appraised for Environmental Risk Rating	2,123	2,193
Low	1,616	1,653
Moderate	487	503
High	20	37
Cost of water consumed by the bank	15.38	12.93
Cost of Paper consumed by the bank	162.30	175.17
Cost of energy (electricity, fuel and gas) consumed by the bank	339.33	299.55
Percentage of bank branches connected online	100	100%
No. of staff received training on Green Banking	8,600	6,581
Distribution of Tree Saplings	690,246	732,348
Protecting Environment		
Expenditure for CSR	670.77	800.43
No. of Beneficiaries	1,187,094	1,472,959
Contribution to the National Exchequer	15,342.43	17,392

AMARSTOCK

Statement of Value Added

Contribution to National Exchequer

IBBL regularly pays corporate tax on time. The Bank paying excise duty, withholding tax and VAT to Govt. exchequer on time deducting from employees' salary as well as customers and vendors' invoice. IBBL is the highest-Corporate Taxpayer on the Banking Sector and is the second highest among all the taxpayers including foreign taxpayers in Bangladesh.

(Amount in million Taka)

Sl. No.	Particulars	During 2016	Total up to 2016
1	Corporate Tax	6,720.35	51,761.91
2	AIT on PPD	3,672.34	26,116.49
3	Tax Deducted at Sources	2,012.92	9,140.25
4	Value Added Tax (VAT)	777.88	4,538.76
5	Excise Duty	1,915.76	10,577.41
6	Income tax Payment by the Employees	243.18	798.00
	Total	**15,342.43**	**102,932.82**

Economic Value Added Statement

(Amount in million Taka)

Particulars	2016	2015
Shareholders' equity	48,739	47,461
Add: Accumulated provision for investment (including Off B/S)	26,788	23,255
Total Invested Fund	75,527	70,455
Average Shareholders' Equity	73,122	67,593
Earnings		
Profit After Tax	4,465	3,290
Add: Provisions	4,085	5,493
Less: Written-off during the year	2,142	1,368
Earnings for the year	6,408	8,235
Cost of equity	3.35%	6.82%
Capital charges	2,450	4,610
Economic Value Added (EVA)	**3,958**	**3,625**

Market Value Added Statement

Particulars	Number of Shares	Value per Share (Taka)	Amount (Million Taka)
Market Value	1,609,990,668	29.70	47,816.72
Book Value	1,609,990,668	30.27	48,738.95
Market Value Added			(922.23)

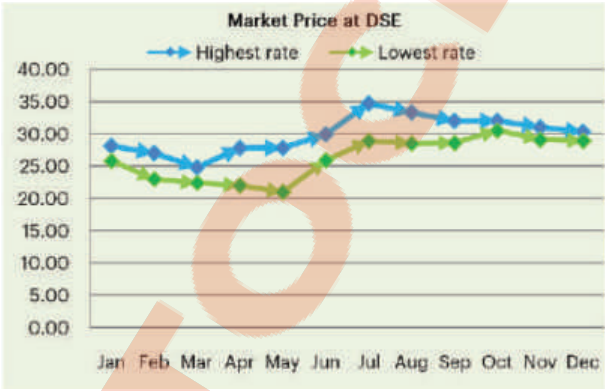
Market Share Information

Sl. No.	Particulars	Market Share of IBBL in the Banking Sector (%)	
		2016	2015
1	*2*	*3*	*4*
1	Deposit	8.11%	8.46%
2	General Investment	8.64%	8.23%
3	Import	10.02%	11.13%
4	Export	10.06%	9.70%
5	Remittance	26.00%	26.57%

AMAR STOCK

Market Price at DSE

Month	Highest rate	Lowest rate
January	28.10	25.80
February	27.00	23.00
March	24.80	22.40
April	27.80	22.00
May	27.80	21.00
June	29.90	25.90
July	34.70	28.90
August	33.30	28.50
September	32.00	28.60
October	32.00	30.50
November	31.00	29.10
December	30.30	28.90



Market Price at CSE

Month	Highest rate	Lowest rate
January	28.00	25.80
February	27.20	23.00
March	24.70	22.40
April	27.80	21.10
May	27.90	20.80
June	32.00	24.80
July	34.80	28.90
August	33.20	28.40
September	32.00	29.00
October	32.00	30.50
November	31.00	29.20
December	30.20	28.80



AMARSTOCK

Statement of Value Added

Financial Calendar-2016

Items	Date
Dividend for 2015 paid	June 12, 2016
Financial Statements for the year 2016 signed	March 30, 2017
34thAnnual General Meeting to be held	May 23, 2017
Dividend for 2016 proposed to be paid	May 31, 2017
Interim Financial Statements	
1st quarter ended March 31, 2016 (unaudited) approved by the Board of Directors	May 12, 2016
2nd quarter/Half Yearly ended June 30, 2016 (unaudited) approved by the Board of Directors	July 28, 2016
3rd quarter ended September 30, 2016 (unaudited) approved by the Board of Directors	October 20, 2016
4th quarter/Year ended December 31, 2016 (audited) approved by the Board of Directors	March 30, 2017

Financial Calendar-2017 (Proposed)

Items	Date
Financial Statements for the year 2017 will be finalized and signed	February 28,2018
35th Annual General Meeting will be held	March 29, 2018
Dividend for 2017 proposed to be paid	April 08, 2018
Interim Financial Statements	
1st quarter ended March 31, 2017 (unaudited) will be approved by the Board of Directors	May 13, 2017
2nd quarter/Half Yearly ended June 30, 2017 (unaudited) will be approved by the Board of Directors	July 22, 2017
3rd quarter ended September 30, 2017 (unaudited) will be approved by the Board of Directors	October 21, 2017
4th quarter/Year ended December 31, 2017 (audited) will be approved by the Board of Directors	February 28, 2018

AMAR STOCK

Financial Highlights

Amount in million Taka

Sl. No.	Particulars	2016	2015
1	Paid-up Capital	16,099.91	16,099.91
2	Total Capital (equity)	50,556.47	48,701.51
3	Capital surplus/ (deficit)	3835.22	6,812.10
4	Total Assets (Excluding contra)	797,699.66	725,821.12
5	Total Deposits	681,352.25	615,359.21
6	Total investments (excluding Investment in shares/ securities)	616,418.91	530,194.50
7	Total contingent liabilities and commitments	139,246.03	133,379.93
8	Investment Deposit Ratio	86.43%	83.59%
9	Percentage of classified investment against total general investments	3.83%	4.25%
10	Profit after Tax & Provision	4,464.98	3,290.75
11	Amount of classified investment during current year	1,060.35	(266.00)
12	Provision kept against classified investments	20,553.83	17,751.49
13	Provision surplus/ (deficit)	3.84	0.72
14	Cost of Fund	7.50%	7.62%
15	Profit Earning Assets	623,545.19	512,714.85
16	Non-profit Earning Assets	174,154.47	213,106.27
17	Return on Investments	8.29%	8.20%
18	Return on Assets	0.59%	0.48%
19	Income from Investments	54,155.01	48,954.43
20	Earnings Per Share (Taka)	2.77	2.04
21	Net Income Per Share (Taka)	2.77	2.04
22	Price Earning Ratio (Times)	10.11	11.54
23	Net Asset Value (NAV)	48,738.95	47,461.29
24	Net Asset Value (NAV) per Share (Taka)	30.27	29.48
25	Net Operating Cash Flow per Share (NOCFPS) (Taka)	(6.77)	7.20
26	Dividend Yield per share	3.37%	7.19%
27	Dividend Pay out Ratio per share	36.06%	97.85%
28	Dividend Cover Ratio (Times)	2.77	1.02

IFIC MARKET STOCK

Five Years Performance

Sl. No.	Particulars	2016	2015	2014	2013	2012
Balance Sheet Matrix						
1	Authorized Capital	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
2	Paid up Capital	16,099.91	16,099.91	16,099.91	14,636.28	12,509.64
3	Share Premium	1.99	1.99	1.99	1.99	1.99
4	Reserve Fund	31,029.05	27,285.22	28,097.92	26,512.48	24,116.47
5	Retained Earnings	1,609.99	4,076.16	2,414.99	2,634.53	3,152.25
6	Shareholders Equity	48,738.95	47,461.29	46,622.62	43,760.68	39,780.35
7	Total Deposit	681,352.25	615,359.21	560,696.30	473,140.96	417,844.14
8	Total Investment	676,747.80	629,631.27	564,332.00	474,015.95	399,930.79
9	General Investment	616,418.91	530,194.50	463,475.47	403,194.80	372,920.72
10	Investment Deposit Ratio	86.43%	83.59%	79.88%	82.35%	85.18%
11	Total Assets (including Contra)	936,945.69	859,201.05	765,241.27	664,554.96	592,580.50
12	Total Assets (excluding Contra)	797,699.66	725,821.12	652,422.04	547,229.63	482,536.32
13	Fixed Assets	15,586.91	15,836.48	15,926.36	15,732.81	14,808.23
Capital Measure Matrix						
14	Total Risk Weighted Assets (RWA)	467,212.42	410,332.28	378742.72	319,215.90	311,511.60
15	Core Capital- Tier- I	40,848.31	38,649.85	35,025.95	32,222.40	28,249.95
16	Suplementary Capital (Tier- II)	9,708.15	9,195.48	13,543.92	13,189.60	13,803.20
17	Regulatory Capital (Tier I, II & III)	50,556.47	48,701.55	48,569.86	45,412.00	42,053.16
18	Statutory Capital (Paid up Capital & Statutory Reserve)	32,199.82	32,199.82	32,199.82	29,274.89	24,933.30
19	Equity/Capital Surplus/(Deficit)	3,835.22	6,812.10	10,695.59	13,599.40	10,901.96
20	Capital Adequacy Ratio	10.82%	11.66%	12.83%	14.26%	13.49%
Assets Quality Matrix						
21	Classified Investment	23,601.59	22,541.24	22,807.24	14,941.90	14,212.80
22	Classified Investment to Total Investment	3.83%	4.25%	4.92%	3.71%	3.81%
23	Provision against Classified Investment (Objective Criteria)	10,075.47	9,293.11	9,391.02	7,262.40	6,054.35
24	Provision against Writ Clients	10,478.16	8,458.39	3,963.70	1,775.40	-
25	General Provision against Unclassified Investment (including OBU)	4,837.91	4,169.70	3,625.48	3,371.60	3,935.90
26	General Provision on Off Balance Sheet Items	1,392.46	1,333.80	1,128.20	1,137.20	1,100.45
Operating Performance Matrix						
27	Investment Income	52,942.09	48,152.28	49,109.96	48,145.46	43,672.23
28	Profit Paid on deposit	29,345.11	28,737.87	30,650.27	30,975.19	25,870.43
29	Net Investment Income	23,596.98	19,414.41	18,459.69	17,170.27	17,801.80
30	Non-Investment Income	8,615.36	8,399.62	8,937.07	7,972.88	6,345.56
31	Total Income	61,557.45	56,551.90	58,047.03	56,118.34	50,017.79
32	Administrative & other Exp.	17,687.22	13,466.17	12,074.13	11,039.15	8,724.65
33	Total Expenditure Excluding Provision	47,032.33	42,204.04	42,724.40	42,014.33	34,595.08

FINANCIAL STOCK

Five Years Performance

Sl. No.	Particulars	2016	2015	2014	2013	2012
34	Provision for Investment, Off Balance Sheet Items & Other Assets	4,705.68	5,492.84	4,790.91	3,029.26	3,512.07
35	Total Expenditure Including Provision	51,258.30	47,696.88	47,515.31	45,043.59	38,107.15
36	Net Profit before Tax	10,299.15	9,116.69	10,531.71	11,074.76	11,910.65
37	Net Profit after Tax	4,464.98	3,029.08	3,999.06	4,948.58	5,338.91
38	Provision for Income Tax	5,834.17	5,825.94	6,532.65	6,101.57	6,571.74
Foreign Business Matrix						
39	Import	339,954.00	343,668.00	316,975.00	285,890.00	284,588.00
40	Export	243,647.00	224,236.00	222,753.00	205,269.00	197,095.00
41	Remittance	279,980.00	321,066.00	308,722.00	286,956.00	300,915.00
42	Total Foreign Exchange Business	863,581.00	888,970.00	848,450.00	778,115.00	782,598.00
Network Distribution						
43	Correspondent Bank	259	241	220	331	320
44	Foreign Correspondent	584	573	550	490	476
45	Shareholder	44,126	47,909	60,857	62,772	60,302
46	Employee	13,569	13,622	13,547	12,980	12,188
47	Branch	*318	*304	*294	*286	*276
48	Sheba Ghar	33	4	-	-	-
49	No. of ATM	520	487	450	300	300
50	No. of IDM	122	51	33	-	-
Shareholders' Information						
51	Cash Dividend	10%	20%	15%	8%	8%
52	Stock Dividend	0%	-	-	10%	17%
53	Net Assets Value (NAV) per Share (Taka)	30.27	29.48	28.95	29.92	27.18
54	Earning per Share (Taka) (original)	2.77	1.88	2.48	3.40	4.42
55	Earning per Share (Taka) (restated)	2.77	2.04	2.48	3.07	3.65
56	Market Value per Share (Taka) (Highest)	34.80	31.60	36.80	45.00	59.00
Efficiency Ratio						
57	Gross Profit Ratio	52.33%	49.18%	47.20%	44.80%	48.28%
58	Cost of Fund	7.50%	7.62%	8.55%	9.45%	9.32%
59	Cost Income Ratio/Efficiency Ratio	0.76	0.75	0.74	0.75	0.76
60	Return on Equity (ROE)	9.28%	7.00%	8.85%	11.36%	13.42%
61	Return on Average Assets (ROA)	0.59%	0.44%	0.67%	0.96%	1.27%
62	Price Earning Ratio (Times)	10.11	11.54	11.24	12.35	12.21
63	Spread	4.45%	4.29%	4.27%	3.79%	4.10%
64	CRR	8.38%	7.12%	7.81%	7.24%	7.09%
65	SLR	12.59	18.50%	19.61%	23.51%	14.98%
66	Non Investment Income to Total Income	14.00%	14.85%	15.39%	14.21%	12.69%
Credit Rating Status						
67	Long Term	AA+	AA+	AA+	AA+	AA+
68	Short Term	ST-1	ST-1	ST-1	ST-1	ST-1
* Including 30 SME/Agriculture Branches						

AMARSTOCK

Media Highlights



January 12, 2017

Islami Bank number one bank: Muhith

Finance Minister AMA Muhith today ruled out the possibility of any impact on the existing banking performance of Islami Bank Bangladesh Limited (IBBL) after changing its Board of Directors.

"Islami Bank is the number one bank in terms of business. The changes have happened in the bank for providing better services," he told the journalists during the meeting with Metropolitan Chamber of Commerce and Industry (MCCI) delegation led by its president Nihad Kabir at the secretariat in the city.



৩০ জানুয়ারি ২০১৭

৮০০ শিক্ষার্থীকে বৃত্তি দিল ইসলামী ব্যাংক

ইসলামী ব্যাংক বাংলাদেশ লিমিটেড ২০১৫ সালে এইচএসসিতে জিপিএ-৫ পাওয়া সুবিধাবঞ্চিত ৮০০ শিক্ষার্থীকে স্নাতক পর্যায়ে পড়াশোনার জন্য বৃত্তি দিয়েছে। গত শনিবার রাজধানীর কৃষিবিদ ইনস্টিটিউশন মিলনায়তনে আয়োজিত অনুষ্ঠানে প্রধানমন্ত্রীর অর্থনীতিবিষয়ক উপদেষ্টা মসিউর রহমান প্রধান অতিথি হিসেবে শিক্ষার্থীদের হাতে বৃত্তির অর্থ ও শিক্ষা উপকরণ তুলে দেন। ব্যাংকের চেয়ারম্যান আরাস্তু খানের সভাপতিত্বে অনুষ্ঠানে বিশেষ অতিথি ছিলেন ভাইস চেয়ারম্যান অধ্যাপক সৈয়দ আহসানুল আলম, নির্বাহী কমিটির চেয়ারম্যান মেজর জেনারেল (অব.) আবদুল মতিন ও রিস্ক ম্যানেজমেন্ট কমিটির চেয়ারম্যান মো. আবদুল মাবুদ।



০৮ জানুয়ারি ২০১৭

আগের মতোই চলবে ইসলামী ব্যাংক: আরাস্তু খান

ইসলামী ব্যাংকের পরিচালনা পর্ষদে পরিবর্তনের ফলে ব্যাংকটির পরিচালনায় মৌলিক কোনো পরিবর্তন আসবে না। ব্যাংকটির নাম পরিবর্তন হবে না। কোনো কর্মকর্তা-কর্মচারী ছাঁটাই হবে না। আগের মতোই পরিচালিত হবে ইসলামী ব্যাংক।

দায়িত্ব নেওয়ার পর রোববার এক সংবাদ সম্মেলনে এ ঘোষণা দেন নবনিযুক্ত চেয়ারম্যান আরাস্তু খান।

ব্যাংকের প্রধান কার্যালয়ে আয়োজিত সংবাদ সম্মেলনে আরাস্তু খানের পাশাপাশি নতুন ভাইস চেয়ারম্যান সৈয়দ আহসানুল আলম এবং নির্বাহী কমিটির চেয়ারম্যান মেজর জেনারেল (অব.) আব্দুল মতিন বক্তব্য দেন।



১৩ জানুয়ারি ২০১৭

আমানতকারীর অর্থ সুরক্ষিত থাকবে

এবার আমানতকারীর অর্থের পূর্ণ সুরক্ষা দবে বলে নিশ্চয়তা দিয়েছে ইসলামী ব্যাংক বাংলাদেশ লিমিটেডের পরিচালকরা। তারা বলেছেন, আমানতের সুরক্ষা দেবে নতুন পর্ষদ। আমানতকারীদের এই ব্যাংকের প্রতি আগের মতই আস্থাশীল থাকতে বলেছেন তারা। আর শাখা ব্যবস্থাপকদেরকেও নিশ্চিত করা হয়েছে ইসলামী ব্যাংকের কোনো কর্মকর্তা-কর্মচারীর চাকরি যাবে না। গতকাল বৃহস্পতিবার ব্যাংকটির ব্যবসায় উন্নয়ন সম্মেলনে এসব বিষয় জানানো হয়।

12 Jan 2017

IBBL deposits rise to Tk 680b

Up to December 31 last IBBL reached the deposit milestone of Tk. 680 billion by adding Tk. 65 billion to its deposit portfolio, according to a statement.

The bank has achieved an investment base of Tk. 650 billion with an increase of Tk. 88 billion over the year. IBBL has consolidated its leadership in handling import, export and remittance business of Tk. 340



January 15, 2017

Islami Bank pledges to keep customers' deposits safe

Islami Bank Bangladesh Ltd will pay utmost priority to safeguarding the deposits of its customers, said the lender on the heels of the wholesale changes in its board.

The commitment was reiterated at the bank's annual business conference in Dhaka on Friday.

"The bank's service will remain open for all people irrespective of religion, colour, caste and creed," said a statement from the bank at the close of the two-day conference.

০২ ফেব্রুয়ারি, ২০১৭

নতুন পরিচালনা পর্ষদ

আরও গতিশীল হল ইসলামী ব্যাংক

ইসলামী ব্যাংক ধারাবাহিকভাবে দেশের শীর্ষস্থানীয় বাণিজ্যিক ব্যাংকের শিরোপা অক্ষুণ্ন রেখেছে। ইতিমধ্যে ব্যাংকটি আমানত, বিনিয়োগ, মুনাফা, রেমিটেন্স ও বৈদেশিক বাণিজ্যে দেশের বেসরকারি ব্যাংকের মধ্যে নিজের অবস্থান আরও সুসংহত করেছে। সদ্যসমাপ্ত বছরের পরিসংখ্যানে দেখা যায়, ২০১৬ সাল শেষে ব্যাংকটির নতুন আমানত প্রায় সাড়ে ৬ হাজার কোটি টাকা বৃদ্ধি পেয়ে ৬৮ হাজার কোটি টাকায় দাঁড়িয়েছে। এ ক্ষেত্রে প্রবৃদ্ধি ১০ শতাংশ। এই প্রবৃদ্ধি একটি বাণিজ্যিক ব্যাংকের জন্য বিরল অর্জন এবং গ্রাহকের অবিচল আস্থার নিদর্শন। একই সময়ে বিনিয়োগ ৯ হাজার কোটি টাকা বেড়ে দাঁড়িয়েছে ৭১ হাজার কোটি টাকায়। এ ক্ষেত্রে প্রবৃদ্ধি ১৬ শতাংশ। দেশের ব্যাংকিং খাতের রেকর্ড পরিমাণ উদ্বৃত্ত তারল্যের প্রেক্ষাপটে বিনিয়োগের এই প্রবৃদ্ধি ব্যাংকের নীতিনির্ধারণী ও ব্যবস্থাপনা কর্তৃপক্ষের দক্ষ নেতৃত্ব ও দূরদর্শিতার বহিঃপ্রকাশ।



২৩ এপ্রিল, ২০১৭

ইসলামী ব্যাংকের গ্রাহক সমাবেশ অনুষ্ঠিত

ইসলামী ব্যাংক বাংলাদেশ লিমিটেডের গ্রাহক সমাবেশ গতকাল ঢাকার প্যান প্যাসিফিক সোনারগাঁও হোটেলে অনুষ্ঠিত হয়। ব্যাংকের বোর্ড অব ডিরেক্টরসের চেয়ারম্যান আরাস্তু খান এতে সভাপতিত্ব করেন। অনুষ্ঠানে ভাইস চেয়ারম্যান প্রফেসর সৈয়দ আহসানুল আলম, এক্সিকিউটিভ কমিটির চেয়ারম্যান মেজর জেনারেল (অব.) ইঞ্জিনিয়ার আবদুল মতিন, অডিট কমিটির চেয়ারম্যান ড. মো. জিলুর রহমান, রিস্ক ম্যানেজমেন্ট কমিটির চেয়ারম্যান মো. আবদুল মাবুদ, পিপিএম ও শরিয়াহ সুপারভাইজরি কমিটির সদস্য সচিব ড. মোহাম্মদ আবদুস সামাদ বক্তব্য রাখেন। স্বাগত বক্তব্য রাখেন ব্যাংকের ম্যানেজিং ডিরেক্টর ও



১৩ জানুয়ারি ২০১৭

ইসলামী ব্যাংক চলবে পেশাদারিত্বের ভিত্তিতে: আরাস্তু খান

ইসলামী ব্যাংকের চেয়ারম্যান আরাস্তু খান বলেছেন, ইসলামী ব্যাংক থেকে কারো চাকরি খাওয়ার ইচ্ছে নেই। সবাইকেই এ কথা বলেছি। তবে যদি কারো সরাসরি রাজনৈতিক সম্পৃক্ততা থাকে, সেটা মেনে নেয়া হবে না। কারণ, আমরা চাই প্রফেশনালদের ব্যাংক। ব্যাংক চলবে প্রফেশনাল বা পেশাদারিত্বের ভিত্তিতে। গতকাল সচিবালয়ে অর্থমন্ত্রী আবুল মাল আবদুল মুহিতের সঙ্গে সাক্ষাৎ শেষে সাংবাদিকদের এ কথা জানান তিনি। এ সময় ব্যবস্থাপনা পরিচালক (এমডি) আবদুল হামিদ মিঞাসহ ব্যাংকের নতুন পরিচালনা বোর্ডের অন্য সদস্যরা উপস্থিত ছিলেন।

Success Story



Zohra Begum

Jadurchar, Hemayetpur, Savar

Began by two hands, now plying four wheels, her dream is even larger...

Smile wins. A smiling face can easily win over odds and can face obstacles with relative comfort. Such is an smiling demeanor of Hemayetpur's Jahanara Begum as she keeps beaming out her cool countenance. Her husband Mohor Ali was a truck driver– a laborious work, indeed, in contrary to a very ower wage, even the lawest ever and with this poor income it is simply absurd to live an honest life. But since wedding Zohra and her husband took an oath to Allah they would dream for decent children and would have honestly even through severest hardship. Allah bestowed upon them both noble wishes. They are blessed with excellent offspring and their hardship has well been replaced by an abundance thay had never thought possible. Islami Bank helped them turn the absurdity into a thriving reality.

The days Mohor Ali had trips, he could fetch food for them. When during the days of omit trips he just laid idle, unemployed. They had an one roomed semi concrete abode. Boys kept growing, making living all in a room literally absurd. They didn't have the ability either to go for expansion or even an adjoined extension. It was at this point of their extreme hardship Zohra came to notice that Islami Bank had a scheme of a very small savings and that an investment scheme provides investment without any security collateral. In 2007 her first investment Tk. 10 thousand was spent constructing a house of semi concrete type and bringing gas and other utilities supplies, so that she could let them out to single families.

Next year again an investment of Tk. 10 thousand went on and on first by developing and expanding home accommodations, then buying a TATA mini-truck for short-haul cargo movement.

Zohra-Mohor Ali couple now owns three mini-truck vans. She sets a trend of singling out her cluster as 100% regular installment payer. RDS of Islami Bank has not only changed her own lot, but that of her neighbors from the area. She is now the cluster-Head of Area-2, cluster-36. She is an icon of empowering women through learning business and acquiring skill to manage it keeping family responsibility, home organizing, children-rearing and maintaining religions tenets of working under veil and get to work side by side with the male members of the society. Zohra offers her own place and provides little entertainment to all that visits her home on each weeks installment meetings. She spends often lavishly to raise up to any common occasion. "She finds it with generosity to be a kind hostess." Zohra is indeed courteous and a Lavish entertainer to guests, whoever they are.

Zohra, taking full scope and advantage of Islami Bank's generous endowments - one which is RDS, is ensuring women's true empowerment, gender equality and bringing women into national productive mainstream, thanks to the unique nature of such schemes - that provides investment without any security. She is spactacularly happy in reaching out to the mothers at child birth and a special gift pack both for her and the newborn. But more happy for her negular plantation in monsoon as Islami Bank provides RDS members free tree sapplings. "The Neem tree stands by the truck, was given by Islami Bank," recalled Zohra in sheer happiness.



Rebeka Akhter

"We want to forget our past, as intermarriage marks merging with the mainstream"

The narrow stream that runs through Dhaleshwari river upstream, takes a curling turn along and descends towards downstream. As it flows along the Porabari Village in Savar, the Dhaleswry estuary, taking the name of Bangshi seems apt to its snake-like curly turn. This Porabari is famous as home to 'Pangan' offshoot of a snake-charmers tribe living here for centuries. But gone are the days of snake-charming as traditional craft, nor thatched 'ghetto' could any longer be seen, as 'totem' huts have been replaced by concrete homesteads, schools, a dispensary, a maqtab, and a hefzkna. Changing their faith from worshipping snake incarnate (Manosha Mongol) to believing one creator, as most of them are now, like to get rid of the skia buckles of their ethnic past. A few, of course, keep adhering to their old lifestyle and livelihood as snake-charmers. Rebeka is one of the slum's larger populations who wans to be integrated in the social mainstream. Rebeka remembers her father's eagerness to cease living and charming with snakes. She not only took over the large family left by her father, but also over the entire genre of snake charmers. Her lunar-smiling face indicates her mind of benevolence, concern and eagerness to serve.

Rebeka is the cluster-head of Islami Banks RDS Center No.39 of Area-2, under the Bank's Savar Branch. Appreciation and empathy of her people in growing propensity seem to ignite her inspiration to do more for her fellow villagers. Rebeka studied up to calls-V is the Parabari Primary school as poverty didn't allow her to advance more. That's why she is keen to provide all support to her younger sister Rakhi continuing her education. She now shoulders the load for the entire family of 6 brothers and sisters along with her mother.

Success Story

Rehana Akhter, Rebeka's mother, was the cluster-head, but Rebeka was groomed to succeed her as she couldn't sign her name. Rebeka started saving with Islami Bank as a RDS member with weekly Tk. 50. That stands now to Tk. 20 thousand, plus she maintains a DPS account and at another 'Mudaraba Savings Account (MSS)' which accounts now more than Tk. 8 thousand. She started raising chicks and duck by taking the first installment from Islami Bank RDS in 2010. Islami Bank has built a pre-primary school in the Bedepalli, named 'Alo Pre-Primary School.' Rebeka and her fellow female village grown-ups teach there and manage the small school quite voluntarily. Whenever the Project officials and field officers visit the slum, they would almost certainly pay a visit at the school and the small sweets or chips they would bring as souvenir makes this baby learners' adequately happy and the officials or guests get stunned seeing their vigor and dedication to grow at par with other children of the society beyond the snake preserve.

Rebeka at first taking investment from Islami Bank Limited ventured to raise cows, but couldn't do much progress due to acute shortage of space. If investment ceiling be kindly raised, she hopes to hire a bigger space on lease and raise cows again. Three spouses of Rebeka's brothers are also RDS members, making at stronghold of the scheme in one house, of seven, including the mother, who buys 'sharees' from Savar whole sale market and ferry them out strolling across faraway villages. Sometime she finds selling melamine crockeries and ceramic pots, whatever she finds as more profiting. "We want to forget our past, as intermarriage has been initiated with the mainstream population" golden abode aside the Bangshi River that runs curling like a snake, an offshoot of Dholeshwari" a folklore she still remembers as her childhood tune of antiquity. Said Rebek's grandma Amena Begum. Later we came to know that she is not only Rebeka's but the grandma of the entire slum. Her son Ranjan Ahmed is the secretary of the local 'Uttaron Club,' and a coordinator for the area's development. Amena seems to be highly proud of her son. Amena, now at her late 60s, grew in this slum of snake-charmers. "

Rebeka inherits the combination of a dual genetic legacy. One being ethnic lineage of precedence of the idolater 'Pangan' snake-charmers and the other is the collective will of this people to get assimilated with the national mainstream. She is highly grateful to Islami Bank, that, for the first time, helped them institutionally and systematically, their standard of life and quicken the passage to raising modernity through women's empowerment, creating jobs, enhancing skills, abandoning snake-charming, clandestine herbal (Totka) treatment, black-magic and spells and many other snake-related means of livelihood. Rebeka is doing fine with her community. The cluster had a membership of 20 when her mother was its head. Rebeka has made it a 40-member strong cluster with "not a single member as a defaulter in paying off their weekly installments. She is very active and helpful in representing Islami Bank on behalf of the RDS project officials and field staff. Keeping personal life aside, she devoted her eagerness and enthusiasm in developing her own small enterprise and serving her downtrodden neighbors in all means and ways she can avail herself of. Getting herself empowered and self confident thanks to Islami Bank's RDS, she sets out her destiny to bring both qualitative and quantitative change in the former Bedes' life in a change-maker's insight and with a measurable outcome of the difference in living and livelihood before and after the financial and institutional support Islami Bank Bangladesh Limited.



Firoza Begum

"Islami Bank gave me a new birth, believe it or not"

Majhirdia area is under Kaundia Union and only a shallow stream that links Buriganga, bifurcates it from Dhaka. Savar district from this point leaves Dhaka in the southern edge. On the other bank of the river stands the humming Madrasa-ghat, the gateway to Aminbazar from east. Majhirdia is even densely populated than old Dhaka. Suffocating narrow lanes lead a passerby to the end, at Madrasa-ghat and reaching only there you can take an open breath at long last. But the river could not isolate the inhabitants of Majhirdia from living their traditional livelihood, study of their children and their business. Most of Amianbazar's working people live on this side. In monsoon the river gets swollen as it flows close to its shores, while in winter and other lean seasons the steep slopes make walking treacherously in danger. Without electricity the river banks wear a ghostly look after dark. Weathering all these obstacles aside Firoza Begum, an RDS member of Islami Bank's Amin Bazar Branch carries out her enterprise. She is a member of RDS Aminbazar Area-9's Cluster No. 45. She was born and bred on the northern edge of this river. After marriage she came to south, at her husband's homestead. She lives off the lane, close to the concrete embankment in a three-small roomed row, the front one of which is turned to a makeshift tea stall and small grocery; the middle one for "living" and the third one is home to a cluster of Fijian and home-bred Sindhi-Australian cross genre of cows.

Firoza keeps the female ones for re-generation and milking and raises the oxen for selling after grooming to healthy bulk. She faces no problem selling off her the milk as traders roam around with huge jars on their shoulders to collect cow-milk for preparing sweets or

laying for yogurt. "It would be difficult to figure out the remarkable ease at her face as there appears no sign of fatigue for combining three difficult experience of daily struggle - running the shop, caring for her own family and raising the cows. At home lay idle a son of theirs with his born-handicap. No home help could be found in this busy marketplace of Aminbazar. So all she has to do before the sun sets are to be done by her own self. "All become my daily routine," explained Firoza Begum at ease.

Firoza began her exploration of feminine potentiality with the help of a Islami Bank RDS investment, buying one cow. From that humble start she raised as many as 20 cows or more (she scarcely remembers the number) of varying genders, of differing genetic or cross origins. "I have so developed myself that it now has become part of life, a habitual compulsion," she told with much ease. The sick son would often call her for help, so do her cows that kept waiting for their "mother" for a feeding attendance. Happily they live on straw, rice leftovers, vegetable peel offs and oilseed cakes mixed with wet, swollen straw pulps. Water-hyacinths keep coming afloat with the river tide on its own and Firoza's cows are so tolerant to those shabby, tasteless water weeds!

In 2001 she began her journey with weekly savings of only Tk. 5. The same year marked her yet another journey - the journey of an entrepreneur. She vouched a RDS investment of Tk. 10 thousand to start her cow-raising enterprise. Now the investment, she confidently marshals over, runs as much as Tk. 1 Lac.
After getting the first investment she bought the cow. After second investment in 2011 she started constructing the old tin-shed to a semi-concrete home. Let them on rent and opened the small grocery. She had fixed customers and got the bills on time. That made her paying the weekly installments easier. For the restaurants that place order for milk usually pay off late that day. It again helped her amass the weekly installments even before the weekly installment meeting arrives. She gave first priority for getting the weekly payables ready and only after that she might have called decide to spend for other purposes of whatever dire necessities these would call for. She now has four cows in her narrow and poorly sanitized vestibule.

Firoza's husband Chand Miah went off to Saudi Arabia and lived there for seven years. He fell ill there and the company sent him back home. He came back with severe chest pain and was diagnosed of having coronary disease with complex propensity. So he had to be operated and this poor family had to face a huge medical expense of more than Tk. 5 Lac. that was indeed a great setback Chand Miah and Firoza Begum's elder son Rajib works at Hanif Pump near Gabtoli. Second son Farhad was sent off to Bahrain to work there. Firoza always felt for their sons' incomplete education. But whatever should have been done, were not least spared. But the boys' commitment to study was shallow. She still feels for it with a note of pain. To the neighbors 'Firoza Apa' or to some 'Firoza Khala' happens to be a person of great help and favor. Whenever one would fall in any kind of discomfort they world first call her or tell her of the discomfort. Regardless to her own preoccupancy or comfort, or time of the day, she would certainly respond to the call.

Islami Bank's investment to Firoza Begum represents and indifferent case of funding for empowerment and creation of job. She is the mentor of least seven dependants and provider of job for another 10 to 12 persons and more half a dozen indirectly. She is a responsible investment recipient as over so long a period of several intermittent crises or awe she has never been a defaulter, even for a week. "Islami Bank gave me a new birth, believe or not," quipped Firoza Begum with great complacence.



Bimola Sarker

"Islami Bank is better than any other bank. Better means better than any, in all respects"

Sarat Chandra's `Bimola' character was deprived by for her fate. But that was in a novel. In reality, Amin Bazar's Bimola Rani Sarker through her enviable perseverance, coupled with the assistance of Islami Bank, has changed her fate line. "Upon being a member (of RDS), I was surprised to see that there is no disparity in this Bank," said Bimola, a respected and senior member of Islami Bank's RDS Area-2, Cluster-34 under Amin Bazar Branch of the Bank in savar. Bimola Sarker's husband Krishna Lal Sarker is a goldsmith by traditional livelihood. He let the hard metal melt and gives shape of fine ornament by finer craftsmanship. But he couldn't figure out such an ostensibly ornamental life. Life in other words was 'so-so-go-go' sort of a stereotype with no flush of abundance, no that much acute poverty though. But the quest for raising standard of life remained a constant target notwithstanding. Improving life is essentially to be ensured by enlarging business for small craftsmen like Bimola's husband. A sudden decision of elderly Bimola brought in a sea-change in the family's slow-going fortune. From a neighbor she first learnt about micro-investment opportunity rendered by Islami Bank. She was at first little skeptical and confused as would she be considered ? The neighboring 'Didi' kept insisting her all along. Finally Bimola decided to apply. Later she knew that many housewives (Didis) in her neighborhood had already started savings and getting micro-investments and to her utter surprise, without security collateral. Not only that they are also getting full benefits of other schemes and service-products of Islami Bank.

It was in 1996 Bimola started her maiden journey with Islami Bank, now the bank of over one crore subscribers, the largest commercial bank of the country and only bank of Bangladesh that entered in the 1000 global bank's proud list. The RDS (Scheme) had just been introduced in the previous year. She started saving of Tk. 5 weakly. The same year she took the first investment of Tk. 5 thousand and bought a cow. Thereafter she raised (from one to) four cows, then another four to five in rapid succession, paying off weekly installments by selling out milk. Weekly installment system is easier to her, she said, like all small investment recipients. She sold out her oxen having been raised to a sizeable bust. Her yearly rise of investment enhanced at the rate of Tk.10 thousand each succeeding year. Now her investment ceiling runs at Tk.1.5 Lac. Most of the money, she invested in her husband's jewelry shop at Baro Bazar, Mirpur. The rest she spent for raising cow. Not only those cows fetch her much profit, she sticks to it for it lets her lend her passionate instinct of motherhood. She raised many lively entities with much passion and care. "God has kept me healthy and jubilant thanks to the unexpressed reciprocity of my passionate pets," gratefully acknowledged Bimola Sarker. she is quit unblievably approaching 60. But she can harlly look beyound 50, starues most of the days to please her goddesses.

Bimola-Krishnalal couple is adequately endowed by heavenly bliss. They are proud parents of three "golden" offspring. Elder son, Mintu Sarker runs a lathe workshop at Kholamora, Keraniganj. Younger son, Shyamol Sarker, has just stepped out of his Higher Secondary. Their only daughter Aporna, married off, now lives in Manikganj. "In the past I was member of many associations. Now

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I have closed them down except this one. Islami Bank is better than any other organizations. Better means better in all respect," spelled Bimola out in sincere acknowledgement with her usual, smiling countenance. Aporna was also a RDS (Amin Bazar) member with a savings and an investment of Tk. 50 thousand, accounts that she still keeps running and regularly paying back her both installments. Neither the mother nor her daughter is subject to even one week's irregularity over so many years."But things would be easier and better if ceiling (of investment) would be enhanced," expressed Bimola for her submission of another spell of annual investment ceiling from next terms.

The impact of Bimola's access to Islami Bank's investment runs far wider than money to run business or getting the benefits of banking at home, and that they are awarded for regularity in pay-back.

The Islami Bank RDS members enjoy a number of incentives from Islami Bank – and welcome gift for the neonatal and the mother upon childbirth, free tree plants, disaster relief, training and awareness raising package, skill development, saving habit raising, veterinary treatment and the like. In the past Bimola had to weigh the load of a family run by husband's or children's limited earning. She would always be preoccupied and anxious with failure in meeting all the ends. Now as a confident, successful investment benefactor she now looks on a much wider perspective – looking scope for others, solving others' problems, recommending for other applicants. Islami Bank's equal-opportunity approach, unbiased gender equality, adherence to education, moral and cultural values, respect for all and benefit without any prejudice find an ensemble in Amin Bazar's housewife Bimola Sarker.

AMAR STOCK



Shova Rani Karmaker

"In Islami Bank' RDS investment, surprisingly no security collateral applies"

With age one's skill, too, gets matured - when a mother turns elderly - and from mother to grandmother – her expanse of passion traverses beyond the heredity confines. In most of the cases elderly women's sympathetic outreach tends to encompass her neighbors and relatives near or faraway. This is why a Bangladeshi mother ushers into the incarnation of a symbol of empathy and care. Her quest for welfare and gesture of passion tend to be part of practicing her creed, without any prejudice of color, race or belief. Shova Rani Karmoker of Aminbazar, could well be equated with a "Common Mother" with some of the above motherly attributes. She has become a "mother of many" being Head of the Center No. 34, Area No. 2 of RDS run by Islami Bank's Aminbazar (Savar) Branch. She has ignited new hope of life and the spirit of getting self-reliant, contributing to the family and a proponent of environmental "crusade" in Savar's densely populated Aminbazar prefecture.

She herself has earned enlightened in serving the society and kept equally radiating her passion to the generation next. Being a cluster – Head is indeed a cumbersome work, tedious too. One in this height has to have varying behavioral paradigms – gentle to some, angry to some, indifferent to some – depending on the punctuality and attendance of the members (mostly in installment-meetings). But "We never found Didi (Shova Rani) ever be angry to anyone in any circunstance, at any situation," testified another elderly woman of Beltoli.

Shova has far left 60 years' milepost in her life.

Her husband Ran Prosad Karmaker, too, has taken retirement. Shova is an exception in defying her age and agility. She would be found at the cover of anything that occurs in Beltoli and in the vicinity. Her footsteps spread tenderness and concern for her neighborhood.

Success Story

In 1996 Shova stepped out in this world of welfare being a member of rural Development Scheme (RDS) initiated by Islami Bank, in 1995. At first the weekly saving was only Tk. 5 and the first investment ceiling was Tk. 5 thousand. "By grace of Lord I am now fine, active and earning enough to live comfortably. I bow to none but the Creator." Upon being asked as why the notion of fear does come to relevance, she confessed," At first some said this might not work. I said they can't take away my destiny. Can they?" Starting from that faith and trust in Islami Bank some 21 years down the lane, she now is a proud proponent of RDS savings, investment and other charities that Islami Bank operates in and around RDS areas. Never ever she let officials put a red-mark (of default) in her books. Awarded several endowments for regularity and welfare-compliance she is often referred to as a legendary benchmark of RDS approach in her locality.

Shova Rani's family might ever not to encounter acute poverty, but her simplicity was never to get away with her ambition to do better in rising living stand and for her as well for her neighbors. Her husband was a notable goldsmith, adored by all in Amin Bazar, for his precision and honesty. The jewelry was a smaller one, but their dream was never small, as always they tried to find out ways and means to live little better and advance in business. But no scope could they found feasible and forthcoming. If they looked for loan from local money-lenders, the interest would, they apprehended, be penal. If to vouch for a bank loan, that too, would include charge high interest, plus paper work hassles. Who would spend days of days getting deeds and documents ready. On top of that they didn't have any land worth mortgaging for. But here in Islami Bank' RDS Investment, "Surprisingly no security collateral applied for", Shova Rani said in gratitude.

Shova Rani first learned of the unique opportunity of collateral-free investment against little savings offered by Islami Bank. She was a bit skeptic though, she thought, would Islami Bank, extend this opportunity to her? The Bank officials removed her anxiety or confusion with positive nod. She was made a RDS member with weekly Tk. 10 savings. She burst into excitement upon being considered for an investment, the first in her life, worth Tk. 5 thousand. Later she came to know many of her community had already been enjoying access to such and many other schemes and products of Islami Bank. She let her investment be run through her husband's gold shop, side by side, with raising poultry and ducks at home. Both ends started paying off small but constant flow of income. She engaged occasional helping hands into full of part time employment contracts and enhanced her charity to the extremely poor neighbors. She found it transparent and credible in field experience that the ideals of Islami Bank's openness to all regardless of caste, creed, faith and any denomination are trustworthy. Shova Rani is self-reliant today. She shows how to use the welfare of Islami Bank to remove poverty and find a combination of cash and capability towards better living through better earning.



Asma Begum

Even floral cuteness gets sublimed by her smile of success

The humming Bandar Bus-stand is at almost the middle of the road that links Dhaka-Chittagong Highway and Narayangonj's Madongonj. It you take a westward exit and proceed two kilometer toward Madhabpasha, you will get Bandar Chowdhurybari. The No.1 Madhabpasha village (its name is so) is just adjacent to Chowdhuribari locality, where remains of many 19th century archeological sites could still be seen. The roads are rarrow and the lanes are even narrower. But the humming autobikes resemble the well being of local people, so are the dazzling stuffs even at the tiniest groceries. Islami Bank's presence and massive welfare finance have turned the once Narayanganj's rural outback into a throbbing township. Asma Begum of No.1 Modhabpasha village would take you by surprise, not only with her ceramic-walled villa, but by her flower plantations and fish cultivation. She has not only 'empowerd' her ownself, made dozens of maiden hands joining in to the productive mainstream.

Asma became an IBBL-RDS member the very year it was introduces. 21 years have passed ever since. Her wretched life left long ago, now even belittles the floral beauty. She beame a happy mother and is now a happier grandmother. She bade poverty a permanent goodbye thanks to the collateral-free investment of IBBL. She has employed no less than 20 workers and in 'season' it jast gets doubleed. Most of them are women. She had some ponds of her own and the rest she got on lease. Same thing applies about flower plantation. Her husband Alfazuddin tried to do a number of businesses, but failed in all ventures. To is utter surprise, his wife "Touches ash and the ash turns gold." Now he gives full time attention to "their" business. "His labour and my attention together, make business much better,"

conceded an ever-smiling Asma. "Why wonldn't she do well? All the time her brain is busy either with flower or fish," said her mother-in-law.

Asma first took Tk.5 thousand as investment. Next year Tk.10 thousand and kept inereasing the ceiling at the rate of tk.10 thousand per year. Now her investment runs at Tk. 1 Lac 70 thousand. Asma cultivates 20 to 25 species of flowers that include: Rose, akando, togor, juthika, China-rose, marigold, gardenia, kath-golap, jasmine etc. She often tries the exotic orchid, the elcgant flower. But it is very sensisitive both for plantation and preservation.

She has two kinds of workers. One who works at plantation and the other who pluck, bundle, wrap and make her consignments ready for shipment? She has her own vans that transpot herflowers to Narayanganj and then the flowers go to two main destiations – Dhaka's Shabag and Riajuddin Bazar flower wholesale market in Chittagong. In nightly passanger bus service, her consigmments are easy to reach Chittagong, stacking the lots and cages of flowers on the bus roof.

Asma has her own shallow (water pump) machine. She arranges for watering her plants at least twice daily. During dull seasons her daily sale ranges between Tk. 25 to 30 thousand and in winter she sells daily more than Tk. 1 lac. During last 21 years her port- folio of investments got multipled, but, surprisigly, she had not even a single lapse in weckly installment. She requests for a small branch or wing on their bank of Shitalakhya, somewhere in Nabiganj or Madhabpasha. She griefly recalls a sister drowned and died in the river on her way to Narayargonj for receiving investrunt.

Asma has started contruction of another home, close to the exiting one. She sent her elder son Ashraf to Singapore and youngest son Ariful to Qatar. As Deputy-Chief of RDS Center No. 33 Area No. 1, Narayangonj, she is liked and adored by all. She is better known as "Flower Asma." Ashraf had got marriod before going to Singapore. He comes home almost once a year. Their daughter is always hung at Asma's waist. Her whole day is spent in business with her dearest grand-daughter in her tenderly bosom.

AMARSTOCK



Lavli Begum

She cultivates 150 acre share-crop and 50 out of her 100 farm workers are women!

There is great difference between what's possible, and what is not. But when somebody makes imposssibles possible, the only surprise could find a sigh of solace - Alhamdulillah– praise be upon Allah. The attributes that turn an impossible thing to materialize in reality ranks distinction, and if it is achieved by a rural woman and if she comes out of extreme poverty, a 'wretched on earth?' A woman who would either have hung her to death or got under bar – is now a successful and mechanized farmer, leading a number of families, running a share-crop contract farming on as many as 150 acre of land! She has so far employed more than 100 rural women, saved absentee landowners' loss, laid on organic seed bed to get better and eco-friendly crops; introduced bio-manure to save human, animal and crop life from the toxicity of chemical fertilizer and deadly pesticides! She is the symbol of Islami Bank's successful RDS approach, an iconic micro-investment recipient Lavli Begum (she writes it that way) of Norshingdi.

The road that begins from Narshingdi's (Velanagor) Dhaka-sylhet highway exit bearing the dusty witness of neglect through centuries proceeds with treacherous turns towards Polash upazila. At almost its fourth kilometer from Velanagor one would find a beautifully designed mosque. Beside the mosque begins Lavli Begum's small land holding – where he lives with brothers, sisters and nephews-nieces-pets and plantations. A huge cow shed would also be seen close by. At a corner of her home's grilled verindah a "treasure trove" is very carefully preserved - a sewing machine. Lavli's livelihood began with this sewing machine. Of seven children of her poor parents she was the eldest. Povety let her study continue till class-IX and a cage of

early wedding stood by. On the pretext of her failure of childbirth she was divorced. With broken heart and tear as only asset she had to return her paternal home literally with one cloth on. But that very day she took a vow to herself: She will never ever be anybody's burden. That vow made all the difference. One need such a commitment to succeed in life.

Upon her return to ancestral home Lavli literally sat idle not a single day. She started cultivating rice in their small patch of land. But cultivating rice resulted in loss for two consecutive crop seasons. But she was indomitable. She took the loss not as a step back, rather two steps forward. The tryst of her destiny struck just at this turn.

It was 1996 and the previous year Islami Bank started its 'Rural Development Scheme (RDS), Lavli got a membership of RDS Area-1's Center No. 58 and started saving Tk. 5 weekly. The same year she received an investment of Tk.5 thousand and bought "that" sewing machine. She knew little needlework from her childhood and now she started professionally tailoring village women's blouse, petticoat, girls' frock with cutting, sewing, embroidering - all by herself. In the second year she took Tk. 7 thousand and annually her investment slab kept hopping at the rate of Tk. 5 thousand. At a point her investment reached Tk. 25 thousand. From 2000 this annual ceiling enhanced at Tk.10 thousand and at a point it soared to Tk.1 lac. After her first investment she bought a sewing mecime. Since then she all along spent all her investments in agriculture. She learned many things from Government's agricultural extension officers and undertook several traininings on hand. Her success stood her qualified for (Narsingdi) District's "Best Farmer" award. On one occasion she was included in a training trip to china delegation as a member of a high delegation.

Spending her investments she kept on buying agro-inputs one after another - like shollow water pump, husking machine, power tiller, sprayer, shovels, leveler, mower etc. She approached large landholding people sho lived in town and relied upon entrely on share croppers and due to losses shown each season they were naturally scared of and remained vehemently against spending on land. Their land remained unproductive due to shortoge of workers, better seed, care, water, skill and mainly due to capital.

Many absentee landowners agreed to experiment with Lavli, firstly though, with some skepticism. But with a few crop seasons the impression was totally reverted. Side by side with plantation Lavli stated producing vermin-compost and other bio-manures and eco-friendly pesticides. She invented and introduced a uniqne kind of rat-trap. Using this trap the farmers of thr entrire destict was so benefited that brought her many appreciation and distinction. She would be held in high estimation only for this rat-trap device alone! Besides, she raises poultry and as a contract-grower she is certified with BADC for organic seed production. She no longer raises cattle, for she successfully turned loss in agriculture into a profiting rural enterprise. She has a fancy of raising birds, especially cute China-ducks with red beak and black feathers. Maybe, this provides her a sleek solace of recreation after a hectic day's work, what men would even dare.



Setara Begum

So many trawlers keep afloat and I wish if someday I could own a trawler!

It's an irony of fate for the women of this country that they have all along been kept aside from any decision-making process or from taking part in the male-dominated productive mainstream. But Islami Bank, through its RDS approach has proved that the most powerful feminine capabilities could be explored even without breaking loose from the family or social confinement and that their maiden contribution plays an appreciable role in establishing and running an enterprise successfully.

She now remembers before starting earning from her humble business by the investment she received from Islami Bank, the days before that, how poverty used to dampen her spirit all the times with the very inadequate earning of her husband Abdul Ali Bepari. She could in no way meet the ends. Often she used to be rebuked by her young and impatient children. Setara Begum still remembers her bad days and rather it turns to her inspiration. Today new hope and dream glare in her eyes, for she now has both ability and power to buy what she needs for business for her family, even for charity. The mind that all along was assailed by poverty and anxiety for remorse is now devoted to anything productive and exploring scopes for more and more jobs for her neighbors and relatives of her staffs. She knows making workers happy would bring more profit out of their work. She now employs as many as 10 workers for various works and it is no mean achievement for a rural housewife !

Setara resembles the silent uplift in the quality of life though better and sustainable livelihood in the country. These women entrepreneurs, groomed by fund and

guidance by the largest commercial bank and one of the 1000 banks of the world, Islami Bank Bangladesh Limited, keeps empowering women in real terms and that adds to the national development with maiden talents and perseverance explored without breaking lose the traditional values, way of life and social norms, especially the life in compliance of Islamic tenets. They are keeping families to size at their own initiative and necessity. They are also substantially contributing to raise their children with healthy and enough food, proper care, grooming and, in particular, with education. Setara's enterprise is an ensemble of the whole country's prosperity through keeping poverty aside and at the same time doing something that enhances job for the great multitude of the unemployed.

Setara Begum raises goats, of better species that eat less, grow faster. Before the Eid-ul-Fitre their demands keep soaring. Still, goat-raising is only a part of Setara's vast world of enterprise. Her investment mainly goes to her trawler, pull-cart and three-wheeler van and in her favorite grocery shop. "So many trawlers keep afloat on the river and I always wished if one of the trawlers would someday be mine!," Setara recalled her childhood dream (for owing a trawler) with youthful exhuberance and that "I now own my fleet of trawlers is due to the assistance of Islami Bank. Allah has been kind upon me and Islami Bank comes to my life by chance," she recalls with gratitude. Setara Begum indeed enjoys a position of dignity in the society at home even beyond Konabalia, Mahadipur, she has become an icon of success and a kind hearted women entrepreneur. She is lucky even twice as much, for her husband now devotes whole time to her business along with their two sons. They are gown up, married and the successful parents have shown them their own way to live better and prosper. They bought them separate trawlers which they are already running quite satisfactorily.

Islami Bank Jhalokati Branch's Rajapur Deuri RDS Centre, of which she is an old member, gave her first investment of Tk. 5 thousand in the year 2000 and she had a weekly saving of Tk.12 only. She bought a cow, raised it and bought another few getting next yearly enhancement of investment to Tk. 10 thousand. Each year investment enhanced by Tk. 10 thousand and now she runs an investment of Tk. 1 lac 60 thousand (more than US $ 2000). In addition to RDS savings she has another saving products in DPS where she keeps saving for last a years at the rate of Tk. 400 per week. Only from the income that comes from her trawlers she pays off weekly installments to the tune of Tk. 4000 and throughout so long time of transactions she let not a single weekly payment of installment with a mark for any default.

Setara Begum's life has been totally reverted with the benign micro-financial support that she, like all recipients, got from Islami Bank RDS without any security collateral. Most important change in Setara Begum's life is manifest before her enterprising success - She has turned to be a practicing devotee more than ever. She advises and counsels to other RDS sisters on various moral issues. Her charity and sharing her bounties with the poor and less-advanced villager speak eloquently of her religious inclination that her hard earned affluence has lent her as a moral endowment.



Ankhi Akhtar

To know what "Women Empowerment" is all about, one should visit Ankhi's orchard and fish ponds...

Many vegetables and leaves hung beneath a masterly crafted nylon net (jangla) remind the long-left rural orchards. Bandura is not that far from the madding metropolis, but Ankhi Akhtar's boundary-walled plantation of seasonal fruits and vegetable will impress an onlooker with the scenic view of her rows, roof-net pendant vegetables, coconut plantations around the one-bigha-plus garden, adjacent to her home at Palamganj, Bandura. Dohar-Nawabgonj have traditionally been Dhaka's remote outback, mostly engulfed by and crisscrossed by rivers and canals. This huge area is now in no way outside Dhaka, thanks to three major river bridges – including one on Shitalakhya at Maricha.

Alongside Ankhi Akhtar's orchard, dug very carefully a concrete-walled water body, not so wide, but enough to make Ankhi and her hard-laborious husband Shahjahan happy with fish breeding. Both vegetables and fish grow with their care. Shahjahan wakes up very early, just as the holy call of 'ajan', get hurried with his armory and rush to the garden. Ankhi, too, wakes up together, but takes time cooking for the day and preparing Tiffin both for them and for their son, take him to school and then join her dear at the dearest garden. "care is everything," Ankhi shared politely. Having breakfast, brought by wife, Shahjahan rushes out to their other enterprise - fishpond.

When Ankhi married Shahjahan, she saw nothing other than a total mess and an enlarged poverty. But her energy was indomitable. In 2011 she got herself a membership at Center-36 (Ma Halima Center) in Area-2 of Islami Bank Nawabganj Branch's Rural Development Scheme (RDS). She got Tk. 10 thousand as her first micro-investment and that clicked both this orchard and fish cultivation at ponds leased in. Now they own four huge ponds and the vegetable plantation. Ankhi's garden is already bloomed with green fortune, while Shahjahan's silver fortune mostly live deep in water. They make their presence only when food grain, powdered mustard cake and rice husk are thrown on water. Ankhi's savings rises to Tk.35 thousand, but "Alhamdulillah we didn't require to seek cash return so far," said a confident Ankhi Akhtar. All praises they are prone to consign upon is Islami Bank for making their life worth living for.

Ankhi-Shahjahan couple does not have any land, excepting a shared stake in the household. They planned to do many things and tried some as well. But nothing could help them proceed without cash. Islami Bank's investment without any collateral opened a floodgate of opportunities for them. The initial investment may not have been adequate, but at least enough to start and build a bridge between Ankhi-Shahjan's labor, tenacity, dedication and ambition. If one is interested to know what "Empowerment of Women" is really all about, s/he should visit Ankhi's orchard and Shahjahan's ponds for a while. Islami Bank's RDS investment has contributed to the society on another rare count - bringing husbands and wives together in pursuit of enterprising success through a shared leadership.

بسم الله الرحمن الرحيم

Report of the Shari`ah Supervisory Committee 2016

الحمد لله رب العالمين والصلاة والسلام على رسوله الكريم سيدنا محمد وعلى آله وأصحابه أجمعين

During the year 2016, the Shari`ah Supervisory Committee of Islami Bank Bangladesh Limited met 10 (ten) meetings and reviewed operational activities of the Bank including those referred to it by the Board of Directors and the Management of the Bank and gave opinion and decisions related to Shari`ah. The Honorable members of the Shari'ah Supervisory Committee attended 14 (fourteen) Seminars organized by the Management of the Bank on the eve of inauguration of new branches. Apart from this, the Muraqibs of Shari`ah Secretariat conducted Shari'ah inspection at 304 branches (including 30 SME/Agriculture branches) during the period excluding 14 (fourteen) new branches of the Bank opened in 2016 and submitted detailed report thereon.

The duty of the Shari`ah Supervisory Committee is to give independent opinion and necessary guidelines upon observing and reviewing the activities of the bank and the responsibility of the Bank is to ensure that the Bank conducts its business in accordance with the rules and principles of Islamic Shari'ah and this has been duly complied with.

The Shari'ah Supervisory Committee after reviewing the Shari`ah Inspection Reports, Audited Reports i.e. Balance Sheet, Profit & Loss Account and other financial statements of the Bank for the year 2016 gave the following opinion:

1. The agreements of investment and transactions executed by Islami Bank Bangladesh Limited during the year have been made in accordance with the principles of Islamic Shari`ah.
2. Profit distributed to deposit accounts has been made in accordance with the principles of Islamic Shari`ah.
3. The income identified as doubtful has not been included in the distributable income of the Bank as per principles and rules of Islamic Shari`ah.
4. The calculation of Zakat on the zakatable assets of the Bank has been made in compliance with the rules and the principles of Islamic Shari`ah. It is pertinent to state that Islami Bank does not pay Zakat on behalf of the Depositors and Shareholders. It is the own responsibility of the Depositors and Shareholders to pay Zakat on their deposit and shares respectively.
5. In order to comply 100% Shari`ah, it is necessary to arrange Shari`ah Awareness Programs at Branch & Zone level on regular basis to increase shari`ah awareness among the employees & clients of the Bank.
6. It is essential to strengthen the efforts in overall activities of the Bank for quality and real progress in Shari`ah compliance.

May Allah (SWT) bestow us with the best of Tawfique in gaining His satisfaction through implementing Shari'ah in every sphere of our life. Ameen.

Sheikh Moulana Mohammad Qutubuddin
Chairman

Professor Dr. Mohammad Abdus Samad
Member Secretary

Audit Committee Report



In compliance with the Bank Company Act 1991 (as amended up to 2013), Bangladesh Bank Guidelines on Internal Control & Compliance in Banks, BRPD Circular No. 11 dated 27 October 2013 and Bangladesh Securities & Exchange Commission Notification the formal Audit Committee of IBBL has been functioning duly appointed by the Bank's Board of Directors to assist the Board for ensuring the achievement of objectives of the Bank, strategies and overall business plans set by the Board for effective functioning of the bank and to review the financial reporting process, the system of internal control and approach to manage risks, the audit process, findings of Central Bank comprehensive audit for monitoring efficiency of operations compliance with laws and regulations and its own code of business conduct and compliance with the applicable laws, regulations and internal policies to make the Bank a unique, strong and dependable organization for all stakeholders specifically shareholders, depositors and the society as a whole. In this context, the Audit Committee comprising of 05 (five) members has been appointed by the Bank's Board of Directors. Pursuant to the instructions of the Bangladesh Securities and Exchange Commission and the Bangladesh Bank 03 (three) Independent Directors have been included in the Committee. As per Bangladesh Bank Circular, no member of the Executive Committee has been included in the Audit Committee.

Composition of the Audit Committee:

Sl. No.	Name	Status in the Board of Directors	Status in the Audit Committee	Tenure	No. of Meetings held in 2016	No. of Meetings Attended in 2016
1	Dr. Md. Zillur Rahman	Independent Director	Chairman	From 05.01.2017	9	6
			Member	From 25.06.2016 to 04.01.2017		
2	Mr. Helal Ahmed Chowdhury	Independent Director	Chairman	From 12.05.2016 to 04.01.2017	11	11
3	Professor NRM Borhan Uddin, Ph.D.	Independent Director	Chairman	Till 07.03.2016	0	0

4	Dr. Areef Suleman	Director	Member	Till 03.10.2016	2	0
5	Mr. Mohammed Humayun Kabir, FCA	Independent Director	Member	From 25.06.2016	9	9
6	Mr. Humayun Bokhteyar, FCA	Director	Member	Till 23.07.2016	3	2
7	Mr. Md. Joynal Abedin	Director	Member	From 08.08.2016 to 04.01.2017	8	8
8	Mr. Md. Mizanur Rahman	Director	Member	From 04.10.2016	5	5
9	Professor Dr. Md. Sirajul Karim	Director	Member	From 05.01.2017	0	0
10	Mr. Shamim Mohammed Afzal	Independent Director	Member	From 05.01.2017	0	0

It is to be noted that due to compelling situation and lack of quorum no Audit Committee meeting held from 22.10.2015 to 12.05.2016. There after the new committee functioning their job after reconstitution of the same. Professor Helal Ahmed Chowdhury, Independent Director and Mr. Md. Joynal Abedin, Director made outstanding contributions in Audit Committee as Chairman & Member respectively during their tenure. The committees conducted 11 (eleven) meetings during the remaining period of calendar year 2016 and disposed total 534 (five hundred thirty four) Audit Committee Memoranda including backlogs Memoranda. 3 (three) meetings out of 11 (eleven) were conducted without receiving any remuneration as it is regulatory bindings not to conduct more than one meeting in a month with remuneration.

Mr. Md. Shah Alam, General Manager, Bangladesh Bank played outstanding role in Audit Committee during the year 2016 as observer.

As per regulatory guidelines, Janab Abu Reza Md. Yeahia (Till 14.01.2017) and Janab J Q M Habibullah, FCS, (From 15.01.2017) Company Secretary of IBBL acts as the Secretary of the Audit Committee.

Roles and Responsibilities of the Audit Committee

Internal Control:

- Evaluate whether management has set an appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- Review management's actions in computerization of the bank and its applications and Management Information System (MIS) of the bank.
- Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.
- With governance & guidance from the Board of Directors the Audit Committee is to put in place policies and procedures to identify, measure, monitor and control risks.

Financial Reporting:

- Audit committee checks whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;
- Discuss with management and the external auditors to review the financial statements before its finalization.

Internal Audit:

- Audit committee ensures whether internal audit is working independently from the management.
- Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process;
- Examine the efficiency and effectiveness of internal audit function;

- ❒ Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

External Audit

- Review the performance of the external auditors and their audit reports;
- Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.
- Make recommendations to the board regarding the appointment of the external auditors.

Compliance with existing laws and Regulations:

- ❒ Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.

Other Responsibilities:

- ❒ Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
- ❒ Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Statement of the Audit Committee

- ❒ The Audit Committee during its regular review observed that the internal controls of the Bank are satisfactory.
- ❒ The committee also, during its regular review of the external audit functions, observed that effective co-ordination of external audit function, independence of external auditors were ensured and the external auditors findings were reviewed in order to be satisfied that appropriate actions have been taken.

Meeting of the Audit Committee

- ❒ During the year 2016, the Audit Committee of the Bank organized 11 (eleven) meetings. Proceedings of the Audit Committee meetings were reported timely and regularly to the Board of Directors as well as Bangladesh Bank to comply the Bangladesh Bank DOS Circular Letter No. 07 dated 24.04.2011.

Key Activities:

- ❒ During the year 2016, the Committee performed, amongst others, the following key functions, where applicable, to the extent it was brought before the committee:
- ❒ Discussed the internal and external audit reports and advised the management to rectify all lapses revealed in the reports. Additionally, time to time the concerned Head of Wings/Divisions/Branches and other Officers of the Bank were invited to attend the meetings of the Audit Committee in order to augment the process of regularization of lapses and irregularities.
- ❒ Discussed the Bangladesh Bank inspection reports on the Branches and Head Office and advised the management to rectify all lapses and to comply with Bangladesh Bank's instructions & circulars meticulously.
- ❒ Advised to recheck the compliance status of audit observations /objections of 01 (one) branch from each Zone on random selection basis in order to ascertain that regularization has actually been done. Assessed reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and placed it before the Board after reviewing whether necessary corrective measures have been taken by the management.
- ❒ Advised to circulate several circulars on some important issues.
- ❒ Reviewed the Self-Assessment of Anti Fraud Internal Control on quarterly basis for onward submission to Bangladesh Bank in compliance with DOS Circular Letter No. 17 dated 07.11.2012.
- ❒ Approved the Audit Calendar for the year 2016 and advised to carry out the audit program meticulously.
- ❒ Evaluated the compliance culture across the Bank. Reviewed the Manual of Internal Control & Compliance of the bank.
- ❒ Reviewed the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process and examined the efficiency and effectiveness of internal audit functions.
- ❒ Examined whether the findings and

recommendations made by the internal auditors & external auditors are duly considered by the management or not.

- Evaluated whether the internal audit functions have been conducted independently from the management.
- Reviewed the financial statements to ensure that these financial statements are in full compliance with the Acts, Rules and the Accounting Standards (BAS/BFRS)
- Advised the management to complete all the documentation formalities carefully and retain each and every document properly.
- Reviewed the reports on overdue, classified, rescheduled & written off investment and other non-performing assets and directed to exert all-out efforts to reduce non-performing assets.
- Advised the management to try to increase the recovery from classified, rescheduled and written-off investment clients.
- Instructed to ensure proper classification of investment in the CL Statement of the branches as per Bangladesh Bank's BRPD Circular(s) in vogue.
- Advised the management to proper steps so that no new investment can become classified.
- Advised management to ensure compliance of Bangladesh Bank Circulars/ Circular Letters/ Guidelines regarding classification, rescheduling & write-off of investment.
- Suggested to take up the matters with concerned lawyers for early disposal of the suits for recovery of the Bank's dues.
- Advised the management to ensure full compliance of regulatory issues.
- Advised the management to ensure full shari'ah compliance in all areas of business.
- Reviewed whether the laws and regulations framed by the regulatory authorities (central Bank and other bodies) and internal regulations approved by the Board are being complied with.
- Evaluated the status of large investment clients on regular basis.
- Evaluated the certificate on the effectiveness of Internal Control Policy, Practice & Procedure of the bank.
- Appraised the implementation status of Circulars/ Circular Letters issued by Regulatory bodies (Bangladesh Bank & others).
- Assessed the Quarterly Operations Report (QOR) of all Branches on quarterly basis.
- Discussed the revised Human Resources Policy of the Bank.
- Appraised the activities of Asset-Liability Committee (ALCO) of the bank.
- Reviewed the Anti Money Laundering (AML) and Combating the Financing of Terrorism (CFT) activities of the bank.
- Conversed about conduction of audit on Islami Bank Foundation and Subsidiaries.
- Advised to follow up the legacy accounts properly, maintain proper correspondences with the clients and to reduce the numbers of legacy accounts through gradual regularization at the earliest.
- Advised to comply the reporting line of the Internal Control & Compliance Wing (ICCW) and Audit & Inspection Division (A&ID) to the Audit Committee, in accordance with Bangladesh Bank Internal Control & Compliance Guidelines in Banks (February, 2016 & September, 2016).

Audit Committee Report

Statutory Auditors' Appointment

The Audit Committee recommended to the Board for appointing Statutory Auditors in the Annual General Meeting for the year 2017.

Interim Financial Reports of 2016

The Audit Committee reviewed and recommended the quarterly & half yearly Financial Statements to the Board and ensured that authentic and reliable Financial Information have been incorporated in preparing those Financial Statements and in other interim reports.

Review of Financial Statements of 2016

The Audit Committee, reviewed and examined the Annual Financial Statements of the Bank to confirm whether all the required disclosures and information have been incorporated in the Financial Statements and whether the Bank followed International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) respectively by the Institute of Chartered Accountants of Bangladesh, Bank Company Act 1991(as amended up to 2013), Bangladesh Bank Guidelines, the Companies Act 1994, the Bangladesh Securities and Exchange Commission Rules 1987 and other laws and rules applicable in Bangladesh and also Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain, etc. The Committee recommended the Financial Statements of 2016 for consideration of the Board.

Meeting with the Statutory Auditors

The Committee met with the Statutory Auditors for finalization of financial statements. It properly addressed the issues mentioned in the Management Letter for taking appropriate action by the Management.

Acknowledgement

The Committee expressed its profound thanks and gratitude to the Members of the Board, Management, Auditors and the Regulatory Authorities, in particular, Bangladesh Bank, the observer of Bangladesh Bank and the Bangladesh Securities and Exchange Commission for their excellent support while performing its coveted duties and responsibilities.

Dr. Md. Zillur Rahman
Chairman
Audit Committee

AMAR STOCK

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Islami Bank Bangladesh Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Islami Bank Bangladesh Limited** and its subsidiaries (the "Group") as well as the separate financial statements of Islami Bank Bangladesh Limited (the "Bank") which comprise the consolidated and separate balance sheet as at 31 December 2016 and the consolidated and separate profit and loss account. Consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in notes 2 and 3 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatements, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 3l December 2016 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BF-'RS) as explained in notes 2 and 3.

Report on other Legal and Regulatory Requirements

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

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:

   i. Internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 3.24 of the financial statements appeared to be materially adequate;

   ii. Nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 3, 24, 8;

c) financial statements of all subsidiary companies of the bank been audited by other auditors and have been properly reflected in the consolidated financial statements;

d) in our opinion, proper books of account as required by, law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of accounts;

f) the expenditure incurred was for the purposes of the Bank's business;

g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;

h) adequate provisions have been made for investments, other assets and off-ballance sheet item which are, in our opinion, doubtful of recovery;

i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

j) the information and explanation required by us have been received and found satisfactory; and

k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 10,500 person hours for the audit of the books and accounts of the Bank.

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

Islami Bank Bangladesh Limited and its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka (Restated)	01.01.2015 Taka (Restated)
Property and Assets				
Cash in hand	**7(a)**	**71,455,043,186**	**55,256,081,820**	**46,219,359,839**
Cash in hand (including foreign currency)	7(a)(i)	10,119,946,355	8,625,867,409	7,696,844,962
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7(a)(ii)	61,335,096,831	46,630,214,411	38,522,514,877
Balance with other banks & financial institutions	**8(a)**	**34,147,842,268**	**25,644,591,295**	**23,615,218,198**
In Bangladesh	8(a)(i)	32,726,556,251	23,974,968,279	21,205,895,651
Outside Bangladesh	8(a)(ii)	1,421,286,017	1,669,623,016	2,409,322,547
Placement with banks & other financial institutions	**9.0**	**3,000,000,000**	**3,000,000,000**	**2,000,000,000**
Investments in shares & securities	**10(a)**	**59,193,302,393**	**98,397,090,217**	**99,677,400,553**
Government	10(a)(i)	53,750,317,770	95,482,757,770	97,435,777,770
Others	10(a)(ii)	5,442,984,623	2,914,332,447	2,241,622,783
Investments		**611,418,912,766**	**525,104,502,716**	**460,385,467,466**
General investments etc.	11.1(a)	573,072,166,109	488,699,301,422	433,004,101,205
Bills purchased & discounted	11.2(a)	38,346,746,657	36,405,201,294	27,381,366,261
Fixed assets including premises	**12(a)**	**15,588,636,049**	**15,838,557,191**	**15,930,479,589**
Other assets	**13(a)**	**3,122,823,552**	**2,527,292,915**	**3,751,558,076**
Non - banking assets		**-**	**-**	**-**
Total property and assets		**797,926,560,214**	**725,768,116,154**	**651,579,483,721**
Liabilities and Capital				
Liabilities				
Placement from banks & other financial institutions	**14(a)**	**16,920,973,000**	**17,766,330,139**	**7,657,500,743**
Deposits & other accounts	**15(a)**	**681,044,531,409**	**614,877,266,437**	**559,713,580,029**
Mudaraba savings deposits		239,150,593,933	211,327,625,463	183,125,942,453
Mudaraba term deposits		201,314,652,601	179,234,913,887	169,288,934,029
Other mudaraba deposits		171,097,323,089	162,097,188,257	149,300,904,194
Al- wadeeah current and other deposit accounts		63,958,368,029	57,126,253,285	54,347,905,252
Bills payable		5,523,593,757	5,091,285,545	3,649,894,101
Mudaraba perpetual bond	**16.0**	**3,000,000,000**	**3,000,000,000**	**3,000,000,000**
Other liabilities	**17(a)**	**47,868,380,209**	**42,260,131,023**	**34,220,763,730**
Deferred tax liabilities	**18(a)**	**246,220,665**	**310,066,332**	**393,276,062**
Total liabilities		**749,080,105,283**	**678,213,793,931**	**604,985,120,564**
Capital/shareholders' equity		**48,846,454,931**	**47,554,322,223**	**46,594,363,157**
Paid - up capital	19.2	16,099,906,680	16,099,906,680	16,099,906,680
Statutory reserve	21.0	16,099,906,680	16,099,906,680	16,099,906,680
Other reserves	22.0	14,929,144,195	11,185,315,764	11,515,198,528
Retained earnings	40(a)	1,717,280,377	4,169,130,152	2,879,290,809
Non-controlling interest	40(b)	216,999	62,947	60,460
Total liabilities & shareholders' equity		**797,926,560,214**	**725,768,116,154**	**651,579,483,721**

Islami Bank Bangladesh Limited and its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka (Restated)	01.01.2015 Taka (Restated)
Off-balance sheet items				
Contingent liabilities				
Acceptances & endorsements		-	-	-
Letters of guarantee	23.0	11,756,790,629	10,629,688,357	8,839,985,590
Irrevocable letters of credit (including back to back bills)		119,051,089,946	115,229,781,408	99,102,373,685
Bills for collection		8,433,816,934	7,496,874,228	4,853,286,313
Other contingent liabilities		4,331,687	23,581,701	23,581,701
Total		**139,246,029,196**	**133,379,925,694**	**112,819,227,289**
Other commitments				
Documentary credits, short term and trade related transactions		-	-	-
Forward assets purchased and forward deposits placed		-	-	-
Undrawn note issuance, revolving and underwriting facilities		-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-
Total		**-**	**-**	**-**
Total off-balance sheet items including contingent liabilities		**139,246,029,196**	**133,379,925,694**	**112,819,227,289**

The annexed notes form an integral part of these financial statements.

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the consolidated balance sheet referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

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Islami Bank Bangladesh Limited and its Subsidiaries

Consolidated Profit & Loss Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka (Restated)
Operating income			
Investment income	24(a)	52,732,440,077	48,019,361,677
Profit paid on mudaraba deposits	25(a)	(29,335,637,466)	(28,711,803,286)
Net investment income		**23,396,802,611**	**19,307,558,391**
Income from investments in shares & securities	26(a)	769,381,169	815,154,861
Commission, exchange & brokerage income	27(a)	5,763,148,747	6,212,914,002
Other operating income	28(a)	2,102,096,913	1,729,427,055
Total operating income		**32,031,429,440**	**28,065,054,309**
Operating expenses			
Salary & allowances	29(a)	12,813,096,553	8,884,178,676
Rent, taxes, insurances, electricity etc.	30(a)	1,192,602,581	1,147,142,738
Legal expenses	31(a)	29,362,397	44,189,468
Postage, stamps and telecommunication etc.	32(a)	47,677,786	43,895,740
Stationery, printing and advertisement etc.	33(a)	339,312,019	319,978,205
Chief executive's salary & fees	34.0	11,105,806	8,400,000
Directors' fees & expenses	35(a)	12,044,109	12,640,292
Shari'ah supervisory committee's fees & expenses	36.0	1,666,492	3,730,249
Auditors' fees	37(a)	2,708,250	2,530,000
Charges on investment losses		-	-
Depreciation and repair to bank's assets	38(a)	965,381,752	961,943,629
Zakat expenses		494,971,614	421,312,940
Other expenses	39(a)	1,816,923,087	1,649,966,254
Total operating expenses		**17,726,852,446**	**13,499,908,191**
Profit/ (loss) before provision		**14,304,576,994**	**14,565,146,118**
Provision for investments & off- balance sheet exposures	17.1.4	4,085,166,640	5,131,638,598
Provision for diminution in value of investments in shares	17.2(a)	(352,361,724)	27,069,117
Other provisions	17.4	140,800,397	99,232,276
Total provision		**3,873,605,313**	**5,257,939,991**
Total profit/(loss) before taxes		**10,430,971,681**	**9,307,206,127**
Provision for taxation for the period		**5,951,633,378**	**5,895,163,334**
Current tax	17.7(a)	6,015,479,045	5,978,373,064
Deferred tax	18(b)	(63,845,667)	(83,209,730)
Net profit/ (loss) after tax		**4,479,338,303**	**3,412,042,793**
Net profit after tax attributable to:		**4,479,338,303**	**3,412,042,793**
Equity holders of IBBL		4,479,301,241	3,412,040,306
Non-controlling interest	40(b)	37,062	2,487
Retained earnings from previous year		**4,169,130,152**	**2,879,290,808**
Add: Net profit after tax (attributable to equity holders of IBBL)		4,479,301,241	3,412,040,306
Add: Excess depreciation transferred from Assets Revaluation Reserve to Retained earnings		97,291,643	101,882,304
Less: Adjustment for changing in shares position of IBSL		(3,710)	-
Profit available for appropriation		**8,745,719,326**	**6,393,213,418**
Appropriation:		**8,745,719,326**	**6,393,213,418**
Statutory reserve	21.0	-	-
General reserve	22.1	3,808,457,613	(190,902,736)
Dividend	40.0	3,219,981,336	2,414,986,002
Retained earnings	40(a)	1,717,280,377	4,169,130,152
Consolidated earnings per share	**42(a)**	**2.78**	**2.12**

The annexed notes form an integral part of these financial statements.

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the consolidated profit & loss account referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

Islami Bank Bangladesh Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2016

Particulars	Note	2016 Taka	2015 Taka
Cash flows from operating activities			
Investment income		49,749,652,979	47,915,719,537
Profit paid on mudaraba deposits		(28,596,363,026)	(29,563,685,828)
Income/ dividend receipt from investments in shares & securities		979,273,719	2,063,232,961
Fees & commission receipt in cash		5,763,148,747	6,212,914,002
Recovery from written off investments		43,936,629	39,909,335
Payments to employees		(12,404,126,222)	(8,561,139,222)
Cash payments to suppliers		(304,386,455)	(326,787,585)
Income tax paid		(6,784,988,519)	(9,203,786,715)
Receipts from other operating activities		2,416,882,178	2,013,322,283
Payments for other operating activities		(1,876,652,006)	(2,289,395,100)
(i) Operating profit before changes in operating assets		**8,986,378,024**	**8,300,303,668**
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits		-	-
(Increase)/decrease of net trading securities		-	-
(Increase)/decrease of placement to other banks		-	-
(Increase)/decrease of investments to customers		(81,224,410,050)	(61,629,035,250)
(Increase)/decrease of other assets		(582,104,244)	1,189,635,579
Increase/(decrease) of placement from other banks		(845,357,139)	10,108,829,396
Increase/(decrease) of deposits from other banks		185,712,074	153,938,891
Increase/(decrease) of deposits received from customers		65,498,455,299	54,025,872,754
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		(2,981,163,310)	2,075,425,298
(ii) Cash flows from operating assets and liabilities		**(19,948,867,370)**	**5,924,666,668**
Net cash flows from operating activities (A)=(i+ii)		**(10,962,489,346)**	**14,224,970,336**
Cash flows from investing activities			
Proceeds from sale of securities		2,221,677,286	1,335,573,339
Payment for purchase of securities/BGIIB		37,217,098,642	(117,057,781)
Placement to Islamic Refinance Fund Account		-	(1,000,000,000)
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		(559,195,368)	(960,327,089)
Purchase/sale of subsidiaries		-	-
Net Cash flows from investing activities (B)		**38,879,580,560**	**(741,811,531)**
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
Payment for redemption of debt instruments		-	-
Receipts from issuing ordinary share/ rights share		-	-
Dividend paid in Cash		(3,219,981,336)	(2,414,986,002)
Net cash flows from financing activities (C)		**(3,219,981,336)**	**(2,414,986,002)**
Net increase/(decrease) in cash (A+B+C)		**24,697,109,878**	**11,068,172,803**
Add/(less): effects of exchange rate changes on cash & cash equivalent		5,102,461	(2,077,725)
Add: cash & cash equivalents at beginning of the year		80,900,673,115	69,834,578,037
Cash & cash equivalents at the end of the year	**45(a)**	**105,602,885,454**	**80,900,673,115**

The annexed notes form an integral part of these financial statements.

Arastoo Khan **Chairman**	**Dr. Md. Zillur Rahman** **Director**	**Md. Syful Islam, FCA, FCMA** **Director**	**Md. Abdul Hamid Miah** **Managing Director & CEO**

This is the consolidated cash flow statement referred to in our separate report of even date.

S. F. Ahmed & Co. **Chartered Accountants**	**Khan Wahab Shafique Rahman & Co.** **Chartered Accountants**

Dated, Dhaka;
30 March 2017

Islami Bank Bangladesh Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

(Amount in Taka)

Particulars	Paid-up capital	Share premium	Statutory reserve	General/ other reserves *	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Non-controlling interest	Total
1	2	3	4	5	6	7	8	9	10 (2+3+4+5+6+7+8+9)
Balance as at 01 January 2016	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**232,377,360**	**10,904,468,771**	**46,480,000**	**4,169,130,152**	**62,947**	**47,554,322,223**
Changes in accounting policy	-	-	-	-	-	-	-	-	**-**
Adjustment for changing in shares position	-	-	-	-	-	-	(3,710)	153,710	**150,000**
Transferred during the year	-	-	-	-	(97,291,643)		97,291,643	-	**-**
Surplus/ (deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	**-**
Surplus/ (deficit) on account of revaluation of investments (shares & securities)	-	-	-	-	-	27,560,000	-	-	**27,560,000**
Currency translation differences	-	-	-	5,102,461		-	-	-	**5,102,461**
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-	**-**
Net profit for the period	-	-	-	-	-	-	4,479,301,241	37,062	**4,479,338,303**
Transfer to (from) reserve	-	-	-	3,808,457,613	-	-	(3,808,457,613)	-	**-**
Dividend:		-	-	-	-	-	-	-	**-**
Bonus shares	-	-	-	-	-	-	-	-	**-**
Cash dividend	-	-	-	-	-	-	(3,219,981,336)	(36,720)	**(3,220,018,056)**
Issue of share capital	-	-	-	-	-	-	-	-	**-**
Total shareholders' equity as on 31 December 2016	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**4,045,937,434**	**10,807,177,128**	**74,040,000**	**1,717,280,377**	**216,999**	**48,846,454,931**
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-		**3,000,000,000**
Add: General provision for unclassified investments and off- balance sheet items (Note-3.14.7)	-	-	-	6,234,010,000	-	-	-	-	**6,234,010,000**
Adjustment for currency translation differences	-	-	-	(9,417,220)		-	-	-	**(9,417,220)**
Less: Assets revaluation reserve (Note-3.14.4)	-	-	-	-	(7,357,485,732)	-	-	-	**(7,357,485,732)**
Less: Revaluation reserve of securities (Note-3.14.5)	-	-	-	-		(49,590,000)	-	-	**(49,590,000)**
Total equity as on 31 December 2016	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**10,270,530,214**	**3,449,691,396**	**24,450,000**	**1,717,280,377**	**216,999**	**50,663,971,979**

*Note : General / other reserves

Particulrs	01.01.2016	01.01.2015
General reserve	196,062,601	386,965,337
Dividend equalization account	32,000,000	32,000,000
Currency translation differences	4,314,759	6,392,484
Total	**232,377,360**	**425,357,821**

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Islami Bank Bangladesh Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

(Amount in Taka)

Particulars	Paid-up capital	Share premium	Statutory reserve	General/ other reserves	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Non-controlling interest	Total
1	2	3	4	5	6	7	8	9	10 (2+3+4+5+6+7+8+9)
Balance as at 01 January 2015	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**425,357,821**	**11,498,971,320**	**81,500,000**	**2,386,670,563**	**60,460**	**46,594,363,157**
Prior period error adjustment (Note-2.18)	-	-	-	-	(492,620,245)	-	492,620,245	-	**-**
Restated Balance as at 01 January 2015	16,099,906,680	1,989,633	16,099,906,680	425,357,821	11,006,351,075	81,500,000	2,879,290,808	60,460	**46,594,363,157**
Transferred during the year (Note-2.18)	-	-	-	-	(101,882,304)	-	101,882,304	-	**-**
Surplus/ (deficit) on account of revaluation of properties	-	-	-	-	-		-	-	**-**
Surplus/ (deficit) on account of revaluation of investments (shares & securities)	-	-	-	-	-	(35,020,000)	-	-	**(35,020,000)**
Currency translation differences	-	-	-	(2,077,725)		-	-	-	**(2,077,725)**
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-	**-**
Net profit for the period	-	-	-	-	-	-	3,412,040,306	2,487	**3,412,042,793**
Transfer to (from) reserve	-	-	-	(190,902,736)	-	-	190,902,736	-	**-**
Dividend:		-		-	-	-	-	-	**-**
Bonus shares	-	-	-	-	-	-	-	-	**-**
Cash dividend	-	-	-	-	-	-	(2,414,986,002)	-	**(2,414,986,002)**
Issue of share capital	-	-	-	-	-	-	-	-	**-**
Total shareholders' equity as on 31 December 2015 (Restated)	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**232,377,360**	**10,904,468,771**	**46,480,000**	**4,169,130,152**	**62,947**	**47,554,322,223**
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	-	**3,000,000,000**
Add: General provision for unclassified investments and off- balance sheet items (Note-3.14.7)	-	-	-	4,540,047,240	-	-	-	-	**4,540,047,240**
Adjustment for currency translation differences				(4,314,759)		-			**(4,314,759)**
Less: Assets revaluation reserve (Note-3.14.4)	-	-	-	-	(6,304,880,243)	-	-	-	**(6,304,880,243)**
Less: Revaluation reserve of securities (Note-3.14.5)	-	-	-	-	-	(13,880,000)			**(13,880,000)**
Total equity as on 31 December 2015	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**4,768,109,841**	**4,599,588,528**	**32,600,000**	**4,169,130,152**	**62,947**	**48,771,294,461**

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the consolidated statement of changes in equity referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

ALMARSTOCK

Islami Bank Bangladesh Limited

Balance Sheet

As at 31 December 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka (Restated)	01.01.2015 Taka (Restated)
Property and Assets				
Cash in hand	**7.0**	**71,455,041,556**	**55,256,075,599**	**46,219,359,426**
Cash in hand (including foreign currency)	7.1	10,119,944,725	8,625,861,188	7,696,844,549
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7.2	61,335,096,831	46,630,214,411	38,522,514,877
Balance with other banks & financial institutions	**8.0**	**27,969,527,234**	**19,766,322,649**	**20,199,350,245**
In Bangladesh	8(i)	26,548,241,217	18,096,699,633	17,790,027,698
Outside Bangladesh	8(ii)	1,421,286,017	1,669,623,016	2,409,322,547
Placement with banks & other financial institutions	**9.0**	**3,000,000,000**	**3,000,000,000**	**2,000,000,000**
Investments in shares & securities	**10.0**	**60,328,886,791**	**99,436,769,339**	**100,856,528,896**
Government	10.1	53,750,317,770	95,482,757,770	97,435,777,770
Others	10.2	6,578,569,021	3,954,011,569	3,420,751,126
Investments	**11.0**	**616,418,912,766**	**530,194,502,716**	**463,475,467,466**
General investments etc.	11.1	578,072,166,109	493,789,301,422	436,094,101,205
Bills purchased & discounted	11.2	38,346,746,657	36,405,201,294	27,381,366,261
Fixed assets including premises	**12.0**	**15,586,914,329**	**15,836,479,066**	**15,926,361,916**
Other assets	**13.0**	**2,940,373,502**	**2,330,975,328**	**3,744,970,802**
Non - banking assets		-	-	-
Total property and assets		**797,699,656,178**	**725,821,124,697**	**652,422,038,751**
Liabilities and Capital				
Liabilities				
Placement from banks & other financial institutions	**14.0**	**16,920,973,000**	**17,766,330,139**	**7,657,500,743**
Deposits & other accounts	**15.0**	**681,352,249,392**	**615,359,210,035**	**560,696,300,836**
Mudaraba savings deposits	15.1	239,163,357,296	211,543,849,041	183,128,708,639
Mudaraba term deposits		201,544,652,601	179,464,913,887	170,175,086,856
Other mudaraba deposits	15.2	171,101,256,416	162,098,214,256	149,346,325,824
Al- wadeeah current and other deposit accounts	15.3	64,019,389,322	57,160,947,306	54,396,285,416
Bills payable	15.4	5,523,593,757	5,091,285,545	3,649,894,101
Mudaraba perpetual bond	**16.0**	**3,000,000,000**	**3,000,000,000**	**3,000,000,000**
Other liabilities	**17.0**	**47,440,682,596**	**41,923,565,764**	**34,052,027,094**
Deferred tax liabilities	**18.0**	**246,802,967**	**310,729,682**	**393,591,942**
Total liabilities		**748,960,707,955**	**678,359,835,620**	**605,799,420,615**
Capital/shareholders' equity		**48,738,948,223**	**47,461,289,077**	**46,622,618,136**
Paid - up capital	19.2	16,099,906,680	16,099,906,680	16,099,906,680
Statutory reserve	21.0	16,099,906,680	16,099,906,680	16,099,906,680
Other reserves	22.0	14,929,144,195	11,185,315,764	11,515,198,528
Retained earnings	40.0	1,609,990,668	4,076,159,953	2,907,606,248
Total liabilities & shareholders' equity		**797,699,656,178**	**725,821,124,697**	**652,422,038,751**

Islami Bank Bangladesh Limited

Balance Sheet

As at 31 December 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka (Restated)	01.01.2015 Taka (Restated)
Off-balance sheet items				
Contingent liabilities				
Acceptances & endorsements		-	-	-
Letters of guarantee	23.0	11,756,790,629	10,629,688,357	8,839,985,590
Irrevocable letters of credit (including back to back bills)		119,051,089,946	115,229,781,408	99,102,373,685
Bills for collection		8,433,816,934	7,496,874,228	4,853,286,313
Other contingent liabilities		4,331,687	23,581,701	23,581,701
Total		**139,246,029,196**	**133,379,925,694**	**112,819,227,289**
Other commitments				
Documentary credits, short term and trade related transactions		-	-	-
Forward assets purchased and forward deposits placed		-	-	-
Undrawn note issuance, revolving and underwriting facilities		-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-
Total		**-**	**-**	**-**
Total off-balance sheet items including contingent liabilities		**139,246,029,196**	**133,379,925,694**	**112,819,227,289**

The annexed notes form an integral part of these financial statements.

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the balance sheet referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

AMARSTOCK

Islami Bank Bangladesh Limited

Profit & Loss Account

For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka (Restated)
Operating income			
Investment income	24.0	52,942,089,731	48,152,277,081
Profit paid on mudaraba deposits	25.0	(29,345,105,438)	(28,737,869,581)
Net investment income		**23,596,984,293**	**19,414,407,500**
Income from investments in shares & securities	26.0	1,212,925,109	802,153,304
Commission, exchange & brokerage income	27.0	5,738,172,334	6,198,735,051
Other operating income	28.0	1,664,258,746	1,398,732,617
Total operating income		**32,212,340,482**	**27,814,028,472**
Operating expenses			
Salary & allowances	29.0	12,789,396,607	8,867,141,438
Rent, taxes, insurances, electricity etc.	30.0	1,188,110,703	1,142,923,245
Legal expenses	31.0	29,362,397	44,189,468
Postage, stamps and telecommunication etc.	32.0	47,444,512	43,706,095
Stationery, printing and advertisement etc.	33.0	338,933,013	319,386,243
Chief executive's salary & fees	34.0	11,105,806	8,400,000
Directors' fees & expenses	35.0	11,041,309	12,203,292
Shari'ah supervisory committee's fees & expenses	36.0	1,666,492	3,730,249
Auditors' fees	37.0	2,587,500	2,415,000
Charges on investment losses		-	-
Depreciation and repair to bank's assets	38.0	963,616,787	957,323,042
Zakat expenses		494,971,614	421,312,940
Other expenses	39.0	1,808,986,564	1,643,439,582
Total operating expenses		**17,687,223,304**	**13,466,170,594**
Profit/ (loss) before provision		**14,525,117,178**	**14,347,857,878**
Provision for investments & off- balance sheet exposures	17.1.4	4,085,166,640	5,131,638,598
Provision for diminution in value of investments in shares	17.2	-	294,339
Other provisions	17.4	140,800,397	99,232,276
Total provision		**4,225,967,037**	**5,231,165,213**
Total profit/(loss) before taxes		**10,299,150,141**	**9,116,692,665**
Provision for taxation for the period		**5,834,172,120**	**5,825,937,997**
Current tax	17.7.1	5,898,098,835	5,908,800,257
Deferred tax expense/(income)	18.0	(63,926,715)	(82,862,260)
Net profit/ (loss) after tax		**4,464,978,021**	**3,290,754,668**
Retained earnings from previous year		4,076,159,953	2,907,606,247
Add: Net profit after tax		4,464,978,021	3,290,754,668
Add: Excess depreciation transferred from Assets Revaluation Reserve to Retained earnings		97,291,643	101,882,304
Profit available for appropriation		**8,638,429,617**	**6,300,243,219**
Appropriation:		**8,638,429,617**	**6,300,243,219**
Statutory reserve	21.0	-	-
General reserve	22.1	3,808,457,613	(190,902,736)
Dividend	40.0	3,219,981,336	2,414,986,002
Retained earnings	40.0	1,609,990,668	4,076,159,953
Earnings per share	**42.0**	**2.77**	**2.04**

The annexed notes form an integral part of these financial statements.

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the profit & loss account referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

Islami Bank Bangladesh Limited

Cash Flow Statement

For the year ended 31 December 2016

Particulars	Note	2016 Taka	2015 Taka
Cash flows from operating activities			
Investment income		49,749,652,979	48,048,634,941
Profit paid on mudaraba deposits		(28,596,363,026)	(29,589,752,123)
Income/ dividend receipt from investments in shares & securities		936,854,379	1,945,233,854
Fees & commission receipt in cash		5,738,172,334	6,198,735,051
Recovery from written off investments		43,936,629	39,909,335
Payments to employees		(12,380,426,276)	(8,544,101,984)
Cash payments to suppliers		(304,007,449)	(326,195,623)
Income tax paid		(6,720,352,924)	(9,126,557,598)
Receipts from other operating activities		1,969,576,039	1,682,627,845
Payments for other operating activities		(1,651,808,566)	(2,276,437,791)
(i) Operating profit before changes in operating assets		**8,785,234,119**	**8,052,095,907**
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits		-	-
(Increase)/decrease of net trading securities		-	-
(Increase)/decrease of placement to other banks		-	-
(Increase)/decrease of investments to customers		(86,224,410,050)	(66,719,035,250)
(Increase)/decrease of other assets		(606,536,099)	1,244,475,022
Increase/(decrease) of placement from other banks		(845,357,139)	10,108,829,396
Increase/(decrease) of deposits from other banks		185,712,074	153,938,891
Increase/(decrease) of deposits received from customers		65,807,327,283	54,508,970,308
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		1,993,952,049	4,246,550,417
(ii) Cash flows from operating assets and liabilities		**(19,689,311,882)**	**3,543,728,784**
Net cash flows from operating activities (A)=(i+ii)		**(10,904,077,763)**	**11,595,824,691**
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchase of securities/BGIIB		39,080,322,548	1,384,739,557
Placement to Islamic Refinance Fund Account		-	(1,000,000,000)
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		(559,195,368)	(959,811,944)
Purchase/sale of subsidiaries		-	-
Net Cash flows from investing activities (B)		**38,521,127,180**	**(575,072,387)**
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
Payment for redemption of debt instruments		-	-
Receipts from issuing ordinary share/ rights share		-	-
Dividend paid in Cash		(3,219,981,336)	(2,414,986,002)
Net cash flows from financing activities (C)		**(3,219,981,336)**	**(2,414,986,002)**
Net increase/(decrease) in cash (A+B+C)		**24,397,068,081**	**8,605,766,302**
Add/(less): effects of exchange rate changes on cash & cash equivalent		5,102,461	(2,077,725)
Add: cash & cash equivalents at beginning of the year		75,022,398,248	66,418,709,671
Cash & cash equivalents at the end of the year	**45.0**	**99,424,568,790**	**75,022,398,248**

The annexed notes form an integral part of these financial statements.

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the cash flow statement referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

AMARSTOCK

Islami Bank Bangladesh Limited

Statement of Changes in Equity

For the year ended 31 December 2016

(Amount in Taka)

Particulars	Paid-up capital	Share premium	Statutory reserve	General/ other reserves *	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Total
1	2	3	4	5	6	7	8	9 (2+3+4+5+6+7+8)
Balance as at 01 January 2016	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**232,377,360**	**10,904,468,771**	**46,480,000**	**4,076,159,953**	**47,461,289,077**
Changes in accounting policy	-	-	-	-	-	-	-	**-**
Transferred during the year	-	-	-	-	(97,291,643)	-	97,291,643	**-**
Surplus/ (deficit) on account of revaluation of investments (shares & securities)	-	-	-	-	-	27,560,000	-	**27,560,000**
Currency translation differences	-	-	-	5,102,461	-	-	-	**5,102,461**
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	**-**
Net profit for the period	-	-	-		-	-	4,464,978,021	**4,464,978,021**
Transfer to (from) reserve	-	-	-	3,808,457,613	-	-	(3,808,457,613)	**-**
Dividend:								**-**
Bonus shares	-	-	-	-	-	-	-	**-**
Cash dividend		-	-	-	-	-	(3,219,981,336)	**(3,219,981,336)**
Issue of share capital	-	-	-	-	-	-	-	**-**
Total shareholders' equity as on 31 December 2016	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**4,045,937,434**	**10,807,177,128**	**74,040,000**	**1,609,990,668**	**48,738,948,223**
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	**3,000,000,000**
Add: General provision for unclassified investments and off- balance sheet items (Note-3.14.7)	-	-	-	6,234,010,000	-	-	-	**6,234,010,000**
Adjustment for currency translation differences	-	-	-	(9,417,220)	-	-	-	**(9,417,220)**
Less: Assets revaluation reserve (Note-3.14.4)	-	-	-	-	(7,357,485,732)	-	-	**(7,357,485,732)**
Less: Revaluation reserve of securities (Note-3.14.5)	-	-	-	-	-	(49,590,000)	-	**(49,590,000)**
Total equity as on 31 December 2016	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**10,270,530,214**	**3,449,691,396**	**24,450,000**	**1,609,990,668**	**50,556,465,271**

*Note : General / other reserves

Particulrs	01.01.2016	01.01.2015
General reserve	196,062,601	386,965,337
Dividend equalization account	32,000,000	32,000,000
Currency translation differences	4,314,759	6,392,484
Total	**232,377,360**	**425,357,821**

ALAMINSTOCK

Islami Bank Bangladesh Limited

Statement of Changes in Equity

For the year ended 31 December 2015

(Amount in Taka)

Particulars	Paid-up capital	Share premium	Statutory reserve	General/ other reserves	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Total
1	2	3	4	5	6	7	8	9 (2+3+4+5+6+7+8)
Balance as at 01 January 2015	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**425,357,821**	**11,498,971,320**	**81,500,000**	**2,414,986,002**	**46,622,618,136**
Prior period error adjustment (Note-2.18)	-	-	-	-	(492,620,245)	-	492,620,245	-
Restated Balance as at 01 January 2015	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**425,357,821**	**11,006,351,075**	**81,500,000**	**2,907,606,247**	**46,622,618,136**
Transferred during the year (Note-2.18)	-	-	-	-	(101,882,304)	-	101,882,304	-
Surplus/ (deficit) on account of revaluation of properties	-	-	-	-	-		-	-
Surplus/ (deficit) on account of revaluation of investments (shares & securities)	-	-	-	-	-	(35,020,000)	-	**(35,020,000)**
Currency translation differences	-	-	-	(2,077,725)	-	-	-	**(2,077,725)**
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-		-	-	3,290,754,668	**3,290,754,668**
Transfer to (from) reserve	-	-	-	(190,902,736)	-	-	190,902,736	-
Dividend:								-
Bonus shares	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	(2,414,986,002)	**(2,414,986,002)**
Issue of share capital	-	-	-	-	-	-	-	-
Total shareholders' equity as on 31 December 2015	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**232,377,360**	**10,904,468,771**	**46,480,000**	**4,076,159,953**	**47,461,289,077**
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	**3,000,000,000**
Add: General provision for unclassified investments and off- balance sheet items	-	-	-	4,563,295,624	-	-	-	**4,563,295,624**
Adjustment for currency translation differences				(4,314,759)				**(4,314,759)**
Less: Assets revaluation reserve(Note-2.1.3)	-	-	-	-	(6,304,880,243)	-	-	**(6,304,880,243)**
Less: Rrevaluation reserve of securities(Note 2.1.3)	-	-	-	-	-	(13,880,000)	-	**(13,880,000)**
Total equity as on 31 December 2015 (Restated)	**16,099,906,680**	**1,989,633**	**16,099,906,680**	**4,791,358,225**	**4,599,588,528**	**32,600,000**	**4,076,159,953**	**48,701,509,699**

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the statement of changes in equity referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

ALAMIN STOCK

Islami Bank Bangladesh Limited

Liquidity Statement

Assets & liabilities analysis

As at 31 December 2016

(Amount in Taka)

Particulars	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	More than 5 years	Total 31.12.2016	Total 31.12.2015
1	2	3	4	5	6	7=(2 + 3 + 4 + 5 + 6)	8
ASSETS							
Cash in hand	12,685,186,392	-	-	-	58,769,855,164	**71,455,041,556**	**55,256,075,599**
Balance with other banks & financial institutions (Note-8.2)	16,544,527,234	11,255,000,000	170,000,000	-	-	**27,969,527,234**	**19,766,322,649**
Placement with Banks & other Financial Institutions	-	3,000,000,000	-	-	-	**3,000,000,000**	**3,000,000,000**
Investments (in shares & securities) (Note-10.4)	26,884,210,279	25,610,000,000	2,570,000,000	2,049,412,742	3,215,263,770	**60,328,886,791**	**99,436,769,339**
General investments etc. (Note-11.1.1)	68,262,835,880	102,116,123,906	183,003,258,420	115,378,803,044	109,311,144,859	**578,072,166,109**	**493,789,301,422**
Bills purchased & discounted (Note-11.2.1)	9,954,815,432	13,367,675,885	15,024,255,340	-	-	**38,346,746,657**	**36,405,201,294**
Fixed assets including premises (land & building), furniture and fixtures (Note-12.3)	-	-	729,467,591	2,576,516,939	12,280,929,799	**15,586,914,329**	**15,836,479,066**
Other assets (Note-13.1)	243,168,889	1,317,287,329	722,155,732	439,879,876	217,881,676	**2,940,373,502**	**2,330,975,328**
Non - banking assets	-	-	-	-	-	**-**	**-**
Total assets	**134,574,744,106**	**156,666,087,120**	**202,219,137,084**	**120,444,612,601**	**183,795,075,268**	**797,699,656,178**	**725,821,124,697**
LIABILITIES							
Placement from banks & other financial institutions	-	2,754,563,000	14,166,410,000	-	-	**16,920,973,000**	**17,766,330,139**
Deposits (Note-15.5)	113,151,755,828	124,308,551,836	173,254,034,298	116,440,203,650	154,197,703,780	**681,352,249,392**	**615,359,210,035**
Other accounts	-	-	-	-	-	**-**	**-**
Provision & other liabilities (Note-17.9)	3,048,282,837	13,248,487,382	4,028,256,299	1,870,430,118	25,245,225,961	**47,440,682,596**	**41,923,565,764**
Deferred tax liability/ (assets)	-	-	-	-	246,802,967	**246,802,967**	**310,729,682**
Mudaraba perpetual bond	-	-	-	-	3,000,000,000	**3,000,000,000**	**3,000,000,000**
Total liabilities	**116,200,038,665**	**140,311,602,218**	**191,448,700,597**	**118,310,633,768**	**182,689,732,708**	**748,960,707,955**	**678,359,835,620**
Net liquidity gap	**18,374,705,442**	**16,354,484,902**	**10,770,436,487**	**2,133,978,834**	**1,105,342,560**	**48,738,948,223**	**47,461,289,077**

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

This is the liquidity statement referred to in our separate report of even date.

S. F. Ahmed & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dated, Dhaka;
30 March 2017

Islami Bank Bangladesh Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

1.0 The Bank and its activities

1.1 Introduction

Islami Bank Bangladesh Limited [IBBL] (hereinafter referred to as "the Bank") was established as a public limited banking company in Bangladesh in 1983 as the first Shari'ah based scheduled commercial bank in the South East Asia. Naturally, its modus operandi is substantially different from those of other conventional commercial banks. The Bank conducts its business on the Shari'ah principles of Mudaraba, Musharaka, Bai-Murabaha, Bai-Muajjal, Hire Purchase under Shirkatul Melk, Bai-Salam, Bai-as-Sarf and Ujarah etc. There is a Shari'ah Supervisory Committee in the Bank which ensures that the activities of the Bank are being conducted on the precepts of Islam.

The shares of the Bank are listed with both Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited. The Bank carries out its business activities through its Head Office in Dhaka, 14 Zonal Offices, 318 branches including 58 Authorised Dealer (AD) branches and 3 Off-shore Banking Units (OBUs) in Bangladesh. The Principal place of business is the Registered Office of the Bank situated at Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.These financial statements as at and for the year ended 31 December 2016 include the consolidated and separate financial statements of the Bank. The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries (mentioned in Note - 1.4, together referred to as "the Companies").

1.2 Nature of business/ Principal activities of the Bank

1.2.1 Commercial banking services

All kinds of commercial banking services are provided by the Bank to the customers following the principles of Islamic Shari'ah, the provisions of the Bank Company Act, 1991 as amended, Bangladesh Bank's directives and directives of other regulatory authorities.

1.2.2 Islamic micro-finance

Islamic micro-finance represents micro-finance and the Islamic finance industry. Under Islamic micro-finance, major focus is given on improvement of living standard of poor people. The projects are closely monitored so that the members are really benefited. The Bank provides this services under the umbrella of Rural Development Scheme (RDS) and Urban Poor Development Scheme (UPDS).

1.2.3 Mobile financial services -"mCash"

The bank has launched mobile financial services on 27 December 2012 under the name "Islami Bank mCash" as per Bangladesh Bank approval (reference no. DCMPS/PSD/37/(W)/2012-321 dated 14 June 2012). Islami Bank mCash offers different services through Mobile phone that include deposit and withdrawal of cash money, fund transfer from one account to another, receiving remittance from abroad, knowing account balance and mini-statement, giving and receiving salary, mobile recharge and payment of utility bill, merchant bill payment etc.

1.3 Off-shore banking unit (OBU)

Bangladesh Bank has approved the operation of Off-Shore Banking Unit (OBU) of Islami Bank Bangladesh Limited located at Head Office Complex Branch- Dhaka, Uttara Branch- Dhaka and Agrabad Branch-Chittagong through letter no. BRPD (P-3)744(111)/2010-1032 dated 28 March, 2010. The Bank commenced

the operation of its Off-shore Banking Unit from 08.02.2011 at Head Office Complex Branch, Dhaka, from 27.09.2011 at Agrabad Branch, Chittagong and from 01.06.2015 at Uttara Branch, Dhaka. Due to having different functional currency (Note 2.4), the operation of OBU has been considered as "foreign operation" and accordingly relevant financial reporting standards have been applied consistently that mentioned in note 3.15.3. The financial statements of the OBU are included in the separate financial statements of the Bank and eventually in the consolidated financial statements. The separate financial statements of OBU are shown in the functional currency (i.e. USD) as well as the presentation currency i.e. BDT of the Bank (i.e. BDT) in **Annexure - E.**

1.4 Subsidiaries of the Bank

1.4.1 Islami Bank Securities Limited (IBSL)

As per Bangladesh Securities and Exchange Commission's (BSEC) Letter No. SEC/Reg/CSE/MB/ 2009/444 dated 20.12.2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07.02.2010; the Bank established a subsidiary Company named "Islami Bank Securities Limited" to operate stock broker and stock dealer activities.

The share capital of Islami Bank Securities Ltd. is Tk. 2,700,000,000/- divided into 2,700,000 shares of Tk.1,000/ each out of which share capital of the bank is Tk.2,699,796,000/- divided into 2,699,796 shares of Tk.1,000/- each which represent 99.992% of total share of the subsidiary Company.

IBSL was incorporated on 22.03.2010 and date of commencement of business was 23.05.2010. Required capital was transferred to IBSL on 25.05.2010 which is operating business under the license issued by the Bangladesh Securities & Exchange Commission (BSEC). As a stock broker, IBSL acts as an agent in the purchase and sale of Shari'ah approved listed securities and realizes commission on transactions in accordance with approved commission schedule.

1.4.2 Islami Bank Capital Management Limited (IBCML)

As per Bangladesh Bank BRPD Circular No. 12 dated 14.10.2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07.02.2010, the Bank established another subsidiary Company named "Islami Bank Capital Management Limited" to operate portfolio management, underwriting, issue management etc. IBCML was incorporated on 01.04.2010 and required capital was transferred on 06.07.2010.

The share capital of Islami Bank Capital Management Ltd. is Tk.300,000,000/- divided into 300,000 shares of Tk.1,000/ each out of which share capital of the bank is Tk.299,993,000/- divided into 299,993 shares of Tk.1,000/- each which represent 99.998% of total share of the subsidiary Company. Permission of Bangladesh Securities and Exchange Commission (BSEC) is yet to be received for the core operation of IBCML.

1.4.3 IBBL Exchange Singapore Pte. Ltd.

'IBBL Exchange Singapore Pte. Ltd.' has been incorporated in Singapore, as a subsidiary of Islami Bank Bangladesh Limited for remittance services and things incidental thereto under the Companies Act, CAP. 50 of the Republic of Singapore. Till 31 December 2016, no share capital of the subsidiary has been paid by its parent company i.e. Islami Bank Bangladesh Limited. Therefore, the financial statements of IBBL Exchange Singapore Pte. Ltd. has not been prepared and accordingly not consolidated with that of the parent i.e. the bank.

2.0 Basis of preparation of financial statements

2.1 Reporting framework and compliance thereof

The Bank and its subsidiaries are being operated in strict compliance with the rules of Islamic Shari'ah. The

financial statements (consolidated & separate) have been prepared in accordance with the guidelines of Islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and other rules and regulations issued by Bangladesh Bank (BB), Bangladesh Financial Reporting Standards (BFRS) issued by the Institute of Chartered Accountants of Bangladesh (ICAB), Bank Company Act 1991 as amended, the Companies Act 1994; the Securities and Exchange Rules, 1987; Financial Reporting Act 2015 and Standards issued by the accounting and auditing organization for Islamic Financial Institutions (AAOIFI), as a member of that organization. Where the reporting guidelines issued by Bangladesh Bank and Bank Company Act differ with the financial reporting standards issued by ICAB, BB guidelines shall prevail. As such the Bank has departed from those requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Presentation of financial statements

BFRS

As per BAS-1 "Presentation of Financial Statements", financial statements shall comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements comprising summary of accounting policies and other explanatory information. Furthermore, BAS-1 states that, an entity shall present its current and non-current assets and liabilities, as separate classifications in its statement of financial position.

Bangladesh Bank

The financial statements and certain disclosures therein are presented in a prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, statement of changes in equity, liquidity statement) in accordance with the guidelines of the 'First Schedule' (section 38) of the Bank Company Act 1991 (amendment up to 2013) and BRPD circular no. 15 dated 09 November, 2009 and other subsequent guidelines of BB. In the prescribed format of BB there is no component of other comprehensive income and accordingly the elements of other comprehensive income and the tax there on is recognized directly in the statement of changes in equity. The assets and liabilities are presented in accordance with the prescribed format of BB and accordingly not classified as current and non-current classification as required by BAS-1.

ii) Investments in shares and securities

BFRS

As per requirements of BAS-39 "Financial Instrument: Recognition and Measurement", financial instrument i.e. investments in shares and securities are classified under held to maturity, fair value through profit or loss and available for sale financial assets and measured at the fair value of the consideration given (i.e cost) plus (in most cases) transaction costs that are directly attributable to the acquisition. However, where a financial instrument is at fair value through profit or loss, transaction costs are immediately recognised in profit or loss.

After initial recognition, held-to-maturity (HTM) investments should be re-measured at amortised cost using the effective interest method. Certain investments in equity instruments should be measured at cost where they do not have a quoted market price in an active market and whose fair value cannot be reliably measured. All other financial assets should be re-measured to fair value. Changes in the carrying amount of financial assets at fair value through profit or loss and HTM investments should be recognised in profit or loss. In respect of available for sale financial assets, impairment losses, foreign exchange differences and interest should be recognised in profit or loss. All other gains and losses should be recognised in other comprehensive income and held in a separate component of equity.

Bangladesh Bank

As per BRPD circular no. 14 dated 25 June 2003, investments in shares and securities are classified under

held to maturity (HTM) or held for trading (HFT) "and measured at cost. Transaction costs that are directly attributable to the acquisition added to the initial fair value except for financial assets classified as HFT where they should be recognised in profit or loss.

After initial recognition, HFT govt. securities are measured according to DOS circular no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009, where amortization loss is charged to profit and loss account, mark-to-market loss on revaluation is charged to profit and loss account, but any unrealized gain on such revaluation is recognized in revaluation reserve account. HTM govt. securities are measured at amortized cost and increase/decrease related to amortization is recognized in equity.

As per BRPD circular no. 14 dated 25 June 2003 and DOS circular No.4 dated 24 November 2011, investments in quoted and unquoted shares are revalued at the year-end at market price and at net assets value (NAV) of last audited balance sheet respectively. As such, provision is made against the diminution in value of investments considering netting off gain /loss. Investment in mutual fund (open-end) is revalued at lower of cost and higher of (market value and 95% of NAV) as per instruction of DOS circular no. 03 dated 12 March 2015 and DOS circular no. 10 dated 28 June 2015. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognized at costs.

iii) Provision for investments

BFRS

As per BAS 39, an entity should start the impairment assessment by considering whether 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.

Bangladesh Bank

As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD circular No. 16 dated 18 November 2014 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. Also provision for sub-standard, doubtful and bad & loss investments have to be provided at 20%, 50% and 100% respectively (except short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) depending on the duration of overdue.

iv) Provision for Off-balance sheet items

BFRS

There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for making provision or disclosure of off-balance sheet items on the face of the statement of financial position.

Bangladesh Bank

As per BRPD circular no- 14 dated 25 June 2003 and BRPD circular no- 15 dated 09 November 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet. Furthermore, as per BRPD Circular No.14 dated 23 September 2012 and BRPD Circular No.19 dated 27 December 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39 "Financial Instruments: Recognition and Measurement".

v) Recognition of investment income in suspense

BFRS

Investment to customers are generally classified as 'loans and receivables' as per BAS 39 "Financial Instruments:

Recognition and Measurement" and investment income is recognised through effective interest rate method over the term of the investment. Once an investment is impaired, investment income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank

As per BRPD circular no. 14 dated 23 September 2012, once an investment is classified, investment income on such investment are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an investment income in suspense account, which is presented as liability in the balance sheet.

vi) Financial guarantees

BFRS

As per BAS 39 "Financial Instruments: Recognition and Measurement", financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently 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. Financial guarantees are included within other liabilities.

Bangladesh Bank

As per BRPD 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items.

vii) Balance with Bangladesh Bank: (Cash Reserve Requirement)

BFRS

Balance with Bangladesh Bank that are required to be kept as part of cash reserve requirement, should be treated as other asset as it is not available for use in day to day operations as per BAS 7 "Statement of Cash Flows".

Bangladesh Bank

Balance with Bangladesh Bank is treated as cash and cash equivalents.

viii) Cash flow statement

BFRS

The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank

As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, cash flow statement is to be prepared following a mixture of direct and indirect methods.

ix) Non-banking asset

BFRS

No indication of Non-banking asset is found in any BFRS.

AMAR STOCK

Bangladesh Bank

As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, there must exist a face item named Non-banking asset.

x) Presentation of intangible asset

BFRS

An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38 "Intangible Assets".

Bangladesh Bank

There is no regulation for intangible assets in BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009.

xi) Investments net off provision

BFRS

Investments should be presented net off provision.

Bangladesh Bank

As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, provision on investments are presented separately as liability and can not be netted off against investments.

xii) Revenue

As per BAS 18 "Revenue", revenue should be recognized on accrual basis but due to the unique nature of Islamic Banks, income from investment under Mudaraba, Musharaka, Bai-Salam, Bai-as-Sarf and Ujarah modes (Khidmah Card) is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

2.2 Measurement of elements in the financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the financial statements. The measurement basis adopted by the Bank is historical cost except for land, building and few of the financial assets which are stated in accordance with the policies mentioned in the respective notes.

2.3 Basis of consolidation

The group financial statements include the financial statements of the Bank and its subsidiaries that it controls. The Bank prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee.

The Bank presents non-controlling interests in the consolidated statement of financial position (Balance Sheet) within equity, separately from the equity of the owners of the Bank. Changes in the Bank ownership interest in a subsidiary that do not result in losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).

2.3.1 Consolidation procedures

- combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

- offsetting (eliminating) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

- eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Fixed assets [property, plant & equipment], are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

2.3.2 Investment in subsidiaries in the Bank separate financial statements

When the Bank prepares separate financial statements, it accounts for investments in subsidiaries at cost.

2.4 Functional and presentation currency

The consolidated and separate financial statements of the Bank are presented in Bangladeshi Taka which is the functional currency of the Bank and its subsidiaries except for Off-shore Banking Unit (OBU) where the functional currency is US Dollar (USD).All financial information presented in Taka has been rounded to the nearest integer, except otherwise indicated.

2.5 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, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, post employment benefits liabilities, accruals, taxation and provision.

2.6 Comparative information and rearrangement thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.7 Going concern

When preparing financial statements, management makes an assessment of the Bank's ability to continue as a going concern. The Bank prepares financial statements on a going concern basis.

2.8 Accrual basis of accounting

The Bank prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the Bank recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.9 Materiality and aggregation

The Bank presents separately each material class of similar items. The Bank presents separately items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.10 Offsetting

The Bank does not offset assets and liabilities or income and expenses, unless required or permitted by a BB guidelines or BFRS.

2.11 Reporting period

These financial statements of the Bank and its subsidiaries cover one calendar year from 01 January 2016 to 31 December 2016.

2.12 Authorization of the financial statements for issue

The consolidated financial statements and the separate financial statements of the Bank have been authorized for issue by the Board of Directors on 30 March 2017.

2.13 Cash flow statement

Cash Flow Statement is prepared in accordance with BAS 7-"Statement of Cash Flows" as well as the guidelines for islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.14 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with BAS 1 -"Presentation of Financial Statements" as well as the guidelines for islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003.

2.15 Liquidity statement

Liquidity Statement has been prepared based on the residual/remaining maturity of assets and liabilities as on 31 December 2016 as per the guidelines for islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003 as follows:

I. Balance with other banks and financial institutions, etc are on the basis of their respective maturity term;

II. Investments in shares & securities are on the basis of their respective maturity;

III. General investments are on the basis of their recovery/repayment schedule;

IV. Fixed assets [property, plant & equipment] are on the basis of their useful lives;

V. Other assets are on the basis of their realization/amortization;

VI. Deposits and other accounts are on the basis of their maturity and payments;

VII. Provisions and other liabilities are on the basis of their adjustment/settlement;

VIII. Due to perpetual in nature/maturity, Mudaraba perpetual bond (MPB) is reported under maturity more than 5 (five) years.

2.16 Changes in accounting policies

The Bank changes its accounting policy only if the change is required by a BFRS or Bangladesh Bank Guidelines or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Bank's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

IBBL management has traditionally making provision against its investments in accordance with the relevant

BRPD circulars where the required provision for the year is charged to profit and loss account. However, during the year ended 31 December 2016, the management has decided to change its accounting policy with regard to make provision against its investments to the extent it includes compensation realizable amount. According to the revised accounting policy, required provision during the year is split between a liability component and a profit or loss component. Provision arises on the compensation realizable amount is directly adjusted with compensation account as the compensation income is directly recognized as a liability instead of recognizing in the profit and loss account (Note-3.19). IBBL believes that the new policy will give a fair presentation of the bank's financial performance as well as the position. The impact of this voluntary change in accounting policy on the financial statements is primarily to increase retained earnings and reduce liabilities as well as therelated profit and loss amount arising on such transactions. The impact on each line item of the financial statements is given in notes no.48.0

2.17 Changes in accounting estimates

Estimates arise because of uncertainties inherent within them, judgement is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

2.18 Correction of error in prior period financial statements

The Bank corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

As per BAS, 16 the revaluation surplus included in equity in respect of property, plant and equipment may be transferred directly to retained earnings as the assets is used by an entity to the extent of the difference arises between depreciation based on the revalued carring amount of the assets and depreciation based on the asset's original cost. However, the bank had not trasferred any amount of revaluation surplus to retained earnings that has been arisen from the revaluation of buildings. During the year 2016, the bank management has identified the error and decided to adjust the amount through retrospective application by adjusting opening balance of each affected components of equity. The impact of this correction of error is primarily to increase retainted earnings and decrease revalution reserve. The impact on each line item of the financial statements is given in notes no. 48.0

3.0 Summary of significant accounting policies

Accounting policies are determined by applying the relevant guidelines of Bangladesh Bank as well as the relevant BFRS. Where there is no available guidelines of BB and BFRS, management uses its judgment in developing and applying an accounting policy that results in information that is relevant and reliable. The Bank selects and applies its accounting policies for a period consistently for similar transactions, other events and conditions, unless a BFRS or Bangladesh Bank guidelines specifically requires or permits categorization of items for which different policies may be appropriate. The accounting policies set out below have been applied consistently in all material respects to all periods presented in these consolidated financial statements:

3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand and at ATM, balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions which are not ordinarily susceptible to change in value.

3.2 Investment in shares and securities

Investment in shares and securities (other than Investment in Bangladesh Government Islamic Investment Bond) are initially recognised at cost and subsequently measured and accounted for depending on their classification as either held to maturity or held for trading. Transaction costs that are directly attributable to the acquisition added to the initial cost except for the investment classified as held for trading where they should be recognised in profit or loss.

Investments in quoted and unquoted shares are revalued at the year-end at market price and at net assets value (NAV) of last audited balance sheet respectively. As such, provision is made against the diminution in value of investments netting off gain /loss arises from the market of the securities.

Investment in mutual fund is revalued at lower of cost and higher of (market value and 85% to 95% of NAV). As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognized at costs.

Investment in govt. securities (other than investment in Bangladesh Shipping Corporation) are measured both initially and subsequently at cost as the Bank is not allowed to invest in interest bearing government securities like T-bond, T-bill etc. So the instructions and circulars related to the recognition and measurement of those instruments are not applicable for the Bank.

Investment in Bangladesh Shipping Corporation was initially recognized at cost. Transaction costs directly attributable to the acquisition added to the cost. After initial recognition investments are measured at the year market price and changed in the market price is recognized in equity under the head revaluation surplus.

Investment in subordinate bond is measured both initially and subsequently at cost.

3.2.1 Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as 'Held to Maturity' (HTM). These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discounts are accredited, using the effective or historical yield. Any increase or decrease in value of such investments is booked to equity but decrease to profit and loss account.

3.2.2 Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marking to market and any decrease in the present value is recognized in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per DOS Circular no. 05 dated 28 January 2009.

3.2.3 Investment- Initial recognition and subsequent measurement

Investment class	Initial Recognition	Measurement after initial recognition	Recording of Changes
Govt. treasury securities - BGIB	Cost	Cost	None
Debenture/Bond	Cost	Cost	None
Shares (Quoted)	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealized gain booking.
Shares (Unquoted	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealized gain booking.
Mutual fund (Open-end)	Cost	If, average cost price (CP) >NAV_{CMP} * 0.95, then required provision per unit will be (RP) = CP -NAV_{CMP} * 0.95.	Loss (net) to profit and loss account but no unrealized gain booking.
Mutual fund (Close-end)	Cost	If CP> Market Value (MV) or CP> NAV_{CMP} * 0.85, then required provision (RP) per unit will be: (i) In case of MV≥ NAVCMP * 0.85, then RP= CP –MV or (ii) In case of MV< NAV_{CMP} * 0.85, then RP =CP- NAVCMP * 0.85.	Loss (net) to profit and loss account but no unrealized gain booking.

3.3 Investments

Investments are recognized at gross amount on the date on which they are originated. After initial recognition investments are stated in the Balance Sheet net off profit receivable and unearned income. However, provision for investments are not net-off with investments.

Profit Receivable – the amount of unexpired portion of profit charged on bai-murabaha investment at the time of sale of goods/ services to customer/ client.

Unearned Income - the amount of unrealized portion of profit/ value addition of fixed assets [property, plant & equipment] under Hire Purchase Under Shirkatul Melk (HPSM) investment for gestation period.

3.4 Fixed assets [Property, plant & equipment and intangibles]

3.4.1 Property, plant and equipment

3.4.1.1 Recognition

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably.

3.4.1.2 Measurement at recognition

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

3.4.1.3 Elements of costs and subsequent costs

Cost includes purchase price (including import duties and non-refundable purchase taxes), directly attributable costs to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Costs of day to day servicing (repairs and maintenance) are recognized as expenditure as incurred. Replacement parts are capitalized, provided the original cost of the items they replace is derecognized.

3.4.1.4 Measurement of property, plant & equipment after recognition

Cost model

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

The revaluation model requires an asset, after initial recognition, to be measured at a revalued amount, which is its fair value less subsequent accumulated depreciation and impairment accumulated losses.

Where an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in equity under the heading of revaluation surplus. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Where an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in equity reduces the amount accumulated under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized. However, some of the surplus is transferred as the asset is used by the Bank. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

3.4.1.5 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included as other income in profit or loss when the item is derecognized.

3.4.1.6 Asset retirement obligations (ARO)

Asset retirement obligations (ARO) are recognized when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The periodic unwinding of the discount is recognized in the statement of profit or loss as a finance cost as it occurs.

3.4.1.7 Depreciation

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset. Depreciation of an asset begins when it is installed and available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate.

Depreciation is calculated based on the cost/revalued amount of items of fixed assets [property, plant & equipment] less their estimated residual values using either of straight-line method (SLM) or reducing balance method (RBM) over their estimated useful lives and recognized in profit and loss. Land is not depreciated. Rates of depreciation considering the useful life of respective assets are as follows:

Items	Method	Rates
Building	Reducing balance	2.50%
Furniture and fixtures	-Do-	10.00%
Mechanical appliances	-Do-	20.00%
ATM	-Do-	20.00%
Books	-Do-	30.00%
Motor vehicles	Straight-line	16.67% - 20.00%
Computers	-Do-	25.00%

3.4.2 Capital work in progress

Fixed assets that is being under construction/acquisition is accounted for as capital work in progress until construction/acquisition is completed and measured at cost. The work in progress is transferred to cost of that fixed assets when the construction is completed and it becomes available for use.

3.4.3 Intangible assets

3.4.3.1 Recognition

The recognition of an item as an intangible asset requires the Bank to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if, it is probable that expected future economic benefits that are attributable to the asset will flow to the Bank and the cost of the item can be measured reliably.

3.4.3.2 Measurement

An intangible asset is measured at cost less any accumulated amortizations and any accumulated impairment losses. Subsequent expenditures are likely to maintain the expected future economic benefits embodied in an existing intangible asset rather than meet the definition of an intangible asset and the recognition criteria. Therefore, expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognized in profit or loss as incurred.

3.4.3.3 Amortization

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortization begin when the asset is available for use, i.e when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortization cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. An intangible asset with an indefinite useful life is not amortized.

3.5 Impairment of Fixed assets [property, plant & equipment and intangibles]

Recognizing and measuring impairment loss

Where the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on a non-revalued asset is recognized in profit or loss. However, an impairment loss on a revalued asset is recognized directly

in equity to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the Bank tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

3.6 Other assets

Other assets include all other financial assets, other income receivable, advance against expenses etc.

3.7 Non-banking assets

Non-banking assets are acquired on account of the failure of a client to repay the investment in time after receiving the decree from the court regarding the right and title of the mortgaged property.

3.8 Placement from banks and other financial institutions

Placement from banks and other financial institutions are stated in the financial statement at principle amount of the outstanding balance.

3.9 Deposits and other accounts

Deposit and other accounts include Al Wadeeah current deposit as well as savings, term and other Mudaraba deposits. Deposits by customers and banks are recognized when the Bank enters into contractual agreements with the counterparties. These items are brought to Financial Statements at the gross value of the outstanding balance.

3.10 Subordinated bond-Mudaraba Perpetual Bond (MPB)

Mudaraba Perpetual Bond (MPB) was issued by the Bank under the mudaraba principles of Islamic Shari'ah as per approval of Bangladesh Bank Letter No. BRPD (P-1)661/14(a)/2006-1437 dated 07.05.2006 and Bangladesh Securities and Exchange Commission Letter No. SEC/CI/CPLC-118/2006/385 & SEC/CI/RPO-01/2007/386 both dated 10.06.2007. The Investment Corporation of Bangladesh (ICB) is the Trustee of the MPB. The MPB is listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. and trading of the same started from 25 November 2007. It is treated as a component of Additional Tier-I Capital (AT-I). The instrument having face value of Tk.1,000 each is subordinated to the claims of other creditors and depositors. In the case of liquidation the subordinated debt holders would be paid just before paying to the shareholders assuming there are assets to distribute after all other liabilities and debts have been paid. The Mudaraba Perpetual Bond (MPB) is perpetual in nature i.e. infinite maturity. Profit paid against Mudaraba Perpetual Bond is at the final profit rate of 8 (eight) years Mudaraba Savings Bond and an additional amount equivalent to 10.00% of the rate of dividend declared for the respective year.

3.11 Provisions

3.11.1 Provision for investments

Provision for investments is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014. Details are given below:

Particulars		Classification/Percentage (%) of provision requirement									
		2016					2015				
		UC	SMA	SS	DF	BL	UC	SMA	SS	DF	BL
Small and Medium Enterprise (SME) Financing		0.25%	0.25%	20%	50%	100%	0.25%	0.25%	20%	50%	100%
Consumer	Investment for House Building & Professional	2%	2%	20%	50%	100%	2%	2%	20%	50%	100%
	Other than House Building & Professional	5%	5%	20%	50%	100%	5%	5%	20%	50%	100%
All Other (Except Short-term Agricultural and Micro-Credits)		1%	1%	20%	50%	100%	1%	1%	20%	50%	100%
Short-term Agricultural and Micro-Credits		2.50%		5%		100%	2.50%		5%		100%
Investment to Stock Dealers & Stock Broker		2%		20%	50%	100%	2%		20%	50%	100%

3.11.2 Provision for diminution of value of shares and securities

Provision for diminution of value of shares and mutual funds, placed under other liability, has been made on portfolio basis (gain net off) following DOS circular No. 04 dated 24 November 2011, DOS circular no. 03 dated 12 March 2015 and DOS circular no. 10 dated 28 June 2015 respectively. For unquoted shares, provision has been made based on available NAV of respective nos of units/shares. As on the reporting date, the bank sponsored Tk. 1,300.00 million in four Mutual Funds (two open-end & two close-end) though the funds did not start operation till the reporting date. Moreover, the bank invested Tk. 50.00 million in an open-end Mutual Fund. Details are stated in Note 10.2 of these financial statements.

3.11.3 Provision for off-balance sheet exposures

In compliance with BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 19 dated 27 December 2012, the Bank has been maintaining provision @ 1% against off-balance sheet exposures (mainly contingent assets/liabilities).

3.11.4 Provision for other assets

Provision for other assets is made as per the instructions made in the BRPD circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more or classified as bad/loss.

3.11.5 Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPD circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

3.11.6 Other provisions, accruals and contingencies

3.11.6.1 Recognition of provisions, accruals and contingencies

A provision is recognized when the Bank has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; a reliable estimate can be made of the amount of the obligation. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent liabilities are not recognized in the financial statements. Disclosure on contingent liabilities have been made on the face of balance sheet under 'Off-balance Sheet Items' as per BRPD circular No. 14 dated 25 June 2003.

3.11.6.2 Measurement of provision

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

3.11.6.3 Changes and uses of provisions

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognized. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognized for another purpose would conceal the impact of two different events.

3.12 Post employment benefits

The Bank provides various long-term and short-term benefits to the employees under different schemes. Details of the benefits plans are given below:

3.12.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as personnel expense in profit or loss in the periods during which related services are rendered by employees. The Bank maintains one funded defined contribution plan for its employees - Provident fund.

3.12.1.1 Provident fund

The Provident Fund is for the regular and confirmed employees who works for a minimum period of 5 (five) years at the Bank and it came into force with effect from 1st day of March 1986. The fund receives contributions @ 10% of the basic pay both from employees and employer.

3.12.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The Bank has two funded defined benefit plans - Gratuity fund and Superannuation fund.

3.12.2.1 Gratuity fund

The Gratuity Fund for the regular and confirmed employees of the Bank was established on 1st day of March 1986. The employees who serve at least 7 (seven) years, serverd minimum 12 (twelve) years & served for 20 (twenty) years at the Bank are entitled to get gratuity equivalent to 1 (one) month's basic pay, 1.5 (one and a half) months' basic pay & entitled to get 2 (two) months' basic pay respectively for each completed years of service and fraction thereof. Adequate contributions have been made as per the recommendation of actuarial valuation report during the year. Actuarial valuation of the gratuity fund was conducted up to the year 2016 by professional actuary which shows sufficient amount of surplus fund available at the valuation date.

3.12.2.2 Super annuation Fund

The Fund came into force with effect from 19 June, 2008. It was eastablished for financial help to the members of the Bank Employees' super annuation fund and their families in case of retirement, death, Physical disability of employee while in service or of any incidence of like nature acceptable to the Board of Trustees and retirement from the service.

3.12.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Companies has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.12.4 Other employee benefits

Other employee benefits include which are not included in short-term employee benefits, post-employment benefits and other termination benefits.

3.12.4.1 Benevolent fund

The Benevolent Fund for the regular and confirmed employees of the Bank was established in the year 1986. This Fund is mainly used for payment of scholarship to the meritorious students among the children of the Bank's officers and sub-staff, to allow short term quard/grant to meet some unexpected and specific needs of the staff of the Bank like accident, clinical treatment, marriage ceremony of the employees and their dependents etc. The Bank contributed Tk.10.00 million to the fund during the year 2016.

3.12.5 Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. The Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as the provision of Bangladesh Labour Act 2006 as amended contradicts with that of the Bank Company Act 1991. As such the Bank did not make any provision during the year for WPPF.

3.13 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized directly in equity. In this case, the tax is also recognized directly in equity.

3.13.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years. Provision for current income tax has been made on taxable income of the Bank as per following rates:

Type of income	2016	2015
Business income	40.00%	40.00%
Capital gain	10% to 15%	10% to 15%
Other Income (Dividend income)	20.00%	20.00%

3.13.2 Deferred tax

Principle of recognition

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with directly in equity is recognized directly in equity.

Recognition of taxable temporary difference

A deferred tax liability is recognized for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Recognition of deductible temporary difference

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.14 Share capital and reserves

3.14.1 Capital

Authorized Capital

Authorized Capital is the maximum amount of share capital that the Bank is authorized to raise as per its Memorandum and Articles of Association.

Paid-up Capital

Paid-up Capital represents total amount of shareholders' capital that has been paid in full by the shareholders. Shareholders are entitled to receive dividend as approved from time to time in the Annual General Meeting.

3.14.2 Share Premium

Share premium arose from sale of some un-subscribed Right Share for the year 1996 at above the par value and can be utilized as per section 57 of the Companies Act, 1994.

3.14.3 Statutory reserve

As per section 24 of the Bank Company Act, 1991 as amended, at least 20% of the net profit before tax is transferred to statutory reserve each year until the cumulative balance of the reserve equal to the paid-up capital.

3.14.4 Assets revaluation reserve

This represents the difference between the book value and the re-valued amount of premises (Land and Building) of the Bank as assessed by professional valuers in the year 2000, 2002, 2003, 2004, 2005, 2006, 2009 and 2012 which was reviewed by the then statutory auditors. To calculate Capital Adequacy Ratio (CAR), 50% of the same was considered as a component of supplementary capital as per Bangladesh Bank BRPD Circular No. 24 dated 03 August 2010 up to 2014. However, as per BRPD circular 18 dated December 21, 2014, the revaluation reserve for Fixed assets [property, plant & equipment] will gradually be deducted from Tier-2 capital with a phase in manner starting from 2015. Accordingly, 20% of the revaluation reserve that qualified for Tier-2 capital at the year end 2014 has been deducted while calculating eligible capital at the year end 2016.

3.14.5 Revaluation reserve of securities

Investment in shares of Bangladesh Shipping Corporation qualified for Statutory Liquidity Reserve (SLR) as per Bangladesh Bank Letter No. BCD (P)744(23)(II)/1030 dated 08.11.1983, BRPD Circular No.15 dated 31.10.2005, DOS Circular Letter No.10 dated 11.09.2006, BRPD Circular No.03 dated 12.03.2008 and DOS Circular Letter No.05 dated 26.05.2008. The shares have been revalued as on 30.12.2016 on the basis of closing market price of Dhaka Stock Exchange Limited (DSE). The surplus is credited to Revaluation Reserve on securities account and 50% of the same has been taken as a component of Supplementary Capital as per Bangladesh Bank BRPD Circular No. 24 dated 03 August 2010. and shown in the Statement of Changes in Equity as per Bangladesh Bank guidelines up to 2014. As per BRPD circular 18 dated December 21, 2014, the revaluation reserve for securities has been deducted @20% in 2016 while calculating eligible capital.

3.14.6 Non-controlling interest

Non-controlling interest is the equity in the subsidiaries that is not attributable, directly or indirectly to a parent. The Bank attributes the profit or loss and each component of equity to the owners of the parent and to the non-controlling interests. When the proportion of the equity held by non-controlling interests changes, the Bank adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiaries.

The Bank presents non-controlling interests in the consolidated statement of financial position (Balance Sheet) within equity, separately from the equity of the owners of the Bank. Changes in the Bank ownership interest in a subsidiary that do not result in losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).

3.14.7 Regulatory capital in line with Basel-III

Till December 2014, as per Revised Regulatory Capital Framework in line with Basel II, full amount of general provision for unclassified investments and off-balance sheet items & 50% of the assets revaluation reserve and revaluation reserve of securities were eligible as supplementary capital. However, as per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III), Assets Revaluation Reserve and Revaluation Reserve of Securities will gradually be deducted in a transitional arrangement starting from January 2015 to December 2019 (20% each year). Accordingly regulatory capital for the period has been calculated complying with all of these changes as per Revised Regulatory Capital Framework for Banks in line with Basel-III.

3.15 Foreign currency transactions

3.15.1 Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

3.15.2 Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into the Bank's functional currency at each reporting date. However, translation depends on whether the assets or liabilities are monetary or non-monetary items:

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the

period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of the Bank. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognized in equity, any exchange component of that gain or loss is recognized in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

3.15.3 Translation of foreign currency financial statement

The assets and liabilities of foreign operations (Note - 1.3) are translated in to presentation currency in the current statement of financial position using the closing rate at the reporting date. The income and expenses of foreign operations are translated at spot exchange rates at the date of transactions as long as practicable otherwise average rate of exchange has been used. Foreign currency differences arising on translation are recognized in equity under the head translation reserve.

3.16 Income

3.16.1 Investment income

Income from general investments is accounted for on accrual basis except for investments under Musharaka, Mudaraba, Bai-Salam, Bai-as-Sarf and Ujarah (Khidmah Card) modes of Investment where the investment income is accounted for on realization basis. The Bank does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode of investment but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis.

Profit/Rent/Compensation accrued on classified investments are suspended and accounted for as per circulars issued by Bangladesh Bank in this regard from time to time. At the time of recovery or regularization of those investments the related income which was suspended and shown as a liability is taken as investment income (except compensation) as per circulars issued by Bangladesh Bank. As a result, all the transferred amount to investment income from suspense during the year has already been included in the investment income of the Bank.

Profit on deposits with other banks & financial institutions is accounted for on accrual basis.

3.16.2 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 the Bank and the Mudaraba depositors at the pre-agreed ratio.

3.16.3 Income from investment in Bangladesh Government Islamic Investment Bond (BGIIB)

Profit from investment in Bangladesh Government Islamic Investment Bond (BGIIB) is accounted for on an accrual basis.

3.16.4 Income from investment in subordinated bond

Profit from investment in subordinated bond is accounted for on an accrual basis.

3.16.5 Fees, commission and exchange income

Fees, commission and exchange income on services provided by the Bank are recognized as and when the related services are rendered. Commission charged to customers on letter of credit and letter of guarantee are credited to Income at the time of effecting the transactions.

3.16.6 Dividend income

Dividend income from investments is accounted for when the right to receive income is established.

3.17 Expenses

3.17.1 Management and other expenses

Expenses incurred by the Bank are recognized on an accrual basis.

3.17.2 Profit paid on deposits

As per Mudaraba principle, agreement between the Mudaraba depositors and the Bank, the Mudaraba depositors are entitled to get minimum 65% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba deposit. In the year 2016, the Bank paid 66.00% of Investment Income earned through deployment of Mudaraba Fund. In some Mudaraba Deposits, additional rate was allowed over the rate derived as per weightage. Mudaraba Depositors do not share any income derived from various banking services where their 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/yearly/anniversary basis considering overall projected 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.

3.17.3 Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

3.17.4 Zakat

Zakat is paid by the Bank at the rate of 2.58% (instead of 2.50% as the Bank maintains its financial statements following Gregorian Year) and calculated on the closing balances of Share Premium, Statutory Reserve, General Reserve and Dividend Equalization Accounts.

Zakat is charged in the Profit & Loss Account of the Bank as per "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009.

Zakat on Paid up Capital and Deposits is not paid by the Bank, since it is the responsibility of the Shareholders and Depositors respectively.

3.18 Dividend payments

Final dividend is recognized when it is approved by the shareholders in Annual General Meeting (AGM). The proposed dividend for the year 2016, therefore, has not been recognized as a liability however disclosed in the balance sheet in accordance with BAS 10 "Events after the Reporting Period". Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

3.19 Revenue, gains, expenses & losses prohibited by Shari'ah

Doubtful income which is prohibited by Shari'ah due to lapses in compliance of Shari'ah principles for investment as per Shari'ah Supervisory Committee report is included in the investment income of the Bank and appropriate amount of corporate tax is provided on it accordingly on these whole amount whether realized or not. It is not distributed to either depositors or shareholders of the Bank rather the amount net of corporate tax is transferred to an account titled "Doubtful income account' under other liabilities of the Bank (**Note-17.3.2**). Only realized amount of doubtful income (on which corporate tax has already been paid due to inclusion in investment income) is then expended for charitable purposes.

Bank charges compensation on overdue investments under Bai-modes. The amount of compensation is not included in investment income rather kept separately under other liabilities (**Note-17.5**). However, tax on these amount has duly been considered. Realized amount of compensation on which corporate tax has already been provided due to inclusion of the same as investment income by tax authority are expended for charitable purposes.

Interest received from the balances held with foreign banks and from foreign currency clearing account with Bangladesh Bank are not credited to income, since it is not permissible as per Shari'ah. These are expended for charitable purposes after payment of corporate income tax thereon.

3.19.1 Doubtful income account

From the year 2014, the Bank has decided to introduce a separate account for doubtful income after providing corporate income tax. Accordingly, net of corporate tax amount of doubtful income has been transferred to "doubtful income account" as a charge in profit & loss account under other provisions (**Note 17.3.2**).

3.20 Inter-branch transactions

Transactions with regard to inter-branches and units are reconciled regularly and efforts are taken to minimize the unreconciled entries at the end of the year.

3.21 Earnings per share (EPS)

Measurement

Basic EPS

The Bank calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Diluted EPS

The Bank calculates diluted earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. For the purpose of calculating diluted earnings per share, the Bank adjusts profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods. Hence no Diluted EPS has been calculated. Consolidated basic EPS has also been calculated and presented in the same manner.

Presentation

The Bank presents in the statement of profit or loss and comprehensive income basic and diluted earnings per share. The Bank present basic and diluted earnings per share with equal prominence for all periods presented. The Bank presents basic and diluted earnings per share, even if the amounts are negative (i.e. a loss per share).

3.22 Segment reporting

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Bank's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Bank reports separately information about each operating segment that has been identified as an operating segment and exceeds the quantitative thresholds.

Quantitative thresholds

The Bank reports separately information about an operating segment that meets any of the following quantitative thresholds:

- Its reported revenue, including both external customers and inter segment , is 10 per cent or more of the combined revenue, internal and external, of all operating segments.

- The absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.

- Its assets are 10 per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements.

3.23 Events after the reporting period

All material events after the reporting period that provide additional information about the Companies'/ Bank's position at the balance sheet date are reflected in the financial statements as per BAS 10 "Events after the Reporting Period". Events after the reporting period that are not adjusting events are disclosed in the notes when material (Note - 41).

3.24 Risk management

The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Department of Off-site Supervision (DOS) of Bangladesh Bank issued Circular No.-02 dated 15 February 2012 on Risk Management Guidelines for Banks and instructed all scheduled banks operating in Bangladesh to follow this Guidelines for managing various risks which have been complied by the Bank.

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

The risk of a bank is defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank covers 6 (six) Core Risk Areas of Banking industry i.e. Investment (Credit) Risk , Foreign Exchange Risk, Asset-Liability Management, Prevention of Money Laundering, Internal Control & Compliance Risk and Information & Communication Technology Risk. The risk management procedures in the core risk areas have been devised in line with the core risk management guidelines of Bangladesh Bank. All the Risk Management Guidelines are periodically reviewed by the Bank and Bangladesh Bank periodically inspects the implementation status of these guidelines and as per the reports of Bangladesh Bank, the Bank is well compliant in Core Risk Management activities.

In line with instruction of Bangladesh Bank, the Bank formed a Risk Management Wing (RMW) to formulate risk assessment and management policies, methodologies, guidelines and procedures for risk identification,

risk measurement, risk monitoring, deciding acceptable level of risk and risk controlling. Risk management function involves identification, assessing, taking mitigating steps, preparing Risk Management Paper (RMP), conducting monthly risk management meeting, stress testing and reporting the competent authority from time to time. It also reports to Bangladesh Bank on quarterly basis along with the RMP, minutes of the monthly meeting and all other required supporting papers. Moreover, in compliance with the "Bank Company Act 1991 as amended", Section 15 (Kha) and BRPD Circular No. 11 dated 27 October, 2013 of Bangladesh Bank, the Bank has constituted a Risk Management Committee comprising of 5 (five) directors from the Board to formulate risk management policies, procedures and oversee the risk management activities of the Bank.

The prime objective of the Risk Management is that the Bank takes well calculative Business Risk Policy for safeguarding the Bank's capital, its financial resources and profitability from various risks. In this context, the Bank implemented all the guidelines of Bangladesh Bank as under:

3.24.1 Internal Control and Compliance

Operational loss may arise from errors and frauds due to lack of internal control and compliance. With a view to overcome such lapses and verification of asset quality, ensure quality of customer service, overall security arrangement, operational efficiency and compliance of regulatory issues as guided through different circulars, manuals from Head Office and other regulatory bodies. Bank organizes its management through Internal Control & Compliance Wing (ICCW) which consists of three Divisions namely (1) Audit & Inspection Division, (2) Compliance Division and (3) Monitoring Division.

i Audit & Inspection Division

Internal Audit & Inspection Division undertakes periodical and special audit of the Branches, Divisions and Departments of Head Office to review operational effectiveness and internal & external compliance requirements. The Bank has introduced Risk Based Internal Audit and grading of the branches. The Audit Committee of the Board subsequently reviews the lapses identified by Audit and Inspection Division. The Audit Committee also reviews Bangladesh Bank Inspection Reports and other issues indicated in the guidelines prescribed by Bangladesh Bank. Necessary steps/measures are taken on the basis of observations & suggestions of the Committee.

The Audit & Inspection Division conducts investigations against complaints received from customers, anonymous persons, management & others and submits the reports to the competent authority. Periodical Inspection reports of Zonal Heads, Shari'ah Inspections & Branch Manager's self Audit are also reviewed by the Division regularly and necessary guidance and suggestions are given with continuous follow-up there against.

ii Compliance Division

The Compliance Division handles the 'regulatory issues of Bangladesh Bank as well as other regulatory bodies' and submits 'status report on regulatory compliance' quarterly to the Audit Committee as per BRPD Circular No.12 dated 23.12.2002.

The Compliance Division ensures that the Bank complies with all regulatory requirements while conducting its day to day business. The Compliance Division maintains liaison with the regulatory bodies for any regulatory changes and notify the same to all concerned.

iii Monitoring Division

This Division performs the following:

i) Assesses the risk of the functional areas of the Branches described in the Departmental Control Function Checklist (DCFCL) and determines the frequency of Audit/Inspection of the branches based on the gravity of risks involved.

ii) Monitors the Internal Control Functions through the Quarterly Operations Report (QOR) and other mechanisms.

iii) Checks the completion/execution of Investment Documentation.

3.24.2 Foreign Exchange Risk Management

Foreign Exchange Risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. The Bank is exposed to profit rate risk and settlement risk on account of its foreign exchange business. Foreign Exchange business includes trading of foreign currencies relating to import, export, remittances and other ancillary services. The Bank is dealing with a substantial volume of foreign trade and remittance business of the country which exposes the Bank to foreign exchange risk. The Bank has adopted foreign exchange risk manual through which the foreign exchange operations are dealt with.

Foreign Exchange risks are measured and monitored by the Treasury Division. Treasury Division consists of separate Front Office, Back Office and Mid Office. The Treasury Front Office (Dealing Room) independently performs the deals and the Treasury Back Office is responsible for verification of the deals and passing of their entries in the books of account.

The Foreign Exchange Risk is minimized through proper market analysis, real time pricing of Foreign Exchange, fixation of different market related limits (daylight, overnight, stop loss and management action trigger) and counter parties credit limits set by the management and ensure adherence to the limits by the Treasury Front Office. All Foreign Exchange transactions are revalued at weighted average exchange rate as provided by Bangladesh Bank at the end of each month. All Nostro Accounts are reconciled regularly and outstanding entries are reviewed by the management for its settlement/recompilation. The open position maintained by the bank at the end of the day remains within the stipulated limit prescribed by the Bangladesh Bank.

3.24.3 Investment (Credit) Risk Management

Investment (Credit) risk is one of the major risks faced by the Bank. This can be described as potential loss arising from the failure of counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness or inability of the counter party in discharging his / her financial obligation. Therefore, Bank's Investment (Credit) risk management activities have been designed to address all these issues. The Bank has designed its own operational manuals for each modes and products. It has also designed its own investment risk management guideline which is compatible with the regulatory guideline and Islamic modes of finance. There is a dedicated committee namely "Investment Risk Management Committee" which periodically reviews the operational manuals and risk management guidelines and ensures compliance of the same.

3.24.4 Asset Liability Management

The Asset Liability Committee (ALCO) of the Bank monitors balance sheet risk, liquidity risks, investment deposit ratio (IDR), deposit mix, investment mix, gap analysis etc. under the leadership of MD & CEO of the Bank. Asset Liability Committee (ALCO) reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and investment pricing strategy, sensitivity of assets and liabilities, management indicators/ratios and the liquidity contingency plan. The primary objective of the ALCO is Liquidity management, Fund management and Assets-Liabilities matching. The committee also monitors and averts significant volatility in Net Investment Income (NII), investment value and exchange earnings.

3.24.5 Prevention of Money Laundering

Money Laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has formed 05(five) members

Central Compliance Unit (CCU) under the leadership of the Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office. Anti Money Laundering Compliance Units are also functioning at Zonal Offices and Branches, where the transactions of the accounts are independently reviewed to verify Suspicious Transaction Reports (STRs). A Manual for prevention of money laundering was developed and approved by the Board of Directors. The bank has introduced (a) Uniform Account Opening Form (AOF), (b) Know Your Customer (KYC) Profile and (c) Transaction Profile (TP) in the Bank as per instructions of Bangladesh Bank. The Bank had already issued 6 (six) instruction circulars and 11 (eleven) circular letters providing necessary instructions for Prevention of Money Laundering activities and also for combating of Financial Terrorism.

Moreover, the Bank had conducted a good number of training sessions/workshops to create awareness and development of the skill of the officials for identifying suspicious transactions. The Bank introduced a Policy Guideline to combat terrorist financing in the light of Anti Terrorism Act (Amendment) Act, 2012 coupled with the Money Laundering Prevention Act- 2012 approved by the Board of Directors of the Bank.

The Bank has exclusively completed the KYC procedures of Legacy Accounts (accounts opened before 30 April 2002). To establish fruitful Anti Money Laundering drive at branch level, the Bank introduced AML Rating systems such as excellent/good/satisfactory/marginal through self Assessment Report & Independent Testing Procedure as per instruction of Bangladesh Bank.

3.24.6 Information and Communication Technology Risk Management

The Bank has adequately addressed Information and Communication Technology (ICT) Risk Management. It is an in-depth exercise and continual process. The (ICT) Risk Management exercise mainly includes minimizing financial and image loss to the institution in all events such as natural disasters, technological failures, human errors etc. The Bank uses own developed Core Banking Software to perform all types of transactions including local/ online/ internet in a secured way. To take care of its core banking system, a separate security module has been incorporated in the software which manages different roles/privileges for different users. All financial transactions can be tracked for future audit purposes.

The Bank uses Central Data Centre to replicate transactions in branches in case of data failure or inconsistencies. Data travelling through network uses encryption and decryption mechanism.

In line with the Bangladesh Bank directives, the Bank has approved its own ICT policies for its operations and services. Under these policy guidelines, a security policy has also been worked out. To abide by and adhere to what is laid down in the policy; the implementation has been made through Active Directory Services (ADS), Password Policy, Kerberos Policy, Audit Policy, Group Policy, User Rights, Permission Policy etc. In order to secure network resources from public network, the Bank has introduced Virtual Private Network (VPN), Access Control List (ACL), IP filtering and TCP/UDP service blocking through router and firewall devices. It has already centralized the administrative control to access the network, mailing system and internet. The Bank has introduced Business Continuity Plan (BCP) for its entire network and trained the officials to cope up with any contingencies.

3.24.7 Internal audit

Internal Audit is used as an important element to ensure good governance of the Bank. Internal Audit activity of the Bank is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

During the year 2016, Audit Division of Internal Control & Compliance Wing conducted inspection on most of the Branches/ Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or key points of the reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Controls & Compliance.

3.24.8 Fraud and forgeries

Fraud means wrongful or criminal deception intended to result in financial or personal gain. It will never be possible to eliminate all frauds and no system is completely fraud proof, since many fraudsters are able to bypass control systems put in place. The Bank continuously pays attention to implement and improve the anti-fraud internal controls for prevention of fraud and forgery. The Bank assesses /evaluates the effectiveness of its Anti-Fraud Internal Control measures on quarterly basis as per the items/ areas mentioned in the prescribed checklist of Bangladesh Bank. During the year 2016, no incident of fraud has been detected by the Bank.

3.25 Credit rating report

Credit Rating Information and Services Ltd. (CRISL) was engaged by the Bank for the purpose of rating the Bank since 2002 as per Bangladesh Bank BRPD Circular No.06 dated 5 July 2006. CRISL assigned AA+ rating in the long term (indicates high safety and high credit quality) and ST-1 in the short term (highest certainty of timely repayment) to the Bank based on the financials up to 31 December 2015.

3.26 Regulatory and legal compliance

Among others, the Bank complied with the requirements of the following circular, rules and regulations:

a) The Bank Company Act, 1991 as amended

b) The Companies Act, 1994

c) BRPD Circular No. 14 dated 25.06.2003 and "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009"

d) Other circulars, rules and regulations issued by Bangladesh Bank from time to time

e) The Securities and Exchange Rules, 1987

f) The Securities and Exchange Ordinance, 1969

g) The Securities and Exchange Commission Act, 1993

h) Income Tax Ordinance, 1984

i) VAT Act, 1991

j) Standards issued by AAOIFI

k) The Stamp Act-1899

l) The Customs Act-1969

m) The Money Laundering Prevention Act, 2012

n) The Anti Terrorism (Amendment) Act, 2012 etc.

4.0 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Companies/Bank complied, as per Para 12 of Securities & Exchange Rule 1987, with the following Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Bank subject to departure described in note - 2.1, where we have followed Bangladesh Bank guidelines:

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in other Entities	Complied
12	13	Fair Value Measurement	Complied

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Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Not Applicable
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
17	27	Separate Financial Statements	Complied
18	28	Investments in Associates and Joint Ventures	Not Applicable
19	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting *	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

(*) 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).

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5.0 Audit committee

The Audit Committee of the Board was duly formed by the Board of Directors of the Bank in accordance with BRPD circular No. 11, dated 27 October 2013 of Bangladesh Bank. Pursuant to the BSEC notification no. SEC/CMRRCD/2006-158/129/Admin/44, dated 07 August 2012, on Corporate Governance, the current committee is constituted with the followings 5 (five) members of the board:

Sl. No.	Name of the Member	Status with the Bank	Status with the Committee	Educational Qualification	Remarks
1	Dr. Md. Zillur Rahman	Independent Director	Chairman	B.Com (Hon's), M.Com, Ph.D	
2	Mr. Mohammed Humayun Kabir, FCA	Independent Director	Member	B.Com (Hon's), M.Com, FCA	
3	Mr. Md. Mizanur Rahman	Director	Member	L.L.B. (Hon's), L.L.M	
4	Professor Dr. Md. Sirajul Karim	Director	Member	B. Sc. (Hon's), M.Sc.	
5	Mr. Shamim Mohammed Afzal	Independent Director	Member	L.L.M. (DU)	

5.0(a) However, as at 31 December, 2016 the following directors of the Bank were the member of the Audit Committee:

Sl. No.	Name of the Member	Status with the Bank	Status with the Committee	Educational Qualification	Remarks
1	Mr. Helal Ahmed Chowdhury	Independent Director	Chairman	M.A.	
2	Mr. Mohammed Humayun Kabir, FCA	Independent Director	Member	B.Com (Hon's), M.Com, FCA	
3	Mr. Md. Joynal Abedin	Director	Member	B.A.	
4	Dr. Md. Zillur Rahman	Independent Director	Member	B.Com (Hon's), M.Com, Ph.D	
5	Mr. Md. Mizanur Rahman	Director	Member	L.L.B. (Hon's), L.L.M.	

02 (two) meetings were held for reviewing the Financial Statements out of total 11 (eleven) meetings held in the year 2016. The Audit Commiittee reviewed the Financial Statements of 2016 on 29 March 2017.

6.0 Related party disclosures

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. IBBL) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.

Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.

6.1 Lending policy for transactions with Bank related person/related parties

Transactions with Bank related person/related parties including Directors are made as per rules and regulations of the Bank Company Act 1991 as amended and as per circulars issued by Bangladesh Bank time to time including the following general rules:

I) Terms & conditions for financial transaction with bank related person/related parties will not be easier than other persons i.e. other Investment clients.

II) Prior approval from the majority of Board of Directors shall be required for all financial transactions with bank related person/related parties.

III) The Bank shall not allow funded facilities exceeding 10% of Tier -1 capital to the Bank related persons/ related parties; real investment facilities shall be considered deducting encashable securities from funded investment.

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6.2) The name of the Directors along with all related Firms/ Companies/ Institutions/Parties: As at 30.03.2017

Sl. No.	Name of the Directors	Status with the Bank	Name of the related Firms/ Companies/ Institutions/ Parties etc.	Remarks
1	Mr. Arastoo Khan	Chairman	Armada Spinning Mills Limited	
2	Mr. Yousif Abdullah Al-Rajhi	Vice-Chairman	Al-Rajhi Co. for Industry & Trade	
3	Professor Syed Ahsanul Alam	Vice-Chairman	Professor of Department of Marketing, University of Chittagong	Independent Director
4	Major General (Rtd.) Engr. Abdul Matin Repr. of Paradise International Ltd.	Director	Retired Major General	
5	Dr. Md. Zillur Rahman	Director	Retired Managing Director & CEO, BDBL	Independent Director
6	Mr. Md. Abdul Mabud, P.P.M.	Director	Managing Editor, The Asian Age	Independent Director
7	Dr. Areef Suleman	Director	Islamic Development Bank, KSA	
8	Mr. Shamim Mohammed Afzal	Director	Director General, Islamic Foundation Bangladesh	Independent Director
9	Professor Dr. Quzi Shahidul Alam Repr. of Platinum Endeavors Ltd.	Director	Professor, Orthopedic Surgery, A. K Modern Medical College	
10	Mr. Helal Ahmed Chowdhury	Director	Supernumerary Professor, Bangladesh Institute of Bank Management (BIBM)	Independent Director
11	Mr. Borhan Uddin Ahmed	Director	Member Review Panel-4, CPTU, Planning Ministry	Independent Director
12	Mr. Mohammed Humayun Kabir, FCA	Director	CEO, New Dhaka Industries Limited and Shinepukur Ceramics Ltd.	Independent Director
13	Mr. Md. Syful Islam, FCA, FCMA Repr. of BLU International Ltd.	Director	Managing Partner, UHY Syful Shamsul Alam & Co. Chartered Accountants	
14	Mr. Md. Joynal Abedin Repr. of ABC Ventures Ltd.	Director	ABC Ventures Ltd.	
15	Mr. Md. Mizanur Rahman Repr. of Grand Business Ltd.	Director	Grand Business Ltd.	
16	Professor Dr. Md. Sirajul Karim Repr. of Excel Dying and Printing	Director	Excel Dying and Printing	
17	Professor Md. Nazmul Hassan, Ph.D	Director	Professor, Institute of Nutrition & Food Science, University of Dhaka	Independent Director
18	Professor Md. Kamal Uddin, Ph.D	Director	Professor, Department of International Business, University of Dhaka	Independent Director
19	Md. Kamal Hossain Gazi	Director	Investment Corporation of Bangladesh	
20	Mr. Md. Abdul Hamid Miah	Ex-Officio Director	Not applicable	

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6.2.a) The Name of Directors along with all related Firms/ Companies/ Institutions/Parties: As at 31.12.2016

Sl. No	Name of the Directors	Status with the Bank	Name of the related Firms/ Companies/ Institutions/ Parties etc.	Remarks
1	Engr. Mustafa Anwar, Repr. of the Ibn Sina Trust.	Chairman	Birds Garments Limited	
2	Mr. Yousif Abdullah Al-Rajhi	Vice-Chairman	Al-Rajhi Co. for Industry & Trade	
3	Mr. M Azizul Haque	Vice-Chairman	Chairman, Shari'ah Council and Chairman, Executive Committee, Central Shari'ah Board for Islamic Banks in Bangladesh	Independent Director
4	Professor Syed Ahsanul Alam	Director	Professor of Marketing, University of Chittagong	Independent Director
5	Mr. Helal Ahmed Chowdhury	Director	Supernumerary Professor Bangladesh Institute of Bank Management (BIBM)	Independent Director
6	Mr. Md. Abdul Mabud, P.P.M.	Director	Managing Editor, The Asian Age	Independent Director
7	Dr. Areef Suleman	Director	Islamic Development Bank	
8	Mr. Shamim Mohammed Afzal	Director	Director General, Islamic Foundation Bangladesh	Independent Director
9	Professor Dr. Quzi Shahidul Alam Repr. of Platinum Endeavors Ltd.	Director	Professor Orthopedic Surgery, A. K Modern Medical College	
10	Major General (Retd.) Engr. Abdul Matin Repr. of Paradise International Ltd.	Director	Paradise International Ltd.	
11	Dr. Md. Zillur Rahman	Director	Retired Managing Director & CEO, BDBL	Independent Director
12	Mr. Borhan Uddin Ahmed	Director	Member Review Panel-4, CPTU, Planning Ministry	Independent Director
13	Mr. Mohammed Humayun Kabir, FCA	Director	CEO, New Dhaka Industries Limited and Shinepukur Ceramics Ltd.	Independent Director
14	Mr. Md. Syful Islam, FCA, FCMA Repr. of BLU International Ltd.	Director	Managing Partner, UHY Syful Shamsul Alam & Co. Chartered Accountants	
15	Mr. Md. Joynal Abedin Repr. of ABC Ventures Ltd.	Director	ABC Ventures Ltd.	
16	Mr. Md. Mizanur Rahman Repr. of Grand Business Ltd.	Director	Grand Business Ltd.	
17	Professor Dr. Md. Sirajul Karim Repr. of Excel Dying and Printing	Director	Excel Dying and Printing	
18	Mr. S.S.M. Kamal Repr. of Investment Corporation of Bangladesh	Director	Deputy Managing Director, Investment Corporation of Bangladesh	
19	Mr. Mohammad Abdul Mannan	Ex-officio Director	Not applicable	

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6.3) Related party balances and transactions

6.3.1) Related party balances

a. Nature and type of balances and transactions of related parties (Directors) of the Bank are as follows:

Amount in Taka

SL. No.	Name of the Account/ Firm/ Trust etc.	Name of the Director	Relationship of the Director with the Firm/ Trust etc.	Purpose	Classified Position	Outstanding balance as on 01.01.2016	Disbursement/ charged during the year 2016	Realised during the year 2016	Outstanding balance as on 31.12.2016	Provision required & maintained	Particulars of value of securities
1	2	3	4	5	6	7	8	9	10=7+8-9	11	12
1	Ibn Sina Trust	Engr. Mustafa Anwar (Ex-Chairman)	Member of Board of Trustee	Purchase of House, BMRE & Import of Machinery	UC	304,268,280	27,084,307	91,142,424	240,210,163	2,402,102	Land, Building & Machinery, Total Value: Tk. 1,105,330,000/-
2	Mohammad Abdul Mannan	Jb. Mohammad Abdul Mannan, (Ex-Managing Director & Ex - Officio Director)	Himself	Housing	- do -	3,046,831	126,684	229,990.00	2,943,525	29,435	2075 sft Flat, Valued: Tk. 5,000,000/-
Total						307,315,111	27,210,991	91,372,414	243,153,688	2,431,537	

b. Other type of balances of related parties of the Bank are as follows:

SL. No.	Name of the related parties	Nature of relationship	Nature of transactions	Closing balance (Taka)	
				31.12.2016	31.12.2015
1	Islami Bank Securities Limited (IBSL)	Parent- subsidiary	Investment in Share capital by IBBL	2,699,796,000	2,699,946,000
			Bank balance	73,404,405	250,511,153
			MTDR balance	230,000,000	230,000,000
			Quard balance	-	90,000,000
			Profit receivable	1,489,455	1,560,447
			Mudaraba investment	5,000,000,000	5,000,000,000
			Accounts payable	42,854,247	6,468,119
			Bank Charge payable	15,000	30,000
2	Islami Bank Capital Management Limited	Parent- subsidiary	Investment in Share capital by IBBL	299,993,000	299,993,000
			Bank balance	3,933,327	1,025,999
			Dividend payable	-	-

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6.3.2) Related party transactions

Nature and type of related party transactions of the Bank during the year 2016 are as follows:

SL. No.	Name of the related party	Nature of relationship	Nature of transaction	2016 (Taka)
1	Islami Bank Securities Limited (IBSL)	Parent-subsidiary	Deposit to Savings account maintained with IBBL	740,277,079
			Withdraw from Savings account maintained with IBBL	3,943,737,292
			Deposit to Current account maintained with IBBL	397,640,856
			Withdraw from Current account maintained with IBBL	371,285,316
			Bank charge paid to IBBL	4,900
			Payment against office rent	406,134
			Tax deduction at source against MTDR	944,148
			Profit paid on investment against MTDR	209,649,654
			Profit withdrawn against MTDR	8,444,830
			Interim dividend	485,963,280
			Quard availed from IBBL	297,000,000
			Payment against Quard	207,000,000
2	Chief Executive Officer	Key management personnel	Short-term employee benefits (Salary and allowance)	4,408,842
3	Islami Bank Capital Management Limited	Parent-subsidiary	Payment of interim dividend to IBBL	-
			Profit against SND	97,516
4	Directors of the Bank	Director	Fees , TA/DA/hotel fare and other expenses	1,002,800

6.4) Other related party disclosures

1. There was no contracts of significance wherein a director has interests subsisted at any time during the year or at the end of the year.
2. Investment to related parties is effected as per requirement of section 27 of Bank Company Act, 1991 as amended.
3. Share issued to Directors and Executives without consideration or exercisable at discount is Nil.
4. Other disclosures are not applicable as required by BRPD Circular No. 14 dated 25 June, 2003 and BRPD Circular No. 15 dated 09 November, 2009.

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		31.12.2016 Taka	31.12.2015 Taka
7.0	**Cash in Hand**		
	Cash in hand (including foreign currency) (Note. 7.1)	10,119,944,725	8,625,861,188
	Balance with Bangladesh Bank & its agent bank(s) (including foreign currency) (Note. 7.2)	61,335,096,831	46,630,214,411
	Total	**71,455,041,556**	**55,256,075,599**
7.1	**Cash in hand (including foreign currency)**		
	In local currency	10,106,481,898	8,608,238,737
	In foreign currency	13,462,827	17,622,451
	Total	**10,119,944,725**	**8,625,861,188**
7.2	**Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)**		
	Balance with Bangladesh Bank (a)		
	In local currency	58,797,855,164	43,593,360,863
	In foreign currency	624,660,198	716,350,967
	Sub-total	**59,422,515,362**	**44,309,711,830**
	Balance with Sonali Bank Ltd. (as agent of Bangladesh Bank) (b)		
	In local currency	1,912,581,469	2,320,502,581
	In foreign currency	-	-
	Sub-total	**1,912,581,469**	**2,320,502,581**
	Total (a+b)	**61,335,096,831**	**46,630,214,411**

7.3 Cash Reserve Requirement (CRR) & Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Company Act, 1991 as amended and the Instruction of Bangladesh Bank Order 1972, Article 36, clause (1).

7.3.1 Cash Reserve Requirement (CRR)

The Cash Reserve Requirement (CRR) of the Bank was 6.50% of average total demand and time liabilities on bi-weekly basis with a provision of minimum 6.00% on daily basis from 24.06.2014 as per Bangladesh Bank MPD Circular No.01 dated 23 June 2014. The cash reserve maintained by the Bank was in excess of the statutory requirement throughout the year.

Position of Cash Reserve Requirement (CRR)		
Required CRR (6.50% of average total time and demand liabilities)	43,415,458,000	39,770,540,760
Actual reserve held with Bangladesh Bank in local currency (Note 7.2) *	58,769,855,164	43,565,360,863
Excess/(shortfall)	**15,354,397,164**	**3,794,820,103**

* Lien against TT discounting facilities of Tk. 2,80,00,000/- has not been considered as CRR.

7.3.2 Statutory Liquidity Ratio (SLR)

The requirement of Statutory Liquidity Ratio (SLR) of the Bank was 5.50% on daily basis excluding CRR wherein the excess CRR amount shall be included while calculating SLR from 01.02.2014 as per DOS Circular No. 01 dated 19 January 2014. The reserve maintained by the Bank was in excess of the statutory requirement throughout the year.

Position of Statutory Liquidity Ratio (SLR)		
Required Reserve (5.50% of average total time and demand liabilities)	36,736,157,000	33,651,996,030
Actual reserve maintained (Note 7.3.2.1)	84,120,963,358	113,207,663,872
Excess/(shortfall)	**47,384,806,358**	**79,555,667,842**
7.3.2.1 Components of Statutory Liquidity Ratio (SLR)		
Cash in hand including foreign currency (Note- 7.1)	10,119,944,725	8,625,861,188
Excess CRR amount (Note-7.3.1)	15,354,397,164	3,794,820,103
Balance with Sonali Bank as Agent Bank of BB (Note-7.2.b)	1,912,581,469	2,320,502,581
Balance with Islamic Refinance Fund A/c (Note-9)	3,000,000,000	3,000,000,000
Unencumbered approved securities :		
Bangladesh Shipping Corporation (Note -10)	94,040,000	66,480,000
Bangladesh Government Islamic Investment Bond (Note -10)	53,640,000,000	95,400,000,000
Total	**84,120,963,358**	**113,207,663,872**

	31.12.2016 Taka	31.12.2015 Taka
7(a) Consolidated cash in hand		
i) Cash in hand (including foreign currency)		
Islami Bank Bangladesh Limited	10,119,944,725	8,625,861,188
Islami Bank Securities Limited	-	1,776
Islami Bank Capital Management Limited	1,630	4,445
Sub total	**10,119,946,355**	**8,625,867,409**
ii) Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		
Islami Bank Bangladesh Limited	61,335,096,831	46,630,214,411
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Sub total (ii)	**61,335,096,831**	**46,630,214,411**
Total (i+ii)	**71,455,043,186**	**55,256,081,820**
8.0 Balance with other banks & financial institutions		
i) In Bangladesh		
In current account	482,063,097	491,522,785
OBU's balance with treasury division, IBBL (Note-2.0 _OBU)	-	69,053,137
In Mudaraba savings & MTDR account with other islamic banks / financial institutions	26,066,178,120	17,605,176,848
Sub total	**26,548,241,217**	**18,165,752,770**
Less: OBU's balance with treasury division, IBBL	-	69,053,137
Sub total (i)	**26,548,241,217**	**18,096,699,633**
ii) Outside Bangladesh (Note 8.1)		
In current account	1,421,286,017	1,669,623,016
In Mudaraba savings & MTDR account with other islamic banks / financial institutions	-	-
Sub total (ii)	**1,421,286,017**	**1,669,623,016**
Grand total (i+ii)	**27,969,527,234**	**19,766,322,649**

8.1 Currency-wise amount and exchange rate of Balance with other banks & financial institutions outside Bangladesh

Foreign currency	Amount in F.C	Exchange rate	31.12.2016	31.12.2015
US Dollar	(16,312,470.03)	78.7022	(1,283,827,279)	(669,413,781)
Great Britain Pound	6,740,692.30	96.1662	648,252,729	548,213,804
Saudi Riyal	308,171.67	20.9694	6,462,175	5,465,688
EURO	10,446,762.49	81.8896	855,481,201	946,769,450
YEN	68,155,793.00	0.6715	45,766,615	29,678,006
Canadian Dollar	4,385.74	58.0485	254,586	3,813,017
Swiss Franc	469,991.34	76.4470	35,929,428	22,345,113
Singapore Dollar	6,108,764.52	54.2325	331,293,572	165,698,149
Australian Dollar	10,709.05	56.5239	605,317	2,292,024
ACU Dollar	9,499,826.33	78.7022	747,657,232	607,157,666
AED	1,559,508.44	21.4237	33,410,441	7,603,880
Total			**1,421,286,017**	**1,669,623,016**

		31.12.2016 Taka	31.12.2015 Taka
8.2	**Maturity - wise classification Balance with other banks & financial institutions**		
	Repayable on demand	13,394,527,234	8,041,322,649
	With a residual maturity of		
	Up to 1 Month	3,150,000,000	5,430,000,000
	Over 1 month but not more than 3 months	11,255,000,000	6,125,000,000
	Over 3 months but not more than 1 year	170,000,000	170,000,000
	Over 1 year but not more than 5 years	-	
	More than 5 years	-	
	Total	**27,969,527,234**	**19,766,322,649**
8(a)	**Consolidated Balance with other banks & financial institutions**		
	i) In Bangladesh		
	Islami Bank Bangladesh Limited	26,548,241,217	18,096,699,633
	Islami Bank Securities Limited	6,199,157,650	6,044,729,762
	Islami Bank Capital Management Limited	329,349,368	321,544,155
	Inter-company balances	(350,191,984)	(488,005,271)
	Sub-total (i)	**32,726,556,251**	**23,974,968,279**
	ii) Outside Bangladesh		
	Islami Bank Bangladesh Limited	1,421,286,017	1,669,623,016
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Sub-total (ii)	**1,421,286,017**	**1,669,623,016**
	Total (i+ii)	**34,147,842,268**	**25,644,591,295**
9.0	**Placement with banks & other financial institutions**		
	Placement to OBU by Treasury Division, IBBL (Note-6.0 _OBU)	17,032,278,121	11,388,906,162
	Placement to AD Branches for MDB in FC by OBU (Note-3.0 _OBU)	3,480,633,399	2,481,608,500
	Placement to Islamic Refinance Fund Account (*)	3,000,000,000	3,000,000,000
		23,512,911,520	**16,870,514,662**
	Less: Placement to OBU by Treasury Division, IBBL	17,032,278,121	11,388,906,162
	Less: Placement to AD Branches for MDB in FC by OBU	3,480,633,399	2,481,608,500
	Total	**3,000,000,000**	**3,000,000,000**

(*) The fund is placed to Bangladesh Bank for Re-finance Scheme as per Bangladesh Bank BRPD Circular No. 13 dated 18 September 2014.

10.0 Investments in shares & securities

	Particulars	As at December 2016					
		No. of share as at 31 Dec. 2016	Face Value/ Average cost	Total Cost price	Market Value	Un-realized gain/Loss	Remarks
10.1	**Government**						
	Bangladesh Shipping Corporation	200,000	100	94,040,000	94,040,000	-	Quoted
	Karmasangsthan Bank	100,000	100	10,000,000	10,000,000	-	Un-Quoted
	Central Depository Bangladesh Ltd.	2,284,721	2.75	6,277,770	6,277,770	-	Un-Quoted
	Bangladesh Government Islamic Investment Bond (Islamic Bond)	20	-	53,640,000,000	53,640,000,000	-	Un-Quoted
	Sub total Government (10.1)	**2,584,741**		**53,750,317,770**	**53,750,317,770**	**-**	
10.2	**Other than Government**						
	i) Subsidiary companies						
	Islami Bank Securities Limited	2,699,796	1,000	2,699,796,000	2,699,796,000	-	Un-Quoted
	Islami Bank Capital Management Limited	299,993	1,000	299,993,000	299,993,000	-	Un-Quoted
	Sub total (i)	**2,999,789**		**2,999,789,000**	**2,999,789,000**	**-**	

Particulars	As at December 2016					
	No. of share as at 31 Dec. 2016	Face Value/ Ave-rage cost	Total Cost price	Market Value	Un-realized gain/Loss	Remarks
ii) Mutual Funds						
SEML IBBL Shari,ah Fund	50,000,000	10	500,000,000	500,000,000	-	
UFS-IBB Shari'ah Unit Fund	20,000,000	10	200,000,000	200,000,000	-	
CAPM IBBL Shari'ah Fund	50,000,000	10	500,000,000	500,000,000	-	
NAM IBBL Islamic Mutual Fund	10,000,000	10	100,000,000	100,000,000	-	
AT Capital Shari'ah unit Fund	5,010,020	998	50,000,000	49,749,499	(250,501)	
Sub Total (ii)	**135,010,020**		**1,350,000,000**	**1,349,749,499**	**(250,501)**	
iii) Subordinated Debt						
Mudaraba Subordinated Debt of First Security Islami Bank	400	500,000	200,000,000	200,000,000	-	Un-Quoted
Mudaraba Subordinated Debt Social Islami Bank Bangladesh Ltd	1,000	500,000	500,000,000	500,000,000	-	Un-Quoted
Sub Total	**1,400**		**700,000,000**	**700,000,000**	**-**	
iv) Others						
MSF Assets Management Ltd	500,000	10.00	5,000,000	5,000,000	-	
Discretionary Portfolio Management	-	-	203,612,742	203,937,066	324,324	
Bangladesh Aroma Tea Co	1,570	100.00	157,000	-	(157,000)	De-listed
Runner Automobiles Ltd	3,240,000	45.00	145,800,000	145,800,000.00	-	Un-Quoted
Exim Bank Ltd.	3,201,000	10.01	32,026,634	37,451,700.00	5,425,066	Un-Quoted
Shahjalal Islami Bank Ltd.	609,980	13.06	7,964,375	9,149,700.00	1,185,325	Quoted
Active Fine Chemicals Ltd	120,000	42.86	5,142,713	5,196,000.00	53,287	Quoted
ACI	288,482	490.29	141,438,828	111,209,811.00	(30,229,017)	Quoted
ACME-LAB	489,428	100.03	48,955,770	48,453,372.00	(502,398)	Quoted
AFC Agro	367,200	55.03	20,205,695	18,763,920.00	(1,441,775)	Quoted
Al-Arafa Bank	1,472,703	14.09	20,748,115	23,415,977.70	2,667,863	Quoted
Aman Feed Ltd	121,000	77.91	9,427,510	8,324,800.00	(1,102,710)	Quoted
Apolo Ispat	307,000	19.76	6,067,521	6,293,500.00	225,979	Quoted
Baraka Power	325,500	30.65	9,977,003	9,992,850.00	15,847	Quoted
BATA Shoe	29,736	1,231.51	36,620,256	33,958,512.00	(2,661,744)	Quoted
BBS	10,000	42.33	423,328	518,000.00	94,672	Quoted
Beximco Pharma	719,300	85.35	61,390,342	58,119,440.00	(3,270,902)	Quoted
BSCCL	100,000	126.68	12,668,183	11,860,000.00	(808,183)	Quoted
BSRM Steel	241,940	101.31	24,510,986	22,452,032.00	(2,058,954)	Quoted
Eastern Housing	200,000	44.84	8,967,362	8,580,000.00	(387,362)	Quoted
Fortune Shoe	104,963	50.58	5,308,634	5,332,120.00	23,486	Quoted
First Security Islami Bank	910,000	10.01	9,111,257	12,649,000.00	3,537,743	Quoted
Glaxosmith	5,100	1,751.77	8,934,039	7,817,790.00	(1,116,249)	Quoted
Golden Harvest Agro	1,526,758	30.01	45,822,961	81,681,553.00	35,858,592	Quoted
GP	330,000	277.59	91,604,270	93,753,000.00	2,148,730	Quoted
Heidelberg Cement	78,648	554.94	43,644,858	43,437,290.40	(207,568)	Quoted
IFAD Autos Ltd	208,800	92.83	19,383,832	20,921,760.00	1,537,928	Quoted
IT Consultants Ltd	7,500	45.03	337,690	354,750.00	17,060	Quoted
JMI Syringes & Medical	12,830	199.77	2,563,030	2,274,759.00	(288,271)	Quoted
Linde Bangladesh Ltd	40,856	1,428.63	58,368,303	52,949,376.00	(5,418,927)	Quoted
Lafarge Surma Cement	421,000	79.40	33,429,169	34,564,100.00	1,134,931	Quoted
Meghna Petroleum Ltd	44,000	190.54	8,383,848	7,497,600.00	(886,248)	Quoted
MJL Bangladesh Ltd	210,722	116.24	24,493,494	25,202,351.20	708,857	Quoted
Olympic Ind	163,312	312.15	50,978,498	50,283,765.00	(694,733)	Quoted
Orion Pharma	809,000	43.53	35,218,094	34,058,900.00	(1,159,194)	Quoted
Reckit Benckiser Bd Ltd	5,700	1,586.90	9,045,305	8,835,000.00	(210,305)	Quoted
RAK Ceramics(BD) Ltd	42,350	59.59	2,523,682	2,621,465.00	97,783	Quoted
Ratanpur Steel Mills Ltd	11,000	41.26	453,860	807,400.00	353,540	Quoted
Saif Power Ltd	241,300	50.08	12,083,135	12,209,780.00	126,645	Quoted
SAPORTL	200,000	52.73	10,546,418	10,300,000.00	(246,418)	Quoted
Singer Bangladesh Ltd	2	170.00	340	385.00	45	Quoted
Shasa Denim	338,400	51.94	17,577,552	24,567,840.00	6,990,288	Quoted
Square Pharma	823,821	242.51	199,786,857	205,213,811.00	5,426,954	Quoted
Sumit power	325,505	37.73	12,282,009	12,043,685.00	(238,324)	Quoted
Takaful Islami Insurance Ltd	74,435	19.54	1,454,659	1,347,274.00	(107,385)	Quoted
Tallu Spinning Ltd	244,528	15.58	3,809,976	2,665,355.00	(1,144,621)	Quoted
Yeakin Polymer	1,555	9.09	14,137	47,272.00	33,135	Quoted
UPGDCL	128,585	159.55	20,515,751	18,207,636.00	(2,308,115)	Quoted
Sub total (ii)	**19,655,509**		**1,528,780,021**	**1,540,121,698**	**11,341,677**	
Sub total Other than Government (i- iv)	**157,666,718**		**6,578,569,021**	**6,589,660,197**	**11,091,176**	
Total (10.1+10.2)	**160,251,459**		**60,328,886,791**	**60,339,977,967**	**11,091,176**	

10.0 Investments in shares & securities

	Particulars	As at December 2015					
		No. of share as at 31 Dec. 2015	Face Value/ Ave-rage cost	Total Cost price	Market Value	Un-realized gain/Loss	Remarks
10.1	**Government**						
	Bangladesh Shipping Corporation	200,000	100	66,480,000	66,480,000	-	Quoted
	Karmasangsthan Bank	100,000	100	10,000,000	10,000,000	-	Un-Quoted
	Central Depository Bangladesh Ltd.	2,284,721	10	6,277,770	6,277,770	-	Un-Quoted
	Bangladesh Government Islamic Invest-ment Bond (Islamic Bond)	40	-	95,400,000,000	95,400,000,000	-	Un-Quoted
	Sub total Government (10.1)	**2,584,761**		**95,482,757,770**	**95,482,757,770**	**-**	
10.2	**Other than Government**						
	i) Subsidiary companies						
	Islami Bank Securities Limited	2,699,946	1,000	2,699,946,000	2,699,946,000	-	Un-Quoted
	Islami Bank Capital Management Limited	299,993	1,000	299,993,000	299,993,000	-	Un-Quoted
	Sub total (i)	**2,999,939**		**2,999,939,000**	**2,999,939,000**	**-**	
	ii) Subordinated Debt						
	Mudaraba Subordinated Debt of First Security Islami Bank	800	500,000	400,000,000	400,000,000	-	Un-Quoted
	Mudaraba Subordinated Debt Social Islami Bank Bangladesh Ltd	100,000	5,000	500,000,000	500,000,000	-	Un-Quoted
	Sub Total	**100,800**		**900,000,000**	**900,000,000**	**-**	
	iii) Others						
	Bangladesh Aroma Tea Ltd	1,570	100.00	157,000	-	(157,000)	De-listed
	Investment in Financial Institutions & In-vestors Portfolio Management Co. Ltd.	500,000	-	5,000,000	5,000,000	-	Un-Quoted
	Al- Arafah Islami Bank Ltd.	206,950	13.90	2,877,182	3,042,165.00	164,983	Quoted
	Exim Bank Ltd.	600,655	8.85	5,316,608	5,165,633.00	(150,975)	Quoted
	Shahjalal Islami Bank Ltd.	140,000	11.91	1,666,949	1,890,000.00	223,051	Quoted
	United Airways (BD) Ltd.	15,000	7.87	117,994	109,500.00	(8,494)	Quoted
	Fareast Islami Life Insurance Co. Ltd	45,356	78.25	3,549,209	2,834,750.00	(714,459)	Quoted
	Takaful Islami Insurance Ltd.	64,491	20.81	1,342,079	1,044,754.20	(297,325)	Quoted
	Confidence Cement	34,290	105.10	3,603,750	2,972,943.00	(630,807)	Quoted
	Premier Cement Mills Limited	16,000	86.95	1,391,207	1,228,800.00	(162,407)	Quoted
	Meghna Petroleum Ltd.	26,000	217.26	5,648,781	3,967,600.00	(1,681,181)	Quoted
	Tallu Spinning Ltd.	83,086	27.94	2,321,720	1,470,622.20	(851,098)	Quoted
	Social Islami Bank Limited	590,000	13.07	7,708,745	8,496,000.00	787,255	Quoted
	Aamra Technologies Limited	20,000	27.24	544,720	506,000.00	(38,720)	Quoted
	Family Tex (BD) Ltd.	50,000	11.87	593,480	530,000.00	(63,480)	Quoted
	BEXIMCO	27,000	29.87	806,616	783,000.00	(23,616)	Quoted
	Square Textile Ltd.	21,500	73.73	1,585,148	1,623,250.00	38,102	Quoted
	First Security Islami Bank Ltd.	770,506	8.94	6,886,328	6,780,452.80	(105,875)	Quoted
	Golden Son Limited	26,000	27.39	712,244	676,000.00	(36,244)	Quoted
	National Feed Mills Ltd.	10,000	17.59	175,939	170,000.00	(5,939)	Quoted
	RAK Ceramics Ltd	10,000	69.09	690,923	669,000.00	(21,923)	Quoted
	Square Pharmaceuticals Ltd.	3,000	254.64	763,921	761,100.00	(2,821)	Quoted
	GBB Power Ltd.	10,000	17.04	170,425	162,000.00	(8,425)	Quoted
	Generation Next Fashions Ltd.	45,000	9.81	441,601	396,000.00	(45,601)	Quoted
	Sub total	**3,316,404**		**54,072,569**	**50,279,570**	**(3,793,000)**	
	Sub total Other than Government (i- iii)	**6,417,143**		**3,954,011,569**	**3,950,218,570**	**(3,793,000)**	
	Total 10.0(A-i+A-ii)	**9,001,904**		**99,436,769,339**	**99,432,976,340**	**(3,793,000)**	

10.3) Revaluation of shares & securities

All Shares and Securities are shown at cost price other than the Shares of Bangladesh Shipping Corporation which have been recognized at closing market price as on 31.12.2016 of Dhaka Stock Exchange Ltd. (DSE) as per BRPD Circular No.14 dated 25.06.2003 and DOS Circular No. - 05 dated 26 May 2008. 100% provision was made against probable losses in shares of Bangladesh Aroma Tea Ltd. and no additional provision is required for diminution in value of investment in quoted shares for the year 2016.Changes in revaluation of shares of Bangladesh Shipping Corporation (BSC) has been shown as revaluation reserve of securities. Provision for diminution in value of investment in shares is not netted off with investment in shares and securities rather shown under other liabilities.

		31.12.2016 Taka	31.12.2015 Taka
10.4	**Maturity grouping of investments in shares & securities**		
	Repayable on demand	-	-
	With a residual maturity of		
	Up to 1 Month	26,884,210,279	39,338,915,569
	Over 1 month but not more than 3 months	25,610,000,000	47,860,000,000
	Over 3 months but not more than 1 year	2,570,000,000	8,450,000,000
	Over 1 year but not more than 5 years	2,049,412,742	700,000,000
	More than 5 years	3,215,263,770	3,087,853,770
	Total	**60,328,886,791**	**99,436,769,339**
10(a)	**Consolidated investments in shares & securities**		
	i) Government		
	Islami Bank Bangladesh Limited	53,750,317,770	95,482,757,770
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Sub total (i)	**53,750,317,770**	**95,482,757,770**
	ii) Others		
	Islami Bank Bangladesh Limited	6,578,569,021	3,954,011,569
	Islami Bank Securities Limited	1,864,204,602	1,960,259,878
	Islami Bank Capital Management Limited	-	-
	Inter-company balances	(2,999,789,000)	(2,999,939,000)
	Sub total (ii)	**5,442,984,623**	**2,914,332,447**
	Total (i+ii)	**59,193,302,393**	**98,397,090,217**
11.0	**Investments**		
	General investments etc. (Note-11.1)	578,072,166,109	493,789,301,422
	Bills purchased & discounted (Note-11.2)	38,346,746,657	36,405,201,294
	Total	**616,418,912,766**	**530,194,502,716**
11.1	**General investments etc.**		
	i) In Bangladesh		
	Bai - Murabaha	342,271,862,813	288,774,510,219
	Bai - Muajjal	41,545,460,865	33,658,172,513
	Hire Purchase under Shirkatul Melk	133,070,622,657	117,326,628,306
	Hire Purchase under Shirkatul Melk (HPSM in FC-OBU)	6,893,101,532	4,682,446,379
	Bai-Murabaha Import Bills	4,157,283,668	4,729,976,498
	Baim- FC Bills	11,734,403,808	8,728,142,739
	Musharaka	602,054,215	393,465,290
	Mudaraba	5,000,015,000	5,000,015,000
	Bai - Salam	6,435,573,273	5,320,255,820
	Murabaha Foreign Currency Investment	12,207,912,834	9,955,164,294
	Quard	14,047,323,889	14,564,656,100
	Investment in Khidmah Card (KC)	106,551,555	64,687,621
	Sub total (i)	**578,072,166,109**	**493,198,120,779**
	ii) Out side Bangladesh		
	Bai - Murabaha	-	-
	Bai - Muajjal	-	-
	Hire Purchase under Shirkatul Melk	-	-
	Musharaka	-	-
	Overseas Investment	-	591,180,643
	Bai - Salam	-	-
	Quard	-	-
	Others	-	-
	Sub total (ii)	**-**	**591,180,643**
	Grand total (i+ii)	**578,072,166,109**	**493,789,301,422**

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		31.12.2016 Taka	31.12.2015 Taka
11.1.1	**Maturity-wise classification**		
	Repayable on demand with a residual maturity of	-	-
	Up to 1 Month	68,262,835,880	71,762,607,487
	Over 1 month but not more than 3 months	102,116,123,906	82,939,457,431
	Over 3 months but not more than 1 year	183,003,258,420	137,251,322,603
	Over 1 year but not more than 5 years	115,378,803,044	106,267,162,619
	More than 5 years	109,311,144,859	95,568,751,282
	Total	**578,072,166,109**	**493,789,301,422**
11.1(a)	**Consolidated general investments etc.**		
	Islami Bank Bangladesh Limited	578,072,166,109	493,789,301,422
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Inter-company balances	(5,000,000,000)	(5,090,000,000)
	Total	**573,072,166,109**	**488,699,301,422**
11.2	**Bills purchased & discounted**		
	i) In Bangladesh		
	Musharaka Doc. Bill (MDB)	7,558,663,367	8,445,640,341
	ii) Outside Bangladesh		
	Mudaraba Doc Bill (UPAS)-OBU	24,142,441,538	21,996,739,243
	Bai- As- Sarf (FDB)	3,165,008,354	3,481,213,210
	MDB in FC	3,480,633,398	2,481,608,500
	Sub-total (ii)	**30,788,083,290**	**27,959,560,953**
	Total (i+ii)	**38,346,746,657**	**36,405,201,294**
11.2.1	Maturity-wise classification of bills purchased & discounted		
	Payable within 1 month	9,954,815,432	9,450,946,060
	Over 1 month but less than 3 months	13,367,675,885	12,690,491,610
	Over 3 months but less than 6 months	8,677,868,768	8,240,273,562
	6 months or more	6,346,386,572	6,023,490,062
	Total	**38,346,746,657**	**36,405,201,294**
11.2(a)	**Consolidated bills purchased & discounted**		
	Islami Bank Bangladesh Limited	38,346,746,657	36,405,201,294
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Total	**38,346,746,657**	**36,405,201,294**
11.3	**Geographical location wise classification of investments within Bangladesh**		
	In rural areas	53,279,881,416	29,298,048,510
	In urban areas	563,139,031,350	500,305,273,563
	Sub total	**616,418,912,766**	**529,603,322,073**
	Outside Bangladesh	**-**	**591,180,643**
	Total	**616,418,912,766**	**530,194,502,716**
11.4	**Division wise classification of investments (*)**		
	Name of the division		
	Dhaka division	343,406,976,302	307,919,341,503
	Chittagong division	123,098,856,879	95,124,356,274
	Khulna division	41,484,992,829	35,988,165,243
	Rajshahi division	56,525,614,301	48,310,436,821
	Barisal division	9,431,209,365	7,985,168,527
	Sylhet division	13,068,080,951	11,187,462,581
	Rangpur division	20,280,182,230	15,964,135,246
	Mymensingh division	9,122,999,909	7,715,436,521
	Total	**616,418,912,766**	**530,194,502,716**

(*) Division wise distribution was made on the basis of the location of the respective branch not on the basis of where the client's business actually located.

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		31.12.2016 Taka	31.12.2015 Taka
11.5	**Investment on the basis of significant concentration including bills purchased and discounted**		
	Investment to directors	243,153,688	308,480,081
	Investment to chief executive & other senior executives	965,696,280	996,273,660
	Sector wise other investments:		
	Trade & commerce	191,303,567,076	153,812,673,599
	Real estate	47,972,337,031	41,788,236,240
	Transport	7,591,968,199	6,820,440,158
	Agriculture (including fertilizer & agriculture implements)	15,424,723,632	14,756,789,711
	Industrial investment (Note-11.5.1)	321,172,516,173	271,210,900,000
	Others	31,744,950,687	40,500,709,267
	Total	**616,418,912,766**	**530,194,502,716**
11.5.1	**Classification of industrial investments**		
	Textile- spinning, weaving & dyeing	97,308,789,494	84,858,578,411
	Garments & garments accessories	26,483,960,146	22,004,021,589
	Steel, re-rolling & engineering	23,452,249,113	23,120,281,651
	Agro-based industry	70,236,438,332	68,751,550,495
	Food & beverage	4,421,701,726	16,217,893,120
	Cements industry	5,770,611,596	4,642,238,255
	Pharmaceuticals	5,609,621,411	4,657,507,096
	Poultry, poultry feed & hatchery	1,031,928,853	1,021,508,707
	Sanitary wares	151,763,416	7,329,704
	Chemicals, toiletries & petroleum	4,984,658,312	7,457,084,801
	Printing & packaging	1,890,269,591	1,455,358,559
	Power (electricity)	3,534,432,427	4,123,478,751
	Ceramic & bricks	5,246,175,133	3,088,660,321
	Health care (hospital & others)	4,559,397,878	1,381,033,912
	Plastic industries	2,768,171,470	3,004,821,882
	Petrol pump & CNG filling station	450,472,039	503,129,882
	Information technology	424,032,820	377,750,107
	Hotel & restaurant	603,148,647	87,678,288
	Other industries	62,244,693,769	24,450,994,469
	Total	**321,172,516,173**	**271,210,900,000**

11.6 Details of investment to customers group (10.00% of regulatory equity and above)

Number of clients with amount of sanctioned limit of investments exceeding 10.00% of total regulatory equity of the Bank & classified amount thereon are given below:

Number of clients	20	17
Amount of investments	131,654,500,000	133,660,700,000
Classified amount thereon	Nil	Nil
Measures taken for recovery	Not Applicable	Not Applicable

Total regulatory capital of the Bank was Tk. 50,556.47 million as at 31 December 2016 {(Tk.48,701.51 (restated) million as on 31 December 2015)}.

(Taka in million)

Sl. No.	Name of clients	Sanctioned limit	Outstanding as on 31.12.2016			31.12.2015
			Funded	Non-funded	Total	
01	Noman Group	19,720.90	10,697.20	6,258.00	16,955.20	15,990.80
02	S. Alam Steels & Refined Sugar Ind. Ltd.	15,000.00	7,229.00	5,525.60	12,754.60	13,738.30
03	Mosharrof & Brothers Group	14,128.90	3,531.40	2,040.00	5,571.40	6,196.40
04	Farzana Group	14,000.00	2,000.00	989.60	2,989.60	9,292.30
05	Abul Khair Group	13,273.20	4,891.30	3,533.50	8,424.80	11,103.30
06	S. Alam Vegetable Oil Ltd.	12,500.00	6,965.00	1,394.10	8,359.10	7,805.30
07	S. Alam Super Edible Oil Ltd.	12,500.00	6,998.40	1,972.80	8,971.20	9,535.50
08	Badsha Group	10,552.40	2,358.80	1,002.60	3,361.40	5,479.60
09	A B H Corporation Group	9,911.70	6,153.40	1,188.90	7,342.30	7,712.90
10	MSA Group	9,718.20	4,837.90	866.80	5,704.70	7,747.10
11	Patromax Refinery	8,553.60	3,760.00	1,525.90	5,285.90	6,161.10
12	Nassa Group	7,824.10	3,737.20	1,380.90	5,118.10	6,192.00
13	BRB Group	7,639.60	2,407.20	2,223.70	4,630.90	5,243.60
14	Ananda Group	7,470.40	5,753.30	17.60	5,770.90	6,024.60
15	GMS composite Knitting Ind. Ltd.	7,431.30	3,278.10	2,432.80	5,710.90	-
16	Akij Group	7,425.00	22.50	2,108.40	2,130.90	1,871.40
17	Aman Group	7,357.40	5,153.80	873.10	6,026.90	6,498.10
18	Bashundhara Group	7,026.60	3,464.10	1,176.00	4,640.10	-
19	Delta Group	6,795.60	6,035.00	1,206.40	7,241.40	7,068.40
20	Sheikh Brothers Group	5,263.40	2,405.80	2,258.40	4,664.20	-
	Total	**204,092.30**	**91,679.40**	**39,975.10**	**131,654.50**	**133,660.70**

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		31.12.2016 Taka	31.12.2015 Taka
11.7	**Classification status - wise investments**		
	Unclassified :		
i.	Unclassified including staff investment	572,356,659,974	490,091,826,375
ii.	Special mention account (SMA)	20,460,660,728	17,561,436,522
	Total unclassified (i+ii)	**592,817,320,702**	**507,653,262,897**
	Classified :		
iii.	Substandard	2,341,644,862	1,839,659,677
iv.	Doubtful	1,064,123,908	2,392,059,142
v.	Bad and Loss	20,195,823,294	18,309,521,000
	Total classified (iii+iv+v)	**23,601,592,064**	**22,541,239,819**
	Grand total (i to v)	**616,418,912,766**	**530,194,502,716**
11.8	**Pledged collaterals against investments**		
	Land & building	1,099,993,372,992	778,829,999,296
	MTDR, securities, etc.	33,305,341,548	59,853,304,837
	Share certificates	177,742,720	77,742,720
	Total	**1,133,476,457,260**	**838,761,046,853**
11.9	**Particulars of investments**		
i.	Investments considered good in respect of which the bank is fully secured	588,831,007,110	506,518,609,051
ii.	Investments considered good in respect of which the Bank holds debtors' personal security	106,551,555	64,687,621
iii.	Investments considered good and secured by personal security of one or more persons in addition to personal security of debtors	27,481,354,101	23,611,206,044
iv.	Investments considered bad or doubtful not provided for	-	-
	Total	**616,418,912,766**	**530,194,502,716**
v.	Investments due by directors or employees of the bank or any of them either severally or jointly with any other persons	16,146,685,440	13,504,888,279
vi.	Investments due by directors or employees of the bank are interested as directors, partners, managing agents or in the case of private companies as members	240,210,163	304,268,280
vii.	Total amount of investments, including temporary investments, made any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons	3,937,899,421	2,377,980,283
viii.	Total amount of investments, including temporary investments granted during the year to the Companies or firms in which the directors of the bank are interested as directors, partners, managing agents or, in the case of private companies as members	-	-
ix.	Investments due from other banks	-	-
x.	**Classified investments:**		
	a) Classified investments on which profit has not been charged	20,195,823,294	18,309,521,000
	b) Provision for classified investments	20,553,830,000	17,751,490,000
	c) Provision kept against investments classified as bad & loss	20,176,956,939	17,394,634,539
	d) Amount credited to profit/ rent /compensation suspense account	9,131,246,117	7,374,932,223
xi.	**Particulars of written off investments**		
a.	Cumulative amount of investment written off since inception to 31st December last year	6,946,184,220	5,578,266,485
b.	Amount of investment written off during this year	2,141,910,712	1,367,917,735
c.	**Total amount written Off (a + b)**	**9,088,094,932**	**6,946,184,220**
d.	Amount recovered against written off investment up to this year (*)	1,406,236,989	1,362,300,360
e.	Amount waived against written off investment up to this year	930,811,179	914,707,808
f.	**Amount of investment written off against which suit has been filed to recover the same**	**6,751,046,764**	**4,669,176,052**

(*) During the year of 2016, Tk.60,040,000/- was recovered from written-off Investments, out of which a sum of Tk.16,103,371/- was waived and remaining Tk.43,936,629/- was recovered from the clients in cash.

12.0	**Fixed assets including premises (Annexure-A)**		
12.1	**Tangible assets**		
	Land	7,623,650,885	7,623,650,885
	Building	6,521,177,836	6,511,393,644
	Construction/ capital work-in-process	-	-
	Furniture and fixtures	969,784,237	891,227,778
	Mechanical appliances	2,218,506,284	2,042,810,745
	Computer (*)	1,367,884,672	1,325,998,493
	Motor vehicles	939,636,927	808,042,164
	ATM	814,819,827	755,122,907
	Books	8,291,772	6,991,819
	Total cost of tangible assets including revaluation	**20,463,752,440**	**19,965,238,435**
	Less: Accumulated depreciation	4,991,642,731	4,315,881,368
	Net book value of tangible assets at the end of the year	**15,472,109,709**	**15,649,357,067**

(*) Computer was included in Mechanical Appliance in the year 2015. It has been separated from Mechanical Appliance in the year 2016.

		31.12.2016 Taka	31.12.2015 Taka
12.2	**Intangible assets**		
	Computer software	420,495,714	393,124,770
	Total cost of intangible assets	**420,495,714**	**393,124,770**
	Less: Accumulated amortization	305,691,094	206,002,771
	Net book value of intangible assets at the end of the year	**114,804,620**	**187,121,999**
	Total net book value at the end of the year (12.1+12.2)	**15,586,914,329**	**15,836,479,066**
	(*) Computer was included in Mechanical Appliance in the year 2015. It has been separated from Mechanical Appliance in the year 2016.		
12.3	**Maturity-wise classification**		
	Repayable on demand	-	-
	With a residual maturity of		
	Up to 1 Month		
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	729,467,591	740,411,968
	Over 1 year but not more than 5 years	2,576,516,939	2,617,898,904
	More than 5 years	12,280,929,799	12,478,168,194
	Total	**15,586,914,329**	**15,836,479,066**
12.4	**Revaluation of land & building**		
	As per Bangladesh Bank BCD Circular Letter No. 12 & 18 dated April 20, 1993; June 15, 1993; BRPD Circular No.10 dated November 25, 2002; circular No. 09 dated 31 December 2008 and circular No. 24 dated 03 August 2010, the Bank revalued its land and building by the professional valuers for the year 2000, 2002, 2003, 2004, 2005, 2006, 2009 & 2012 respectively which was reviewed by the then statutory auditors.		
12(a)	**Consolidated fixed assets (Annexure-B)**		
12.a.1	**Tangible assets**		
	Islami Bank Bangladesh Limited	15,472,109,709	15,649,357,067
	Islami Bank Securities Limited	1,721,720	2,078,125
	Islami Bank Capital Management Limited	-	-
	Sub-total	**15,473,831,429**	**15,651,435,192**
12.a.2	**Intangible assets**		
	Islami Bank Bangladesh Limited	114,804,620	187,121,999
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Sub-total	**114,804,620**	**187,121,999**
	Total (12.a.1+12.a.2)	**15,588,636,049**	**15,838,557,191**
13.0	**Other assets**		
	i) Income generating other assets	-	-
	ii)Non-income generating other assets		
	Stock of stationery in hand	125,754,135	130,750,122
	Stamps in hand	17,222,182	14,184,889
	Advance rent paid	566,948,585	519,531,482
	Security deposits paid account	23,223,996	26,909,270
	Suspense	382,981,702	397,711,546
	Advance against expenses	33,988,438	35,238,134
	Pre-paid expense-OBU	88,780,073	25,328,125
	Accrued income	1,142,488,791	866,418,061
	IB General account (Note - 13.3)	-	-
	Clearing adjustment	63,864,967	-
	Transfer Delivery adjustment	75	-
	F.C. clearing adjustment	489,631,989	308,908,123
	mCash System A/c	5,488,569	3,026,937
	Dividend Income Receivable	-	-
	ATM Receivable	-	-
	Receivables from Seylon Bank PLC *	-	2,968,639
	Sub-total (ii)	**2,940,373,502**	**2,330,975,328**
	Total (i+ii)	**2,940,373,502**	**2,330,975,328**
	*Full amount has been settled during the year 2016		
13.1	**Maturity-wise classification**		
	Repayable on demand	-	-
	With a residual maturity of		
	Up to 1 Month	243,168,889	192,736,905
	Over 1 month but not more than 3 months	1,317,287,329	1,044,334,650
	Over 3 months but not more than 1 year	722,155,732	572,451,812
	Over 1 year but not more than 5 years	439,879,876	348,686,845
	More than 5 years	217,881,676	172,765,116
	Total	**2,940,373,502**	**2,330,975,328**

		31.12.2016 Taka	31.12.2015 Taka
13.2	**Classification status of other assets**		
	Unclassified	2,834,455,206	2,236,758,329
	Doubtful	-	-
	Bad/ Loss	105,918,296	94,216,999
	Total	**2,940,373,502**	**2,330,975,328**

13.3 IB General account

13.3.1 Un-reconciled entries of Inter branch transactions in Bangladesh

Age	Number	Amount in Taka	Amount in Taka
Upto 3 months		-	-
Over 3 months but not more than 6 months	-	-	-
Total	**-**	**-**	**-**

13.3.2 Un-reconciled entries of inter branch transactions outside Bangladesh

Age	Number	Amount in Taka	Amount in Taka
Upto 3 months	-	-	-
Over 3 months but not more than 6 months	-	-	-
Total	**-**	**-**	**-**

13.a	**Consolidated other assets**		
	Islami Bank Bangladesh Limited	2,940,373,502	2,330,975,328
	Islami Bank Securities Limited	102,492,078	131,314,319
	Islami Bank Capital Management Limited	81,447,427	66,563,715
	Inter-company balances	(1,489,455)	(1,560,447)
	Total	**3,122,823,552**	**2,527,292,915**
14.0	**Placement from banks & other financial institutions**		
	Borrowing from Abroad -OBU	16,133,951,000	7,561,291,139
	Borrowing from other Banks in Bangladesh-OBU	787,022,000	10,205,039,000
	Borrowing from Treasury Division, IBBL -OBU (Note-6.0_ OBU)	17,032,278,121	11,388,906,162
	Fund obtained by AD branches from OBU for MDB in FC (Note-3.0_ OBU)	3,480,633,399	2,481,608,500
	Sub total	**37,433,884,520**	**31,636,844,801**
	Less: Borrowing from Treasury Division, IBBL -OBU	17,032,278,121	11,388,906,162
	Less: Fund obtained by AD branches from OBU for MDB in FC	3,480,633,399	2,481,608,500
	Sub total	**20,512,911,520**	**13,870,514,662**
	Total	**16,920,973,000**	**17,766,330,139**

Fund obtained from OBU for investment in MDB in FC by AD branches is shown under "Cover fund MDB investment" under other liabilities at AD branches whereas Fund provided to AD branches for MDB in FC is shown under "Placement with banks & other financial institutions" in the assets side at OBU's balance sheet. As the items are intra-units balance, the amount was fully eliminated while preparing the financial statement of the Bank as a whole.

14.a	**Consolidated placement from banks & other financial institutions**		
	Islami Bank Bangladesh Limited	16,920,973,000	17,766,330,139
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Total	**16,920,973,000**	**17,766,330,139**
15.0	**Deposits & other accounts**		
	Mudaraba savings deposits (Note-15.1)	239,163,357,296	211,543,849,041
	Mudaraba term deposits	201,544,652,601	179,464,913,887
	Other mudaraba deposits (Note-15.2)	171,101,256,416	162,098,214,256
	Al- wadeeah current and other deposit accounts (Note-15.3)	64,019,389,322	57,160,947,306
	Bills payable (Note-15.4)	5,523,593,757	5,091,285,545
	Total	**681,352,249,392**	**615,359,210,035**

EMARSTOCK

		31.12.2016 Taka	31.12.2015 Taka
15.1	**Mudaraba Savings Deposits**		
	Mudaraba Savings Deposits	231,104,641,312	204,546,240,363
	Mudaraba Savings Deposits (RDS)	5,972,996,077	5,203,831,494
	Mudaraba Savings Deposit (RDS-RIP)	291,165	448,754
	Mudaraba School Student Savings A/C	1,051,921,832	874,413,275
	Mudaraba Farmers Savings A/C	1,023,888,825	917,329,251
	Mudaraba Industry Employee Savings A/C	9,618,085	1,585,904
	Total	**239,163,357,296**	**211,543,849,041**
15.2	**Other mudaraba deposits**		
	Mudaraba Special Notice Deposits	8,153,616,999	7,636,182,163
	Mudaraba Hajj Deposits	2,496,818,669	2,152,714,965
	Mudaraba Savings Bond	16,744,966,998	16,601,157,344
	Mudaraba NRB Savings Bond	994,365,404	962,036,031
	Mudaraba Special Savings (Pension) Deposits	106,349,509,746	101,258,351,850
	Mudaraba Monthly Profit Deposit Scheme	22,296,404,690	22,100,423,541
	Mudaraba Muhor Savings	526,946,377	462,720,734
	Mudaraba Waqf Cash Deposit	748,951,526	633,464,293
	Mudaraba Upahar Deposit Scheme	13,784,122	9,155,442
	Mudaraba FC Deposit	12,774,978,939	10,280,579,577
	Mudaraba FC Deposit -Exporters Retention Quota (ERQ)	912,946	1,428,316
	Total	**171,101,256,416**	**162,098,214,256**
15.3	**Al Wadeeah current and other deposits accounts**		
	Al Wadeeah Current Deposits	32,247,464,627	27,870,331,735
	Convertible Taka Account	151,708	151,708
	Non Resident Investors Taka Account	96,169,031	49,691,327
	Non Resident FC of Exchange House / Banks	1,917,882,857	1,478,647,399
	Non Resident FC of Exchange House / Banks-OBU (Note-2.0 _OBU)	-	69,053,137
	Non Resident Taka Account	2,140,224,922	2,486,364,599
	Foreign Currency Deposit	165,876,189	147,558,142
	Foreign Currency Deposit ERQ	857,789,344	885,221,985
	Other FC Deposit	36,085,778	37,376,790
	Foreign Currency: Security Deposit	146,244,502	138,157,780
	Foreign Currency Held against Back to Back L/C	4,641,853,655	3,975,415,048
	Foreign Currency held against Cash L/C	464,281,697	936,570,440
	Foreign Demand Draft /TT Payable	841,518,620	724,461,848
	Foreign Currency Deposit against Foreign Bank Guarantee	31,431,691	31,351,057
	Resident Foreign Currency Deposit	40,859	136,752
	Profit Payable	10,060,698,601	9,311,956,189
	Remittance Card Account	779,415	1,818,877
	Sundry Deposits (Note-15.3.1)	10,336,076,077	9,021,215,994
	FC Deposit of EPZ Enterprises	11,117,259	37,841,878
	Mobile Wallet A/C	23,702,490	26,677,758
	Sub total	**64,019,389,322**	**57,230,000,443**
	Less: Non Resident FC of Exchange House / Banks-OBU	**-**	**69,053,137**
	Total	**64,019,389,322**	**57,160,947,306**
15.3.1	**Break-up of sundry deposits**		
	Sundry creditors	179,680,514	181,437,671
	Supervision charge	58,133,604	48,756,716
	Security deposit L/G	727,361	801,861
	Security money payable	99,418,154	112,001,121
	Security money locker	19,982,530	17,491,615
	Marginal deposit	1,000,755,818	558,926,908
	Bank guarantee	1,041,052	1,853,297
	Closed account profit	294,213,626	296,747,554
	Sundry deposit others	93,822,893	102,140,851
	Govt. tax & VAT	34,158,566	12,206,699
	Security Deposit - Investment	3,343,918	3,092,698
	Security Deposit - L/C (Wes)	21,804,761	2,715,728
	Security Deposit - Foreign L/C General	7,318,391,389	6,647,642,826

		31.12.2016 Taka	31.12.2015 Taka
	Security Deposit - Bank Guarantee	1,002,202,490	875,457,445
	Security Deposits - Foreign Bill Negotiation(FBN)/ MDB	210,422	209,422
	Security Deposit - IBP	145,536	451,486
	Security Deposit - Inland L/C	101,866,006	54,300,209
	RDS (RIP)	91,671,613	91,597,806
	Other earnings (Note-15.3.1.1)	14,505,824	13,384,081
	Total	**10,336,076,077**	**9,021,215,994**
15.3.1.1	**Break-up of other earnings**		
	Opening balance	**13,384,081**	**14,477,313**
	Received from B. Bank FC clearing A/c	4,676,678	1,181,400
	Received from foreign correspondents/banks	392,896	212,746
	Total receipt during the year	**5,069,574**	**1,394,146**
	Total available balance	**18,453,655**	**15,871,459**
	Less:		
	Income tax provision @ 40.00%	2,027,831	567,378
	Transferred/ paid for charitable activities	1,920,000	1,920,000
	Closing balance	**14,505,824**	**13,384,081**
15.4	**Bills payable**		
	P.O. payable	5,018,080,139	4,622,075,759
	T.T. payable	1,437,716	10,572,151
	D.D. payable	212,657,501	208,930,073
	FC bills payable	5,181,274	5,181,274
	BEFTN payable	88,758,552	80,192,868
	Spot cash payable	197,478,575	164,333,420
	Total	**5,523,593,757**	**5,091,285,545**
15.5	**Maturity wise classification of deposits (other than inter-Bank deposit)**		
	Re-payable on demand	15,762,221,848	19,915,847,913
	With a residual maturity of		
	Re- payable within 1 month	96,727,618,093	89,527,055,946
	Over 1 month but not more than 3 months	124,308,551,836	125,666,183,243
	Over 3 months but within 6 months	80,708,176,666	78,658,247,711
	Over 6 months but not more than 1 year	92,545,857,632	66,031,187,588
	Over 1 year but not more than 5 years	116,440,203,650	105,399,714,284
	Over 5 years but within 10 years	154,189,767,194	129,677,373,869
	Unclaimed Deposits for 10 years or more	7,936,586	7,395,668
	Sub-total	**680,690,333,505**	**614,883,006,222**
15.6	**Maturity grouping of Inter- bank deposits are as under**		
	Re-payable on demand	-	-
	With a residual maturity of		
	Re- payable within 1 month	661,915,887	476,203,813
	Over 1 month but within 6 months	-	-
	Over 6 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years but within 10 years	-	-
	Sub-total	**661,915,887**	**476,203,813**
	Total (15.5+15.6)	**681,352,249,392**	**615,359,210,035**
15.7	**Other banks' deposits with IBBL**		
	Al Wadeeah Current Deposits	389,191,773	115,803,218
	Mudaraba Special Notice Deposits	252,810,997	27,251,121
	Mudaraba Savings Account	19,913,117	333,149,474
	Total	**661,915,887**	**476,203,813**
15.8	**Sector wise break up of deposits and other accounts**		
	Government	280,272,000	254,756,000
	Other banks' deposit	661,915,887	476,203,813
	Other public	643,294,000	364,888,000
	Foreign currency	21,890,014,336	18,674,747,012
	Private	657,876,753,169	595,588,615,210
	Total	**681,352,249,392**	**615,359,210,035**

		31.12.2016 Taka	31.12.2015 Taka
15(a)	**Consolidated deposits & other accounts**		
	Islami Bank Bangladesh Limited	681,352,249,392	615,359,210,035
	Islami Bank Securities Limited	1,109,204	1,154,001
	Islami Bank Capital Management Limited	-	-
	Inter-company balances	(308,827,187)	(483,097,599)
	Total	**681,044,531,409**	**614,877,266,437**
16.0	**Mudaraba Perpetual Bond (Note - 3.10)**	**3,000,000,000**	**3,000,000,000**
16.1	**Security pledged against Mudaraba Perpetual Bond (MPB)**	**4,489,100,000**	**4,489,100,000**
17.0	**Other liabilities**		
	Provision for classified & unclassified investments and off- balance sheet items (Note- 17.1)	26,787,840,000	23,255,000,000
	Provision for diminution in value of investments in shares (Note - 17.2)	3,793,000	3,793,000
	Other provisions (Note - 17.3)	300,180,162	222,606,676
	Compensation account (Note-17.5)	607,568,994	298,714,465
	Profit/ rent /compensation suspense (Note - 17.6)	9,131,246,117	7,374,932,223
	Current tax (Note-17.7)	5,254,495,069	5,354,006,319
	Zakat payable	1,891,572,710	1,674,580,640
	Foreign correspondents charges	9,727,497	4,972,435
	Incentive bonus payable	1,937,408,743	1,517,332,606
	Payable against expenditure	150,794,788	86,280,657
	Payable against expenditure - Incentive to Good Borrowers	150,000,000	150,000,000
	Clearing adjustment	-	7,428,382
	Transfer delivery adjustment	-	8,093
	BEFTN adjustment	8,947,078	10,421,716
	Payable to Benevolent Fund, GF & SAF	193,825,050	20,000,000
	Deferred/Unearned Airtime Commission	183,800	183,800
	F.C. Payable A/c IBBL Travel Card	4,649,639	601,815
	F.C. Payable A/c IBBL Hajj Card	700,945	1,933,828
	F.C. Payable A/c IBBL Credit Card	33,182	25,000
	VAT Payable	81,361,043	81,361,043
	IB General account (Note - 17.8)	749,266,769	1,859,383,066
	Others(*)	177,088,010	-
	Total	**47,440,682,596**	**41,923,565,764**

'(*)NPS adjustment Tk.143,528,075/-, Quard against BF Recovery Tk.33,558,985/- RTGS EFT adjustment Tk.200/- and Substitute Cash Assistance (Textile) Tk.750/- are included in Others.

17.1	**Provision for classified & unclassified investments and off- balance sheet items**		
	General provision		
	Unclassified investments excluding OBU	4,273,726,238	3,708,549,000
	Unclassified investments -OBU	310,400,000	266,800,000
	Special mention account	257,283,762	194,361,000
	Sub-total (Note-17.1.1)	**4,841,410,000**	**4,169,710,000**
	Off-balance sheet items (Note-17.1.2)	**1,392,600,000**	**1,333,800,000**
	Sub-total (General provision)	**6,234,010,000**	**5,503,510,000**
	Specific provision (Note-17.1.3)		
	Sub-standard	187,958,664	101,045,936
	Doubtful	188,914,397	255,809,525
	Bad and loss (*)	20,176,956,939	17,394,634,539
	Sub-total (Specific provision)	**20,553,830,000**	**17,751,490,000**
	Total provision held at the end of the year (**)	**26,787,840,000**	**23,255,000,000**

(*) As on 31 December 2016 provision of Tk.10,478.16 million (Tk.11,307.46 million as on 31 December 2015) against Ananda Shipyard & Slipways Ltd., and other writ & rescheduled clients (considering qualitative judgment) is included in the specific provision (bad and loss) of Tk.20,176.96 million (Tk.17,394.63 million as on 31 December 2015).

(**) Adequate provision for the investments, off-balance sheet items and other assets have been made as per the relevant circulars issued by Bangladesh Bank as well as decision taken in tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management of Islami Bank Bangladesh Limited and subsequent Letter No.DBI-4/42(7)/2016-722 dated 19 April 2016. As per the said letter of Bangladesh Bank, provision against writ client till 2015 (not for classified as per the order of the honorable High Court for which provision is not required as per BRPD circular) had to be kept Tk.5,231.47 million in which Tk. 1,000.00 million for the year 2015 and rest of amount of Tk. 4,231.47 million for the year 2016, 2017 & 2018 equally i.e. Tk. 1410.49 million in each year. Accordingly Tk. 1,000.00 million against writ client till 2015 was kept in the year 2015.

During 2016, some clients were vacated from the writ and required provision against those clients have been changed and required provision till 2015 stood Tk. 4,834.30 million instead of Tk. 5,231.47 million. Subsequently, as per DBI-4/42(7)/2017-490 dated 20/03/2017 rest of the amount (Tk. 4,834.30-Tk. 1,000/-)Tk. 3,834.30 million has to be kept in the year 2016, 2017 & 2018 equally i.e. Tk. 1,278.10 million in each year. Accordingly, Tk. 1,278.10 million against writ clients till 2015 has been kept in the year 2016.

Again, BB vide letter No. DBI-4/42(7)/2017-517 dated 27/03/2017, instructed to keep additional provision for Tk. 1,898.90 million against writ clients of 2016 (not for classified as per the order of the honorable High Court for which provision is not required as per BRPD circular) which has been staggered for the next 3 (three) years from 2017 to 2019 equally i.e. Tk. 633.00 million in each year and no provision is required for 2016. Accordingly , provision against writ clients of 2016 has not been kept in the year 2016.

		31.12.2016 Taka	31.12.2015 Taka
17.1.1	**General provision on unclassified investment including OBU**		
	Provision held at the beginning of the year	4,169,710,000	3,625,480,000
	Provision made/ (no longer required) during the year	671,700,000	544,230,000
	Total provision held at the end of the year	**4,841,410,000**	**4,169,710,000**
17.1.2	**General provision on off-balance sheet items**		
	Provision held at the beginning of the year	1,333,800,000	1,128,200,000
	Provision made/ (no longer required) during the year	58,800,000	205,600,000
	Total provision held at the end of the year	**1,392,600,000**	**1,333,800,000**
	Sub-total (17.1.1+17.1.2)	**6,234,010,000**	**5,503,510,000**
17.1.3	**Provision for classified investments**		
	Provision held at the beginning of the year	17,751,490,000	13,354,720,000
	Fully provided investment written off (Note-17.1.3.1)	(1,075,976,173)	(286,624,001)
	Recoveries of amounts previously written off	43,936,629	39,909,335
	Provision made during the year	3,834,379,544	4,643,484,666
	Provision no longer required	-	-
	Net charge to profit & loss account for classified investment	3,834,379,544	4,643,484,666
	Total provision held at the end of the year	**20,553,830,000**	**17,751,490,000**
	Total provision for investments 17.1.1+17.1.3)	**25,395,240,000**	**21,921,200,000**
	Total provision (17.1.1+17.1.2+17.1.3)	**26,787,840,000**	**23,255,000,000**
17.1.3.1	**Fully provided investment written off/waived/transferred**		
	Written-off during the year	1,075,976,173	286,624,001
	Total	**1,075,976,173**	**286,624,001**
17.1.4	**Provision made for investments & off- balance sheet items for the year**		
	Provision for classified investments	3,834,379,544	4,643,484,666
	General provision on unclassified investment including OBU	671,700,000	544,230,000
	General provision on off-balance sheet items	58,800,000	205,600,000
	Total provision made during the year	**4,564,879,544**	**5,393,314,666**
	(*)Provision kept from Compensation realisable Fund after netting off Tax	(479,712,904)	(261,676,068)
	Total provision charged in Profit & Loss A/c.	**4,085,166,640**	**5,131,638,598**

(*) As per requirement an amount of Tk. 4,564,879,544/- has been kept as required provision for the year 2016 among which Tk. 4,085,166,640/- has been charged in the profit & loss account and rest amount of Tk. 479,712,904/- (4,564,879,544-4,085,166,640) has been kept from Compensation Realisable Account due to changes in accounting policy. Detailed Policy changes & impact has been mentioned in notes- 2.16 & 48.0.

17.1.5 Total Provision Requirement and maintained for investments including off balance sheet items at the end of year 2016

	Particulars	Required Provision for 2016 (Taka)	Maintained Provision for 2016 (Taka)
	General provision on unclassified investment including OBU	4,837,909,708	4,841,410,000
	Provision for classified investments	10,075,470,000	9,246,370,000
	Provision for investments considering qualitative judgment	10,478,160,000	11,307,460,000
	Total provision for investment	**25,391,539,708**	**25,395,240,000**
	General provision on off-balance sheet items	1,392,460,292	1,392,600,000
	Total provision for investment including off balance sheet items at the end of the year	**26,784,000,000**	**26,787,840,000**
	Provision surplus/(deficit) for the year 2016		**3,840,000**
17.2	**Provision for diminution in value of investments in shares**		
	Opening balance	3,793,000	3,498,661
	Add: Provision made/(adjustment) during the year	-	294,339
	Closing balance (Note-17.2.1)	**3,793,000**	**3,793,000**
17.2.1	**Provision for diminution in value of investments in shares**		
	i) Dealing securities		
	Quoted	3,636,000	3,636,000
	Un-quoted	-	-
	Sub-total (i)	**3,636,000**	**3,636,000**
	ii) Investment securities		
	Quoted		-
	Un-quoted	157,000	157,000
	Sub-total (ii)	**157,000**	**157,000**
	Total (i+ii)	**3,793,000**	**3,793,000**
17.2(a)	**Consolidated provision for diminution in value of investments in shares made during the year**		
	Islami Bank Bangladesh Limited	-	294,339
	Islami Bank Securities Limited	(352,361,724)	26,774,778
	Islami Bank Capital Management Limited	-	-
	Total	**(352,361,724)**	**27,069,117**
17.3	**Other provisions**		
	Provision for other assets (Note-17.3.1)	105,918,296	106,820,159
	Provision for doubtful income account (Note-17.3.2)	194,261,866	115,786,517
	Total	**300,180,162**	**222,606,676**
17.3.1	**Provision for other assets**		
	Opening balance	106,820,159	123,369,900
	Less: Settlement	2,968,639	-
	Add: Provision made/(adjustment) during the year	2,066,776	(16,549,741)
	Closing balance	**105,918,296**	**106,820,159**
17.3.2	**Provision for doubtful income account**		
	Opening balance	115,786,517	71,157,127
	Add: Provision made during the year	138,733,621	115,786,517
	Less: Expended for charitable purposes	60,258,272	71,157,127
	Closing balance	**194,261,866**	**115,786,517**
17.4	**Other provisions made for the year**		
	Provision for other assets	2,066,776	(16,549,741)
	Provision for doubtful income account	138,733,621	115,782,017
	Total	**140,800,397**	**99,232,276**
17.5	**Compensation account**		
	Opening balance	**298,714,465**	**171,936,390**
	Addition during the year	1,801,787,521	1,178,372,760
	Total	**2,100,501,986**	**1,350,309,150**
	Less: Income tax provision @ 40.00%	720,715,008	471,349,104
	Less: expended for charitable activities	292,505,080	318,569,513
	Less: Provision kept from compensation realizable fund after netting off Tax (*)	479,712,904	261,676,068
	Closing balance	**607,568,994**	**298,714,465**

(*) Due to changes in accounting policies in the year 2016, compensation realisable account for total Tk. 741,388,972 was used for provision against investment and off balance sheet exposure. Among of Tk. 741,388,972/-, retrospective effect has been given for Tk. 261,676,068 for the year 2015 & rest amount of Tk.479,712,904/- was used for the year 2016. Detailed policy changes & impact thereon has been mentioned in notes-48.0 & 2.16.

	Particulars	2016 (Taka)	2015 (Taka)
17.6	**Profit/ rent/ compensation suspense**		
	Profit/ rent suspense (Note-17.6.1)	2,633,235,990	2,383,138,052
	Compensation suspense (Note-17.6.2)	6,498,010,127	4,991,794,171
	Total	**9,131,246,117**	**7,374,932,223**
17.6.1	**Profit/ rent suspense**		
	Balance at the beginning of the year	2,383,138,052	1,717,660,073
	Amount transferred to suspense account during the year	1,645,653,114	2,520,733,672
	Amount transferred to investment income during the year	(1,358,194,426)	(1,781,377,665)
	Amount written-off during the year	(31,753,063)	(73,508,467)
	Amount waived during the year	(5,607,687)	(369,561)
	Balance at the end of the year	**2,633,235,990**	**2,383,138,052**
17.6.2	**Compensation suspense**		
	Balance at the beginning of the year	4,991,794,171	2,919,624,473
	Amount transferred to suspense account during the year	4,082,344,925	3,314,200,483
	Amount transferred to compensation income during the year	(400,580,990)	(480,225,154)
	Amount written-off during the year	(785,476,922)	(586,010,325)
	Amount waived during the year	(1,390,071,057)	(175,795,306)
	Balance at the end of the year	**6,498,010,127**	**4,991,794,171**
17.7	**Current tax liability**		
	Balance of provision on 01 January	11,891,572,926	11,613,343,034
	Add: Provision made during the year (Note 17.7.1)	5,898,098,835	5,908,800,257
	Add: Other provision made during the year	722,742,839	471,916,542
	Less: Settlement for previous year	6,107,560,353	6,102,486,907
	Total (a)	**12,404,854,247**	**11,891,572,926**
	Advance income tax paid		
	Balance of advance tax on 01 January	6,537,566,607	3,508,897,986
	Add: Payment made during the year	6,720,352,924	9,131,155,528
	Less: Settlement for previous year	6,107,560,353	6,102,486,907
	Total (b)	**7,150,359,178**	**6,537,566,607**
	Net balance as at 31 December (a-b)	**5,254,495,069**	**5,354,006,319**
17.7.1	**Provision for current tax made during the year**		
	Income tax @ 40.00% (2016)on taxable profit (A)	5,787,122,880	5,907,166,262
	Add: Income tax @ 20% on dividend income	102,974,743	1,633,995
	Capital Gain @ 10%	8,001,212	
	Add: Excess profit tax	-	-
	Less: Provision already kept	-	-
	Estimated provision required as at 31 December, (i)	**5,898,098,835**	**5,908,800,257**
	Computation of taxable profit		
	Profit before tax	**10,299,150,141**	**8,855,016,597**
	Less: Dividend income	514,873,714	8,169,976
	Less: Capital Gain	80,012,123	-
	Profit before tax (excluding dividend income and capital gain)	**9,704,264,304**	**8,846,846,621**
	Add : Inadmissible expenditure	6,618,998,448	6,995,276,147
	Less : Further allowable expenditure	1,855,455,553	1,074,207,112
	Estimated taxable profit for the year (A)	**14,467,807,199**	**14,767,915,656**

Provision for tax for the year ended on 31.12.2016 has been made as per Income Tax Ordinance, 1984 applying prevailing rates applicable on the net profit. Income tax assessments have been completed by the Deputy Commissioner of Taxes up to the accounting year 2014 and income tax return has been submitted for the year 2015. The Bank filled appeals/ writ petitions against tax assessment orders of different levels of tax authorities to the appropriate tax authorities and High Court on different disputed issues. Adequate provisions for those assessment years have been made in the books of accounts.

17.7.2 Reconciliation of effective tax rate

Particulars	2016		2015	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		10,299,150,141		8,855,016,597
Income Tax using the domestic corporate tax rate	40.00%	4,119,660,056	40.00%	3,542,006,639
Factors affecting the tax charge for current year:				
Non deductible expenses	25.71%	2,647,599,379	31.60%	2,798,110,458
Tax exempt income	-7.21%	(742,182,221)	-4.85%	(429,682,845)
Tax savings from reduced tax rates from dividend	-1.23%	(126,978,379)	-0.02%	(1,633,995)
Total income tax expenses	**57.27%**	**5,898,098,835**	**66.73%**	**5,908,800,257**

		31.12.2016 (Taka)	31.12.2015 (Taka)
17.7(a)	**Consolidated current tax made during the year**		
	Islami Bank Bangladesh Limited	5,898,098,835	5,908,800,257
	Islami Bank Securities Limited	108,875,075	58,578,966
	Islami Bank Capital Management Limited	8,505,135	10,993,841
	Total	**6,015,479,045**	**5,978,373,064**

17.8 IB General account
Un-reconciled entries of inter branch transactions in Bangladesh

Maturity	31.12.2016 (Taka) Number	31.12.2016 (Taka) Amount in Taka	31.12.2015 (Taka) Amount in Taka
Upto 3 months (*)	-	749,266,769	1,859,383,066
Over 3 months but not more than 6 months	-	-	-
More than 6 months	-	-	-
Total (i+ii+iii)	**-**	**749,266,769**	**1,859,383,066**

(*) All the outstanding entries in the above mentioned IB General Account have been fully adjusted within 26th February 2017.

		31.12.2016 (Taka)	31.12.2015 (Taka)
17.9	**Maturity-wise classification of other liabilities**		
	Repayable on demand	-	-
	With a residual maturity of		
	Up to 1 Month	3,048,282,837	2,882,078,109
	Over 1 month but not more than 3 months	13,248,487,382	12,516,013,291
	Over 3 months but not more than 1 year	4,028,256,299	3,806,765,743
	Over 1 year but not more than 5 years	1,870,430,118	1,768,094,713
	More than 5 years	25,245,225,961	20,950,613,908
	Total	**47,440,682,596**	**41,923,565,764**
17(a)	**Consolidated other liabilities**		
	Islami Bank Bangladesh Limited	47,440,682,596	41,923,565,764
	Islami Bank Securities Limited	5,400,123,073	5,371,115,471
	Islami Bank Capital Management Limited	70,428,792	61,917,907
	Inter-company balances	(5,042,854,252)	(5,096,468,119)
	Total	**47,868,380,209**	**42,260,131,023**

18.0 Deferred tax (assets)/liabilities

Deferred tax assets and liabilities have been recognised and measured in accordance with the provision of Bangladesh Accounting Standards (BAS) 12 "Income Taxes" and BRPD circular No. 11 dated 12 December 2011. Calculation of deferred tax has been made on all temporary differences between the tax base and carrying amounts for financial reporting purpose. Deferred tax assets and liabilities are attributable to the following:

i) Deferred tax on fixed assets		
Carrying amount	4,097,608,176	4,249,881,264
Tax Base	3,195,931,990	3,313,057,058
Temporary timing difference	901,676,186	936,824,206
Deferred tax (asset)/liability @ 40.00%	360,670,474	374,729,682
Opening balance	374,729,682	393,591,942
Deferred tax (income)/expenses	(14,059,208)	(18,862,260)

		31.12.2016 (Taka)	31.12.2015 (Taka)
	ii) Deferred tax on provision for gratuity		
	Carrying amount	134,668,768	10,000,000
	Tax Base	-	-
	Temporary timing difference	(134,668,768)	(10,000,000)
	Deferred tax (asset)/liability @ 40.00%	(53,867,507)	(4,000,000)
	Opening balance	(4,000,000)	-
	Deferred tax (income)/expenses	(49,867,507)	(4,000,000)
	iii) Deferred tax on provision for Rebate for good borrowers		
	Carrying amount	150,000,000	150,000,000
	Tax Base	-	-
	Temporary timing difference	(150,000,000)	(150,000,000)
	Deferred tax (asset)/liability @ 40.00%	(60,000,000)	(60,000,000)
	Opening balance	(60,000,000)	-
	Deferred tax (income)/expenses	-	(60,000,000)
	Net deferred tax (income)/expenses (i+ii+iii)	**(63,926,715)**	**(82,862,260)**
	Net deferred tax (assets)/liabilities (i+ii+iii)	**246,802,967**	**310,729,682**

18(a)	**Consolidated Deferred tax (assets)/liabilities**		
	Islami Bank Bangladesh Limited	246,802,967	310,729,682
	Islami Bank Securities Limited	(582,302)	(663,350)
	Islami Bank Capital Management Limited	-	-
	Total	**246,220,665**	**310,066,332**

18(b)	**Consolidated Deferred tax (income)/expenses for the year**	**2016 (Taka)**	**2015 (Taka)**
	Islami Bank Bangladesh Limited	(63,926,715)	(82,862,260)
	Islami Bank Securities Limited	81,048	(347,470)
	Islami Bank Capital Management Limited	-	-
	Total	**(63,845,667)**	**(83,209,730)**

19.0 Share capital

19.1 Authorized capital

The authorized capital of the Bank is Tk.20,000,000,000 divided into 2,000,000,000 ordinary shares of Tk.10 each.

19.2 Paid up capital

Paid-up Capital of the Bank at the end of the year 2016 is Tk.16,099,906,680 divided into 1,609,990,668 ordinary shares of Tk.10 each.

19.2.1 The Paid-up Capital of the Bank is Tk.16,099,906,680 divided into 1,609,990,668 ordinary shares of Tk.10 each fully subscribed by:

Particulars	No. of Shares as on 31 Dec, 2016	% of Total	31.12.2016	31.12.2015
			Amount in Taka	Amount in Taka
(i) Sponsors/ promoters	1,154,165,345	71.69%	11,541,653,450	9,298,713,640
(ii) General public	455,805,006	28.31%	4,558,050,060	6,800,989,870
(iii) Government of the People's Republic of Bangladesh*	20,317	0.00%	203,170	203,170
Total	**1,609,990,668**	**100.00%**	**16,099,906,680**	**16,099,906,680**

* The shares have already been sold by the Government of Bangladesh but no transfer has yet been made in share register of the Bank.

19.2.2 Break up of share holding and percentage thereof as on 31.12.2016

Holdings	No. of Shareholders	Total Holdings/ No. of Shares	Percentage (%)
Less than 500 Shares	22,814	3,524,599	0.2189%
500 to 5,000 Shares	15,161	26,789,760	1.6640%
5,001 to 10,000 Shares	2,294	16,735,507	1.0395%
10,001 to 20,000 Shares	1,393	20,146,415	1.2513%
20,001 to 30,000 Shares	485	11,861,048	0.7367%
30,001 to 40,000 Shares	244	8,466,185	0.5259%
40,001 to 50,000 Shares	160	7,298,169	0.4533%
50,001 to 100,000 Shares	291	20,923,934	1.2996%
100,001 to 1,000,000 Shares	336	92,367,813	5.7372%
Over 1,000,000 Shares	79	1,401,877,238	87.0736%
Total	**43,257**	**1,609,990,668**	**100.00%**

20.0 Capital adequacy as per Basel - III as on 31 December 2016 (Consolidated)

The Calculation of Capital Adequacy of the Bank has been done as per the revised guidelines on Guidelines of Risk based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III) issued by Bangladesh Bank vide BRPD Circular No. 18 dated 20.12.2014 and DOS Circular No. 02 dated 04.03.2015 Detail calculation of Capital Adequacy as per Basel-III as on December 31, 2016 is given below:

(Amount in million Taka)

	31.12.2016 (Consolidated)	31.12.2016 (Solo)	31.12.2015 (Consolidated)
20.1 A. Regulatory capital			
Tier-1 (Going Concern Capital) (Note-20.1.1)	40,955.82	40,848.31	39,599.06
Tier-2 (Gone Concern Capital) (Note-20.1.2)	9,708.15	9,708.15	9,172.24
Total regulatory capital	**50,663.97**	**50,556.47**	**48,771.29**
20.1.1 Tier-1 (Going Concern Capital)			
Common Equity Tier-1 (CET-1) (Note-20.1.1.1)	37,955.82	37,848.31	36,599.06
Additional Tier (AT-1) (Note-20.1.1.2)	3,000.00	3,000.00	3,000.00
Total Tier-1 (Going Concern Capital)	**40,955.82**	**40,848.31**	**39,599.06**
20.1.1.1 Common Equity Tier-1 (CET-1)			
Fully paid-up capital/capital deposited with BB	16,099.91	16,099.91	16,099.91
Statutory reserve	16,099.91	16,099.91	16,099.91
Non-repayable share premium account	1.99	1.99	1.99
General reserve	4,004.52	4,004.52	196.06
Retained earnings	1,717.28	1,609.99	4,169.13
Non-controlling interest in subsidiaries	0.22	-	0.06
Non-cumulative irredeemable preferences shares	-	-	-
Dividend equalization account	32.00	32.00	32.00
i. Sub total	**37,955.82**	**37,848.31**	**36,599.06**
Deductions from Tier-1 (Going Concern Capital)			
Book value of goodwill	-	-	-
Shortfall in provisions required against classified assets	-	-	-
Shortfall in provisions required against investment in shares	-	-	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities.	-	-	-
Reciprocal crossholdings of bank capital /subordinated debt	-	-	-
Any investment exceeding the approved limit	-	-	-
ii. Sub total	**-**	**-**	**-**
Total eligible CET-1 (i-ii)	**37,955.82**	**37,848.31**	**36,599.06**
20.1.1.2 Additional Tier-1 Capital (AT-1)			
Mudaraba Perpetual Bond	3,000.00	3,000.00	3,000.00
Total AT-1	**3,000.00**	**3,000.00**	**3,000.00**
20.1.2 Tier-2 (Gone Concern Capital)			
General provision (unclassified investment and off balance sheet exposure)	6,234.01	6,234.01	4,540.05
Assets revaluation reserves up to 30%	3,449.69	3,449.69	4,599.59
Revaluation reserves of securities up to 30%	24.45	24.45	32.60
Revaluation reserves for equity instruments	-	-	-
All other preference shares	-	-	-
Others (if any item approved by Bangladesh Bank)	-	-	-
i. Sub total	**9,708.15**	**9,708.15**	**9,172.24**
ii. Deductions, if any	**-**	**-**	**-**
Total Eligible Tier-2 Capital (i-ii)	**9,708.15**	**9,708.15**	**9,172.24**

(Amount in million Taka)

	31.12.2016 (Consolidated)	31.12.2016 (Solo)	31.12.2015 (Consolidated)
20.2 Risk Weighted Assets (RWA) for			
1. Investment (credit) risk(i+ii)	412,775.31	413,073.20	363,203.78
(i) On-balance sheet	385,898.27	386,196.16	336,829.75
(ii) Off-balance sheet	26,877.04	26,877.04	26,374.03
2. Market Risk	11,630.14	11,630.14	5,322.05
3. Operational risk	42,773.26	42,509.08	40,182.07
Total Risk Weighted Assets (1+2+3)	**467,178.71**	**467,212.42**	**408,707.90**
B. Total Risk Weighted Assets (RWA) (Note-20.2)	**467,178.71**	**467,212.42**	**408,707.90**
C. Capital to Risk Weighted Asset Ratio (CRAR) (as against required above 10.625%)	10.84%	10.82%	11.93%
D. Going Concern Capital to RWA (as against required minimum 5.50%)	8.77%	8.74%	9.69%
E. Gone Concern Capital capital to RWA	2.08%	2.08%	2.24%
F. Minimum Capital Requirement (MCR)	49,637.74	46,721.24	40,870.79
G. Surplus capital (A-F)	**1,026.23**	**3,835.22**	**7,900.50**
H. Minimum capital requirement including conservation buffer for 2016	49,637.74	49,641.32	-
I. Surplus capital considering conservation buffer (A-H)	**1,026.23**	**915.15**	**-**

Notes

1. Subordinated Debt (Mudaraba Perpetual Bond) of Tk 3,000.00 million had qualified for Additional Tier-1 Capital under Basel-III Guidelines.
2. Revaluation Reserve for Securities & equity instrument will be deducted as per Basel III guidelines. Total 30% of the Reserve has been treated for Tier-II capital for 2016.

	31.12.2016 Taka	31.12.2015 Taka
21.0 Statutory reserve		
Opening balance	16,099,906,680	16,099,906,680
Add: Addition made this year	-	-
Closing balance	**16,099,906,680**	**16,099,906,680**

At least 20% of net profit before tax is to be transferred to statutory reserve account each year until the cumulative balance equal to the amount of paid up capital account as per Section 24 of the Bank Company Act 1991 as amended. As the cumulative balance of statutory reserve is equal to the amount of paid up capital, during the year 2016, no amount was transferred to statutory reserve.

22.0 Others reserves		
General reserve (Note-22.1)	4,004,520,214	196,062,601
Assets revaluation reserve (Note-22.2)	10,807,177,128	10,904,468,771
Revaluation reserve of securities (Note-22.3)	74,040,000	46,480,000
Translation reserve (Note-22.4)	9,417,220	4,314,759
Share premium	1,989,633	1,989,633
Dividend equalization account	32,000,000	32,000,000
Total	**14,929,144,195**	**11,185,315,764**
22.1 General reserve		
Opening balance	196,062,601	386,965,337
Add: Addition/(adjustment) made this year	3,808,457,613	(190,902,736)
Closing balance	**4,004,520,214**	**196,062,601**
22.2 Assets revaluation reserve		
Opening balance {(Restated) (Note-48.0)}	10,904,468,771	11,006,351,075
Add: Addition/(adjustment) made this year	(97,291,643)	(101,882,304)
Closing balance	**10,807,177,128**	**10,904,468,771**
22.3 Revaluation reserve of securities		
Opening balance	46,480,000	81,500,000
Add: Addition/(adjustment) made this year	27,560,000	(35,020,000)
Closing balance	**74,040,000**	**46,480,000**
22.4 Translation reserve		
Opening balance	4,314,759	6,392,484
Add: Addition/ (adjustment) made this year	5,102,461	(2,077,725)
Closing balance	**9,417,220**	**4,314,759**

		31.12.2016 Taka	31.12.2015 Taka
23.0	**Letters of guarantee**		
	(a) Claim against the bank which is not acknowledged as debt	-	-
	(b) Money for which the bank is contingently liable in respect of guarantees issued favouring :		
	i) Directors	-	-
	ii) Government	997,446,767	785,391,155
	iii) Bank and other financial institutions	24,404,272	13,050,413
	iv) Others	10,734,939,590	9,831,246,789
	Total	**11,756,790,629**	**10,629,688,357**
24.0	**Investment income**		
	Income from general investment (Note-24.1)	51,934,334,442	47,040,550,602
	Profit on deposits with other banks & financial institutions (Note-24.2)	1,007,755,289	1,111,726,479
	Total	**52,942,089,731**	**48,152,277,081**
24.1	**Income from general investment (*)**		
	Bai Murabaha	31,549,138,040	28,199,166,062
	Musharaka /Musharaka Documentary Bills	965,081,794	1,134,555,613
	Bai Muajjal	4,828,939,683	4,508,076,111
	Hire Purchase under Shirkatul Melk	11,985,358,265	11,484,077,879
	Bai Salam	314,907,422	283,542,971
	Bai -As- Sarf (FDB /FCD), IBP, MFCI and UPAS	494,866,999	418,225,589
	Investment income: Off-shore Banking Unit (OBU)	1,562,097,868	816,188,135
	Income on overseas Investment	33,944,371	63,802,838
	Income on Mudaraba Investment	200,000,000	132,915,404
	Sub total	**51,934,334,442**	**47,040,550,602**

(*) This amount includes any amount transferred from profit/rent/compensation suspense due to recovery or regularization of investment (i.e. due to declassification of investment) during the year. Amount transferred from profit/rent suspense is included in the "Investment income under respective mode of investment" and amount transferred from compensation suspense is included under "Compensation income".

24.2	**Profit on deposits with other banks & financial institutions**		
	In Bangladesh	1,007,755,289	1,111,726,479
	Outside Bangladesh	-	-
	Sub total	**1,007,755,289**	**1,111,726,479**
	Grand total (24.1+24.2)	**52,942,089,731**	**48,152,277,081**
24.3	**Investment income derived from the fund deployed by**		
	Mudaraba deposits	41,040,937,008	41,040,937,008
	Other deposits/fund	11,901,152,723	7,111,340,073
	Total	**52,942,089,731**	**48,152,277,081**
24(a)	**Consolidated investment income**		
	Islami Bank Bangladesh Limited	52,942,089,731	48,152,277,081
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Inter-company transactions	(209,649,654)	(132,915,404)
	Total	**52,732,440,077**	**48,019,361,677**
25.0	**Profit paid on mudaraba deposits**		
	Profit paid on Mudaraba Savings Deposit	6,578,702,861	6,670,013,096
	Profit paid on Mudaraba Term Deposit Account	10,818,520,751	10,636,192,227
	Profit paid on other Mudaraba Deposits	11,147,385,285	10,676,233,230
	Profit paid on Placement (*)	552,496,541	483,181,028
	Profit paid on Mudaraba Perpetual Bond (MPB)	248,000,000	272,250,000
	Total	**29,345,105,438**	**28,737,869,581**

(*) Profit paid on Placement includes Tk.552,496,541/- for 2016 (in 2015 Tk.440,715,274/-) against Profit paid on Placement for Off-shore Banking Units (OBUs).

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		31.12.2016 Taka	31.12.2015 Taka
25(a)	**Consolidated profit paid on mudaraba deposits**		
	Islami Bank Bangladesh Limited	29,345,105,438	28,737,869,581
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Inter-company transactions	(9,467,972)	(26,066,295)
	Total	**29,335,637,466**	**28,711,803,286**
26.0	**Income from investments in shares & securities**		
	i. Inside Bangladesh		
	Bangladesh Government Islamic Investment Bond (BGIIB)	545,683,200	730,684,000
	Bangladesh Shipping Corporation (BSC)	1,600,000	2,000,000
	Central Depository Bangladesh Ltd. (CDBL)	4,569,442	5,711,802
	Income on Share Securities Trading	80,012,123	2,607,222
	Dividend Income	508,704,272	
	Islami Bank Capital Management Limited	-	-
	Other Banks/companies	72,356,072	61,150,280
	Sub total (i)	**1,212,925,109**	**802,153,304**
	ii. Outside Bangladesh	**-**	**-**
	Sub total (ii)	**-**	**-**
	Grand total (i+ii)	**1,212,925,109**	**802,153,304**
26(a)	**Consolidated income from investments in shares & securities**		
	Islami Bank Bangladesh Limited	1,212,925,109	802,153,304
	Islami Bank Securities Limited	42,419,340	13,001,557
	Islami Bank Capital Management Limited	-	-
	Inter-company transactions	(485,963,280)	-
	Total	**769,381,169**	**815,154,861**
27.0	**Commission, exchange & brokerage income**		
	Commission income	3,250,731,495	3,349,911,997
	Exchange income (Note 27.1)	2,487,440,839	2,848,823,054
	Total	**5,738,172,334**	**6,198,735,051**
27.1	**Exchange income**		
	Gross exchange gain	2,487,440,839	2,848,823,054
	Less: exchange loss	-	-
	Net exchange gain	**2,487,440,839**	**2,848,823,054**
27(a)	**Consolidated commission, exchange & brokerage income**		
	Islami Bank Bangladesh Limited	5,738,172,334	6,198,735,051
	Islami Bank Securities Limited	24,976,413	14,178,951
	Islami Bank Capital Management Limited	-	-
	Total	**5,763,148,747**	**6,212,914,002**
28.0	**Other operating income**		
	Rent on locker	13,580,808	13,103,258
	Telephone/ trunk call charge recovered	120,999	213,437
	Income from ATM	92,025,979	76,061,443
	E & TA fees recovered	1,976,447	1,794,899
	Income from SWIFT	181,984,873	164,164,575
	Account maintenance charges realised	783,038,037	756,629,328
	Service charges recovered	62,189,048	57,213,160
	Service charges recovered: OBU	21,093,406	18,503,071
	Income from Mobile Wallet	3,507,241	8,520,919
	Rent on premises realised	2,411,261	2,362,544
	Sale proceeds of tender schedule	486,362	2,797,976
	Profit on sale of bank's car	20,330,516	2,401,971
	MICR cheque charge realised	27,542,332	10,610,890
	P&T Chare realized	9,270,024	-
	Others	444,701,413	284,355,146
	Total	**1,664,258,746**	**1,398,732,617**

		31.12.2016 Taka	31.12.2015 Taka
28(a)	**Consolidated other operating income**		
	Islami Bank Bangladesh Limited	1,664,258,746	1,398,732,617
	Islami Bank Securities Limited	424,157,234	327,259,194
	Islami Bank Capital Management Limited	23,148,905	29,501,539
	Inter Company Transactions	(9,467,972)	(26,066,295)
	Total	**2,102,096,913**	**1,729,427,055**
29.0	**Salary & allowances (*)**		
	Basic pay	5,045,645,286	3,867,109,316
	Allowances	3,735,820,665	2,315,780,593
	Bonus	2,669,928,204	1,997,278,335
	Contribution to provident fund	405,002,452	310,073,194
	Contribution to Gratuity (**)	913,000,000	366,900,000
	Contribution to benevolent fund and superannuation fund	20,000,000	10,000,000
	Total	**12,789,396,607**	**8,867,141,438**

(*) The above salary & allowances includes Tk.66,28,084/- for 2016 (in 2015 Tk.34,32,726/-) against salary and allowances of Off-shore Banking Units (OBUs).
(**) As per latest Actuarial valuation report, there was no shortfall in the fund to meet-up the related liability up to 31 December 2016.

29(a)	**Consolidated salary & allowances**		
	Islami Bank Bangladesh Limited	12,789,396,607	8,867,141,438
	Islami Bank Securities Limited	23,699,946	17,037,238
	Islami Bank Capital Management Limited	-	-
	Total	**12,813,096,553**	**8,884,178,676**
30.0	**Rent, taxes, insurances, electricity etc.**		
	Rent, rates and taxes	443,655,940	463,723,696
	Insurance	429,658,372	399,285,337
	Electricity and lighting	314,796,391	279,914,212
	Total	**1,188,110,703**	**1,142,923,245**
30(a)	**Consolidated rent, taxes, insurances, electricity etc.**		
	Islami Bank Bangladesh Limited	1,188,110,703	1,142,923,245
	Islami Bank Securities Limited	4,491,878	4,219,493
	Islami Bank Capital Management Limited	-	-
	Total	**1,192,602,581**	**1,147,142,738**
31.0	**Legal expenses**		
	Legal charges	**29,362,397**	**44,189,468**
31(a)	**Consolidated legal expenses**		
	Islami Bank Bangladesh Limited	29,362,397	44,189,468
	Islami Bank Securities Limited	-	-
	Islami Bank Capital Management Limited	-	-
	Total	**29,362,397**	**44,189,468**
32.0	**Postage, stamps, telecommunications etc.**		
	Telephone (*)	34,837,335	38,168,886
	Postage	-	506,138
	Fax & internet (modem)	10,728,858	5,016,641
	Stamps charges	1,878,319	14,430
	Total	**47,444,512**	**43,706,095**

(*) Telephone expenses includes Tk. 5,250/- for 2016 (in 2015 Tk.Nil-) against Telephone bill of Off-shore Banking Units (OBUs).

32(a)	**Consolidated postage, stamps and telecommunication etc.**		
	Islami Bank Bangladesh Limited	47,444,512	43,706,095
	Islami Bank Securities Limited	233,274	189,645
	Islami Bank Capital Management Limited	-	-
	Total	**47,677,786**	**43,895,740**

		31.12.2016 Taka	31.12.2015 Taka
33.0	**Stationery, printing and advertisement etc.**		
	Paper & table stationery	34,011,042	32,517,902
	Printing and stationery (registers and forms)	113,175,043	126,837,389
	Advertisement & publicity	191,746,928	160,030,952
	Total	**338,933,013**	**319,386,243**
33(a)	**Consolidated stationery, printing and advertisement etc.**		
	Islami Bank Bangladesh Limited	338,933,013	319,386,243
	Islami Bank Securities Limited	379,006	591,962
	Islami Bank Capital Management Limited	-	-
	Total	**339,312,019**	**319,978,205**
34.0	**Chief executive's salary & fees**		
	Basic pay	6,283,871	4,800,000
	House rent allowance	480,000	480,000
	Medical allowance	532,258	1,200,000
	Utilities	416,774	120,000
	Festival bonus	1,280,000	800,000
	Incentive bonus	1,000,000	1,000,000
	Leave Fare Assistance	741,935	-
	House Maintenance	370,968	-
	Total	**11,105,806**	**8,400,000**
35.0	**Directors' fees and expenses**		
	Directors' fees for attending board/ executive committee/ other committees meeting	5,894,400	1,607,700
	TA/DA/hotel fare for local & foreign directors	3,901,521	9,542,675
	Others	1,245,388	1,052,917
	Total	**11,041,309**	**12,203,292**
35.1	**Rate of fees for attending board/ executive committee/ other committees meeting**		
	For board meeting	8,000	8,000
	For executive committee/ other committees meeting	8,000	8,000
35(a)	**Consolidated directors' fees and expenses**		
	Islami Bank Bangladesh Limited	11,041,309	12,203,292
	Islami Bank Securities Limited	1,002,800	437,000
	Islami Bank Capital Management Limited	-	-
	Total	**12,044,109**	**12,640,292**
36.0	**Shari'ah supervisory committee's fees & expenses**		
	Shari'ah supervisory members' fees for attending meeting	761,000	1,092,500
	TA/DA./hotel fare	560,095	2,187,034
	Others	345,397	450,715
	Total	**1,666,492**	**3,730,249**
36.1	**Rate of fees for attending shariah supervisory meeting**		
	For shariah supervisory meeting	8,000	8,000
	For sub-committee meeting	**8,000**	**8,000**
37.0	**Auditors' fees**		
	Auditors' fees	**2,587,500**	**2,415,000**
37(a)	**Consolidated auditors' fees**		
	Islami Bank Bangladesh Limited	2,587,500	2,415,000
	Islami Bank Securities Limited	92,000	92,000
	Islami Bank Capital Management Limited	28,750	23,000
	Total	**2,708,250**	**2,530,000**

		31.12.2016 Taka	31.12.2015 Taka
38.0	**Depreciation/amortization and repair to bank's assets**		
	i) Depreciation/amortization		
	Premises (building)	139,004,105	141,226,062
	Furniture & fixtures	54,959,317	53,118,843
	Mechanical appliances	191,832,587	198,500,645
	Computer(*)	149,698,152	165,050,879
	Motor vehicles	90,199,338	80,453,617
	Books	1,153,482	788,141
	ATM	92,263,283	96,419,964
	Amortization: Intangible assets	99,688,322	97,116,440
	Sub total (i)	**818,798,586**	**832,674,591**
	ii) Repair of bank's properties/assets	**144,818,201**	**124,648,451**
	Grand total (i+ii)	**963,616,787**	**957,323,042**

(*) Depreciation of Computer was included in Mechanical Appliance in the year 2015. It has been separated from Mechanical Appliance in the year 2016.

38(a)	**Consolidated depreciation and repair to bank's assets**		
	Islami Bank Bangladesh Limited	963,616,787	957,323,042
	Islami Bank Securities Limited	1,764,965	4,620,587
	Islami Bank Capital Management Limited	-	-
	Total	**965,381,752**	**961,943,629**
39.0	**Other expenses**		
	TA/ DA	147,313,543	155,786,196
	Repairs to rented premises	8,312,918	7,508,338
	Motor car running & maintenance	106,109,486	101,835,692
	Periodicals & newspapers	5,204,762	10,435,764
	Entertainment Expenses	93,120,457	46,050,300
	Re-imbursement expense-conveyance	59,489,214	80,165,307
	Overtime	77,678,101	62,640,794
	Training expenses	54,933,607	73,964,837
	Meeting expenses	16,933,429	5,826,855
	Bank charges (*)	7,021,992	8,116,149
	Uniforms	13,654,734	12,806,342
	Conveyance	14,766,339	12,540,185
	Cash award	17,388,219	23,874,260
	Membership fees	9,276,025	6,544,602
	Staff welfare	6,694,450	3,220,100
	Evening banking allowance	2,591,584	2,630,611
	Computer expenses	34,044,948	33,278,350
	Wages	60,721,446	42,773,819
	Discomfort allowance	25,046,063	24,478,984
	Air condition maintenance	1,717,643	1,125,744
	WASA / gas expenses	15,388,452	12,929,147
	Washing charges	12,833,504	11,754,780
	Transportation charges	13,150,848	6,359,257
	Reuters charges	4,489,562	6,007,050
	Business development expenses	556,378,993	401,152,735
	Photocopy expenses	15,122,999	15,813,511
	Upkeep of office premises	20,497,799	18,772,305
	Clearing house expenses	250,781	291,689
	Band width charges	104,938,477	108,858,774
	Other regulatory fees and expenses	146,000	5,000
	MPB expenses	1,500,000	1,576,600
	Recruitment expenses	6,321,593	-
	Professional fees	67,246,537	17,724,749
	Loss on sale of bank's fixed asset	13,222,124	11,137,380
	Khidmah card expenses	18,154	60,000
	Mobile wallet expense	9,001,766	11,054,922
	BACH Expense	566,248	396,637
	Other RDS expenses (Note-39.1)	78,072,378	63,696,647

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	31.12.2016 Taka	31.12.2015 Taka
NPS network transactions charges	3,507,280	1,986,664
VISA expenses	10,784,422	9,627,412
Maintenance of software	79,707,550	48,269,565
IBTRA- DIB Expenses	7,279,144	7,758,479
Incentive to Good Borrowers (**)	-	150,000,000
Others	26,542,993	22,603,050
Total	**1,808,986,564**	**1,643,439,582**

(*) Bank charges includes Tk.Nil for 2016 (in 2015 Tk.Nil) against Bank charges of Off-shore Banking Units (OBUs).
(**) A lump sum amount of Tk 150,000,000/- has been kept for 'Incentive to Good Borrowers' as per Bangladesh Bank BRPD Circular Letter No. 03, dated 16 February 2016 for the year 2015 but no additional amount was required in the year 2016.

39.1 Other RDS expenses

Risk allowance	28,090,784	35,033,158
By-cycle allowance	11,579,386	8,917,530
Motor cycle allowance	9,972,624	7,643,597
Field allowance	4,681,703	3,821,799
TA/ DA	8,396,937	1,273,933
Fuel	9,230,296	1,910,899
Stationary	3,917,343	3,184,832
Repairing	2,203,305	1,910,899
Total	**78,072,378**	**63,696,647**

39.2 Motor car running and maintenance

As on 31.12.2016 the Bank had 313 (Three hundred thirteen) Motor Vehicles (Cars -245, Jeeps -17, Pickup-48 and Microbuses -3) . Out of 313 vehicles, 245 cars are attached with the senior executives of the Bank as per transport policy of the Bank and rest vehicles are used for carrying cash, development works and other important works of the Bank and a sum of Tk. 106,109,486/- was incurred during the year ended on 31.12.2016 as against Tk.101,835,692/- incurred during the year 2015 for repairs, maintenance, purchase of fuel & lubricants and insurance etc. for the motor vehicles of the Bank.

39.3 VAT related to expenditures

All the expenditures reported in this Financial Statements are inclusive of VAT except for specific items which are exempted from VAT by appropriate authority.

39(a) Consolidated other expenses

Islami Bank Bangladesh Limited	1,808,986,564	1,643,439,582
Islami Bank Securities Limited	217,146,382	139,280,447
Islami Bank Capital Management Limited	439,795	161,629
Inter Company Transactions	(209,649,654)	(132,915,404)
Total	**1,816,923,087**	**1,649,966,254**

40.0 Retained earnings: movement of surplus in profit & loss account

Retained earnings as on 1 January (Note-48.1.1)	4,076,159,953	2,907,606,247
Add: Net profit after tax	4,464,978,021	3,290,754,668
Add: Transfer from Assets Revaluation Reserve to Retained Earnings	97,291,643	101,882,304
Sub-total	**8,638,429,617**	**6,300,243,219**
Less:		
Transfer to statutory reserve	-	-
Transfer to/(from) general reserve	3,808,457,613	(190,902,736)
Dividend paid (Bonus share & cash dividend)	3,219,981,336	2,414,986,002
Sub-total	**7,028,438,949**	**2,224,083,266**
Balance of retained earnings as at 31 December	**1,609,990,668**	**4,076,159,953**

40(a) Consolidated retained earnings

Retained earnings as on 1 January (Note-48.1.2)	4,169,130,152	2,879,290,808
Add: Net profit attributable to equity holders of IBBL	4,479,301,241	3,412,040,306
Add: Transfer from Assets Revaluation Reserve to Retained Earnings	97,291,643	101,882,304
Less: Adjustment for changing in shares position	(3,710)	-
Sub-total	**8,745,719,326**	**6,393,213,418**
Less:		
Transfer to statutory reserve	-	-
Transfer to/(from) general reserve	3,808,457,613	(190,902,736)
Dividend paid (cash dividend)	3,219,981,336	2,414,986,002
Sub-total	**7,028,438,949**	**2,224,083,266**
Balance of retained earnings as at 31 December	**1,717,280,377**	**4,169,130,152**

40(b) Non-controlling interest

Particulars	As on 01.01.2016	Share of profit or loss for the year 2016	Adjustments	As on 31.12.2016	As on 31.12.2015
A. Islami Bank Securities Limited	55,335	36,731	-	92,066	55,335
Add: Adjustment for changing in shares position	-	-	153,710	153,710	-
Less: Adjustment for changing in net Assets position due to distribution of dividend	-	-	(36,720)	(36,720)	-
Sub-total	**55,335**	**36,731**	**116,990**	**209,056**	**55,335**
B. Islami Bank Capital Management Limited	7,612	331	-	7,943	7,612
Less: Adjustment for changing in net Assets position due to distribution of dividend	-	-	-	-	-
Sub-total	**7,612**	**331**	**-**	**7,943**	**7,612**
Total (A+B)	**62,947**	**37,062**	**116,990**	**216,999**	**62,947**

The share capital of Islami Bank Securities Ltd. is Tk.2,700,000,000/- divided into 2,700,000 shares of Tk.1,000/- each out of which share capital of minority is Tk.204,000/- divided into 204 shares of Tk.1,000/- each which represent 0.0076% of total share of the subsidiary Company. 150 Shares have been transferred to minority share holders in 2016.

The share capital of Islami Bank Capital Management Ltd. is Tk.300,000,000/- divided into 300,000 shares of Tk.1,000/ each out of which share capital of minority is Tk.7,000/- divided into 7 shares of Tk.1,000/- each which represent 0.0023% of total share of the subsidiary Company.

41.0 Events after reporting period

The Board of Directors of the Bank in its 243rd meeting held on.30th March 2017 recommended 10% Cash Dividend for the year 2016 subject to approval of the shareholders in the ensuring 34th Annual General Meeting to be held on 23rd May 2017.

	2016 Taka	2015 Taka (Restated)
42.0 Earnings per share (EPS)		
a) Attributable profit for the year	4,464,978,021	3,290,754,668
b) Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Basic earnings per share (EPS) (a ÷ b)	**2.77**	**2.04**

Diluted earnings per share is not applicable since there is no possibility of dilution of shares during the year.

42(a) Consolidated earnings per share		
Consolidated net profit after tax	4,479,338,303	3,412,042,793
Less: Profit attributable to non-controlling interest	37,062	2,487
Attributable profit for distribution to shareholders of IBBL	4,479,301,241	3,412,040,306
Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Consolidated basic earnings per share	**2.78**	**2.12**
43.0 Net asset value per share (NAV) of the Bank		
a) Capital/shareholders' equity for the year	48,738,948,223	47,461,289,077
b) Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Net asset value per share (NAV) (a ÷ b)	**30.27**	**29.48**

Net asset value per share (NAV) has been disclosed as per the Bangladesh Securities and Exchange Commission's Notification No.SEC/CMRRCD/2009-193/Admin/03-31 dated June 1, 2009.

	31.12.2016 Taka	31.12.2015 Taka
44.0 Net operating cash flow per share (NOCFPS)		
a) Net cash flows from operating activities	(10,904,077,763)	11,595,824,691
b) Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Net operating cash flow per share (NOCFPS) (a ÷ b)	**(6.77)**	**7.20**

Net operating cash flow per share (NOCFPS) has been disclosed as per the Bangladesh Securities and Exchange Commission's Notification No.SEC/CMRRCD/2009-193/Admin/03-31 dated June 1, 2009.

The Net Operating Cash Flow Per Share(NOCFPS) becomes negative due to negative net cash flows from operating activities which emanates from higher disbursement of investment i.e. outflow of Tk.86,224,41 million against inflow of Tk.65,807.33 million from deposit during the year 2016.

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		31.12.2016 Taka	31.12.2015 Taka
45.0	**Reconciliation of cash and cash equivalent at the end of the year**		
	Cash in hand	10,119,944,725	8,625,861,188
	Balance with Bangladesh Bank and its agent banks (Sonali Bank Ltd.)	61,335,096,831	46,630,214,411
	Balance with other banks and financial institutions	27,969,527,234	19,766,322,649
	Total	**99,424,568,790**	**75,022,398,248**
45(a)	**Reconciliation of consolidated cash and cash equivalent at the end of the year**		
	Cash in hand	10,119,946,355	8,625,867,409
	Balance with Bangladesh Bank and its agent banks (Sonali Bank Ltd.)	61,335,096,831	46,630,214,411
	Balance with other banks and financial institutions	34,147,842,268	25,644,591,295
	Total	**105,602,885,454**	**80,900,673,115**

		2016 Taka (in million)	2015 Taka (in million)
46.0	**Operating lease payments disclosure**		
	Non-cancellable operating lease rentals for the Bank are payable as follows:		
	Less than 1 year	630.00	485.00
	Between 1 and 5 years	3,478.00	2,783.00
	More than 5 years	7,516.00	5,782.00
	Total	**11,624.00**	**9,050.00**

47.0 Currency wise exposures

Currency wise exposures are shown at Annexure-C.

48.0 Restatement due to changes in accounting policies & prior period error

48.1 Impact on balance sheet for changes in accounting policies and prior period error adjustment:

		Retained earnings	Assets Revaluation Reserve	Compensation account
48.1.1	**Islami Bank Bangladesh Limited (Separate)**			
	Balance at 1 January 2015, as previously reported	2,414,986,002	11,498,971,320	171,936,390
	Impact of changes in accounting policies	-	-	-
	Impact of prior years error	492,620,245	(492,620,245)	
	Restated balance at 1 January 2015	**2,907,606,247**	**11,006,351,075**	**171,936,390**
	Balance at 31 December, as previously reported	3,219,981,336	11,498,971,320	560,390,533
	Impact of changes in accounting policies as at 1 January	-	-	-
	Impact of changes in accounting policies during the year	261,676,068		(261,676,068)
	Impact of prior years error as at 1 January	492,620,245	(492,620,245)	-
	Impact of prior years error during the year	101,882,304	(101,882,304)	-
	Restated balance at 31 December 2015	**4,076,159,953**	**10,904,468,771**	**298,714,465**

		Retained earnings	Assets Revaluation Reserve	Compensation account
48.1.2	**Islami Bank Bangladesh Limited & its Subsidiaries (Consolidated):**			
	Balance at 1 January 2015, as previously reported	2,386,670,563	11,498,971,320	171,936,390
	Impact of changes in accounting policies	-	-	-
	Impact of prior period error	492,620,245	(492,620,245)	-
	Restated balance at 1 January 2015	**2,879,290,808**	**11,006,351,075**	**171,936,390**
	Balance at 31 December, as previously reported	3,312,951,535	11,498,971,320	560,390,533
	Impact of changes in accounting policies as at 1 January	-	-	-
	Impact of changes in accounting policies during the year	261,676,068		(261,676,068)
	Impact of prior period error as at 1 January	492,620,245	(492,620,245)	-
	Impact of prior period error during the year	101,882,304	(101,882,304)	-
	Restated balance at 31 December 2015	**4,169,130,152**	**10,904,468,771**	**298,714,465**

48.2 Impact on statement of Profit & Loss Account (increase/decrease) in profit for the prior year:

	Separate 01.01.2015 to 31.12.2015	Consolidated 01.01.2015 to 31.12.2015
Net profit after tax, as previously reported	3,029,078,600	3,150,364,238
Add: decrease in provision for investment & off-balance sheet exposure	261,676,068	261,676,068
Restated net profit after tax	**3,290,754,668**	**3,412,040,306**
Impact on Earnings Per Share (EPS) for the year		
Earnings Per Share (EPS), as previously reported	1.88	1.96
Earnings Per Share (EPS), increase/(decrease)	0.16	0.16
Restated Earnings Per Share	**2.04**	**2.12**
48.3 Impact on Net Asset Value (NAV) per share for the year		
Net Asset Value (NAV) per share, as previously reported	29.32	29.38
Net Asset Value (NAV) per share, increase/(decrease)	0.16	0.16
Restated Net Asset Value (NAV) per share	**29.48**	**29.54**

48.4 The change did not have any impact on company's Cash flows.

Arastoo Khan
Chairman

Dr. Md. Zillur Rahman
Director

Md. Syful Islam, FCA, FCMA
Director

Md. Abdul Hamid Miah
Managing Director & CEO

Dated, Dhaka;
30 March 2017

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Islami Bank Bangladesh Limited

Fixed Assets Schedule

As at 31 December 2016

Annexure - A

(Amount in Taka)

Group of Fixed Assets	Cost				Depreciation/Amortization				Written down value	
	Balance as at 01.01.2016	Addition during the year	Sale / adjust-ment during the year	Total as at 31.12.2016	Charged upto 01.01.2016	Charged during the year	Adjustment during the year	Total as at 31.12.2016	as at 31.12.2016	as at 31.12.2015
1	2	3	4	5 (2 + 3 - 4)	6	7	8	9 (6+ 7 - 8)	10 (5 - 9)	11
A. Tangible Assets										
i) Premises										
Land	7,623,650,885	-	-	7,623,650,885	-	-	-	-	7,623,650,885	7,623,650,885
Building	6,511,393,645	9,784,191	-	6,521,177,836	955,962,328	139,004,105	-	1,094,966,433	5,426,211,403	5,555,431,317
Construction/capital work in process	-	-	-	-	-	-	-	-	-	-
Sub total (i)	**14,135,044,530**	**9,784,191**	**-**	**14,144,828,721**	**955,962,328**	**139,004,105**	**-**	**1,094,966,433**	**13,049,862,288**	**13,179,082,201**
ii) Other fixed assets										
Furniture and fixtures	891,227,778	81,817,819	3,261,360	969,784,237	384,059,631	54,959,317	2,178,803	436,840,145	532,944,092	507,168,147
Mechanical appliances	2,042,810,745	178,526,038	2,830,500	2,218,506,284	1,169,966,153	191,832,587	2,435,838	1,359,362,902	859,143,382	880,487,074
Computer*	1,325,998,493	43,421,179	1,535,000	1,367,884,672	1,027,610,134	149,698,152	938,144	1,176,370,142	191,514,530	290,745,877
Motor vehicles	808,042,164	174,407,097	42,812,334	939,636,927	495,454,293	90,199,338	28,711,447	556,942,184	382,694,743	312,587,872
Books	6,991,819	1,312,053	12,100	8,291,772	4,768,098	1,153,482	3,782	5,917,798	2,373,974	2,223,721
ATM	755,122,907	80,696,920	21,000,000	814,819,827	278,060,732	92,263,283	9,080,888	361,243,127	453,576,700	477,062,175
Sub Total (ii)	**5,830,193,906**	**560,181,106**	**71,451,294**	**6,318,923,718**	**3,359,919,041**	**580,106,159**	**43,348,902**	**3,896,676,298**	**2,422,247,421**	**2,470,274,866**
Total (i+ii)	**19,965,238,436**	**569,965,297**	**71,451,294**	**20,463,752,439**	**4,315,881,369**	**719,110,264**	**43,348,902**	**4,991,642,731**	**15,472,109,709**	**15,649,357,067**
B. Intangible assets	**393,124,770**	**27,370,944**	**-**	**420,495,714**	**206,002,772**	**99,688,322**	**-**	**305,691,094**	**114,804,620**	**187,121,999**
Total (A+B)	**20,358,363,206**	**597,336,241**	**71,451,294**	**20,884,248,153**	**4,521,884,141**	**818,798,586**	**43,348,902**	**5,297,333,825**	**15,586,914,329**	**15,836,479,066**

(*) Computer was included in Mechanical Appliance in the year 2015. It has been separated from Mechanical Appliance in the year 2016 .

Islami Bank Bangladesh Limited

Consolidated Fixed Assets Schedule

As at 31 December 2016

Annexure - B

(Amount in Taka)

Group of Fixed Assets	Cost				Depreciation/Amortization				Written down value	
	Balance as at 01.01.2016	Addition during the year	Sale / adjust-ment during the year	Total as at 31.12.2016	Charged upto 01.01.2016	Charged during the year	Adjustment during the year	Total as at 31.12.2016	as at 31.12.2016	as at 31.12.2015
1	2	3	4	5 (2 + 3 - 4)	6	7	8	9 (6+ 7 - 8)	10 (5 - 9)	11
A. Tangible Assets										
i) Premises										
Land	7,623,650,885	-	-	7,623,650,885	-	-	-	-	7,623,650,885	7,623,650,885
Building	6,511,393,645	9,784,191	-	6,521,177,836	955,962,328	139,004,105	-	1,094,966,433	5,426,211,403	5,555,431,317
Construction/capital work in process	-	-	-	-	-	-	-	-	-	-
Sub total (i)	**14,135,044,530**	**9,784,191**	**-**	**14,144,828,721**	**955,962,328**	**139,004,105**	**-**	**1,094,966,433**	**13,049,862,287**	**13,179,082,201**
ii) Other fixed assets										
Furniture and fixtures	893,591,513	81,817,819	3,261,360	972,147,972	385,211,625	55,116,238	2,178,803	438,149,060	533,998,912	508,379,888
Mechanical appliances	2,044,901,175	178,526,038	2,830,500	2,220,596,713	1,171,190,202	192,032,070	2,435,838	1,360,786,434	859,810,279	881,353,457
Computer*	1,329,670,223	43,421,179	1,535,000	1,371,556,402	1,031,281,863	149,698,152	938,144	1,180,041,871	191,514,531	290,745,877
Motor vehicles	813,838,183	174,407,097	42,812,334	945,432,946	501,250,311	90,199,338	28,711,447	562,738,202	382,694,745	312,587,873
Books	6,991,819	1,312,053	12,100	8,291,772	4,768,098	1,153,482	3,782	5,917,798	2,373,974	2,223,721
ATM	755,122,907	80,696,920	21,000,000	814,819,827	278,060,732	92,263,283	9,080,888	361,243,127	453,576,700	477,062,175
Sub Total (ii)	**5,844,115,820**	**560,181,106**	**71,451,294**	**6,332,845,632**	**3,371,762,831**	**580,462,563**	**43,348,902**	**3,908,876,492**	**2,423,969,141**	**2,472,352,991**
Total (i+ii)	**19,979,160,350**	**569,965,297**	**71,451,294**	**20,477,674,353**	**4,327,725,159**	**719,466,668**	**43,348,902**	**5,003,842,925**	**15,473,831,428**	**15,651,435,192**
B. Intangible Assets	**393,124,770**	**27,370,944**	**-**	**420,495,714**	**206,002,772**	**99,688,322**	**-**	**305,691,094**	**114,804,620**	**187,121,999**
Total (A+B)	**20,372,285,120**	**597,336,241**	**71,451,294**	**20,898,170,067**	**4,533,727,931**	**819,154,990**	**43,348,902**	**5,309,534,019**	**15,588,636,049**	**15,838,557,191**

(*) Computer was included in Mechanical Appliance in the year 2015. It has been separated from Mechanical Appliance in the year 2016 .

Islami Bank Bangladesh Limited

Currency wise Exposures

As at 31 December 2016

Annexure - C

(Amount in Taka)

Assets	Taka		Equivalent Taka of US Dollar		Equivalent Taka of GBP		Equivalent Taka of EURO		Equivalent Taka of Other Currency		Total Taka	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
1	2	3	4	5	6	7	8	9	10	11	12	13
Cash in hand	10,106,481,898	8,608,238,737	13,001,603	17,367,715	140,883	170,331	245,669	84,405	74,672	-	**10,119,944,725**	**8,625,861,188**
Balance with Bangladesh Bank & its agent bank	60,710,436,633	45,913,863,444	575,656,092	595,649,969	9,325,300	13,094,573	39,678,806	107,410,459	-	195,966	**61,335,096,831**	**46,630,214,411**
Balance with banks & other financial institutions	26,548,241,217	18,096,699,633	(1,283,827,279)	(669,413,781)	648,252,729	548,213,804	855,481,201	946,769,450	1,201,379,366	844,053,543	**27,969,527,234**	**19,766,322,649**
Placement with other banks & financial institutions	3,000,000,000	3,000,000,000	-	-	-	-	-	-	-	-	**3,000,000,000**	**3,000,000,000**
Investments (in shares & securities)	60,328,886,791	99,436,769,339	-	-	-	-	-	-	-	-	**60,328,886,791**	**99,436,769,339**
Investments	554,795,411,302	478,278,007,708	61,623,501,464	51,916,495,008	-	-	-	-	-	-	**616,418,912,766**	**530,194,502,716**
Fixed assets including premises	15,586,914,329	15,836,479,066	-	-	-	-	-	-	-	-	**15,586,914,329**	**15,836,479,066**
Other assets	2,450,741,513	2,022,067,205	489,631,989	308,908,123	-	-	-	-	-	-	**2,940,373,502**	**2,330,975,328**
Non banking assets	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Total assets	**733,527,113,683**	**671,192,125,132**	**61,417,963,869**	**52,169,007,034**	**657,718,912**	**561,478,708**	**895,405,676**	**1,054,264,314**	**1,201,454,038**	**844,249,509**	**797,699,656,178**	**725,821,124,697**

Liabilities	Taka		Equivalent Taka of US Dollar		Equivalent Taka of GBP		Equivalent Taka of EURO		Equivalent Taka of Other Currency		Total Taka	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Placement from Bangladesh Bank, other banks, financial institutions and agents	-	-	16,920,973,000	17,766,330,139	-	-	-	-	-	-	**16,920,973,000**	**17,766,330,139**
Deposits	653,938,641,299	591,593,177,478	21,286,314,596	18,159,896,697	559,079,435	476,796,997	43,817,042	37,368,275	803,263	685,043	**675,828,655,635**	**610,267,924,490**
Bills payable	5,518,412,483	5,086,104,271	5,181,274	5,181,274	-	-	-	-	-	-	**5,523,593,757**	**5,091,285,545**
Other liabilities	47,672,374,300	42,226,762,368	15,111,263	7,533,078	-	-	-	-	-	-	**47,687,485,563**	**42,234,295,446**
Mudaraba Perpetual Bond	3,000,000,000	3,000,000,000	-	-	-	-	-	-	-	-	**3,000,000,000**	**3,000,000,00**
Total liabilities	**710,129,428,082**	**641,906,044,117**	**38,227,580,133**	**35,938,941,188**	**559,079,435**	**476,796,997**	**43,817,042**	**37,368,275**	**803,263**	**685,043**	**748,960,707,955**	**678,359,835,620**
Net position	**23,397,685,601**	**29,286,081,015**	**23,190,383,736**	**16,230,065,846**	**98,639,477**	**84,681,711**	**851,588,634**	**1,016,896,039**	**1,200,650,775**	**843,564,466**	**48,738,948,223**	**47,461,289,077**

Islami Bank Bangladesh Limited

Consolidated segment reporting

For the year ended 31 December 2016

Annexure - D

A. Segmental operating profit and loss

(Amount in Taka)

Particulars	Head Office Controlled Branches	Dhaka Central Zone	Dhaka South Zone	Dhaka North Zone	Khulna Zone	Comilla Zone	Rajshahi Zone	Chittagong South Zone	Noakhali Zone	Common	Consolidated
Investment income	15,408,490,000	8,264,670,000	1,503,710,000	2,105,980,000	2,138,550,000	1,674,350,000	3,862,180,000	1,083,340,000	1,532,450,000	15,928,101,246	53,501,821,246
Profit paid on mudaraba deposits	(2,402,654,528)	(2,632,399,640)	(1,152,000,856)	(1,820,452,286)	(1,480,257,262)	(2,218,722,978)	(1,152,203,034)	(2,136,345,500)	(2,062,034,930)	(12,278,566,452)	(29,335,637,466)
Profit received/(paid) on IB General Account	(6,514,910,000)	(1,562,030,000)	905,930,000	1,505,900,000	699,040,000	2,361,650,000	(522,930,000)	2,239,770,000	2,050,600,000	(1,163,020,000)	-
Net investment income	**6,490,925,472**	**4,070,240,360**	**1,257,639,144**	**1,791,427,714**	**1,357,332,738**	**1,817,277,022**	**2,187,046,966**	**1,186,764,500**	**1,521,015,070**	**2,486,514,794**	**24,166,183,780**
Commission, exchange & other income	1,818,700,000	1,122,460,000	197,250,000	212,490,000	185,750,000	154,970,000	186,240,000	138,490,000	162,630,000	3,686,265,660	7,865,245,660
Total operating income	**8,309,625,472**	**5,192,700,360**	**1,454,889,144**	**2,003,917,714**	**1,543,082,738**	**1,972,247,022**	**2,373,286,966**	**1,325,254,500**	**1,683,645,070**	**6,172,780,454**	**32,031,429,440**
Total operating expenses	(1,054,757,415)	(973,240,000)	(579,400,000)	(714,680,000)	(675,840,000)	(659,000,000)	(656,270,000)	(554,210,000)	(576,850,000)	(11,282,605,031)	(17,726,852,446)
Operating Profit	**7,254,868,057**	**4,219,460,360**	**875,489,144**	**1,289,237,714**	**867,242,738**	**1,313,247,022**	**1,717,016,966**	**771,044,500**	**1,106,795,070**	**(5,109,824,577)**	**14,304,576,994**

There are 16 operating segments including subsidiaries as on 31 December 2016. Out of which only 9 are reportable as per BFRS 8 "Operating Segments". Hence other non-reportable segments have been shown as under 'Common'.

For the year ended 31 December 2015

(Amount in Taka)

Particulars	Head Office Controlled Branches	Dhaka Central Zone	Dhaka South Zone	Dhaka North Zone	Khulna Zone	Comilla Zone	Rajshahi Zone	Chittagong South Zone	Noakhali Zone	Common	Consolidated
Investment income	7,630,841,235	7,796,398,726	3,324,781,652	5,148,512,684	2,366,789,651	1,497,173,658	4,342,081,365	4,314,761,352	1,379,912,543	11,033,263,672	48,834,516,538
Profit paid on mudaraba deposits	(1,710,742,681)	(2,292,541,254)	(2,129,897,651)	(2,889,649,837)	(1,957,651,357)	(2,196,159,648)	(1,371,389,654)	(2,617,159,843)	(2,071,331,467)	(9,475,279,894)	(28,711,803,286)
Profit received/(paid) on IB General Account	(2,380,798,654)	(1,631,597,624)	1,158,734,629	962,142,534	1,123,042,975	2,336,123,542	(516,961,358)	966,881,354	2,067,261,943	(4,084,829,341)	-
Net investment income	**3,539,299,900**	**3,872,259,848**	**2,353,618,630**	**3,221,005,381**	**1,532,181,269**	**1,637,137,552**	**2,453,730,353**	**2,664,482,863**	**1,375,843,019**	**(2,526,845,563)**	**20,122,713,252**
Commission, exchange & other income	1,138,734,256	793,631,642	410,129,576	697,958,642	350,951,354	147,978,645	315,142,681	394,487,692	151,098,734	3,542,227,835	7,942,341,057
Total operating income	**4,678,034,156**	**4,665,891,490**	**2,763,748,206**	**3,918,964,023**	**1,883,132,623**	**1,785,116,197**	**2,768,873,034**	**3,058,970,555**	**1,526,941,753**	**1,015,382,272**	**28,065,054,309**
Total operating expenses	(474,542,651)	(647,039,751)	(787,521,643)	(768,779,582)	(761,462,843)	(508,189,346)	(542,013,684)	(526,491,648)	(446,061,389)	(8,037,805,654)	(13,499,908,191)
Operating Profit	**4,203,491,505**	**4,018,851,739**	**1,976,226,563**	**3,150,184,441**	**1,121,669,780**	**1,276,926,851**	**2,226,859,350**	**2,532,478,907**	**1,080,880,364**	**(7,022,423,382)**	**14,565,146,118**

B. Segmental assets and liabilities

The necessary information regarding assets and liabilities of operating segments (except subsidiaries) are not separable and individually identifiable for this purpose. For this reason the assets and liabilities of the respective segments have not been presented here.

Islami Bank Bangladesh Limited

Financial highlights of the Bank

For the year ended 31 December 2016

Amount in Million Taka

Sl. No.	Particulars	2016	2015 Restated
1	Paid-up capital	16,099.91	16,099.91
2	Total capital (equity)	50,556.47	48,701.51
3	Capital surplus/ (deficit)	3,835.22	6,812.10
4	Total assets (Excluding contra)	797,699.66	725,821.12
5	Total deposits	681,352.25	615,359.21
6	Total investments (excluding Investment in shares/ securities)	616,418.91	530,194.50
7	Total contingent liabilities and commitments	139,246.03	133,379.93
8	Investment deposit ratio	86.43%	83.59%
9	Percentage of classified investment against total general investments	3.83%	4.25%
10	Profit after tax & Provision	4,464.98	3,290.75
11	Amount of classified investment during current year	1,060.35	(266.00)
12	Provision kept against classified investments	20,553.83	17,751.49
13	Provision surplus/ (deficit)	3.84	0.72
14	Cost of fund	7.50%	7.62%
15	Profit earning assets	623,545.19	512,714.85
16	Non-profit earning assets	174,154.47	213,106.27
17	Return on investments	8.29%	8.20%
18	Return on assets	0.59%	0.48%
19	Income from investments	54,155.01	48,954.43
20	Earnings per share (Taka)	2.77	2.04
21	Net income per share (Taka)	2.77	2.04
22	Price earning ratio (Times)	10.11	11.54
23	Net Asset Value (NAV)	48,738.95	47,461.29
24	Net Asset Value (NAV) per share (Taka)	30.27	29.48
25	Net Operating Cash Flow per share (NOCFPS) (Taka)	(6.77)	7.20
26	Dividend Yield per share	3.37%	7.19%
27	Dividend pay out ratio per share	36.06%	97.85%
28	Dividend cover Ratio (Times)	2.77	1.02

AMARSTOCK

Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Balance Sheet

As at 31 December 2016

Annexure - E

Particular	Notes	31.12.2016		31.12.2015	
		USD	BD.Taka	USD	BD.Taka
Property and assets					
Cash in hand		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		-	-	-	-
Balance with other banks & financial institutions		**-**	**-**	**879,654.43**	**69,053,137**
In Bangladesh	2.0	-	-	879,654.43	69,053,137
Outside Bangladesh		-	-	-	-
Placement with banks & other financial institutions	3.0	**44,225,363.45**	**3,480,633,399**	**31,612,726.32**	**2,481,608,500**
Investments in shares & securities		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Investments		**394,341,493.24**	**31,035,543,069**	**339,860,938.39**	**26,679,185,622**
General investments etc.		-	-	-	-
Bills purchased & discounted	4.0	394,341,493.24	31,035,543,069	339,860,938.39	26,679,185,622
Fixed assets		-	-	-	-
Other assets	5.0	**1,128,050.72**	**88,780,073**	**322,650.04**	**25,328,125**
Non - banking assets		-	-	-	-
Total property and assets		**439,694,907.41**	**34,604,956,542**	**372,675,969.18**	**29,255,175,384**
Liabilities and Capital					
Liabilities					
Placement from banks & other financial institutions	6.0	**431,414,256.79**	**33,953,251,121**	**371,402,864.71**	**29,155,236,301**
Deposits & other accounts		-	-	-	-
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al- Wadeeah Current and other deposit accounts		-	-	-	-
Bills payable		-	-	-	-
Other liabilities	7.0	**8,280,650.62**	**651,705,421**	**1,273,104.47**	**99,939,083**
Deferred tax liabilities /(assets)		**-**	**-**	**-**	**-**
Total liabilities		**439,694,907.41**	**34,604,956,542**	**372,675,969.18**	**29,255,175,384**
Capital/ share-holders' equity		-	-	-	-
Paid - up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other /translation reserves	8.0	-	9,417,220	-	6,392,485
Retained earnings	17.0	-	(9,417,220)	-	(6,392,485)
Total liabilities & shareholders' equity		**439,694,907.41**	**34,604,956,542**	**372,675,969.18**	**29,255,175,384**
Off-balance sheet items		-	-	-	-
Contingent liabilities					
Acceptances & endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit (including back to back bills)		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Total		-	-	-	-
Other commitments					
Documentary credits, short term and trade related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance, revolving and underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Total		-	-	-	-
Total off-balance sheet items including contingent liabilities		-	-	-	-

The annexed notes form an integral part of these financial statements.

Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Profit & Loss Account

For the year ended 31 December 2016

Particular	Notes	31.12.2016		31.12.2015	
		USD	BD.Taka	USD	BD.Taka
Operating income					
Investment income	9.0	20,022,598.37	1,562,097,868	10,516,342.09	816,188,135
Profit paid on mudaraba deposits/placement	10.0	(7,076,160.61)	(552,496,541)	(5,680,820.21)	(440,715,274)
Net investment income		**12,946,437.76**	**1,009,601,327**	**4,835,521.88**	**375,472,861**
Income from investments in shares & securities		-	-	-	-
Commission, exchange & brokerage income		-	-	-	-
Other operating income	11.0	270,079.21	21,093,406	238,421.51	18,503,071
Total operating income		**13,216,516.97**	**1,030,694,733**	**5,073,943.39**	**393,975,932**
Operating expenses					
Salary & allowances	12.0	84,943.59	6,628,084	43,924.84	3,432,726
Rent, taxes, insurances, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamps and telecommunication etc.	13.0	66.54	5,250	-	-
Stationery, printing and advertisement etc.		-	-	-	-
Chief executive's salary & fees		-	-	-	-
Directors' fees & expenses		-	-	-	-
Shari'ah supervisory committee's fees & expenses		-	-	-	-
Auditors' fees		-	-	-	-
Charges on investment losses		-	-	-	-
Depreciation and repair to bank's assets		-	-	-	-
Zakat expenses		-	-	-	-
Other expenses	14.0	713.24	56,275	-	-
Total operating expenses		**85,723.37**	**6,689,609**	**43,924.84**	**3,432,726**
Profit/ (loss) before provision		**13,130,793.60**	**1,024,005,124**	**5,030,018.55**	**390,543,206**
Provision for investments & off- balance sheet items	15.0	-	-	-	-
Provision for diminution in value of investments in shares		-	-	-	-
Other provisions		-	-	-	-
Total provision		**-**	**-**	**-**	**-**
Total profit/(loss) before taxes		**13,130,793.60**	**1,024,005,124**	**5,030,018.55**	**390,543,206**
Provision for taxation for the period					
Current tax	16.0	-	-	-	-
Deferred tax	16.0	-	-	-	-
Net profit/ (loss) after tax		**13,130,793.60**	**1,024,005,124**	**5,030,018.55**	**390,543,206**
Retained earnings from previous year		-	-	-	-
Less: Interim dividend paid		-	-	-	-
Add: Net profit after tax		13,130,793.60	1,024,005,124	5,030,018.55	390,543,206
Profit available for appropriation		**13,130,793.60**	**1,024,005,124**	**5,030,018.55**	**390,543,206**
Less: Appropriation		**13,130,793.60**	**1,024,005,124**	**5,030,018.55**	**390,543,206**
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Transferred to main operation	17.0	13,130,793.60	1,033,422,344	5,030,018.55	394,857,965
Retained earnings		-	(9,417,220)	-	(4,314,759)

The annexed notes form an integral part of these financial statements.

Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2016

Particular	2016		2015	
	USD	BD.Taka	USD	BD.Taka
Cash flows from operating activities				
Investment income	20,022,598.37	1,562,097,868	10,516,342.09	816,188,135
Profit paid on mudaraba deposits/placement	(7,076,160.61)	(552,496,541)	(5,564,570.21)	(431,653,656)
Income/ dividend receipt from investments in shares & securities	-		-	
Fees & commission receipt in cash	-	-	-	-
Recovery from written off investments	-	-	-	-
Payments to employees	(84,943.59)	(6,628,084)	(43,924.84)	(3,432,726)
Cash payments to suppliers	-	-	-	-
Income tax paid	-	-	-	-
Receipts from other operating activities	270,079.21	21,093,406	238,421.51	18,503,071
Payments for other operating activities	(779.78)	(61,525)	-	-
i) Operating profit before changes in operating assets & liabilities	**13,130,793.60**	**1,024,005,124**	**5,146,268.55**	**399,604,824**
Changes in operating assets and liabilities				
Increase/(decrease) of statutory deposits	-	-	-	-
(Increase)/decrease of net trading securities	-	-	-	-
(Increase)/decrease of placement to other banks	(12,612,637.13)	(999,024,899)	5,072,036.24	377,946,731
(Increase)/decrease of investments to customers	(54,480,554.85)	(4,356,357,447)	(181,843,605.54)	(14,361,829,337)
(Increase)/decrease of other assets	(805,400.68)	(63,451,948)	19,627.63	1,352,214
Increase/(decrease) of placement from other banks	-	-	-	-
Increase/(decrease) of deposits from other banks	-	-	-	-
Increase/(decrease) of deposits received from customers	-	-	-	-
Increase/(decrease) of other liabilities account of customers	-	-	-	-
Increase/(decrease) of trading liabilities	-	-	-	-
Increase/(decrease) of other liabilities	7,007,546.15	551,766,338	1,040,604.47	81,815,847
(ii) Cash flows from operating assets and liabilities	**(60,891,046.51)**	**(4,867,067,957)**	**(175,711,337.20)**	**(13,900,714,545)**
Net cash flows from operating activities (A)=(i+ii)	**(47,760,252.91)**	**(3,843,062,833)**	**(170,565,068.65)**	**(13,501,109,721)**
Cash flows from investing activities				
Proceeds from sale of securities	-	-	-	-
Payment for purchase of securities/membership	-	-	-	-
Purchase/sale of property, plants & equipments	-	-	-	-
Purchase/sale of subsidiaries	-	-	-	-
Net cash flows from investing activities (B)	-	-	-	-
Cash flows from financing activities				
Receipts from issue of debt instruments	-	-	-	-
Payment for redemption of debt instruments	-	-	-	-
Fund obtained from banks & other financial institutions	60,011,392.08	4,798,014,820	175,581,834.30	13,891,104,473
Profit transferred to main operation	(13,130,793.60)	(1,033,422,344)	(5,030,018.55)	(394,857,965)
Net cash flows from financing activities (C)	**46,880,598.48**	**3,764,592,476**	**170,551,815.75**	**13,496,246,508**
Net increase/(decrease) in cash (A+B+C)	**(879,654.43)**	**(78,470,357)**	**(13,252.90)**	**(4,863,213)**
Add/(less) effects of exchange rate changes on cash & cash equivalent	-	9,417,220	-	4,314,759
Add: cash & cash equivalents at beginning of the year	879,654.43	69,053,137	892,907.33	69,601,591
Cash & cash equivalents at the end of the year	**-**	**-**	**879,654.43**	**69,053,137**

Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Notes to the financial statements

For the year ended 31 December 2016

1.0 Status of the Company

Off-shore Banking Units (OBU) of Islami Bank Bangladesh Ltd. governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission from Bangladesh Bank for operating of Off-shore Banking Units located at Head Office Complex Branch, Dhaka, Agrabad Branch, Chittagong and Uttara Branch, Dhaka vide Bangladesh Bank letter no. BRPD (P-3)744 (111)/2010-1032 dated 28 March 2010. The Bank has Commenced the operation of its Off-shore Banking Units from 08.02.2011 at Head Office Complex Branch, Dhaka, from 27.09.2011 at Agrabad Branch, Chittagong and from 01.06.2015 at Uttara Branch.

1.1 Principal activities

The principal activities of the OBU are to provide mudaraba investment against payment of import bills under UPAS (Usance Payment at Sight) to its customers of Off-shore Banking Units in Bangladesh.

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Company Act, 1991 as amended, Bangladesh Financial Reporting Standards (BFRSs) and other applicable directives issued by Bangladesh Bank. All the financial statements relating the OBU has already been accounted for in the separate financial statements of the Bank (considering necessary adjustments relating to intra-units transactions and balances). Along with that, this financial statements relating to OBU only is prepared and disclosed in compliance with the requirements of Bangladesh Bank.

1.2.2 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 report amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The figures (Taka) appearing in these Financial Statements have been rounded off to the nearest integer.

1.2.3 Foreign currency transactions

a. Foreign currency transactions

Foreign currency transactions are converted in to 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 Dollars are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month.

b. Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

1.2.4 Translation reserve

The activities of OBU is considered as foreign operation due to it's different functional currency other than the non-OBU operation of the Bank. As per BAS/IAS - 21, items of balance sheet of OBU has been be translated to presentation currency using closing rate and items of income and expenditure has been

translated to presentation currency using spot rate prevailing on the date of actual transaction, otherwise average rate has been used. Due to the above translation using two rates the arising differences have been kept as translation reserve.

1.2.5 Retained earnings/Net profit transferred to main operation

As on 31 December the net income in USD/foreign currency of OBU is transferred to main operation of the Bank at exchange rate prevailing on that date.

1.2.6 Cash flow statement

Cash flow statement has been prepared as per BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

1.2.7 Reporting period

The financial statements cover from 01 January 2016 to 31 December 2016.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the unit's management for its short-term commitments.

1.3.2 Investments

Investment of OBU are stated in the balance sheet on net basis. Profit is calculated on daily product basis but charged and account for on realisation/cash basis.

1.4 Allocation of common expenses

Establishment expenses in the nature of rent, rates, taxes, management expenses, printing and stationery, electricity, postage, stamps, telecommunication and audit fees etc. have not been separately accounted for in the financial statements, but staff costs (salaries and allowances) are separately accounted for OBU.

1.5 Profit paid on mudaraba deposits/placement

OBU obtains fund under placement from abroad (different foreign Banks) and OBUs of different Banks in Bangladesh (BD) based on Mudaraba Agreement and pays proportionate amount of investment income earned through deploying these fund as profit. In some cases OBU pays profit at provisional rate in advance which is shown as "Prepaid profit on placement" under other assets.

1.6 Placement from banks & other financial institutions

Off-shore Banking Units (OBUs) of IBBL obtains fund under placement from its Head Office (Treasury Division), abroad (different foreign Banks) and OBUs of different Banks in Bangladesh (BD) as per Bangladesh Bank Letter No.BCD(P)744(27)/1416, dated 17 December 1985.

		31.12.2016		31.12.2015	
		USD	BD.Taka	USD	BD.Taka
2.0	**Balance with other banks & financial institutions**				
	In Bangladesh (balance with Treasury Division)	-	-	879,654.43	69,053,137
	Outside Bangladesh	-	-	-	-
	Total	**-**	**-**	**879,654.43**	**69,053,137**
3.0	**Placement with banks & other financial institutions**				
	Fund provided to AD Branches for MDB in FC (*)	44,225,363.45	3,480,633,399	31,612,726.32	2,481,608,500
	(*) This amount has been provided to AD branches to finance investment in MDB in FC as per the requirement of the AD branches as per Bangladesh Bank FE Circular No. - 03 dated 04 February 2013.				
4.0	**Investments**	394,341,493.24	31,035,543,069	39,860,938.39	26,679,185,622
4.1	**Bills purchased & discounted**				
	Mudaraba Documentary Import Bills (MDIB-UPAS) (*)	306,756,882.75	24,142,441,538	280,212,167.89	21,996,739,243
	Hire-Purchase under Shirkatul Meelk (HPSM in FC)	87,584,610.49	6,893,101,532	59,648,770.50	4,682,446,379
	Total	**394,341,493.24**	**31,035,543,069**	**339,860,938.39**	**26,679,185,622**
	(*) OBU allows the facilities as per Bangladesh Bank BRPD Circular No. 28, dated 05 September 2010.				
5.0	**Other assets**				
	Prepaid profit on placement from banks & other financial institutions	1,128,050.72	88,780,073	322,650.04	25,328,125
	Total	**1,128,050.72**	**88,780,073**	**322,650.04**	**25,328,125**
6.0	**Placement from banks & other financial institutions**				
	Islami Bank Bangladesh Ltd.-main operation (Treasury Division)	216,414,256.79	17,032,278,121	145,081,052.71	11,388,906,162
	Banks in BD (OBU)	10,000,000.00	787,022,000	130,000,000.00	10,205,039,000
	Banks (abroad)	205,000,000.00	16,133,951,000	96,321,812.00	7,561,291,139
	Total	**431,414,256.79**	**33,953,251,121**	**371,402,864.71**	**29,155,236,301**
7.0	**Other liabilities**				
	Profit payable	2,502,384.14	196,943,137	1,202,304.47	94,381,262.00
	Unearned Income	70,800.00	5,572,116	70,800.00	5,557,821.00
	Profit Receivable UPAS	5,707,466.48	449,190,168	-	-
	Profit during the year	-	-	-	-
	Total	**8,280,650.62**	**651,705,421.00**	**1,273,104.47**	**99,939,083**
8.0	**Translation reserve**				
	Balance as on 1 January	-	4,314,759	-	6,392,485
	Addition/(adjustment) during the year	-	5,102,461	-	(2,077,726)
	Balance as at 31 December	**-**	**9,417,220**	**-**	**4,314,759**

		2016		2015	
		USD	BD.Taka	USD	BD.Taka
9.0	**Investment income**				
	Mudaraba documentary import bills (MDIB-UPAS)	17,489,532.60	1,364,177,456	9,514,427.62	738,458,779
	Hire-Purchase under Shirkatul Meelk (HPSM in FC)	1,462,129.73	114,352,700	137,412.00	10,738,748
	Placement to AD branches (MDB-FC)	1,070,936.04	83,567,712	864,502.47	66,990,608
	Total	**20,022,598.37**	**1,562,097,868**	**10,516,342.09**	**816,188,135**
10.0	**Profit paid on mudaraba deposits/placement**				
	Profit paid on Placement from Banks (abroad)	5,863,224.51	457,922,296	4,011,452.17	310,844,976
	Profit paid on Placement from Banks in BD (OBU)	1,212,936.10	94,574,245	1,669,368.04	129,870,298
	Total	**7,076,160.61**	**552,496,541**	**5,680,820.21**	**440,715,274**
11.0	**Other Income**				
	Service charge realized (MDIB-UPAS)	256,289.35	20,017,880	225,000.00	17,462,837
	Service charge realized (Placement to AD branches)	13,789.86	1,075,526	13,421.51	1,040,234
	Total	**270,079.21**	**21,093,406**	**238,421.51**	**18,503,071**
12.0	**Salary & allowances**				
	Basic pay	33,459.39	2,610,811	18,845.45	1,472,772
	Allowances	29,665.61	2,314,786	13,501.63	1,055,152
	Bonus	18,472.65	1,441,407	9,693.22	757,525
	Contribution to Provident Fund	3,345.94	261,080	1,884.54	147,277
	Total	**84,943.59**	**6,628,084**	**43,924.84**	**3,432,726**
13.0	**Postage, stamps and telecommunication etc.**				
	Telephone Bill	66.54	5,250	-	-
14.0	**Other expenses**				
	Expenditure A/c: 10% profit pid to Ads UPAS	-	-	-	-
	Entertainment	713.24	56,275		
	Total	**713.24**	**56,275**		
15.0	**Provision for investment**				

Provision for investment have not been separately accounted for in the financial statements of OBU. These are accounted for directly in the main financial statements of the Bank.

16.0 Provision for tax

Provision for current and deferred tax have not been separately accounted for in the financial statements of OBU. These are accounted for directly in the main financial statements of the Bank.

17.0	**Retained earnings**				
	Retained earnings as on 1 January	-	(4,314,759)	-	(6,392,485)
	Addition during the year	13,130,793.60	1,024,005,124	5,030,018.55	390,543,206
	Effect of translation reserve	-	4,314,759	-	6,392,485
	Transferred to main operation	13,130,793.60	1,033,422,344	5,030,018.55	394,857,965
	Balance as at 31 December	**-**	**(9,417,220)**	**-**	**(4,314,759)**

Islami Bank Securities Limited

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Islami Bank Securities Limited (the company) which comprise the statement of financial position as at 31st December, 2016 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BASs), Bangladesh Financial Reporting Standards (BFRSs), and the Companies Act 1994, the Securities & Exchange Rules 1987 and the other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Islami Bank Securities Limited as at 31st December, 2016 and the result of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- The statement of financial position and statement of profit or loss and others comprehensive income along with the annexed notes 1 to 35 dealt with by this report are in agreement with the books of accounts; and
- The expenditure incurred was for the purpose of the company's business.

Dhaka, February 20, 2017

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Islami Bank Securities Limited

Statement of Financial Position

As at 31 December 2016

Particulars	Notes	Amount in Taka	
		31.12.2016	31.12.2015
Property and Assets:			
Non-current assets		**306,175,119**	**306,531,524**
Property, plant and equipment	3	1,721,720	2,078,125
Investment in TREC (Membership)	4	304,453,399	304,453,399
Deferred tax assets	**5**	**582,302**	**663,350**
Current assets		**7,861,400,931**	**7,831,852,336**
Cash and cash equivalents	6	347,817,650	497,946,166
Investment in securities	7	1,559,751,203	1,655,806,479
Accounts receivables	8	27,243,392	3,591,330
Advances, deposits and prepayments	9	9,877,934	109,885,567
Investment in MTDR	10	5,851,340,000	5,546,785,372
Other assets	11	65,370,752	17,837,422
Total Property and Assets		**8,168,158,352**	**8,139,047,210**
Equity and Liabilities:			
Equity		**2,766,926,075**	**2,766,777,738**
Paid up capital	12	2,700,000,000	2,700,000,000
Retained earnings	13	66,926,075	66,777,738
Non-current liabilities		**5,000,000,000**	**5,000,000,000**
Investment from IBBL	14	5,000,000,000	5,000,000,000
Current liabilities		**401,232,277**	**372,269,472**
Accounts payables	15	248,724,245	146,396,355
Provision for income tax	16	39,017,345	120,243,599
Accrued expenses	17	14,508,351	14,241,553
Quard against MTDR	18	-	90,000,000
Other current liabilities	19	98,982,336	1,387,965
Total Equity and Liabilities		**8,168,158,352**	**8,139,047,210**
Net Asset Value per share		**1,024.79**	**1,024.73**

The annexed notes form an integral part of these Financial Statements

Mahmudul Islam
CEO (Current Charge)

Major General (Retd.) Engr. Abdul Matin
Director

Shamim Mohammed Afzal
Chairman

Subject to our separate report of even date

Dhaka, February 20, 2017

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Islami Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

Particulars	Notes	Amount in Taka	
		2016	2015
Operating income			
Investment income	20	463,687,467	337,486,508
Brokerage commissions	21	24,976,413	14,178,951
Other operating income	22	2,889,107	2,774,243
Total operating income		**491,552,987**	**354,439,702**
Operating expenses			
Salary and allowances	23	23,699,946	17,037,238
Rent, taxes, insurancees and electricity etc.	24	4,491,878	4,219,493
BO account maintenance expenses		1,876,350	2,026,800
Brokerage expenses	25	1,770,278	915,466
Postage, stamps and communication etc.	26	233,274	244,066
Stationery, printing and advertisement etc.	27	379,006	591,962
Directors' fees and expenses	28	1,002,800	437,000
Repair and maintenances	29	1,408,561	1,469,499
CDS charges		1,524,670	950,236
Depreciation	30	356,404	2,188,426
Amortization	31	-	962,662
License expenses	32	370,350	288,160
Other expenses	33	1,955,080	2,129,960
Profit paid on investment of mudaraba fund		209,649,654	132,915,404
Auditor's fees		92,000	92,000
Total operating expenses		**248,810,251**	**166,468,372**
Operating profit		**242,742,736**	**187,971,330**
Provision for unrealized gain/ (loss)	34	352,361,724	(26,774,778)
Profit before tax		**595,104,460**	**161,196,552**
Provision for taxation for the period		**108,956,123**	**58,231,496**
Current tax		108,875,075	58,578,966
Deferred tax		81,048	(347,470)
Net profit after tax		**486,148,337**	**102,965,056**
Other Income		**-**	**-**
Total comprehensive income for the year		**486,148,337**	**102,965,056**
Earning Per Share (EPS)		**180.05**	**38.14**

The annexed notes form an integral part of these Financial Statements

Mahmudul Islam
CEO (Current Charge)

Major General (Retd.) Engr. Abdul Matin
Director

Shamim Mohammed Afzal
Chairman

Subject to our separate report of even date

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dhaka, February 20, 2017

Islami Bank Securities Limited

Statement of Cash Flows

For the year ended 31 December 2016

Particulars	Amount in Taka	
	2016	2015
A. Cash flows from operating activities:		
Net profit after tax	**486,148,337**	**102,965,056**
Adjustment for non-cash items:		
Depreciation	356,404	2,188,426
Amortization	-	962,662
Provision for unrealized (gain)/loss	(352,361,724)	26,774,778
	(352,005,320)	29,925,866
Cash flow before working capital changes	**134,143,017**	**132,890,922**
Changes in working capital:		
Increase/(decrease) in accounts payable	102,327,890	85,237,516
Increase/ (decrease) in provision for income tax	(81,226,254)	58,578,966
Increase /(decrease) in accrued expenses	266,798	12,536,365
Increase/ (decrease) in other current liabilities	97,594,371	(70,518)
Decrease/ (increase) in other assets	(47,533,330)	(5,826,640)
Decrease /(increase) in deferred tax assets	81,048	(347,470)
Decrease/ (increase) in advance, deposit & prepayments	100,007,633	(55,861,045)
Decrease/ (increase) in accounts receivable	(23,652,062)	1,855,300
	147,866,094	**96,102,474**
Net cash flows from operating activities	**282,009,111**	**228,993,396**
B. Cash flows from investing activities:		
Acquisition of fixed assets	-	(509,077)
Acquisition of intangible assets	-	(6,068)
Investments in securities	(1,773,260,286)	(1,501,797,336)
Sale of investment in securities	2,221,677,286	1,335,573,339
Investments in MTDR	(304,554,628)	(1,910,632,545)
Net cash flows from investment activities	**143,862,372**	**(2,077,371,687)**
C. Cash flows from financing activities:		
Investment form IBBL	-	2,000,000,000
Interim dividend paid	(486,000,000)	-
Quard against MTDR	(90,000,000)	-
Net cash flows from financing activities	**(576,000,000)**	**2,000,000,000**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(150,128,517)**	**151,621,708**
Add: Cash & cash equivalents at the beginning of the year	497,946,167	346,324,458
Cash and cash equivalents at the end of the year	**347,817,650**	**497,946,166**
Net Operating Cash Flows per share	**104.45**	**84.81**

The annexed notes form an integral part of these Financial Statements.

Mahmudul Islam
CEO (Current Charge)

Major General (Retd.) Engr. Abdul Matin
Director

Shamim Mohammed Afzal
Chairman

Subject to our separate report of even date

Dhaka, February 20, 2017

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

AMARSTOCK

Islami Bank Securities Limited

Statement of Changes in Equity

For the year ended 31 December 2016

(Amount in Taka)

Particulars	Paid-up Capital	Retained Earnings	Total Equity
Opening balance as at 01 January 2015	2,700,000,000	(36,187,318)	2,663,812,682
Total comprehensive income for the year	-	102,965,056	102,965,056
Balance as at 31 December 2015	**2,700,000,000**	**66,777,738**	**2,766,777,738**
Opening balance as at 01 January 2016	2,700,000,000	66,777,738	2,766,777,738
Total comprehensive income for the year	-	486,148,337	486,148,337
Interim dividend paid	-	(486,000,000)	(486,000,000)
Balance as at 31 December 2016	**2,700,000,000**	**66,926,075**	**2,766,926,075**

The annexed notes form an integral part of these Financial Statements.

Mahmudul Islam
CEO (Current Charge)

Major General (Retd.) Engr. Abdul Matin
Director

Shamim Mohammed Afzal
Chairman

Subject to our separate report of even date

Dhaka, February 20, 2017

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

AMARSTOCK

Islami Bank Securities Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2016

1.0 Status of the company

ISLAMI BANK SECURITIES LIMITED was incorporated on the March 22, 2010 under the Companies Act, 1994 as a public limited company. It is a subsidiary company of Islami Bank Bangladesh Limited (IBBL) that holds all the shares of the company except 204 (Two hundred four) shares being held by twenty one (21) individual shareholders. The registered office of the company is situated at 20, Dilkusha C/A, in Dhaka, Bangladesh.

1.1 Nature of business

The main objective of the company is to carry on the business of a stock broker and stock dealer that is to buy, sell and deal in shares, stocks, debenture, bonds and other securities, as well as to carry on any business as permissible for a broker and dealer duly licensed by the Bangladesh Securities and Exchange Commission (BSEC).

2.0 Significant accounting policies and basis of preparation of financial statements

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with

a) Bangladesh Financial Reporting Standards (BFRS)

b) The Companies act, 1994

c) Securities and Exchange Commission (Stock-Dealer, Stock Broker and Authorized Representative) Rules, 2000

d) Other relevant laws and regulations applicable in Bangladesh

2.2 Basis of preparation

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Listing Rules of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and Bangladesh Financial Reporting Standards and other applicable laws and regulations.

2.3 Basis of measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been constantly applied by the Company and are consistent with those of the previous year.

2.4 Going concern

The Company has adequate resources to continue in operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.5 Components of financial statements

The financial statements referred to here comprise:

AMAR STOCK

a. Statement of Financial Position
b. Statement of Profit or Loss and Other Comprehensive Income
c. Statement of Cash Flows
d. Statement of Changes in Equity and
e. Notes to the Financial Statements

2.6 Statement of cash flows

Statement of cash flows is prepared in accordance with the Bangladesh Accounting Standard-7 "Statement of Cash Flows" under indirect method.

2.7 Reporting period

These financial statements cover one calendar year from 01 January 2016 to 31 December 2016.

2.8 Property, plant and equipment

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

The company recognizes the cost of purchasing new assets or cost of replacing new assets in the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

2.8.1 Depreciation policy

Depreciation is charged at the following rates on a straight line method on motor vehicles and computers and other assets are depreciated on reducing balance method according to their respective percentage given below. Depreciation is charged from the date of acquisition of particular assets and up to the date of disposal.

Items	Rate	Method
Mechanical appliances	20-25%	Reducing balance
Furniture and fixtures	10-20%	Reducing balance
Computers	25%	Straight line
Motor vehicles	20%	Straight line

2.9 Intangible assets and amortization of intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is expensed as incurred.

Software

Acquired software licenses are capitalized on the basis of costs incurred to acquire and bring the specific software to use. These costs are amortized over their estimated useful lives of four years.

2.10 Investment in TREC (Membership)

Investment in Stock Exchanges for TREC (Membership) are stated at cost. The cost of acquisition of a TREC (Membership) comprises its purchase price and any directly attributable cost of completing compliance requirements relevant to it inclusive of stamp duty and non-refundable taxes, etc. As per the Demutualization Act, 2013 Membership renamed as Trading Right Entitlement Certificate (TREC) and we have been allotted

7,215,106 and 4,287,330 no. of ordinary shares of Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) respectively.

2.11 Preliminary and deferred revenue expenses

All the preliminary and deferred revenue expenses have been recognized as assets and as per Board's decision all these assets will be amortized over the period of 5 (five) years or at a rate of 20% commencing from the year 2011. All these assets are stated in financial position at cost less accumulated amortization.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank, which are held and available for use by the company without any restriction and are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

2.13 Investment in securities

Investment in securities means purchase of shares of quoted/listed companies in DSE and CSE through stock dealer account. Investment is made in shariah complied securities. Investment in securities is categorized as held for trading as per BAS 39 and valued at market value on the last date of reporting period and relevant unrealized gain /(loss) is recognized in income statement as per directive # SEC/CMRRCD/2009-193/196 dated December 28, 2016 and as per directive # SEC/CMRRCD/2009-193/181 dated December 8, 2015 respectively of Bangladesh Securities and Exchange Commission.

2.14 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

2.15 Advance income tax

The amount of advance income tax are (a) Payment made through payment order under section 64 and (b) Tax deduction at source (TDS). TDS mainly deduction of tax at sources (i) By bank on profits arisen from bank deposits (SND and MTDR) (ii) By Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on trading turnover and (iii) Against dividend income received from securities owned by the company under portfolio investment.

2.16 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities have also been recognized in the statement of comprehensive income as per BAS-12 "Income Taxes".

2.17 Provision for income tax

Provision for current income tax has been made in compliance with relevant provisions of income tax law.

2.18 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.19 Investment from IBBL

Investment has taken from its parent company, Islami Bank Bangladesh Limited under mudaraba mode for investment in stocks, investment in placement share and investment in margin account etc.

2.20 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the company in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition".

2.21 Dividend income

All dividends received or receivable against the investment in securities held both under dealer account and Musharaka Investment have been considered as dividend income in statement of Profit or Loss and Other comprehensive income. Dividend income is recognized on accrual basis.

2.22 Capital gains from direct investment

The difference between cost price and net sales price of the securities is considered as capital gain from direct investment.

2.22.1 Musharaka investment and income

Musharaka investment means the margins (Investment facilities) provided to eligible clients under brokerage operation in Musharaka principle/ mode of finance. As per Musharaka principle, profits arisen through capital gain and dividend from this investment are shared between company and client as per agreed ratio and loss is shared as per equity participation ratio. Investment is valued at market value on the last date of reporting period and relevant unrealized gain (Loss) is recognized in income statements as per directive #SEC/CMRRCD/2009-193/196 dated December 28, 2016 and as per directive # SEC/CMRRCD/2009-193/181 dated December 8, 2015 respectively of Bangladesh Securities and Exchange Commission.

2.23 Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

2.24 Provisions

All provision is recognized on the financial statement date if, as a result of past events, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.25 Event after the reporting period

As per BAS - 10 "Events after the Reporting period", events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

i) those that provide evidence of conditions that existed at the end of the reporting period (Adjusting events after the reporting period) and

ii) those that are indicative of conditions that arose after the reporting period (Non- adjusting events after the reporting period).

There was no material events which have occurred after the reporting period which could affect the values stated in the financial statements.

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2.26 Related party transaction

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. IBSL) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.

Related Parties include the Company's Directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted as arm's length transactions. Details are given in Note 35.

2.27 Authorization of the financial statements for issue

The financial statements of the company have been authorized for issue by the Board of Directors on 07.02.2017.

2.28 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT) currency, which is the company's functional currency.

2.29 General

a) The figures appearing in these financial statements are expressed in Taka currency and rounded off to the nearest Taka unless otherwise stated.

b) Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

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		31.12.2016 Taka	31.12.2015 Taka
3 Property, plant and equipment			
Cost:			
Opening balance at cost		13,921,914	13,412,837
Add: Assets purchased during the year		-	509,077
Less: Sale/Adjustment during the year		-	-
Closing value at cost (a)		**13,921,914**	**13,921,914**
4 Accumulated depreciation:			
Opening balance		11,843,790	9,655,363
Add: Depreciation charged during the year	30	356,404	2,188,426
Less: Adjustment during the year		-	-
Closing balance of depreciation (b)		**12,200,194**	**11,843,789**
Written down value (a - b)		**1,721,720**	**2,078,125**
Details are given in Annexure -A			
Investment in TREC (Membership)			
DSE		24,453,399	24,453,399
CSE		280,000,000	280,000,000
Total		**304,453,399**	**304,453,399**

This represents the acquisition cost of DSE and CSE memberships paid by Islami Bank Securities Limited. According to Exchanges Demutualization Act 2013 and Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) has allotted total 7,215,105 ordinary Shares at a face value of Taka 10.00 each against acquisition cost of Taka 24,453,399 while Chittagong Stock Exchange Ltd. (CSE) allotted total 4,287,330 ordinary shares at face value of Taka 10.00 each against acquisition cost of Taka 280,000,000. Out of the shares allotted DSE has transferred 2,886,042 shares and CSE transferred 1,714,932 shares to BO account of the company. The remaining balance has been kept under blocked account. Since there is no active market for shares of DSE and CSE and the fair value of the said investments could not be reliably measured.

5 Deferred tax assets			
Accounting base of fixed assets			
Tax base of fixed assets		1,721,720	2,065,173
Deductable temporary difference (DTD)		3,385,440	3,960,459
Deferred tax assets (35% of DTD)		1,663,720	1,895,286
Total		**582,302**	**663,350**
6 Cash and cash equivalents			
Cash in hand		-	1,776
Cash at bank	6.1	347,817,650	497,944,390
Total		**347,817,650**	**497,946,166**
6.1 Cash at bank			
IBSL account		108,071,696	349,444,018
Customer account		239,745,954	148,500,372
Total		**347,817,650**	**497,944,390**
7 Investment in securities			
Own portfolio	7.1	1,544,042,408	1,624,364,908
Musharaka portfolio	7.2	15,708,795	31,441,571
Total		**1,559,751,203**	**1,655,806,479**
7.1 Own portfolio			
Opening balance at cost		2,041,556,144	1,876,030,202
Add: Shares purchased during the year		1,790,979,747	1,501,099,281
Less: Cost of shares sold during the year		(2,221,677,286)	(1,335,573,339)
Closing balance of investment at cost		1,610,858,605	2,041,556,144
Less: Provision against un-realized gain/(loss) (Note: 7.1.1)		(66,816,197)	(417,191,236)
Total		**1,544,042,408**	**1,624,364,908**

			31.12.2016 Taka	31.12.2015 Taka
7.1.1	**Provision against unrealized gain/(loss)**			
	Opening balance		(417,191,236)	(392,748,601)
	Add: Addition during the year (Note:34.1)		350,375,039	(24,442,635)
	Closing balance		**(66,816,197)**	**(417,191,236)**
7.2	**Musharaka portfolio**			
	Opening balance at cost		39,385,411	38,687,354
	Add: Shares purchased/(sold) during the year		(17,719,461)	698,057
	Closing balance of investment at cost		21,665,950	39,385,411
	Less: Provision against un-realized gain/(loss) (Note: 7.2.1)		(5,957,155)	(7,943,840)
	Total		**15,708,795**	**31,441,571**
7.2.1	**Provision against unrealized gain/(loss)**			
	Opening balance		(7,943,840)	(5,611,697)
	Add: Addition during the year (Note: 34.2)		1,986,685	(2,332,143)
	Closing balance		**(5,957,155)**	**(7,943,840)**
8	**Accounts receivables**			
	Receivable from clients		2,606,432	2,181,823
	Receivable from CSE (Broker)		591,785	-
	Receivable from CSE (Dealer)		271,949	-
	Receivable from DSE (Broker)		19,731,792	1,409,507
	Receivable from DSE (Dealer)		4,041,434	-
	Total		**27,243,392**	**3,591,330**
9	**Advances, deposits and prepayments**			
	Advance office rent for head office	9.1	9,656,000	2,485,000
	Advance office rent for Head Office Ext., Nawabpur	9.2	148,200	285,000
	Prepaid insurance premium	9.3	36,640	36,641
	Prepaid motor car maintenance	9.4	33,594	35,814
	Advance income tax	9.5	-	107,039,612
	Advance for security depsoit		3,500	3,500
	Total		**9,877,934**	**109,885,567**
9.1	**Advance office rent for Head Office**			
	Opening balance		2,485,000	5,467,000
	Add: paid during the year		10,224,000	-
	Less: Charged to profit & loss during the year		3,053,000	2,982,000
	Total		**9,656,000**	**2,485,000**
9.2	**Advance office rent for Head Office Ext., Nawabpur**			
	Opening balance		285,000	-
	Add: paid during the year		-	410,400
	Less: Charged to profit & loss during the year		136,800	125,400
	Total		**148,200**	**285,000**
9.2	**Prepaid insurance premium**			
	Opening balance		36,641	36,645
	Add: paid during the year		43,971	43,971
	Less: Charged to profit & loss during the year		43,972	43,975
	Total		**36,640**	**36,641**
9.3	**Prepaid motor car maintenance**			
	Opening balance		35,814	35,174
	Add: paid during the year		33,594	35,814
	Less: Charged to profit & loss during the year		35,814	35,174
	Total		**33,594**	**35,814**

			31.12.2016 Taka	31.12.2015 Taka
9.4	**Prepaid motor car maintenance**			
	Opening balance		35,814	35,174
	Add: paid during the year	9.5.1	33,594	35,814
	Less: Charged to profit & loss during the year		35,814	35,174
	Total		**33,594**	**35,814**
9.5	**Advance income tax**			
	Opening balance		107,039,612	48,485,703
	Add: Income tax paid during the year		83,061,717	58,553,909
	Less: Adjustment with Provision	9.5.2	(190,101,329)	-
	Total		**-**	**107,039,612**
9.5.1	**Income tax paid during the year**			
	Advance income tax (Under 64 sec)		18,262,281	14,752,700
	Tax deduction at source (TDS)		64,799,436	43,801,209
	Total		**83,061,717**	**58,553,909**
9.5.2	**Tax deduction at source (TDS)**			
	TDS against dividend income		23,536,194	10,028,703
	TDS from bank deposit profit		38,028,292	31,968,542
	TDS on brokerage commission by CSE		41,316	31,411
	TDS on brokerage commission by DSE		3,193,634	1,772,553
	Total		**64,799,436**	**43,801,209**
10	**Investment in MTDR**			
	Opening balance		5,546,785,372	3,636,152,827
	Add: New/reinvestment during the year		483,000,401	3,805,157,102
	Less: Encashment during the year		178,445,773	1,894,524,557
	Total		**5,851,340,000**	**5,546,785,372**
11	**Other asset**			
	Stock in hand		48,006	35,602
	Receivable from dividend		9,914,568	3,066,350
	Receivable profit from bank on MTDR		55,408,178	14,735,470
	Total		**65,370,752**	**17,837,422**
12	**Share capital**			
	Authorized capital			
	5,000,000 ordinary shares of Taka 1,000 each.		**5,000,000,000**	**5,000,000,000**

Paid- up capital

27,00,000 ordinary shares of Taka 1,000 only each:

Name of shareholder	No. of shares	%	Amount in Taka	
			31.12.2016	31.12.2015
1) Islami Bank Bangladesh Limited	2,699,796	99.992	2,699,796,000	2,699,946,000
2) 21 individual share holders	204	0.008	204,000	54,000
	2,700,000	100.00	2,700,000,000	2,700,000,000

Break up of 21 individual shareholders:

Name of shareholder	No. of shares	%	Amount in Taka	
			31.12.2016	31.12.2015
1) Jb. Mohammad Abdul Mannan	10	4.9020	10,000	-
2) Jb. Mohd. Shamsul Haque	9	4.4118	9,000	9,000
3) Jb. Md. Nurul Islam	9	4.4118	9,000	9,000
4) Engr. Mohammad Abul Bashar	9	4.4118	9,000	9,000
5) Jb. Md. Habibur Rahman Bhuiyan, FCA	10	4.9020	10,000	-
6) Jb. Md. Mahbub-ul-Alam	10	4.9020	10,000	-
7) Jb. Abdus Sadeque Bhuiyan	10	4.9020	10,000	-
8) Jb. Md. Shamsuzzaman	10	4.9020	10,000	-
9) Jb. Md. Shafiqur Rahman	10	4.9020	10,000	-
10) Jb. Md. Kabir Hossain	9	4.4118	9,000	9,000
11) Jb. Md. Abdul Jabbar	9	4.4118	9,000	9,000
12) Jb. Md. Obaidul Haque	9	4.4118	9,000	9,000
13) Jb. Mohammad Monirul Moula	10	4.9020	10,000	-
14) Jb. Md. Mohan Miah	10	4.9020	10,000	-
15) Jb. A.A.M Habibur Rahman	10	4.9020	10,000	-
16) Jb. Mohammad Ali	10	4.9020	10,000	-
17) Jb. Yeanur Rahman	10	4.9020	10,000	-
18) Jb. Abu Reza Mohd. Yeahia	10	4.9020	10,000	-
19) Jb. Md. Siddiqur Rahman	10	4.9020	10,000	-
20) Jb. Mohammed Shahid Ullah, FCA	10	4.9020	10,000	-
21) Jb. A.K.M. Payer Ahammed	10	4.9020	10,000	-
	204	**100.00**	**204,000**	**54,000**

13 Retained earnings			
Opening balance		66,777,738	(36,187,318)
Add: Total comprehensive income for the year		486,148,337	102,965,056
Less: Interim dividend paid		486,000,000	-
Total		**66,926,075**	**66,777,738**
14 Investment from IBBL			
Opening balance		5,000,000,000	3,000,000,000
Add: Investment received during the year		-	2,000,000,000
Less: Repayment/adjustment investment		-	-
Total		**5,000,000,000**	**5,000,000,000**

Investment has taken from Islami Bank Bangladesh Limited under mudaraba mode. These amount has been invested in MTDR amounting to Taka 472.13 crore. The profit sharing ratio between IBBL and IBSL is to be at 50:50 basis.

15 Accounts payables			
Payable to clients		179,171,048	141,841,932
Payable to clients (IPO)		67,510,000	-
Payable to CSE (Broker)		189,467	-
Payable to CSE (Dealer)		782,367	511,487
Payable to DSE (Broker)		1,067,751	10,738
Payable to DSE (Dealer)		3,612	4,032,198
Total		**248,724,245**	**146,396,355**
16 Provision for income tax			
Opening balance		120,243,599	61,664,633
Add: Provision for income tax for the year		108,875,075	58,578,966
Less: Adjustment with advance income tax		(190,101,329)	-
Tax deduction at source (TDS)		(131,124,406)	-
Advance income tax (Under sec. 64 of ITO)		(58,976,923)	-
Total		**39,017,345**	**120,243,599**

			31.12.2016 Taka	31.12.2015 Taka
17	**Accrued expenses**			
	Auditor's fees		92,000	92,000
	CDS charges		176,289	99,238
	Electricity bills		34,061	17,035
	Annual incentive bonus		4,364,200	1,965,045
	Holiday allowance		2,900	14,731
	Network support		38,050	38,050
	Professional and consultancy fees		57,500	40,250
	Profit on investment of mudaraba fund		9,649,654	11,908,614
	Service charges		20,250	17,250
	Telephone bills		44,270	25,286
	Wages		21,177	18,054
	Water bills		8,000	6,000
	Total		**14,508,351**	**14,241,553**
18	**Quard against MTDR**			
	Opening balance		90,000,000	90,000,000
	Add: Addition during the year		307,000,000	579,990,000
	Less: Payment during the year		397,000,000	579,990,000
	Total		**-**	**90,000,000**
19	**Other current liabilities**			
	Security deposit from clients		1,109,204	1,111,279
	Security deposits payable on fixed assets		-	16,920
	Sundry creditors		-	25,802
	TDS payable		97,741,707	164,298
	VAT payable		116,425	39,666
	Bank charge payable		15,000	30,000
	Total		**98,982,336**	**1,387,965**
19.1	**Security deposits payable on fixed assets**			
	Digilog System		-	5,550
	Net Com		-	11,370
	Total		**-**	**16,920**
20	**Investment income**			
	Own fund	20.1	57,457,770	43,047,793
	Mudaraba fund	20.2	406,229,697	294,438,715
	Total		**463,687,467**	**337,486,508**
20.1	**Own fund**			
	Cash dividend from own investment		108,988,468	48,847,343
	Cash dividend from musharaka investment		699,879	423,757
	Profit from bank on SND		10,630,275	4,544,078
	Profit from MTDR		59,167,158	48,752,873
	Capital gains from direct investment	20.1.1	(122,028,010)	(59,520,258)
	Total		**57,457,770**	**43,047,793**
20.1.1	**Capital gains from direct investment**			
	Capital gains from sale of securities under dealer A/C	20.1.1.1	(109,922,265)	(59,779,800)
	Capital gain from Musharaka investment	20.1.1.2	(12,105,745)	259,542
	Total		**(122,028,010)**	**(59,520,258)**
20.1.1.1	**Capital gains from sale of securities under stock dealer**			
	Capital gain		85,933,640	62,352,603
	Less: Capital loss		195,855,905	122,132,403
	Total		**(109,922,265)**	**(59,779,800)**

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		31.12.2016 Taka	31.12.2015 Taka
20.1.1.2	**Capital gain from musharaka investment**		
	Capital gain	915,005	342,719
	Less: Capital loss	13,020,750	83,177
	Total	**(12,105,745)**	**259,542**
20.2	**Mudaraba fund**		
	Cash dividend	15,540,724	3,728,624
	Capital gains from sale of securities	39,218,279	19,522,091
	Profit from MTDR	351,204,888	269,302,638
	Profit from bank on SND	265,806	1,885,362
	Total	**406,229,697**	**294,438,715**
20.2.1	**Capital gain from sale of securities**		
	Capital gain	39,780,106	19,573,247
	Less: Capital loss	561,827	51,156
	Total	**39,218,279**	**19,522,091**
21	**Brokerage commissions**		
	Commission on CSE turnover	327,347	243,129
	Commission on DSE turnover	24,649,066	13,935,822
	Total	**24,976,413**	**14,178,951**
22	**Other operating income**		
	BO account opening fees	99,450	156,700
	BO account maintenance fees	2,680,000	2,533,000
	Commission from IPO	57,975	64,196
	Miscellaneous income	51,682	20,347
	Total	**2,889,107**	**2,774,243**
23	**Salary and allowances**		
	Salary	17,264,591	13,474,935
	Eid bonus	1,620,669	1,271,945
	Annual Incentive Bonus	4,364,200	1,965,045
	Holiday allowance	187,819	132,731
	Wages	262,667	192,582
	Total	**23,699,946**	**17,037,238**
24	**Rent, taxes, insurancees and electricity etc.**		
	Office rents	4,149,791	3,929,886
	Insurance premiums	43,972	43,975
	Electricity bills	286,231	231,746
	Renewal of tax token for motor vehicles	11,884	13,886
	Total	**4,491,878**	**4,219,493**
25	**Brokerage expenses**		
	CSE contact charges	3,704	3,152
	CSE commission charges	204,341	10,234
	DSE laga charges	1,551,663	897,845
	Investors' protection fund charges	10,570	4,235
	Total	**1,770,278**	**915,466**
26	**Postage, stamps and communication etc.**		
	Conveyances	28,404	54,421
	Postage	1,135	2,146
	Stamps	3,100	2,993
	Telephone bills	200,635	184,506
	Total	**233,274**	**244,066**

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		31.12.2016 Taka	31.12.2015 Taka
27	**Stationery, printing and advertisement etc.**		
	Advetisement exp.	12,075	83,950
	Printing expenses	-	79,980
	Stationery expenses	366,931	428,032
	Total	**379,006**	**591,962**
28	**Directors' fees and expenses**		
	Directors' fees	872,000	380,000
	Add: Value added tax (VAT)	130,800	57,000
	Total	**1,002,800**	**437,000**
29	**Repair and maintenances**		
	Motor car running and maintenances	616,553	773,651
	Network support	456,600	445,471
	Office maintenances	335,408	250,377
	Total	**1,408,561**	**1,469,499**
30	**Depreciation**		
	Mechanical Appliances	199,483	226,731
	Computer	-	627,547
	Furniture & fixture	156,921	176,336
	Motor vehicles	-	1,157,812
	Total	**356,404**	**2,188,426**
31	**Amortization**		
	Preliminary expense	-	108,025
	Deferred revenue expenses	-	488,371
	Intangible assets	-	366,266
	Total	**-**	**962,662**
32	**License expenses**		
	Renewal fees for depository participant (DP)	9,100	4,000
	Renewal fees for DSE (Stock Broker and Stock Dealer)	24,000	20,000
	Renewal fee for TREC	100,000	150,000
	Renewal fees for CSE (Stock Broker and Stock Dealer)	132,250	20,000
	Trader certificate expense and renewal fees	75,000	72,500
	Renewal of trade license fees	30,000	21,660
	Total	**370,350**	**288,160**
33	**Other expenses**		
	Annual subscription fees	25,000	-
	Bank charges	41,340	38,104
	Bidding charge	5,000	-
	Business development expenses	14,950	711,583
	Computer accessories	20,125	5,000
	Electronic expenses	-	16,985
	Entertainments	356,149	294,383
	Excise duty	527,500	345,000
	Govt. fees	6,100	1,770
	Internet bills	109,135	98,040
	Meeting expenses	190,872	77,921
	Newspaper, magazine and periodicals	27,291	32,538
	Professional and consultancy fees	148,862	161,638
	Rating Expense	172,500	-
	Service charges	213,000	223,500
	Subsidy of BO accounts maintenance exp.	-	2,128
	Training programme expenses	17,000	37,895
	Water bills	80,256	83,475
	Total	**1,955,080**	**2,129,960**

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		31.12.2016 Taka	31.12.2015 Taka
34 Provision against unrealized gain/(loss)			
Own portfolio during the year	34.1	350,375,039	(24,442,635)
Musharaka portfolio during the year	34.2	1,986,685	(2,332,143)
Total		**352,361,724**	**(26,774,778)**
34.1 Own portfolio during the year			
a) Investment in securities at market price as on 31 December		1,544,042,408	1,526,594,370
b) Investment in securities at cost price as on 31 December		1,610,858,605	2,041,556,144
c) Total unrealized gain/(loss) as on 31 December (a-b)	34.1.1	(66,816,197)	(514,961,774)
d) Opening balance of provision		(417,191,236)	(392,748,601)
e) Provision required to be provided (c-d)		350,375,039	(122,213,173)
f) Less: Provision yet to be provided carry forward in next year		-	(97,770,538)
g) Provision for the year (e-f)		**350,375,039**	**(24,442,635)**

As per directive # SEC/CMRRCD/2009-193/196 dated December 28, 2016 of Bangladesh Securities and Exchange Commission, it is required to maintain at least 20% provision against unrealized loss .IBSL has made 100% provision against unrealized loss arising to till date (31.12.16) revaluation of share purchase through own portfolio. However, the directives prohibit payments of cash dividend if the company makes less than 100% provision against such unrealized loss.

34.1.1 Unrealized gain/(loss)			
Opening balance		(514,961,774)	(516,093,305)
Add: Addition during the year		448,145,577	1,131,531
Closing balance		**(66,816,197)**	**(514,961,774)**
34.2 Musharaka portfolio during the year			
a) Investment in securities at market price as on 31 December		15,708,795	22,112,997
b) Investment in securities at cost price as on 31 December		21,665,950	39,385,410
c) Total unrealized gain/(loss) as on 31 December (a-b)	34.2.1	(5,957,155)	(17,272,413)
d) Opening balance of provision		(7,943,840)	(5,611,697)
e) Provision required to be provided (c-d)		1,986,685	(11,660,716)
f) Less: Provision yet to be provided carry forward in next year		-	(9,328,573)
g) Provision for the year (e-f)		**1,986,685**	**(2,332,143)**

As per directive # SEC/CMRRCD/2009-193/196 dated December 28, 2016 of Bangladesh Securities and Exchange Commission, it is required to maintain at least 20% provision against unrealized loss.IBSL has made 100% provision against unrealized loss arising to till date (31.12.16) of share purchase through musharaka portfolio. However, the directives prohibit payments of cash dividend if the company makes less than 100% provision against such unrealized loss.

34.2.1 Unrealized gain/(loss)		
Opening balance	(17,272,413)	(14,704,907)
Add: Addition during the year	11,315,258	(2,567,506)
Closing balance	(5,957,155)	(17,272,413)

35 Nature and type of related party transaction of the company

35.1 Nature and type of related party transaction disclosure of the company

Name of related party	Relationship	Nature of transaction	Amount in Taka
Islami Bank Bangladesh Limited (IBBL)	Parent- subsidiary	Deposit to MSA	740,277,079
		Withdraw from MSA	3,943,737,292
		Deposit to AWCA	397,640,856
		Withdraw from AWCA	371,285,316
		Bank Charge paid	4,900
		Payment against office rent	406,134
		"Tax deduction at source against MTDR"	944,148
		Profit paid on investment of mudaraba fund	209,649,654
		Profit withdraw against MTDR	8,444,830
		Interim dividend paid	485,963,280
		"Payment against Quard during the year"	297,000,000
		Quard availed during the year	207,000,000

35.2 Nature and type of balance of related party transaction of the company

Name of related party	Relationship	Nature of transaction	Amount in Taka
Islami Bank Bangladesh Limited (IBBL)	Parent- subsidiary	Bank balance	73,404,405
		MTDR balance	230,000,000
		Quard balance	-
		Receivable profit on MTDR	1,489,455
		Investment from IBBL under Mudaraba Mode	5,000,000,000
		Profit against MTDR	9,370,486
		Accounts payable	42,854,247
		Bank charge payable	15,000
Directors	Board Member	"Board Meeting participation fees"	1,002,800
Chief Executive Officer	key management personnel	Short-term employee benefits (Salary and allowance)	4,408,842

Mahmudul Islam
CEO (Current Charge)

Major General (Retd.) Engr. Abdul Matin
Director

Shamim Mohammed Afzal
Chairman

Islami Bank Securities Limited

Schedule of Property, Plant & Equipment

As at 31 December 2016

Annexure - A

(Amount in Taka)

Particulars	Cost				Depreciation				Written down value as at 31.12.2016
	Balance as at 01.01.2016	Addition	Adjustment	Balance as at 31.12.2016	Balance as at 01.01.2016	Charged during the year	Adjustment	Balance as at 31.12.2016	
Mechanical Appliances	2,090,430	-	-	2,090,430	1,224,049	199,483	-	1,423,532	666,898
Computer	3,671,730	-	-	3,671,730	3,671,729	-	-	3,671,729	1
Furniture & fixture	2,363,735	-	-	2,363,735	1,151,994	156,921	-	1,308,915	1,054,820
Motor vehicles	5,796,019	-	-	5,796,019	5,796,018	-	-	5,796,018	1
Total assets	**13,921,914**	**-**	**-**	**13,921,914**	**11,843,790**	**356,404**	**-**	**12,200,194**	**1,721,720**

Schedule of Property, Plant & Equipment

As at 31 December 2015

Particulars	Cost				Depreciation				Written down value as at 31.12.2015
	Balance as at 01.01.2015	Addition	Adjustment	Balance as at 31.12.2015	Balance as at 01.01.2015	Charged during the year	Adjustment	Balance as at 31.12.2015	
Mechanical Appliances	1,840,645	249,785	-	2,090,430	997,318	226,731	-	1,224,049	866,381
Computer	3,545,370	126,360	-	3,671,730	3,044,181	627,547	-	3,671,728	1
Furniture & fixture	2,230,803	132,932	-	2,363,735	975,658	176,336	-	1,151,994	1,211,741
Motor vehicles	5,796,019	-	-	5,796,019	4,638,206	1,157,812	-	5,796,018	1
Total assets	**13,412,837**	**509,077**	**-**	**13,921,914**	**9,655,363**	**2,188,426**	**-**	**11,843,789**	**2,078,125**

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Islami Bank Securities Limited

Schedule of Intangible Assets

as at 31 December, 2016

Annexure - B

(Amount in Taka)

Particulars	Cost				Depreciation				Written down value as at 31.12.2016
	Balance as at 01.01.2016	Addition	Adjustment	Balance as at 31.12.2016	Balance as at 01.01.2016	Charged during the year	Adjustment	Balance as at 31.12.2016	
Software									-
Total assets	-	-	-	-	-	-	-	-	-

Schedule of Property, Plant & Equipment

As at 31 December 2015

Particulars	Cost				Depreciation				Written down value as at 31.12.2015
	Balance as at 01.01.2015	Addition	Adjustment	Balance as at 31.12.2015	Balance as at 01.01.2015	Charged during the year	Adjustment	Balance as at 31.12.2015	
Software									-
Total assets	1,541,763	6,068	-	1,547,831	1,181,565	366,266	-	1,547,831	-

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Islami Bank Capital Management Limited

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Islami Bank Capital Management Limited which comprise the Statement of Financial Position as at December 31, 2016 the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the company in accordance with Bangladesh Financial Reporting Standards (BFRS), the companies act, 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the company, give a true and fair view of the financial position of Islami Bank Capital Management Limited as at 31 December, 2016 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the the Companies Act, 1994 and other applicable laws and regulations.

Report on other Legal and Regulatory Requirements

we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

in our opinion, proper books of account as required by law have been kept by the company so far as appeares from our examination of those books;

the statement of financial position dealt with by the report are in agreement with the books of account and returns;

Place: Dhaka
Date: February 27, 2017

Hussain Farhad & Co.
Chartered Accountants

Islami Bank Capital Management Limited

Statement of Financial Position

As at 31 December 2016

Particulars	Note	31.12.2016 Taka	31.12.2015 Taka
ASSETS:			
Non-current assets			
Preliminary expenses		-	-
Current assets		410,798,425	388,112,315
Advance income tax	3	68,431,354	59,433,233
Accrued income	4	13,016,073	7,130,483
Cash & cash equivalents	5	329,350,998	321,548,600
Total assets		**410,798,425**	**388,112,315**
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders equity		340,369,633	326,194,408
Share capital	6	300,000,000	300,000,000
Retained earnings		40,369,633	26,194,408
Current liabilities		70,428,792	61,917,907
Accounts payable	7	28,750	23,000
Dividend payable	11	-	-
Provision for income tax	8	70,400,042	61,894,907
Total shareholders' equity & liabilities		410,798,425	388,112,315

The annexed notes 1 to 12 form an integral part of these financial statements.

Director **Director** **Chairman**

Signed as per our annexed report of date

Place: Dhaka
Date: February 27, 2017

Hussain Farhad & Co.
Chartered Accountants

Islami Bank Capital Management Limited

Statement of Comprehensive Income

For the period from 01 January, 2016 to 31 December, 2016

Particulars	Note	2016 Taka	2015 Taka
Other Income	9	**23,148,905**	**29,501,539**
Non-current assets		**468,545**	**184,629**
Audit fees		28,750	23,000
Bank charge	10	2,390	1,405
Conveyance		770	140
Entertainment expenses		26,625	400
Excise duty		90,000	35,000
License fees		199,095	-
Professional fees		97,750	121,274
RJSC fees		17,840	-
Legal expense		3,220	-
Printing & stationery		2,105	410
Tribunal fees		-	3,000
Profit/(loss) before tax		**22,680,360**	**29,316,910**
Less : Provision for income tax		8,505,135	10,993,841
Net profit/(loss) after tax		**14,175,225**	**18,323,069**

The annexed notes 1 to 12 form an integral part of these financial statements.

Director **Director** **Chairman**

Signed as per our annexed report of date

Place: Dhaka
Date: January 30, 2017

Hussain Farhad & Co.
Chartered Accountants

Islami Bank Capital Management Limited

Statement of Changes in Equity

For the period from 01 January, 2016 to 31 December, 2016

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01 January 2015	300,000,000	7,871,339	307,871,339
Changes in equity during the period:			
Issue of share capital	-	-	-
Net profit/(loss) after tax	-	18,323,069	18,323,069
Dividend	-		-
Balance as at 31 December 2015	**300,000,000**	**26,194,408**	**326,194,408**
Balance as at 01 January 2016	300,000,000	26,194,408	326,194,408
Changes in equity during the period:			
Issue of share capital	-	-	-
Net profit/(loss) after tax	-	14,175,225	14,175,225
Dividend	-		-
Balance as at 31 December 2016	**300,000,000**	**40,369,633**	**340,369,633**

The annexed notes 1 to 12 form an integral part of these financial statements.

Director **Director** **Chairman**

Signed as per our annexed report of date

Place: Dhaka
Date: January 30, 2017

Hussain Farhad & Co.
Chartered Accountants

Islami Bank Capital Management Limited

Cash Flow Statement

For the period from 01 January, 2016 to 31 December, 2016

Particulars	Note	2016 Taka	2015 Taka
Cash flows from operating activities			
Profit/(loss) before tax		22,680,360	29,316,910
Adjustment:		-	-
Amortization of preliminary expenses		-	-
Adjusted operating profit before changes in working capital		**22,680,360**	**29,316,910**
Changes in working capital:		**(5,879,840)**	**2,836,098**
Increase/ (decrease) in accrued income		(5,885,590)	2,836,098
Increase/ (decrease) in accrued expenses/other payables		5,750	-
Less: Tax paid		8,998,121	18,675,208
Net cash (used in)/ generated from operating activities (A)		**7,802,399**	**13,477,801**
Cash flow from investing activities (B)		**-**	**-**
Cash flows from financing activities (C)		**-**	**-**
Payment of dividend		-	(105,000,000)
Net Increase/ (decrease) in cash & cash equivalents (D)=(A+B+C)		**7,802,399**	**(91,522,199)**
Add: Opening cash & cash equivalents (E)		321,548,600	413,070,799
Closing cash & cash equivalents (D+E)		**329,350,998**	**321,548,600**

The annexed notes 1 to 12 form an integral part of these financial statements.

Director **Director** **Chairman**

Signed as per our annexed report of date

Place: Dhaka
Date: January 30, 2017

Hussain Farhad & Co.
Chartered Accountants

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Islami Bank Capital Management Limited

Notes to the Financial Statements

For the period from 01 January, 2016 to 31 December, 2016

1 Establishment and status of Islami Bank Capital Management Limited

Islami Bank Capital Management Ltd. was incorporated on 01 April, 2010 under the Companies Act, 1994 as a Public Limited Company. It is a subsidiary company of Islami Bank Bangladesh Limited. Islami Bank Bangladesh Limited holds all the shares of the company except 7 shares which are held by 7 individuals. The company has been established as per Bangladesh Bank letter # BRPD (R-1)717/2010-47 dated 7 February 2010. The registered office of the company is situated at Yousuf Chamber, 20 Dilkusha C/A (6th Floor), Dhaka-1000. The main objectives of the company are to carry on business of Merchant Banking in all its aspects including Underwriting and/or management of issue, public offer of shares, stocks, debentures, bonds, etc.; sale or purchase of securities or transfer thereof; fund management for clients, underwriting of shares, stocks, debentures, bonds, etc.; managing portfolio investments of any person or company, by investment in various avenues, etc. The Company has applied for Registration Certificate as per rule-4 of Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rule, 1996. The certificate of registration has not been issued yet by the Bangladesh Securities Exchange Commission against the application.

2 Basis of preperation, presentation and disclosures of financial statements

2.1 Basis of accounting

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

2.2 Functional and presentation currency

These financial statements are prepared in Bangladesh Taka (Taka/ Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.3 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.

2.4 Applicable accounting standards

The following BASs and BFRSs are applicable for the financial statements for the year under review:

BAS - 1 Presentation of Financial Statements

BAS - 7 Statements of Cash Flows

BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors

BAS - 12 Income Taxes

BAS - 18 Revenue

BAS - 37 Provisions, Contingent Liabilities and Contingent Assets

BAS - 24 Related Party Disclosures

2.5 Reporting period

The accounting period of the company covers one financial year from 1st January to 31st December,2016 consistently.

3 Significant accounting Policies

3.1 Basis of accounting

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

3.2 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the period ended 31 December,2016 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 31 December,2015.

3.3 Statement of cash flows

The statement cash flow is prepared using the indirect method as stipulated in Bangladesh Accounting Standard (BAS) 7 "Statement of Cash Flows".

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and term deposits that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

3.5 General

The figures appearing in these Financial Statements have been rounded off to the nearest integer.

3.6 Profit on bank deposits

Profit on bank deposits has been recognized as per accrual basis.

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		31.12.2016 Taka	31.12.2015 Taka
4 Advance income tax			
Opening balance		59,433,233	40,758,025
Add: Deducted at source during the year		1,719,308	3,223,993
Union Bank Ltd.		750,000	106,250
EXIM Bank Bangladesh Ltd.		541,329	2,623,615
First Security Islami Bank Ltd.		425,251	494,128
Islami Bank Bangladesh Ltd.		2,728.27	-
Add: Paid through challan during the year		7,278,813	15,451,215
Closing balance		**68,431,354**	**59,433,233**
5 Accrued profit on bank deposits			
EXIM Bank Bangladesh Ltd.		-	4,846,083
Union Bank Ltd.		6,821,917.81	-
First Security Islami Bank Ltd.		6,194,154.74	2,284,400
		13,016,073	**7,130,483**
6 Cash & cash equivalents			
Cash in hand		1,630	4,445
Cash at bank	Note 6.1	329,349,368	321,544,155
		329,350,998	**321,548,600**
6.1 Cash at bank			
Union Bank Ltd.		206,750,000	-
EXIM Bank Bangladesh Ltd.		-	270,664,375
First Security Islami Bank Ltd.		118,666,041	49,853,780
Islami Bank Bangladesh Ltd.		3,933,327	1,025,999
		329,349,368	**321,544,155**
7. Share capital			
Authorized capital			
1,000,000 Ordinary shares @ Tk. 1,000 each		**1,000,000,000**	**1,000,000,000**
Issued, subscribed and paid up capital			
300,000 Ordinary shares @ Tk.1,000 each fully paid up		**300,000,000**	**300,000,000**
Details of shareholders are as under:			
Name of the shareholders	No. of shares	Taka	Taka
Islami Bank Bangladesh Limited	299,993	299,993,000	299,993,000
Mr. Mohammad Abdul Mannan	1	1,000	1,000
Mr. Abdus Sadeque Bhuiyan	1	1,000	1,000
Mr. Md. Shafiqur Rahman	1	1,000	1,000
Mr. Md. Omar Faruk Khan	1	1,000	1,000
Mr. Khondaker Md. Munirul Alam Al-Mamoon	1	1,000	1,000
Mr. Md. Altaf Hussain	1	1,000	1,000
Mr. Md. Siddiqur Rahman	1	1,000	1,000
Total	**300,000**	**300,000,000**	**300,000,000**
8. Accounts payable			
Professional fees/Audit Fees		25,000	20,000
Add: Value Added Tax (VAT) @15%		3,750	3,000
Total		**28,750**	**23,000**
9. Provision for income tax			
Opening Balance		61,894,907	50,901,066
Add: Provision made during the year		8,505,135	10,993,841
Closing balance		**70,400,042**	**61,894,907**

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	2016 Taka	2015 Taka
10. Other income		
Profit earned on bank deposits		
Union Bank Ltd.	14,321,918	(60,706)
EXIM Bank Bangladesh Ltd.	567,205	24,648,601
First Security Islami Bank Ltd.	8,162,267	4,815,935
Islami Bank Bangladesh Ltd. (MSND-94)	97,516	97,710
	23,148,905	**29,501,539**
11. Bank charge		
Account maintenance charge of IBSL	1,000	-
Account maintenance charge of Islami Bank	1,390	1,405
	2,390	**1,405**
12. Dividend Payable		
Opening Balance	-	105,000,000.00
Add: Dividend decleared	-	-
Less: Dividend paid during the period	-	105,000,000.00
Closing Balance	**-**	**-**

Note: 13

Related Party Transactions - Disclosure under the BAS 24 (Related Party Disclosure):

During the year, the company carried out number of transactions, with a related party in the normal course of business on an arm's length basis.

Name of related party	Nature of relationship	Nature of transaction	Total value of transaction	Receivable / (payable) at year end
Islami Bank Bangladesh Ltd.	Parent company	Special Notice Deposit (SND)	3,933,327	3,933,327

Director **Director** **Chairman**

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• Net interest income as a percentage of working funds / Operating cost - Efficiency ratio	188-189,197
• Return on Average Asset	189,199
• Cost / Income ratio	191,199
• Net Asset Value Per Share	186,188 197,199,301
• Profit per employee	57
• Capital Adequacy ratio	114,123-124,191,198,199
• Operating profit as a percentage of working funds	197
• Cash Reserve Ratio / Liquid Asset ratio	116,199,274
• Dividend Cover ratio	197,308
• Gross Non-Performing assets to gross advances/Non-Performing Loans (Assets) to Total Loans (Assets)	197-198
• Details of credit concentration / Sector vise exposures	83-95,115,127,189
• The break-up of 'Provisions and contingencies' included in the Profit and Loss Account	227-228,232-233,288-290
• Disclosure under regulatory guidelines	61-70,121-139,
• Details of Non-Statutory investment portfolio	274-278
• Disclosure in respect of assets given on operating & finance lease	259, 302
• Disclosures for derivative investments	
• Bank's Network : List of Centers or Branches	351-352

AMAR STOCK

Bank's Network

Zonal Offices

1. Dhaka Central Zone
2. Dhaka South Zone
3. Dhaka North Zone
4. Dhaka East Zone
5. Chittagong North Zone
6. Chittagong South Zone
7. Khulna Zone
8. Bogra Zone
9. Sylhet Zone
10. Comilla Zone
11. Barisal Zone
12. Rajshahi Zone
13. Mymensingh Zone
14. Noakhali Zone
15. Rangpur Zone
16. Jessore Zone

List of Branches

Corporate Branches

17. Agrabad Corporate Branch
18. Foreign Exchange Branch
19. Gulshan Corporate Branch
20. Head Office Complex Branch
21. Khatungonj Corporate Branch
22. Local Office, Dhaka
23. Nawabpur Road Branch
24. Ramna Corporate Branch

Dhaka Central Zone

25. Bangshal branch, Dhaka
26. Chawk Mugaltuly Branch, Dhaka
27. Dhanmondi Branch, Dhaka
28. Elephant Road Branch, Dhaka
29. Farmgate Branch, Dhaka
30. Gulshan Circle-1 Branch, Dhaka
31. Kawran Bazar Branch, Dhaka
32. Mirpur Branch, Dhaka
33. Motijheel Branch, Dhaka
34. Mouchak Branch, Dhaka
35. New Market Branch, Dhaka
36. Paltan Branch, Dhaka
37. Shyamoli Branch, Dhaka
38. Uttara Branch, Dhaka
39. VIP Road Branch, Dhaka

Dhaka South Zone

40. Ati Bazar Branch, Dhaka
41. Bandura (SME/Krishi) Branch, Dhaka
42. Dholaikhal Branch, Dhaka
43. Dohar Branch, Dhaka
44. Gandaria Branch, Dhaka
45. IDB Bhaban Branch, Dhaka
46. Islampur Branch, Dhaka
47. Kamrangir Char Branch, Dhaka
48. Lalbagh Branch, Dhaka
49. Mohammadpur Krishi Market Branch, Dhaka
50. Munshigonj Branch, Munshiganj
51. Nawab Gonj Branch, Dhaka
52. Nimtola Branch, Munshigonj
53. Pantha Path Branch, Dhaka
54. Sadarghat Branch, Dhaka
55. Shyampur Branch, Dhaka
56. Sreenagar Branch, Munshiganj
57. Wiseghat Branch, Dhaka
58. Zinzira Branch, Dhaka

Dhaka North Zone

59. Amin Bazar branch, Dhaka
60. Badda Branch, Dhaka
61. Banani Branch, Dhaka
62. Baridhara Branch, Dhaka
63. Board Bazar Branch, Gazipur
64. Cantonment Branch, Dhaka
65. Ganakbari Branch, Dhaka
66. Haji Camp Branch, Dhaka
67. Kalampur (SME/Krishi) Branch, Dhaka
68. Manikgonj Branch, Manikgonj
69. Mirpur-1 Branch, Dhaka
70. Moghbazar Branch, Dhaka
71. Mohakhali Branch, Dhaka
72. Pallabi Branch, Dhaka
73. Rampura Branch, Dhaka
74. Savar Branch, Dhaka
75. Shibaloy Branch, Manikganj
76. Singair Branch, Manikgonj
77. Sonargaon Janapath Road Branch, Dhaka
78. Tongi Branch, Gazipur
79. Zirani Bazar (SME/Krishi) Branch, Dhaka

Dhaka East Zone

80. Araihazar Branch, Narayangonj
81. Bhulta Branch, Narayangonj
82. Donia Branch, Dhaka
83. Fatulla Branch, Narayangonj
84. Gazipur Chowrasta Branch, Gazipur
85. Gazipur Sadar Branch, Gazipur
86. Jatrabari Branch, Dhaka
87. Kanchpur Branch, Narayangonj
88. Kapasia Branch, Gazipur
89. Khilgaon Branch, Dhaka
90. Konabari Branch, Gazipur
91. Madhabdi Branch, Narsingdi
92. Mawna Chowrasta Branch, Gazipur
93. Monohardi Branch, Narsingdi
94. Narayangonj Branch, Narayangonj
95. Narsingdi Branch, Narsingdi
96. Nitaigonj Branch, Narayangonj
97. Palash Branch, Narsingdi
98. Riapura Branch, Dhaka
99. Sonargaon (SME/Krishi) Branch, Narayangonj

Chittagong North Zone

100. Bandar Tila Branch, Chittagong
101. Baraiyarhat Branch, Chittagong
102. Boro Darogar Hat (SME/Krishi) Branch, Chittagong
103. CDA Avenue Branch, Chittagong
104. Dewanhat Branch, Chittagong
105. Fatikchari Branch, Chittagong
106. Halishahar Branch, Chittagong
107. Hathazari Branch, Chittagong
108. Jubilee Road Branch, Chittagong
109. Kadamtoli Branch, Chittagong
110. Khagrachari Branch, Khagrachari
111. Mirersharai (SME/Krishi) Branch, Chittagong
112. Nazumeah Hat Branch, Chittagong
113. O.R. Nizam Road Branch, Chittagong
112. Oxygen Moor Branch, Chittagong
113. Pahartali Branch, Chittagong
114. Rangamati Branch, Rangamati
115. Raozan Branch, Chittagong
116. Sandwip Branch, Chittagong
117. Sitakunda Branch, Chittagong
118. Station Road Branch, Chittagong

Chittagong South Zone

119. Anderkilla Branch, Chittagong
120. Anwara Branch, Chittagong
121. Bahaddarhat Branch, Chittagong
122. Bandarban Branch, Bandarban
123. Banshkhali Branch, Chittagong
124. Boalkhali Branch, Chittagong
125. Chaktai Branch, Chittagong
126. Chandanaish Branch, Chittagong
127. Chawk Bazar Branch, Chittagong
128. Chiringa Branch, Coxs Bazar
129. Courtbazar (SME/Krishi) Branch, Coxs Bazar
130. Coxs Bazar Branch, Coxs Bazar
131. Eidgah Branch, Coxs Bazar
132. Kalurghat Branch, Chittagong
133. Keranihat Branch, Chittagong
134. Lohagara Branch, Chittagong
134. Moheshkhali Branch, Coxs Bazar
135. Patiya Branch, Chittagong
136. Pekua Branch, Coxs Bazar
137. Ramu Branch, Coxs Bazar
138. Teknaf Branch, Coxs Bazar

Bogra Zone

139. Baragola Branch, Bogra
140. Belkuchi Branch, Sirajgonj
141. Bogra Branch, Bogra
142. Dupchanchia Branch, Bogra
143. Gaibandha Branch, Gaibandha
144. Gobindagonj Branch, Gaibandha
145. Highway Branch, Bogra
146. Joypurhat Branch, Joypurhat
147. Kahalu (SME/Krishi) Branch, Bogra
148. Mohastangor (SME/Krishi) Branch, Bogra
149. Nandigram (SME/Krishi) Branch, Bogra
150. Naogaon Branch, Naogaon
151. Panchbibi Branch, Joypurhat
152. Shahjadpur Branch, Sirajgonj
153. Shantahar (SME/Krishi) Branch, Bogra
154. Sirajgonj Branch, Sirajgonj
155. Ullapara Branch, Sirajgonj

Khulna Zone

156. Bagerhat Branch, Bagerhat
157. Bhanga (SME/ Krishi) Branch, Faridpur
158. Daulatpur Branch, Khulna
156. Faridpur Branch, Faridpur
157. Fultala Bazar (SME/Krishi) Branch, Khulna
158. Gopalgonj Branch, Gopalgonj
159. Kalaroa Branch, Satkhira
160. Kaligonj Branch, Satkhira
161. KDA Avenue Branch, Khulna
162. Khulna Branch, Khulna
163. Mongla Branch, Bagerhat
164. Morrelgonj Branch, Bagerhat
165. Paikgacha Branch, Khulna
166. Pirojpur Branch, Pirojpur
167. Sarankhola Branch, Bagerhat
168. Satkhira Branch, Satkhira
169. Shyamnagar Branch, Satkhira
170. Tungipara Branch, Gopalganj

Comilla Zone

171. Akhaura (SME/Krishi) Branch, B.Baria
172. Ashugonj Branch, B.Baria
173. B.Baria Branch, B.Baria
174. Bancharampur Branch, B.Baria
175. Bangodda Branch, Comilla
176. Burichong (SME/Krishi) Branch, Comilla
177. Chandina Branch, Comilla
178. Chandpur Branch, Chandpur
179. Chauddagram Branch, Comilla
170. Comilla Branch, Comilla
171. Companigonj Branch, Comilla
172. Daudkandi (SME/Krishi)
173. Faridgonj Branch, Chandpur

174.	Gouripur Branch, Comilla
175.	Hajigonj Branch, Chandpur
176.	Kosba Branch, B.Baria
177.	Laksham Branch, Comilla
178.	Matlab Branch, Chandpur
179.	Nabinagar Branch, B.Baria
180.	Sachar Branch, Chandpur
181.	Teri Patty Branch, Comilla
Sylhet Zone	
182.	Amberkhana Branch, Sylhet
183.	Barolekha Branch, Moulvi Bazar
184.	Beani Bazar Branch, Sylhet
185.	Biswanath Branch, Sylhet
186.	Chhatak Branch, Sunamgonj
187.	Dakshin Surma Branch, Sylhet
188.	Goalabazar Branch, Sylhet
189.	Golapgonj Branch, Sylhet
190.	Habigonj Branch, Habigonj
191.	Jagannathpur Branch, Sunamgonj
192.	Kanaighat Branch, Sylhet
193.	Kulaura Branch, Moulvi Bazar
194.	Laldighirpar Branch, Sylhet
195.	Moulvi Bazar Branch, Moulvibazar
196.	Nabigonj (SME/ Krishi) Branch, Habigonj
197.	Shayestagonj (SME/ Krishi) Branch, Habigonj
198.	Sree Mangal Branch, Moulvibazar
199.	Sunamgonj Branch, Sunamgonj
200.	Sylhet Branch, Sylhet
201.	Zindabazar Branch, Sylhet
Rajshahi Zone	
202.	Baneswar Branch, Rajshahi
203.	Bhawanigonj Branch, Rajshahi
204.	Chanchkoir Branch, Natore
205.	Chapai Nawabgonj branch, Chapai Nawabgonj
206.	Ishwardi Branch, Pabna
207.	Kashinatpur Branch, Pabna
208.	Keshorehat (SME/Krishi) Branch, Rajshahi
209.	Manda Branch, Naogaon
210.	Mohadebpur Branch, Naogaon
211.	Natore Branch, Natore
212.	Nazipur Branch, Naogaon
213.	Newmarket Branch, Rajshahi
214.	Pabna Branch, Pabna
215.	Rajshahi Branch, Rajshahi
216.	Rohanpur Branch, Chapai Nawabgonj
217.	Santhia Branch, Pabna
218.	Sapahar Branch, Naogaon
219.	Shibgonj Branch, Chapai Nawabgonj
220.	Sujanagar (SME/Krishi) Branch, Pabna
Barisal Zone	
221.	Bakerganj Branch
222.	Barguna Branch, Barguna
223.	Barisal Branch, Barisal
224.	Bhandaria Branch, Pirojpur
225.	Bhola Branch, Bhola
226.	Borhanuddin (SME/Krishi) Branch, Bhola
227.	Charfashion Branch, Bhola
228.	Chormuguria (SME/Krishi) Vranch, Madaripur
229.	Damodya Branch, Shariatpur
230.	Hatkhola Chawkbazar Branch, Barisal
231.	Jhalakathi Branch, Jhalakathi
232.	Kalapara Branch, Patuakhali
233.	Kalkini branch, Madaripur
234.	Lalmohan Branch, Bhola
235.	Madaripur Branch, Madaripur
236.	Miarhat Branch, Pirojpur
237.	Naria Branch, Shariatpur
238.	Patuakhali Branch, Patuakhali
239.	Rajapur Branch, Jhalakathi
240.	Shariatpur Branch, Shariatpur
241.	Takerhat Branch, Madaripur
242.	Torki Branch, Barisal
Mymensingh Zone	
243.	Alanga (SME/Krishi) Branch, Tangail
244.	Bakshigonj Branch, Jamalpur
245.	Bhaluka Branch, Mymensingh
246.	Bhairab Branch, Kishoregonj
247.	Fulbaria Branch, Mymensingh
248.	Jamalpur Branch, Jamalpur
249.	Kishoregonj Branch, Kishoregonj
250.	Kotiadi Branch, Kishoregonj
251.	Madhupur Branch, Tangail
252.	Mirzapur Branch, Tangail
253.	Muktagacha (SME/Krishi) Branch, Mymensingh
254.	Mymensingh Branch, Mymensingh
255.	Netrokona Branch, Netrokona
256.	Roumari Branch, Kurigram
257.	Sherpur Branch, Sherpur
258.	Tangail Branch, Tangail
259.	Tarakandi Branch, Jamalpur
260.	Trishal Branch, Mymensingh
Noakhali Zone	
261.	Bank Road Branch, Noakhali
262.	Bashurhat Branch, Noakhali
263.	Chandragonj Branch, Laxmipur
264.	Chaprashirhat (SME/Krishi) Branch, Noakhali
265.	Chatkhil Branch, Noakhali
266.	Chhagalnaiya Branch, Feni
267.	Chowmuhani Branch, Noakhali
268.	College Road Branch, Feni
269.	Dagan Bhuiyan Branch, Feni
270.	Feni Branch, Feni
271.	Hazirhat Branch, Laxmipur
272.	Laxmipur Branch, Laxmipur
273.	Maijdee Court Branch, Noakhali
274.	Parshuram (SME/ Krishi) branch, Feni
275.	Raipur Branch, Laxmipur
276.	Ramgonj Branch, Laxmipur
277.	Senbagh Branch, Noakhali
278.	Sonagazi Branch, Feni
279.	Sonaimuri Branch, Noakhali
280.	Subarnachar Branch, Noakhali
Rangpur Zone	
281.	Bhurungamari Branch, Kurigram
282.	Birampur Branch, Dinajpur
283.	Debiganj Branch Panchagarh
284.	Dhap Branch, Rangpur
285.	Dinajpur Branch, Dinajpur
286.	Jaldhaka Branch, Nilphamari
287.	Kurigram Branch, Kurigram
288.	Lalmonirhat Branch, Lalmonirhat
289.	Nilphamari Branch, Nilphamari
290.	Panchagarh Branch, Panchagarh
291.	Patgram (SME/Krishi) Branch, Lalmonirhat
292.	Pirgonj Branch, Rangpur
293.	Rangpur Branch, Rangpur
294.	Saidpur Branch, Nilphamari
295.	Setabgonj Branch, Dinajpur
296.	Sundergonj Branch, Gaibandha
297.	Thakurgaon Branch, Thakurgaon
Jessore Zone	
298.	Benapole Branch, Jessore
299.	Chowgacha Branch, Jessore
300.	Chuadanga Branch, Chuadanga
301.	Dak Bangla Bazar (SME/Krishi) Branch, Jhenaidah
302.	Jessore Branch, Jessore
303.	Jhenaidah Branch, Jhenaidah
304.	Jhikorgacha Branch, Jessore
305.	Jibon Nagar (SME/Krishi) Branch, Chuadanga
306.	Kaligonj Branch, Jhenaidah
307.	Keshabpur Branch, Jessore
308.	Kotchandpur Branch, Jhenaidah
309.	Kumarkhali Branch, Kushtia
310.	Kushtia Branch, Kushtia
311.	Lohagara Branch, Narail
312.	Magura Branch, Magura
313.	Meherpur Branch, Meherpur
314.	Narail Branch, Narail
315.	Noapara Branch, Jessore
316.	Pangsha Branch, Rajbari
317.	Poradah Branch, Kushtia
318.	Rajbari Branch, Rajbari

ISLAMI BANK BANGLADESH LIMITED

Location of Bank's own ATM

Sl. No.	District	Location
1	B.Baria	Noorjahan Manjeel, Akhaura-Chandura Road (North side of Pourasava Office), Akhaura, B.Baria
2	B.Baria	Station Road, Ashuganj, B. Baria
3	B.Baria	301/302, West Paikpara, Sadar, Brahmanbaria
4	B.Baria	Anu Miah Building, Court Road, B.Baria
5	B.Baria	Ashik Plaza Shopping Mall, T.A. Road, B.Baria
6	B.Baria	"Amirul Zohera City" High School Road, Bancharampur
7	B.Baria	Shimanta Complex - 3, 103-Puran Bazar, Koshba, Brahmanbaria
8	B.Baria	Abul Khair Tower, Court Road, Nabinagar, B.Baria
9	Bagerhat	12, Kazi Nazrul Islam Road, Bagerhat
10	Bagerhat	1/3, Main Road, Mongla, Bagerhat
11	Bagerhat	Abu Hurairah Bhaban, Morrelgonj Bazar, Bagerhat
12	Bagerhat	Talukder Market, Rayenda Bazar, Sharankhola, Bagerhat
13	Bandarban	Poura Shopping Complex, Main Road, Bandarban
14	Barguna	9, Nazrul Islam Sarak, Barguna
15	Barisal	121/119, Rehana Bhaban, Gorachand das Road, Bot Tola, Barisal
16	Barisal	121/132, Bogra Road, Barisal
17	Barisal	An-Nur Bhaban, Banglabazar Road, Alekanda, Barisal.
18	Barisal	Happy Nibas, Hospital Road, Barisal
19	Barisal	Holding No. 497, Noor Plaza, B.M. College Road, Natun Bazar, Barisal
20	Barisal	Sagordi Jame Mosque, Sogordi Market, Barisal
21	Barisal	Seven S Tower, Chandmari Kheya Ghat Sarak, Chandmari, Barisal
22	Barisal	Jamia Islamia Mahmudia Madrasha, Amanatgonj, Barisal.
23	Barisal	Sikder Monzil, Holding No.762/763,362, Chawkbazar Road, Ward no.09, Kotwali, Barisal
24	Barisal	Vatikhana Mour, Chawkbazar, Hatkhola, Barisal
25	Barisal	Torki Bondar, Adarsha Jame Mosjid Market, Gournadi, Barisal
26	Bhola	Zia Super Market, Sadar Road, Bhola
27	Bhola	Borhanuddin Bazar, 26, Raniganj Road, Borhanuddin, Bhola.
28	Bhola	Taz Plaza, Sadar Road, Charfashion, Bhola
29	Bhola	Mahbub Plaza, Hafizuddin Avenue, Lalmohan, Bhola
30	Bogra	801, Thana Road, Bogra
31	Bogra	BRTC Market, Satmatha, Bogra
32	Bogra	Colony Bazar, Sherpur Road,Bogra
33	Bogra	Islam Market, Nawabbari Road, Bogra
34	Bogra	Mini Market, TMSS Foundation Office, Thengamara, Bogra
35	Bogra	Holding: 1504/1684, House no-13, Road No-01, Uposhahar Bazar, Bogra
36	Bogra	Jamil Building, Rangpur Road, Borogola, Bogra
37	Bogra	New Market, Dupchanchia, Bogra
38	Bogra	Shaikh Super Market, Sherpur, Bogra
39	Bogra	Bhaban-Alhaj Super Market, Rail gate Charmatha, Upazilla Road, Kahalu, Bogra
40	Bogra	Safura Bhaban, Rongpur Road, Mohastangor Jadughar, Shibgonj, Bogra
41	Bogra	72, Al-Amin Market, Nandigram Bus Stand, Nandigram, Bogra.
42	Bogra	Milon Plaza, Daily Bazar Road, Shantahar, Bogra
43	Chandpur	Chandpur Tower, Chandpur Sadar, Chandpur
44	Chandpur	Kazi Super Market, Ward No. 12, Chairman Ghat, Chandpur
45	Chandpur	Mir Shopping Complex, J.M. Sen Gupta Road, Chandpur.
46	Chandpur	Kalabagan Bazar, Faridgonj, Chandpur
47	Chandpur	213 Makimabad Bara Masjid Complex, Maddya Bazar, Hajigonj, Chandpur
48	Chandpur	Quami Madrasha Complex, Madhya Bazar, Hajigonj
49	Chandpur	Agrani Super Market, Matlab, Chandpur
50	Chandpur	Kamal Tower, Sachar Bazar, Kachua, Chandpur.
51	Chapai Nawabgonj	Baten Kha Mour, Godagari Road, Chapai Nawabganj
52	Chapai Nawabgonj	City Hospital, Batenkhar More, Godagari Road, Chapai Nawabgonj
53	Chapai Nawabgonj	Old Stadium Market, New Market, Chapai Nawabgonj
54	Chapai Nawabgonj	Station Road, Rohanpur, Chapai Nawabgonj
55	Chapai Nawabgonj	Khan Market, Shop # 1, Main Road, Shibgonj, Chapai Nawabgonj
56	Chittagong	3, CDA Sheikh Mujib Road, Agrabad C/A, Chittagong
57	Chittagong	3, CDA Sheikh Mujib Road, Agrabad C/A, Chittagong (2nd ATM)
58	Chittagong	Jannat Plaza, Holding # 771, Sheikh Mujib Road, Agrabad, Chittagong
59	Chittagong	Rafique Tower, 92, Agrabad, Chittagong
60	Chittagong	10/11, Nabab Sirujdulla Road, Chandanpura, Ctg.
61	Chittagong	316, Nabab Sirujdulla Road, Chandanpura, Ctg.
62	Chittagong	Haji Abdul Latif Market, Chatoree Chowmuhani, Anwara, Chittagong
63	Chittagong	Manila Plaza, Bahaddarhat Moor, Arakan Road, Chandgaon, Chittagong
64	Chittagong	Manila Plaza, Bahaddarhat Moor, Arakan Road, Chandgaon, Chittagong
65	Chittagong	Sharif Plaza, Bandartila, Chittagong
66	Chittagong	Sheikh Tower, Jaldi, Banshkhali,Chittagong
67	Chittagong	2 Star shopping Complex, Shantirhat Road, Bariyarhat

TAMIR STOCK

Location of Bank's own ATM

Sl. No.	District	Location
68	Chittagong	Miazi Market, Baraiyerhat Pourashava, Mirsarai, Chittagong.
69	Chittagong	Irani Vola Market, Barodarogarhat Bazar, Sitakunda,Chittagong
70	Chittagong	Al Modina Market, Union-East Gomdandi, Boalkhali, Chittagong
71	Chittagong	224/ 329, Muradpur, Chittagong
72	Chittagong	330, New Chaktai Chalpatty, Chaktai, Chittagong
73	Chittagong	Fayej Mansion, 191-192 Lalchand Rd. Chawk Bazar
74	Chittagong	Fayej Mansion, 191-192 Lalchand Road, Chawk Bazar, Chittagong
75	Chittagong	Sk. Kamal Complex, 257, D.T Road, Dewanhat, Chittagong
76	Chittagong	Amanat Market, Bibirhat, Fatikchari
77	Chittagong	4-5, Haider Complex, Road–01, Block- A, Badamtoli Mour, Halishahar
78	Chittagong	Isabella Tower, Halishahar Housing State, Barapole
79	Chittagong	Jahangir Market, Hathazari, Chittogong
80	Chittagong	Solaiman Building, Hathazari Bazar, Hathazari,
81	Chittagong	525, Jubilee Road, Chittagong.
82	Chittagong	295, DT Road, Double Mooring, Chittagong
83	Chittagong	Bashir Tower, 34 Arakan Road, Ward No.5, Chandgaon, Chittagong
84	Chittagong	N.A. Tower, Keranihat, Sathkania, Chittagong.
85	Chittagong	Shikder Shopping Complex, Bazalia, Satkania, Chittagong
86	Chittagong	82, Azim Market, Khatunganj, Chittagong
87	Chittagong	M. Rahman Market, Lohagara, Chittagong
88	Chittagong	Sound Health Hospital, Main Road, Lohagora
89	Chittagong	Maa Tower, Mirerswarai Paurasava, Mirerswarai, Chittagong.
90	Chittagong	Sharif Market, Nazumeahat, Chittagong
91	Chittagong	M.M. Tower, OR Nizam Road, Chittagong.
92	Chittagong	Sunrise Hospital Bhaban, Holding no.1510/3, Oxygen Residential Area, Bayezid Bostamee, Chittagong
93	Chittagong	Bandar Bitan Market, Customs Academy, Alonkar More, Chittagong
94	Chittagong	Jahangir Market, Asian Highway, Patiya Pourasava, Ctg
95	Chittagong	DUBG Shopping Complex, Fakirhat, Raozan, Chittagong
96	Chittagong	New Upazila Complex, Sandwip, Chittagong
97	Chittagong	Madrasah Market, D T Road, Sitakundo, Chittagong.
98	Chittagong	526, Station Road Ghosal Quarter, Chittagong
99	Chittagong	Shop # 39,40 & 41, Chowdhury Tower, Holding # 05/06, Chittagong City Corporation, Chittagong
100	Chuadanga	Modern Plaza, Jessore Road, Chuadanga
101	Chuadanga	Munshi Bari, Mukti Joddha More, Jibon Nagar Bazar, Chuadanga.
102	Comilla	Shikor Commercial Complex, Bangodda Bazar, Nangalkot, Comilla
103	Comilla	Usha Market, Madhya Bazar, M A Goni Road, Burichong
104	Comilla	Hazi Ali Mansion, Chandina Bazar, Chandina, Comilla.
105	Comilla	Main Road, Chauddagram, Comilla.
106	Comilla	892, Police Line, Kotowali, Comilla.
107	Comilla	BM Thikana Tower, Laksham Road, Kandirpar, Comilla
108	Comilla	BM Thikana Tower, Laksham Road, Kandirpar, Comilla
109	Comilla	City Corporation Market, Zilla School Road, Kandirpar, Comilla
110	Comilla	Comilla Cantonment, Dhaka-Chittagong Highway, Comilla
111	Comilla	Ibn Taima School & College, Tomchom Bridge , Comilla
112	Comilla	Japan Complex, Paduar Bazar, Bishwa Road, Sadar Dakkhin, Comilla
113	Comilla	Nazrul Avenue, Ranir Bazar Road, Kotwali, Comilla
114	Comilla	Brothers Plaza, Muradnagar Road, Companigonj (2nd ATM).
115	Comilla	Brothers Plaza, Muradnagar Road, Companigonj.
116	Comilla	Faiz Mansion, Debidwar Sadar, Debidwar, Comilla
117	Comilla	Ahmadia Plaza, Daudkandi Bazar, Daudkandi, Comilla
118	Comilla	Anumia Tower, Gouripur Bazar, Daudkandi, Comilla
119	Comilla	Madona Garden City, Gouripur Bazar, Daudkandi, Comilla.
120	Comilla	Alhaj Chan Miah Tower, Dalotgonj Bazar, Laksham
121	Comilla	Dhaka-Noakhali Road, Laksham Bypass, Comilla
122	Comilla	Under Janata Bank, Chwakbazar, Comilla.
123	Cox's Bazar	Hossain Market, Arakan Road, Chiringa, Cox's Bazar
124	Cox's Bazar	N Alam Shopping Complex, CoatBazar, Ukhiya, Cox's Bazar
125	Cox's Bazar	Coral Reef Plaza, 940, Main Road, Cox's Bazar
126	Cox's Bazar	Hossain Market, Link Road, Cox's Bazar
127	Cox's Bazar	Hotel Niribili Orchid, Kolatoli Road, Cox's Bazar
128	Cox's Bazar	Main Road, Cox's Bazar, (in front of fire service station)
129	Cox's Bazar	Hajee Shafiq Shopping Center, Eidgaon, Coxs Bazar.
130	Cox's Bazar	Amir Super Market, Dighi Road, Gorak Ghata Bazar, Moheshkhali, Cox's Bazar
131	Cox's Bazar	M S Market, Chowdhury Bazar, Pekua, Cox's Bazar
132	Cox's Bazar	Majidia Shopping Complex, Ramu Bye Pass, Ramu, Cox's Bazar
133	Cox's Bazar	Bazar Road, Teknaf, Coxs Bazar
134	Dhaka	755, Begun Bari, Amin Bazar, Savar, Dhaka
135	Dhaka	755, Begun Bari, Amin Bazar, Savar, Dhaka
136	Dhaka	Haji Ashraf Shopping Complex & Tower, Hemayetpur, Savar, Dhaka.

IBBL SHARIAH STOCK

Location of Bank's own ATM

Sl. No.	District	Location
138	Dhaka	Dogma Hospital, Cha-88, Pragoti Sarani, North Badda, Dhaka
139	Dhaka	Holding no.kha-194, Middle Badda, Progati Shorony, Dhaka
140	Dhaka	Lily Kunja, Ga-95/3, Progati Soranee, Badda Link Road, Dhaka
141	Dhaka	Molashikanda Super Market, Bandura Bazar, Nawabgonj
142	Dhaka	1/3, North South Road, Bangshal, Dhaka
143	Dhaka	Salam Mansion, Holding No. 68/1, Bangshal Road, Bangshal, Dhaka.
144	Dhaka	Holding No. KA-22, Kalachandpur, Gulshan, Baridhara, Dhaka
145	Dhaka	House No. 09, Road No. 03, Kabi Faruk Smarani, Nikunja-02, Khilkhet, Dhaka
146	Dhaka	Kushum Kunja, Plot-260, Block B (Opposite GP House), Bashundhara R/A
147	Dhaka	24, Momota Shopping Complex, North Kafrul, Kochukhet Main Road, Mirpur-14, Dhaka Cantonment, Dhaka
148	Dhaka	24, Momota Shopping Complex, Uttar Kafrul, Kochukhet Main Road, Mirpur-14, Dhaka Cantonment, Dhaka (2nd ATM)
149	Dhaka	48 Matikata, Dhaka Cantonment
150	Dhaka	599, Ibrahimpur Bazar, Kafrul, Dhaka
151	Dhaka	71/2-A, Manikdi Bazar, Dhaka Cantonment
152	Dhaka	1, Nazimuddin Road, Bangshal (In front of Central Jail Gate), Dhaka
153	Dhaka	78/3, Nazimuddin Road, Chankharpool, Dhaka.
154	Dhaka	Tajmahal Tower, 66 Moulavi Bazar, Chawk Bazar, Dhaka
155	Dhaka	Tajmahal Tower, 66, Moulvi Bazar,Dhaka
156	Dhaka	Tajmahal Tower, 66, Moulvi Bazar,Dhaka.
157	Dhaka	9/A, Ibn Sina trust building, Dhanmondi
158	Dhaka	Nilu Squire, Sat Masjid Road, Dhanmondi R/A
159	Dhaka	Nilu Squire, Sat Masjid Road, Dhanmondi R/A (2nd ATM)
160	Dhaka	Mofiz Uddin Mansion, 30/1, Lal Mohon Saha Street, Dolaikhal, Dhaka
161	Dhaka	Papel Shopping Complex (Upazila Mor), Joypara Bazar, Dohar
162	Dhaka	238, New Elephant Road (Beside Katabon Mosque), Dhaka.
163	Dhaka	69-71 Multiplan Center, New Elephant Road, Dhaka-1205
164	Dhaka	149/A, Airport Road, Baitus Sharf Mosque, Farmgate
165	Dhaka	2, Indira Road, (Sezan Point), Farmgate, Dhaka
166	Dhaka	Ejab Rabeya Heritage, 147 Green Road, Dhaka
167	Dhaka	Malek Tower, 31 Tejkuni Para, Farmgate, Dhaka
168	Dhaka	Malek Tower, 31 Tejkuni Para, Farmgate, Dhaka (2nd ATM)
169	Dhaka	41, Dilkusha, C/A, Dhaka
170	Dhaka	Niat Solim Plaza, Ganakbari, Ashulia, Savar, Dhaka
171	Dhaka	95/5/D, Distillery Road, Dayaganj Chowrasta, Sutrapur

Sl. No.	District	Location
172	Dhaka	Manarat Trust Building, House-16, Road-106, Gulshan-2, Dhaka
173	Dhaka	Metropolitan Shopping Complex, Gulshan-2 Circle, Dhaka
174	Dhaka	Metropolitan Shopping Complex, Gulshan-2 Circle, Dhaka
175	Dhaka	Basaty Aristocrats, Gulshan Avenue, Gulshan-1, Dhaka
176	Dhaka	Bhuiyan Market, Kawlar Bazar, Dakshin Khan, Dhaka.
177	Dhaka	L.S. Plaza, Daksin Khan Bazar, Dhaka
178	Dhaka	Shah Jalal Int. Airport Jame Mosjid & Madrasha, Babus Salam Owakf state, Hajji Camp, Dhaka
179	Dhaka	40, Dilkusha C/A (Islami Bank Tower), Motijheel, Dhaka-1000.
180	Dhaka	Akij Chamber, 73 Dilkusha C/A, Dhaka
181	Dhaka	Lobby of Islami Bank Tower, 40, Dilkusha C/A, Dhaka-1000.
182	Dhaka	IDB Bhaban, E/8 - A, Begum Rokeya Sharani, Agargaon, Sher-e-Bangla Nagar
183	Dhaka	195 mitford Road , Islampur Dhaka
184	Dhaka	41-42, Islampur Road, Dhaka
185	Dhaka	Holding # 6/7, Nawab Yousuf Road, Nayabazar, Dhaka
186	Dhaka	225, Sanirakhra, Kodomtali, Dhaka
187	Dhaka	350/1, Mirhajirbag, Madrasha Road, Jatrabari, Dhaka
188	Dhaka	69, Shahid Faruque Sarak (2nd ATM), South Jatrabari, Dhaka
189	Dhaka	69, Shahid Faruque Sarak, South Jatrabari, Dhaka
190	Dhaka	95 Dholaipar, Jatrabari, Dhaka
191	Dhaka	Karim filling station, Kalampur Bus Stand , Dhamrai, Dhaka.
192	Dhaka	King City shopping Centre, Madbor Bazar, Kamrangir Char, Dhaka
193	Dhaka	Level-2, Bashundhara City Shopping Mall, Panthapath, Dhaka
194	Dhaka	Sumona Tower, 2-Panthapath, Kawranbazar, Dhaka
195	Dhaka	1/1, Atish Dipanker Road, Khilgaon, Dhaka
196	Dhaka	1419/2, Block-A, Khilgaon Taltala, Dhaka
197	Dhaka	Khilgaon Pacca Masjid Market Complex, 729, Block-C, Khilgaon, Dhaka
198	Dhaka	26, Hornath Gosh Road, Lalbag, Dhaka
199	Dhaka	35, Shayestha Khan Road, Posta, Lalbag, Dhaka
200	Dhaka	196 Motijheel, (near the Sena Kallayan Bhaban) Dhaka.
201	Dhaka	65, Plot No. 347, South Bashabo, Dhaka
202	Dhaka	75, Motijheel, Local Office, Dhaka
203	Dhaka	75, Motijheel, Local Office, Dhaka
204	Dhaka	75, Motijheel, Local Office, Dhaka
205	Dhaka	89/2/12, R. K. Mission Road, Gopibagh, Manik Nagar, Dhaka
206	Dhaka	A K M Knit Wear Ltd. 14 Gerda, Karnapara, Ualil, Savar, Dhaka

LAWAR STOCK

Location of Bank's own ATM

Sl. No.	District	Location
207	Dhaka	Rahmania Complex, 28/1/C, Toyenbee Circular Road, (Beside Fakirapool Water Tank) Motijheel C/A, Dhaka.
208	Dhaka	Rahmania Complex, 28/1/C, Toyenbee Circular Road, (Beside Fakirapool Water Tank) Motijheel C/A, Dhaka.
209	Dhaka	Under Foot Over Bridge, Press Club, Topkhana Road, Dhaka
210	Dhaka	H-02, Road-08, Block-C, Sec-13, Mirpur, Dhaka
211	Dhaka	H-1/2, Road-15, Block-D, Sec-6, (Beside Proshika Bhaban), Mirpur.
212	Dhaka	Holding No. 571, Begum Rokeya Sharoni, East Kazipara, Dhaka
213	Dhaka	Holding No. 782, Monipur, Mirpur, Dhaka-1216.
214	Dhaka	National Bangla High School Market, Mirpur Section 2, Dhaka
215	Dhaka	Plot No. 28, Road No.1, Block-Kha, Section-6, Mirpur-10
216	Dhaka	Road #1, Section #6, Mirpur-10, Dhaka (Under Galaxy Hospital)
217	Dhaka	137/5, 2nd Colony, Mazar Road, Mirpur-1
218	Dhaka	Holding no.44, Chiriakhana Road, Block-E, Mirpur-1
219	Dhaka	Plot No-2, Madina Tower, Mirpur Housing State, Mirpur-1, Dhaka
220	Dhaka	Rabiul Plaza (Beside GP Customer Care), Plot: C-1/Kha, Mirpur-1
221	Dhaka	Waqf Bhaban, 4 New Eskaton Road, Moghbazar, Dhaka.
222	Dhaka	H-21/5, Bir Uttam Ziaur Rahman Rd (Under Mohakhali Flyover), Amtoli, Mohakhali
223	Dhaka	Master Printing & Packaging Bhabon, 89 Mohakhali C/A
224	Dhaka	Mahfuza Tower, Ring Road, Mohammadpur, Dhaka
225	Dhaka	Shahid Park City Corporation Market, Shop No-81, Asad Avenue, Town Hall, Mohammadpur
226	Dhaka	19 Saidabad, New Dholpar Road, Dhaka
227	Dhaka	9I, Motijheel, Ittefaq Mour, Dhaka
228	Dhaka	9I, Motijheel, Ittefaq Mour, Dhaka
229	Dhaka	Hosaf Tower, 257-259 New Circular Road, Malibagh, Dhaka-1217.
230	Dhaka	Hosaf Tower, 257-259 New Circular Road, Malibagh, Dhaka-1217.
231	Dhaka	Shahjalal Tower, 80/A/1, Siddeshwari C/R, Malibag Mour, Dhaka
232	Dhaka	Nawabgonj, Thana Sadar, Dhaka
233	Dhaka	11, Nabab Street, Abu Zafar Maznu Bhaban, Wari, Dhaka
234	Dhaka	110-111 Nawabpur Road (1st Floor), Dhaka
235	Dhaka	110-111 Nawabpur Road (1st Floor), Dhaka
236	Dhaka	BEA building, 144/2, Nawabpur Road, Dhaka.
237	Dhaka	10/3, Mirpur Road (Opposite Dhaka College), Dhaka
238	Dhaka	China Tower, Opposite Azimpur Grave Yard Gate, Dhaka
239	Dhaka	21/58, Rupnagar R/A, Mirpur, Dhaka
240	Dhaka	House 3/7, Sec-11/A, Pallabi, Mirpur, Dhaka
241	Dhaka	Plot-61/1,61/2, Block-B, Road-4, Mirpur Section-12, Pallabi, Dhaka
242	Dhaka	A R Mollik Tower, 12/1, Paltan, Dhaka
243	Dhaka	Tridhara Tower, 67 Lake Circus, Rasel Square, West Panthapath, Dhaka
244	Dhaka	Dawn Plaza, 9 Banga Bandhu Avenue, Dhaka
245	Dhaka	Khadder Bazar Shopping Complex, 39/1, B B Avenue, Paltan, Dhaka.
246	Dhaka	394 D.I.T Road, Rampura,Dhaka
247	Dhaka	House # 14, Block - H, Main Road, South Banasree, Rampura, Dhaka
248	Dhaka	Road 4, Block-B, Front of Banashree Central Mosque, Rampura
249	Dhaka	06, P. K. Roy Road, Banglabazar, Sadarghat, Dhaka
250	Dhaka	Mollik Tower, Sittaranjon Avenue, Sadarghat
251	Dhaka	B/1, Monsur Market, Savar Bus Stand, Savar, Dhaka
252	Dhaka	City Center, Sugandha Super Market, Jaleshar, Savar, Dhaka
253	Dhaka	08, North Kallyanpur Bus Stand, Mirpur Road, Dhaka
254	Dhaka	15/4, Mirpur Road, Shyamoli, Dhaka
255	Dhaka	15/4, Mirpur Road, Shyamoli, Dhaka
256	Dhaka	IBTRA, 13A/2A, Babar Road, Block B, Mohammadpur
257	Dhaka	227/3, Karimullarbaag, Postagola, Shyampur, Dhaka
258	Dhaka	43/A, Baitul Aaman Mosque, Rd-18, Sector-14, Uttara Model Town, Dhaka
259	Dhaka	AK Shokal House, House-19, Lake Drive Road, Sector-7, Uttara, Dhaka
260	Dhaka	House No.-1/E, Road No.2, Sector-3, Uttara, Dhaka
261	Dhaka	Plot-9,Garib-e- Newaj Avenue, Sector-11, Uttara, Dhaka.
262	Dhaka	Plot-9,Garib-e- Newaj Avenue, Sector-11, Uttara, Dhaka.
263	Dhaka	Shahjalal Avenue (Main Road), H-02, Sec-04, Azampur, Uttara
264	Dhaka	Shahjalal Avenue (Main Road), H-02, Sec-04, Azampur, Uttara
265	Dhaka	Islami Bank Hospital Complex, 30 VIP Road, Kakrail
266	Dhaka	Islami Bank Hospital Complex, 30 VIP Road, Kakrail
267	Dhaka	Holding # 10, Wiseghat Road, Shop No-9, Wiseghat, Dhaka.
268	Dhaka	Kaligonj Bazar Masjid Market, Keranigonj, Dhaka
269	Dhaka	Khokon Tower, Ruhitpur Bazar, Dhaka.
270	Dhaka	Ma Plaza, Amritpur, Kodomtoli Chowrasta, Zinzira, Keranigonj
271	Dhaka	Factory of Rahim Afrooze Batteries Limited, West Panisail, Zirani Bazar, Ashulia, Dhaka
272	Dhaka	Shahidul Complex, College Road, Zirani Bazar, Ashulia, Dhaka

FR NAV Stock

Location of Bank's own ATM

Sl. No.	District	Location
273	Dinajpur	170, Main Road, Birampur, Dinajpur
274	Dinajpur	West Gouripura, Main Road, Fulbari, Dinajpur
275	Dinajpur	Bahadur Bazaar, Station Road, Dinajpur
276	Dinajpur	Fency Store Market, Maldahpatty, Dinajpur
277	Dinajpur	Town Plaza, Holding No. 419-423, Setabganj Chowrasta, Bochaganj, Dinajpur
278	Faridpur	Fazilatunnesa Tower,75 Kapuria Patty, Bhanga Bazar, Faridpur
279	Faridpur	83/1, Mujib Sarak , Faridpur
280	Faridpur	Mizan Tower, New Bus Stand, Faridpur
281	Feni	New market, Chagalnaiya, Feni
282	Feni	Goni plaza, College Road, Feni
283	Feni	Ishak Shopping Center, Dhagun Bhuiyan, Feni.
284	Feni	248/249 (1st Floor), S.S.K Road, Feni
285	Feni	248/249 (1st Floor), S.S.K Road, Feni (2nd ATM)
286	Feni	Alam Market, Silonia Bazar, Dagonbhuiyan, Feni
287	Feni	Ijjatpur Market, 46, Trunk Road, Feni
288	Feni	Karim Tower, 43, S.S.K. Road, Feni
289	Feni	Lotif Tower, Comilla Bus station, Trunk Road, Feni.
290	Feni	N.R. Market, SSK Road, Mohipal, Feni
291	Feni	Haji Kalim Uddin Plaza, 385, Thana Road, Parshuram Bazar, Feni
292	Feni	Hoque Plaza, Main Road, Parshuram, Feni
293	Feni	Main Road, Sonagazi Bazar, Sonagazi, Feni
294	Feni	Nahar Plaza, Mirzapur, Mongholkandi, Dakbangla, Sonagazi
295	Gaibandha	Park View Super Market, Park Road, Gaibandha
296	Gaibandha	Kolpona Super Complex, Gobindagonj
297	Gaibandha	Sunamy Market,Sundarganj, Gaibandha.
298	Gazipur	Chairman Plaza,Dhaka- Mymensingh Main Road, Board Bazar
299	Gazipur	1034 , (Rahmant Tower), Chandona Gazipur Chowrasta
300	Gazipur	Eidgah Market, Gazipur Chowrasta, Gazipur
301	Gazipur	Shibbari Moor, BIDC Road, Joydevpur, Gazipur
302	Gazipur	Anwar Complex, Konabari, Gazipur
303	Gazipur	Shahidullah Complex, Sreepur Road, Mawna Chowrasta, Sreepur, Gazipur
304	Gazipur	19, Main Road, Tongi, Gazipur
305	Gazipur	Main gate of Dhaka Tobacco Industries, Tongi, Gazipur
306	Gopalgonj	5, Madrasha Road, Gopalgonj.
307	Hobigonj	Kalibari Road, Hobigonj
308	Hobigonj	Hekim Niketon, Nabiganj, Habiganj
309	Hobigonj	Madina Super Market, Shyaestagonj, Habigonj.
310	Jamalpur	Hazi Sanaullah Mansion, Bakshigonj Bazar, Jamalpur
311	Jamalpur	Jam-E Masjid Road, Jamalpur
312	Jamalpur	Jamuna Shar Karkhana, Tarakandi, Sharishabari, Jamalpur
313	Jessore	S.S. Super Market, Benapole port, Jessore
314	Jessore	High School Road, Chowgachha Bazar, Jessore.
315	Jessore	01, Shahid Moshiur Rahman Road, Palbari More, Jessore
316	Jessore	7 RN Road, Jessore
317	Jessore	City Plaza, Hatkhola Road, Jessore Bazar
318	Jessore	Jagoroni Chokro, 708, Ward No. 06, Mujib Road, Jessore
319	Jessore	68, Hanif Super Market, Jhikorgacha, Jessore
320	Jessore	Akij Jute Mills, Jessore-Khulna Highway, Noapara, Avaynagar, Jessore
321	Jessore	Noapara Bazar, Jessore-Khulna Highway, Noapara, Avaynagar, Jessore
322	Jessore	Noapara Bazar, Jessore-Khulna Highway, Noapara, Avaynagar, Jessore
323	Jhalokathi	14, Batasha Patty Road, Jhalokathi
324	Jhenaidah	Chuadanga Road, Dakbangla Bazar, Shadhuhati, Jhenaidah
325	Jhenaidah	2650 & 2651, Sayail Road, Hatgopalpur Bazar, Jhenaidah
326	Jhenaidah	Rafiuddin Tower, Sher-e-Bangla Road, Jhenaidah
327	Jhenaidah	Main Road, Kaligonj, Jhenaidah
328	Jhenaidah	Dudhshora main road, Kotchandpur, Jhenaidah
329	Joypurhat	Fouzia Market, Sadar Road, Joypurhat
330	Joypurhat	Tahera Complex, 306, Sadar Road, Joypurhat
331	Joypurhat	Baitun-Nur Jame Masjid, Panchbibi, Joypurhat.
332	Khagrachari	Mini Super Market, Bazar Shahi Zame Masjid Road, Khagrachari
333	Khulna	25/1, B L College Road, Daulatpur, Khulna
334	Khulna	Altaf Hossain Plaza, Fulbari Gate, Khan Jahan Ali Road, Khulna
335	Khulna	Saleha Plaza, 273 Khan A Sabur Road, Daulatpur
336	Khulna	Jaitun Tawer, Rafiq Sarak, Fultala Bazar, Fultala, Khulna
337	Khulna	181, Khan-E-Sabur Road, Shibbari Mor, Khulna
338	Khulna	Ahsan Ahmed Road, Khulna
339	Khulna	Doly Plaza, C/10, Nirala R/A, Shere- Bangla Road, Khulna Sadar, Khulna.
340	Khulna	Khanjahan Ali Road, Tarer Pukur, Royal Mor, Khulna
341	Khulna	Khulna Shopping Complex, 4, Old Jessore Road, Khulna
342	Khulna	35, Paikgachha, Khulna.
343	Kishoregonj	Misty patty , Bhairab Bazar, Kishorgonj
344	Kishoregonj	Mizan Complex, Kamolpur, Bhairab, Keshoregonj
345	Kishoregonj	Nurani Masjid Complex, Durjay More, Bhairab, Kishoregonj
346	Kishoregonj	1404, Mohammadi Mansion, Tinpatty, Bara Bazar, Kishoregonj
347	Kishoregonj	Al-Haj Mujibur Rahman Bhuiyan Complex, 2473, Kotiadi Hospital Road ,Kotiadi, Kishoreganj

SHARIAH STOCK

Location of Bank's own ATM

Sl. No.	District	Location
348	Kurigram	Kashem Market, Bazar Road, Bhurungamari, Kurigram
349	Kurigram	Holding No. 42, Hatirpar, Kurigram Sadar, Kurigram
350	Kurigram	Asad Market, Roumari Bazar, Kurigram
351	Kushtia	Fayez Khan Tower, Sonabandhu Sarak, Kumarkh-ali, Kushtia
352	Kushtia	156, Nowab Sirajuddula Road, Kushtia
353	Kushtia	36, Abul Wahed Super Market, N. S Road, Kushtia.
354	Kushtia	Plot No.-1, Kushtia-Jhenaidah Road, BSCIC Industrial Area, Kushtia
355	Kushtia	Poradah Bazar, Kushtia
356	Lalmonirhat	Mogalhat Rail gate, Puran Bazar Road, Lalmon-irhat
357	Lalmonirhat	5/66, Dahagram Road, Patgram, Lalmonirhat
358	Laxmipur	Chandraganj Newmarket, Chandraganj, Laxmipur
359	Laxmipur	Karamatiya Kamil Madrasha Market, Chandrag-onj, Laxmipur
360	Laxmipur	Bhai Bhai Super Market, Danhata, Hazirhat, Komolnagar, Laxmipur
361	Laxmipur	Bahauddin Bhaban, Jhumur, Uttar Mojupur, Laxmipur
362	Laxmipur	Ibrahim plaza, Godown Road, Laxmipur
363	Laxmipur	Shiddik Tower, Uttor Bazar, Main Road, Laxmipur
364	Laxmipur	Miyaji Super Market, 842 Upzila Road, Raipur, Laxmipur
365	Laxmipur	Miyaji Super Market, 842 Upzila Road, Raipur, Laxmipur
366	Laxmipur	Chan Super Market, Kalabagan, Ramgonj
367	Laxmipur	Ramgonj Tower, Bi-pass Road, Ramgonj, Laxmipur
368	Madaripur	Holding 238, Road # 01, Charmuguria, Madar-ipur
369	Madaripur	Rabeya Nazrul Super Market, Holding No.05, Kalkini High School Road, Kalkini, Madaripur
370	Madaripur	282, Chowdhury Clinic, Lake View Sarak, Madaripur.
371	Madaripur	745, Main Road, Puran Bazar, Madaripur
372	Madaripur	Takerhat Dakshinpar, Rajoir, Madaripur
373	Magura	150, Kabir Market, Sayed Ator Ali Road, Magura
374	Magura	Raj Complex, 156 MR Road, Magura
375	Manikgonj	Akij Food & Beverage Ltd, Baro Baria, Dhamrai, Manikgonj
376	Manikgonj	Akij Textile Mills Limited, Golora, Charkhanda, Manikgonj
377	Manikgonj	Khandaker Plaza, Manikganj Bus Stand, Man-ikganj.
378	Manikgonj	Monno Medical College & Hospital, Monno City, Gilondo, Manikgonj
379	Manikgonj	Old Manikgonj Pourosova building, Saheed Rafiq Sarak, Manikgonj
380	Manikgonj	Old Manikgonj Pourosova building, Saheed Rafiq Sarak, Manikgonj
381	Manikgonj	Dewan Plaza, 443/1 Shahid Rafiq Sarani, Ward No. 06, Singair, Manikganj

Sl. No.	District	Location
382	Meherpur	Ripon Tower, Hotel Bazar, Main Road, Meherpur
383	Moulvibazar	Haji Abdul Ali Trade Center, Dakshin Hajiganj Bazar, Barolekha, Moulvi Bazar.
384	Moulvibazar	S.A Shopping Center, Dakshin Bazar, Kulaura, Moulavi Bazar
385	Moulvibazar	114, M. Saifur Rahman Road, Sadar, Moulvibazar
386	Moulvibazar	Ilias Shopping Center, 161, Court Road, Chou-muhona, Moulvibazar
387	Moulvibazar	S.R Plaza 1151/3, Central Road Kushumbag Point, Moulvibazar.
388	Moulvibazar	Opposite Atiq Market, Sylhet Road, Sreemongol
389	Munshigonj	557, Sadar Road, Munshigonj
390	Munshigonj	House No. 529, Kachari Road, Munshigonj
391	Munshigonj	Main gate of Premier Cement, Beside Akij Jute Mills, Mukterpur, Munshigonj.
392	Munshigonj	Sheikh Market, Jumur Cinema Hall Road, Sreeenagar
393	Mymensingh	Haji Ibrahim Super Market, Main road, Fulbaria, Mymensingh
394	Mymensingh	Pouroshova Market, Muktagacha, Mymenshing
395	Mymensingh	23/GA, Kalisankar Goha Road, Natun Bazar, Mymensingh.
396	Mymensingh	76/A, Chotto Bazar, Mymensingh
397	Mymensingh	Holding-1, Ward-7, Main Road, Trishal, Mymen-shing
398	Naogaon	Mohadevpur Super Market, Naogaon
399	Naogaon	Chandipur Tower, Old Hospital Road, Naogaon
400	Naogaon	Goshtohata More, Naogan
401	Naogaon	Nazipur Bus Stand, Patnitola, Naogaon
402	Naogaon	Sapahar New Market, Sapahar, Naogaon
403	Narail	Rupgonj Bazaar, Ratangonj, Narail
404	Narail	Zilla Parishad Super Market, Chowrasta, Narail
405	Narayangonj	Bazar Masjid Road, Araihazar Bazar, Narayanganj
406	Narayangonj	Haji Shoping Complex, Golakandail (Bhulta), Rupgonj, Narayangonj
407	Narayangonj	Abdul Gafur Super Complex, Panchaboti, Enayetnagar, Fatulla, Narayangonj
408	Narayangonj	24, Block No. C, Sanarpar, Siddirgonj, Narayan-gonj
409	Narayangonj	Ahsan Ullah Super Market, Kanchpur Road, Narayangonj
410	Narayangonj	HR Plaza, BB Road, Narayangonj.
411	Narayangonj	Shoaib Supermarket, 208/14, BB Road, Chasara, Narayangonj
412	Narayangonj	1, R. K. Dash Road, Nitaiganj, Narayanganj
413	Narayangonj	Shahabuddin Super Market, Mograpara Chow-rasta, Sonargaon, Narayangonj
414	Narsinghdi	Pholpotty Mor, Madhabdi, Narsingdi
415	Narsinghdi	Pholpotty Mor, Madhabdi, Narsingdi. (2nd ATM)
416	Narsinghdi	Enayet Plaza, 94 By-pass Road, Monohardi, Narsingdi.
417	Narsinghdi	139, Sutapotty Moure, C&B Road, Narsingdi
418	Narsinghdi	139, Sutapotty Moure, C&B Road, Narsingdi

FIRST STOCK

Location of Bank's own ATM

Sl. No.	District	Location
419	Narsinghdi	Haji Super Market, Shangita More, West Ghoradia, Sadar, Narsingdi.
420	Narsinghdi	Holding-302,West Brahmaandi Sadar, Narsingdi
421	Narsinghdi	Nur Muhammad Khan Tower, Velanagar, Narsingdi.
422	Narsinghdi	158/7, Ghorashal Pourashava, Ghorashal, Narsingdi
423	Narsinghdi	Mujid Mansion, 195, Sarkarkhana Sarak, Palash, Narsingdi.
424	Natore	Main Bazar Road, Chanchkoir, Gurudaspur, Natore.
425	Natore	Al-Falah Super Market, 240/241, Dhaka Road, Natore
426	Netrokona	Hashem Plaza, 166,Chhotta Bazar, Netrokona
427	Nilphamari	Dalia Road, Jaldhaka, Nilphamari
428	Nilphamari	Plot No.5421 & 542, Nilphamari Bazar, Nilphamari
429	Nilphamari	212, Tulshiram Road, Saidpur, Nilphamari
430	Noakhali	Begumgonj Chowrasta Central Masjid Market, Noakhali
431	Noakhali	Rubi Plaza, Bank Road, Chaumuhani, Noakhali.
432	Noakhali	111, R.D. Shopping Mall, Zero point, Bashurhat Bazar
433	Noakhali	Jahanara Super Market, Main Raod, Bashurhat
434	Noakhali	New Market, Chaprashirhat, Kabirhat, Noakhali
435	Noakhali	Center Point, Bodolkot Road, Chatkhil Uttar Bazar, Chatkhil
436	Noakhali	Doctor Bashar Plaza, Daroga Bazar, Chatkhil, Noakhali
437	Noakhali	856 Feni Road (1st Floor), Chowmuhani
438	Noakhali	Arif Commercial Market, Jomidarhat, Chowmohuni, Noakhali.
439	Noakhali	Taramonzil, Feni Road, Chowmuhani, Noakhali
440	Noakhali	Sayed Plaza, Shaberhat, Senbag, Noakhali
441	Noakhali	Bismillah Tower, Maijdee Bazar, Main Road, Sadar Noakhali.
442	Noakhali	Sufia Shopping Center, 1470/1471, Main Road, Maizdee Court
443	Noakhali	Sufia Shopping Center, Main Road, Maijdee Court. (2nd ATM)
444	Noakhali	Amir Ali Market, DB Road, Senbag Bazar, Senbag, Noakhali
445	Noakhali	Krishi Bank Building, Krishi Bank Road, Senbag, Noakhali
446	Noakhali	Shahida Sattar Complex, Holding no.66/1, Bank Road , Sonaimuri, Noakhali
447	Noakhali	Afrida Market, Charjubilee, Charjabbar, Noakhali
448	Pabna	Station Road, Ishwardi, Pabna
449	Pabna	Kashinathpur Bazar, Santhia, Pabna
450	Pabna	Holding No. 0444-001, Edward College Gate, Pabna
451	Pabna	Sonapatty, Pabna
452	Pabna	Shop-8, Tania Supar Market, Santhia Bazar, Pabna
453	Pabna	41/B, Joarder Complex, Sujanagar Bazar, Pabna

Sl. No.	District	Location
454	Panchagarh	Mosque Market, Tetulia Road, Panchargar
455	Patuakhali	204, Hotel Park, Sadar Road, Patuakhali
456	Patuakhali	29-Sadar Road, Adalat Para, Patuakhali
457	Pirojpur	Hawlader Market , Bhandaria, Pirojpur
458	Pirojpur	Parizat Plaza, Hospital Road, Sharupkathi, Nesarabad, Pirojpur.
459	Pirojpur	Plot no.360, Puraton Launchghat, Miarhat, Pirojpor.
460	Pirojpur	Health Pharmacy, Bazar Road, Pirojpur
461	Rajbari	Muktizoddah Complex, Main Road, Rajbari
462	Rajshahi	Haque Market, Baneswar Bazar, Puthia, Rajshahi
463	Rajshahi	H-Z Plaza, Holding No. 356, Bhawanigonj, Bagmara, Rajshahi
464	Rajshahi	810, Mohammad Ali Plaza, Keshorehat, Mohonpur, Rajshahi
465	Rajshahi	185, Laxmipur Mour, Rajpara, Raj- shahi
466	Rajshahi	Binodpur Bazar, Rajshahi University Market, Rajshahi
467	Rajshahi	Dainik Barta Complex, 269 Alupatty, Rajshahi
468	Rajshahi	Islami Bank Medical College Hospital, Nawdapara, Rajshahi.
469	Rajshahi	Shop-8, Ismail Plaza, Moni Chottor, Shaheb Bazar, Rajshahi
470	Rajshahi	219, Sultana Baad, New Market, Rajshahi
471	Rangamati	Rangamati Sadar, Rangamati
472	Rangpur	Almi Bari, Holding No. 30, Jail Road, Dhap, Kotwali, Rangpur
473	Rangpur	Bangladesh Shikkhok Shamity Complex Bhaban, Pirganj, Rangpur
474	Rangpur	Chamber Bhaban, Holding no. 67, Jahaj Company Mour, Rangpur Sadar, Rangpur
475	Rangpur	Lalbagh moor, kotwali, Rangpur
476	Rangpur	Prime Specialized Hospital & Research Institute, Pirjabad, Badorgonj Road, Rangpur
477	Rangpur	Satmatha, Sadar, Rangpur
478	Satkhira	Zohura Plaza , Main Bus Stand, Kaligonj, Satkhira
479	Satkhira	Chowdhury Market, Thana Road, Kalaroa, Satkhira
480	Satkhira	Kalaroa Bus Stand, Kolaroa
481	Satkhira	Tufan Complex, Radhanagar, Satkhira
482	Satkhira	M.M. Plaza, Nokipur, Shyamnagar, Satkhira
483	Shariatpur	Sk. Ali Asharaf Complex, Damodya, Shariatpur
484	Shariatpur	Maa Complex, Girls School Road, Naria, Shariatpur
485	Shariatpur	Dubai Plaza, 241-242 Sadar Road, Shariatpur
486	Sherpur	Shah jamal Morium Complex, New Market Mor
487	Sirajgonj	440, Siddik Plaza, Mukundagati Bazar, Belkuchi, Sirajgonj
488	Sirajgonj	Aziz Mansion, Bagabari Ghat, Shahjadpur, Sirajgonj.
489	Sirajgonj	College Gate, Dariapur Bazar, Shahjadpur, Sirajgonj

TRANSTOCK

Location of Bank's own ATM

Sl. No.	District	Location
490	Sirajgonj	HN# 04, Razzak Plaza, 2 No. Khalipa patty, Sirajgonj
491	Sirajgonj	Golam Ambia Alam Market, Gulisthan Mour, Ullapara Bazar, Sirajganj
492	Sunamgonj	Al Saif Residencial Hotel, Chhatak, Sunamgonj
493	Sunamgonj	Aziz Bhaban, Gobindagonj, Chhatak, Sunamgonj.
494	Sunamgonj	Al-Jannat Plaza, T&T Road, Jagannathpur, Sunamgonj
495	Sunamgonj	Ahsan Mansion, Station Road, Sunamgonj
496	Sunamgonj	London Plaza, Holding No.723/1, Mukterpara Road , Sunamgonj
497	Sylhet	Eastern Plazza, Airport Road, Amberkhana, Sylhet
498	Sylhet	Hazi Nooruddin mansion, Daskhin Bazar, Beanibazar
499	Sylhet	Puran Bazar, Biswanath, Sylhet
500	Sylhet	Thames Tower, Goalabazar, Sylhet.
501	Sylhet	Noor Mansion, Golapgonj Pourashova, Sylhet.
502	Sylhet	Kanaighat Bazar, Kanaighat, Sylhet
503	Sylhet	Al-Karim Plaza, Laldigirpar, Sadar, Sylhet
504	Sylhet	Newa Korner, 779, Humayun Rashid Chattar, Kotwali, Sylhet
505	Sylhet	288, Taltola, Sylhet
506	Sylhet	288, Taltola, Sylhet
507	Sylhet	Farhan & Sayma Vlla, Mejortilla Point, Sylhet
508	Sylhet	Jaigirdar Plaza, Holding No. 2999, Station Road, Varthkhola, Sylhet
509	Sylhet	Madina Market, Pollobi-9, Pathantula, Sylhet
510	Sylhet	Nahar Shopping Complex, 2327 Sobahanighat, Sylhet
511	Sylhet	White Rose Tower, Rikabi Bazar, Sylhet
512	Sylhet	Gallaria Shoping Complex, Zallarpar Road, Zindabazar
513	Tangail	Ibrahim Bhaban, Alanga, Kalihati, Tangail
514	Tangail	Pilot Super Market, Mymensingh Road, Modhupur, Tangail
515	Tangail	Rangdhanu Sayed Tower, College Road, Mirzapur, Tangail
516	Tangail	08, Shahjahan Plaza, Old Bus Stand, Mymensingh Road, Tangail.
517	Tangail	Masjid Road (opposite of tangail branch), Tangail
518	Tangail	Masjid Road (opposite of tangail branch), Tangail
519	Tangail	Pilot Hospital Bhaban, Holding No. 06, New Bus Stand, Mymensingh Road, Tangail.
520	Thakurgaon	209, Nischantapur, Thakurgaon Pourashava

AMARSTOCK

Location of IDM

Sl. No.	District	Location
1	B. Baria	Noorjahan manjeel, Akhaura, B.Baria
2	B. Baria	Court Bazar Road, B. Baria
3	Barguna	Anabil Bhaban, Sultan Atik Sarak, Barguna
4	Barisal	Branch premises,132/121, Sajrini Super Market, East Bogra Road, Barisal-8200.
5	Barisal	497, Noor Plaza, B.M. College Road, Natun Bazar, Barisal
6	Barisal	Sagordi Jame Mosque, Sogordi Market, Barisal
7	Bogra	801, Thana Road, Bogra
8	Bogra	Colony Bazar Sherpur Road,Bogra
9	Bogra	TMSS Office, Thangamara, Bogra
10	Chandpur	Chairmen Ghat, Chandpur
11	Chittagong	3, CDA Sheikh Mujib Road, Agrabad C/A, Chittagong
12	Chittagong	Paper Plaza, Shop No. C-101, N A Chowdhury Road, Chittagong
13	Chittagong	Fayej Mansion, 191-192 Lalchand Rd. Chawk Bazar
14	Chittagong	4-5, Haider Complex, Road–01, Block- A, Badam-toli Mour, Halishahar
15	Chittagong	Solaiman Building, Hathazari Bazar, Hathazari, Ctg
16	Chittagong	525, Jubilee Road, Chittagong.
17	Chittagong	Chowdhury Tower,CTg
18	CNG	Branch premises,Mohiuddin Mansion,Holding No.134 Godagari Road (Baten kha Moar), Chapai Nawabganj
19	Comilla	BM Thikana Tower, Laksham Road, Kandirpar, Comilla
20	Comilla	Ibn Taima School&College,EPZ Rd Comilla
21	Comilla	City corp. Market,Kandir par, Comilla
22	Comilla	Faiz Mension, Debidwar, Comilla
23	Cox's Bazar	Hossain Market, Link Road, Cox's Bazar.
24	CTG	Branch premises,G A Bhaban, Nazir Ahmed Chy Road, Anderkilla, Chittagong
25	CTG	Branch premises,Sadar Plaza, Bandartila, Chittagong
26	CTG	Branch premises,224/329 CDA Avenue, Murad-pur, Chittagong
27	CTG	Branch premises,Fayej Mansion, 191-192 Lal-chand Rd. Chawk Bazar, Chittagong
28	Dhaka	196 Motijheel C/A, (near the Sena Kallayan Bhaban) Dhaka.
29	Dhaka	Branch premises,Bandar Bitan Market,(Alanker), P.O.Customs Academy-4219, Chittagong
30	Dhaka	Chaiman Plaza,Board Bazar, Gazipur
31	Dhaka	71/2-A, Manikdi Bazar, Dhaka Cantonment
32	Dhaka	78/3, Nazimuddin Road, Chankharpool, Dhaka.
33	Dhaka	Holding no.44, Chiriakhana Road, Block-E, Mirpur-1
34	Dhaka	Branch premises ,93, Chawk Mugaltully, Dhaka
35	Dhaka	LS Plaza Dakhsin Khan Bazar, Dhaka
36	Dhaka	Nilu Squire, Sat Masjid Road, Dhanmondi R/A, Dhaka-1209
37	Dhaka	238, New Elephant Road (Beside Katabon Mosque), Dhaka.
38	Dhaka	Rahmania Complex, 28/1/C, Toyenbee Circular Road, Motijheel C/A, Dhaka.
39	Dhaka	Malek Tower, 31 Tejkuni Para, Farmgate, Dhaka
40	Dhaka	Malek Tower, 31 Tejkuni Para, Farmgate, Dhaka
41	Dhaka	Niyat Chalim Plaza, Balivadra Bazar, Ganakbari, Savar, Dhaka
42	Dhaka	Green Road, Dhaka
43	Dhaka	Manarat Trust Building, House-16, Road-106, Gulshan-2, Dhaka
44	Dhaka	PBL Tower, 17 North Gulshan, Dhaka - 1212
45	Dhaka	Branch premises,Hajji Camp, Ashkona, Uttara, Dhaka
46	Dhaka	Islami Bank Tower, 40 Dilkusha C/A, Dhaka-1000
47	Dhaka	195 mitford Road , Islampur Dhaka
48	Dhaka	41-42, Islampur Road, Dhaka
49	Dhaka	69, Shahid Faruque Sarak, South Jatrabari, Dhaka
50	Dhaka	Chittagong Road,PO.Sanarpar,P.S. Siddirgonj, Narayangonj
51	Dhaka	Sumona Tower,Panthapath, Dhaka
52	Dhaka	T. K. Bhaban (1st Floor), 13, Kazi Nazrul Islam Avenue, Dhaka
53	Dhaka	1/1, Atish Dipanker Road, Khilgaon, Dhaka
54	Dhaka	75, Motijheel, Local Office, Dhaka
55	Dhaka	89/2/12, R. K. Mission Road, Gopibagh, Manik Nagar, Dhaka
56	Dhaka	Holding no.kha-194,Middle badda, Progati Shorony, Dhaka
57	Dhaka	Holding No. 571, Begum Rokeya Sharoni, East Kazipara, Dhaka
58	Dhaka	Holding No. 782, Monipur, Mirpur, Dhaka-1216.
59	Dhaka	H#02,Road No-08,Block-C,Section-13,Mirpur
60	Dhaka	Plot No-2, Madina Tower, Mirpur Housing State, Mirpur-1, Dhaka
61	Dhaka	National Bangla High School Market, Mirpur Section 2, Dhaka
62	Dhaka	Master Printing & Packaging Bhabon, 89 Mohakhali C/A
63	Dhaka	Hosaf Tower (Ground floor), 357-359 Malibag, Dhaka–1217
64	Dhaka	Branch premises,139,Sutapatty, Narsingdi Sadar, Narsingdi-1600
65	Dhaka	BEA building, 144/2, Nawabpur Road, Dhaka.
66	Dhaka	11, Nabab Street, Abu Zafar Maznu Bhaban, Wari, Dhaka
67	Dhaka	Doza Mansion, 23 Mirpur Road, Dhaka

PRIMARY STOCK

Location of IDM

Sl. No.	District	Location
68	Dhaka	House no#09, Road No#03, Kabi Sarani,Nikunja-02, Khilkhet, Dhaka
69	Dhaka	Branch premises Hyperion Rose, Holding No.61/1,61/2, Block-B, Road No.04,Section-12, Pallabi, Dhaka
70	Dhaka	Plot-61/1,61/2, Block-B, Road-4, Mirpur Section-12, Pallabi, Dhaka
71	Dhaka	A R Mollik Tower, 12/1, Paltan, Dhaka
72	Dhaka	Branch premises,Darus Salam Aarked, 14, Purana Paltan, Dhaka
73	Dhaka	Khadder Bazar Shopping Complex, 39/1, B B Avenue, Paltan, Dhaka.
74	Dhaka	06, P. K. Roy Road, Banglabazar, Sadarghat, Dhaka
75	Dhaka	Branch premises,34/A P K Roy Road, Bangla Bazar, Dhaka
76	Dhaka	B/1, Monsur Market, Savar Bus Stand, Savar, Dhaka
77	Dhaka	B-37/1,Jaleshar, Bazar Bus Stand, Savar, Dhaka
78	Dhaka	08, North Kallyanpur Bus Stand, Mirpur Road, Dhaka
79	Dhaka	Branch premises,Shamoly,Dhaka
80	Dhaka	House # 14, Block - H, Main Road, South Banasree, Khilgaon, Dhaka.
81	Dhaka	65, Plot No. 347, South Bashabo, Dhaka.
82	Dhaka	19, Main Road,Tongi, Gazipur
83	Dhaka	1st Floor, Kushal Centre, Uttara Model Town, Uttara, Dhaka1230
84	Dhaka	ISLAMI BANK HOSPITAL BHABAN, 30, VIP ROAD, KAKRAIL, DHAKA
85	Dinajpur	West Gouripura,Main Rd,Fulbari,Dinajpur
86	Dinajpur	Branch premises,Javed Super Market, Station Road, Dinajpur
87	Faridpur	Fazilatunnesa Tower,75 Kapuria Patty, Bhanga Bazar, Faridpur
88	Faridpur	Holding No.94/87, Mujib Sarak, Ward No.04 PS-Katwali Faridpur
89	Faridpur	Branch premises,Holding No.94/87, Mujib Sarak, Ward No.04 PS- Katwali Faridpur
90	Feni	N.R. Market, SSK Road, Mohipal, Feni
91	Feni	Alom Market, Silonia Bazar,Dagonbhuiya,Feni
92	Gaibandha	Branch premises,Park View Super Marke, Park Road, Gaibandha
93	Gazipur	Anupom Super Market,Chandana,Gazipur Chowrasta
94	Jessore	Chowgachha,Bazar, Chowgacha, Jessor
95	Jessore	7 RN Road, Jessore
96	Jessore	holding no.708, Mujib Road, Jessor
97	Jessore	Noapara, Jessore
98	Jhenaidah	Svail Road,Hatgopalpur, Jhenaidah
99	Joypurhat	Tahera Complex,306 Sadar rd, Joypurhat
100	Khulna	Ahsan Ahmen Rd, Khulna
101	Kishoreganj	Manila plaza,Arakan Rd,Chandgaon,Ctg
102	Kurigram	Branch premises,16, Bazar Road Kurigram

Sl. No.	District	Location
103	Kustia	Branch premises,Lovely Tower, 55/1,Nowab Sirajuddula Road, Kushtia
104	Manikgonj	Old Manikgonj Pourosova building, Saheed Rafiq Sarak, Manikgonj
105	Narayangonj	HR Plaza, BB Road, Narayangonj.
106	Narshindi	Holding-302,West Brahmaandi Sadar, Narsingdi
107	Noakhali	Arif Commercial Market, Jomidarhat, Chowmohuni, Noakhali.
108	Pabna	Kashinathpur Bazar, Sathia, Pabna
109	Pabna	Holding No. 0444-001, Edward College Gate, Pabna
110	Pirojpur	Parizat Plaza, Hospital Road, Sharupkathi, Nesarabad, Pirojpur
111	Rajshahi	219, Sultana Baad, New Market, Rajshahi
112	Rajshahi	Branch premises,119/123, Shaheb Bazar, Rajshahi
113	Rajshahi	185, Laxmipur Mour, Rajpara, Rajshahi
114	Rangpur	Motahar Commercial Complex, Rangpur
115	Rangpur	Lalbagh moor, kotwali, Rangpur
116	Rangpur	Prime Hospital,Pirjajabad,Rangpur
117	Satkhira	Bara Bazar Road, Satkhira
118	Sirajgonj	Aziz Mansion, Bagabari Ghat, Shahjadpur, Sirajgonj.
119	Sirajgonj	Branch premises,A. B. Super Market, 791, S. S. Road, Sirajgonj
120	Sylhet	Branch premises,288, Taltola, Sylhet
121	Sylhet	Farhan & Syma villa, Mejortilla,Sylhet
122	Tangail	Branch premises,301-307 Par dighulia, Tangail

IBBLSHARIAH STOCK

Glossary

AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
AD	Authorized Dealer
ADB	Asian Development Bank
ADC	Alternative Delivery Channel
AGM	Annual General Meeting
ALCO	Asset Liability Committee
ATM	Automated Teller Machine
BAB	Bangladesh Association of Banks
BACH	Bangladesh Automated Clearing House
BACPS	Bangladesh Automated Cheque Processing System
BAFEDA	Bangladesh Foreign Exchange Dealers Association
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BBTA	Bangladesh Bank Training Academy
BCP	Business Continuity Plan
BDT	Bangladeshi Taka
BEFTN	Bangladesh Electronic Fund Transfer Network
BFIU	Bangladesh Financial Intelligence Unit
BFRS	Bangladesh Financial Reporting Standards
BIBM	Bangladesh Institute of Bank Management
BO	Beneficiary Owners
BRPD	Banking Regulation & Policy Department
BSA	Bangladesh Standards on Auditing
BSEC	Bangladesh Security and Exchange Commission
CAMLCO	Chief Anti Money Laundering Compliance Officer
CAR	Capital Adequacy Ratio
CDBL	Central Depository Bangladesh Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGG	Corporate Governance Guidelines
CIPPS	Centralized Investment Proposal Processing System
CIB	Credit Information Bureau
CNG	Compressed Natural Gas
CPI	Consumer Price Index
CRAR	Capital Adequacy Assessment Ratio
CRISL	Credit Rating Information and Services Limited
CRO	Chief Risk Officer
CRR	Cash Reserve Requirement
CSR	Corporate Social Responsibility
CSBIBB	Central Shariah Board for Islamic Banks of Bangladesh
CSE	Chittagong Stock Exchange
CTR	Cash Transaction Report
DAIBB	Diplomaed Associate of the Institute of Bankers, Bangladesh
DC	Data Center
DCFCL	Departmental Control Function Check List
DOS	Department of Offsite Supervision
DRS	Disaster Recovery Site
DSE	Dhaka Stock Exchange Ltd
EFT	Electronic Fund Transfer
eIBS	Electronic Integrated Banking System
EPS	Earnings Per Share
ETP	Effluent Treatment Plants
EU	European Union
EVA	Economic Value Added
FCB	Foreign Commercial Bank
FY	Financial Year
GCIBFI	General Council for Islamic Banks and Financial Institutions
GDP	Gross Domestic Product
GOB	Government of Bangladesh
GRI	Global Reporting Initiative
HDS	Household Durables Scheme
HFT	Held for Trading
HPSM	Hire Purchase under Shirkatul Melk
HR	Human Resources
HTM	Held to Maturity
IAS	International Accounting Standards
IBB	Institute of Bankers, Bangladesh
IBBL	Islami Bank Bangladesh Limited
IBIT	Islami Bank Institute of Technology
IBCF	Islamic Banks Consultative Forum
IBCA	Inter Branch Credit Advice
IBDA	Inter Branch Debit Advice
IBP	Inland Bill Purchase
IBF	Islami Bank Foundation
IBTRA	Islami Bank Training & Research Academy
ICAB	Institute of Chartered Accountants of Bangladesh
ICMAB	Institute of Cost and Management Accountants of Bangladesh
IC&CW	Internal Control & Compliance Wing
ICB	Investment Corporation of Bangladesh
ICT	Information and Communication Technology
ICTIC	Information and Communication Technology Implementation Committee
IDB	Islamic Development Bank
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IPO	Initial Public Offering
IRG	Investment Risk Grading
LC	Letter of Credit
MCR	Minimum Capital Requirement
MEIS	Micro Enterprise Investment Scheme
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
MPB	Mudaraba Perpetual Bond
NAV	Net Asset Value
NOC	No Objection Certificate
NPI	Non-performing Investment
NRD	Non Resident Dollar account
OBU	Offshore Banking Unit
PCB	Private Commercial Banks
POS	Point of Sales
PPD	Profit Paid on Deposits
PV	Present Value
RDS	Rural Development Scheme
R&D	Research and Development
RMG	Readymade Garments
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
RTGS	Real Time Gross Settlement
RWA	Risk Weighted Assets
SAFA	South Asian Fedearation of Accountants
SEC	Securities and Exchange Commission
SLR	Statutory Liquidity Ratio
SME	Small & Medium Enterprise
SMS	Short Message Service
SMA	Special Mention Account
SOB	State Owned Banks
SRP	Supervisory Review Process
STR	Suspicious Transaction Report
SWIFT	Society for Worldwide Inter-Bank Financial Tele-communication
TA	Traveling Allowance
TOR	Terms of Reference
VAT	Value Added Tax
WAN	Wide Area Network
WEIS	Women Entrepreneur Investment Scheme

AMARSTOCK

IBBL Branch Locations

Branches in Dhaka City

01. Local Office	13. Gulshan	25. Haji Camp	36. Motijhil
02. Chawk Mugultaly	14. Bangshal	26. Kawran Brazar	37. Badda
03. Foreign Exchange	15. Mohakhali	27. VIP Road	38. Moghbazar
04. Nawabpur Road	16. Sadarghat	28. IDD Bhaban	39. Lalbag
05. Head Office Complex	17. Cantonment	29. Rampura	40. Gandaria
06. Islampur	18. Jatrabari	30. Khilgaon	41. Baridhara
07. New Market	19. Dhanmondi	31. Mohammadpur Krishi Market	42. Panthapath
08. Mirpur	20. Paltan	32. Zinzira	43. Waizghat
09. Farmgate	21. Uttara	33. Shyampur	44. Kamrangirchar
10. Mouchak	22. Shyamoli	34. Pallabi	45. Dholaikhal
11. Amin Bazar	23. Mirpur-1	35. Gulshan Circle-1	46. Sonargaon Janapath Road
12. Ramna	24. Elephant Road		47. Banani
			48. Doniya

Branches in Chittagong City

01. Agrabad
02. Khutunganj
03. Anderkilla
04. Jubilee Road
05. Chawk Bazar
06. Station Road
07. C.D.A. Avenue
08. Pahartali
09. Bandar Tila
10. Chaktai
11. Dewanhat
12. OR Nizam Road
13. Hilishahar
14. Bahoddarhat
15. Kadomtoly
16. Oxyzen Morr
17. Kalurghat

Branches in Sylhet City

01. Sylhet
02. Amberkhana
03. Laldighirpar
04. Zindabazar
05. Dakshin Surma

