

"If you have any query about this document, you may consult the issuer and the trustee"

Draft Information Memorandum

**Issuance of Unsecured, Contingent-Convertible, Mudaraba, Perpetual,
Additional Tier I Capital Instrument (Bonds) of
BDT 800 Crore (Taka Eight Hundred Crore Only)**

Issuer: Islami Bank Bangladesh Limited




Islami Bank
Bangladesh Limited
Based on Islamic Shariah

22 SEP 2021

Vetted

Trustee to the Issue: SBL Capital Management Limited




Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

**Type of Security: Floating Rate, Unsecured, Subordinated, Contingent-Convertible and
BASEL III compliant Perpetual Debt Instrument (i.e. Bonds) for
inclusion in Additional Tier1 Capital as regulatory capital**

Total Issue Amount: BDT 800,00,00,000 only
(BDT 720 Crore for private placement and BDT 80 Crore for public issue)

Face Value: BDT 5,000 of each Bond

LISTING: The Bonds are proposed to be listed on the secondary trading platform in the main board or
alternative trading board (ATB) of the Dhaka Stock Exchange Limited(DSE)

Credit Rating status of the Bond: AA+
Outlook: Stable & rated by Alpha Credit Rating Limited
Validity Date: 28 July, 2022


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Joint Issue Manager and Lead Arranger

Joint Issue Manager and Co-arranger:



PBI Prime Bank Investment Ltd.
Priority Finance Solutions
A Subsidiary of Prime Bank Ltd.

Co-arranger (Private Offer/Placement):




Islami Bank
Capital Management Ltd.


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited


Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Notice & Disclaimer

Islami Bank Bangladesh Limited (hereinafter referred as the “Bank” or the “IBBL” or the “Issuer”) has authorized UCB Investment Limited (herein after referred as “UCBIL”), Prime Bank Investment Limited (herein after referred as “PBIL”) and Islami Bank Capital Management Limited (hereinafter referred as IBCML) to prepare and distribute this Information Memorandum (IM) in connection with the proposed transaction outlined in it (the “Transaction”) and the bonds proposed to be issued in the Transaction (the “Bonds”).

This Information Memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to subscribe or purchase the perpetual Bonds. This Information Memorandum shall not be, in whole or in part, reproduced or used for any other purpose without prior written consent of the Issuer. This Information Memorandum is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Bonds issued by the Issuer. This Information Memorandum has been prepared to give general information regarding parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. The Issuer believes that the information contained in this Information Memorandum is true and correct as of the date hereof.

The UCB Investment Limited, Prime Bank Investment Limited and Islami Bank Capital Management Limited have collectively prepared this information memorandum based on the information provided by the Issuer (Islami Bank Bangladesh Limited). The Arrangers and issue managers have relied on the information provided by the Issuer and such information has not been independently verified by the Arrangers. The Issuer will comply with all rules, laws and regulations and is responsible for obtaining all regulatory, governmental and corporate approvals for the issuance of the Bonds. The Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this disclosure document contains all information with regard to the Bank and the Issue, which is material in the context of the Issue, that the information contained in the Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which would make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. By accepting this Information Memorandum, investors agree that the arrangers and issue managers will not have any such liability.

Eligible Participants must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in the Bonds. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for and purchase the Bonds. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force.

Eligible Participants should conduct their own investigation, due diligence and analysis before bidding for the Bonds. Eligible Participants should also consult their own advisors on the implications of application, allotment, sale, holding and ownership of these Bonds and matters incidental thereto.

The Bond is different from fixed deposit particularly that it is not covered by deposit insurance. In addition, any investment by an Eligible Investor would be after they have read and understood the terms including the Coupon/Profit Rate/Rate of Return Discretion and Loss Absorption Feature of the Bonds which have been explained in the Term Sheet herein.

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Issuer's Disclaimer

The principal aim of this Information Memorandum is to present material information that may assist investors to make an appropriate decision as to whether to invest in the offered securities. These Bonds may not be a suitable investment for all investors. Investments in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instrument, unless they can afford to take risks attached to such investments. Each potential investor in the Bonds must determine the suitability of that investment considering his/her own circumstances. All investors should examine and carefully review this Prospectus to decide whether it would be appropriate to invest in the securities offered taking into consideration all the information contained in it. Investors should not consider this Prospectus as a recommendation by the Bank, by the Directors or the Issue manager as to invest in the offered securities. Every investor shall bear responsibility of obtaining independent professional advice on investing in the offered securities and shall conduct an independent evaluation of the information and assumptions contained herein.

THESE FEATURES MAY BE MODIFIED AS PER THE DIRECTIONS OF BANGLADESH BANK AND BANGLADESH SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER COMPETENT REGULATORS.

Interpretations:

In this prospectus:

- ❖ Headings and underlining are for convenience only and do not affect the interpretation of this Prospectus.
- ❖ Words importing the singular include the plural and vice versa.
- ❖ An expression importing a natural person includes any juristic person.
- ❖ In case a day on which an action or event is required to take place pursuant to the Conditions falls on a day that is not a Business Day, then that action or event will take place immediately on the following Business Day.

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DEFINITIONS AND ABBREVIATIONS

AD	Authorized Dealer
AIBL	Al Arafah Islami Bank Limited
ALCO	Asset Liability Management Committee
AT 1	Additional Tier 1
ALM	Asset and Liability Management
ATM	Automated Teller Machine
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BRMC	Board Risk Management Committee
BSEC	Bangladesh Securities and Exchange Commission
CCB	Capital Conservation Buffer
CDBL	Central Depository Bangladesh Limited
CET 1	Common Equity Tier 1
CRAR	Capital to Risk-weighted Asset Ratio
CRM	Cash Recycling Machine
CRR	Cash Reserve Requirement
e-IBS	electronic Integrated Banking System
IBBL	Islami Bank Bangladesh Limited
IC	Investment Committee
IT	Information Technology
IM	Information Memorandum
LCR	Liquidity Coverage Ratio
MAT	Management Action Triggers
MCR	Minimum Capital Requirement
MPB	Mudaraba Perpetual Bond
NPA	Non-performing Assets
NPI	Non- Performing Investment
NSFR	Net Stable Funding Ratio
OBU	Off-shore Banking Unit
PCB	Private Commercial Bank
POS	Point of Sale
RBCA	Risk Based Capital Adequacy
RMU	Risk Management Unit
RWA	Risk Weighted Assets
SBL	Standard Bank Limited
SLR	Statutory Liquidity Ratio
SME	Small and Medium-sized Enterprises
VaR	Value at Risk

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Section 1: Report to the Eligible Investor

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the arrangers and issue managers, as set out below:

High risk: You are fully aware that investment in the Bonds involves a high degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arranger.

No reliance: You acknowledge and agree that you may not rely on any investigation that the arrangers and issue managers or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the arrangers and issue managers nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the arrangers and issue managers only on behalf of the Issuer and that neither the arrangers and issue managers nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in the Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

- i. the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and
- ii. you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

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Managing Director & CEO
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Own account: You are purchasing the Bonds for your own account and not with a view to any distribution thereof.

No representation or warranty: The arrangers and issue managers have not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Joint Arrangers shall not owe any duty whatsoever to you in connection with the Bonds.

No obligation to purchase: The arrangers and issue managers shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.

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Section 2: Risk Factors and Management Perception about Risk

An investment in capital market involves a high degree of risk. The Bank is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investments made by the investors. The Potential investors of IBBL Second Perpetual Mudaraba Bond are strongly encouraged to carefully evaluate all the information in this Information Memorandum, especially the risk factors both internal and external on their own merit and not by referent to any other debt securities whether of a comparable nature or otherwise before making any investment decision. This section addresses the possible risks an investor might have to bear by investing in the bonds and each risk factor is followed by management's perception regarding the risk.

Prior to making an investment decision, prospective investors should carefully consider this section in conjunction with the information contained in this Information Memorandum. These risks and uncertainties are not the only issues that the Bank faces. Additional risks and uncertainties not presently known to the Bank or that the Bank currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Bank is not in a position to quantify the financial or other implications of any risk mentioned herein below.

If any one of the following stated risks actually occurs, the Bank's business, financial conditions and results of operations could suffer and, therefore, the value of the Bank's Bonds could decline and/or the Bank's ability to meet its obligations in respect of the Bonds could be affected. More than one risk factor may have simultaneous effect with regard to the Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Bonds and/or the Bank's ability to meet its obligations in respect of the Bonds. Potential investors should perform their own independent investigation of the financial condition and affairs of the Bank, and their own appraisal of the creditworthiness of the Bank. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Bonds. Potential investors should thereafter reach their own views prior to making any investment decision.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

2.1 Profit/Return Rate Risk (i.e. Interest rate Risk)

Profit rate risk concerned with borrowed funds of short term and long-term maturity. Profit rate risk is the risk that the Bank faces due to unfavorable movements in the interest rates. Volatility in money market and increased demand for investment funds raise the rate of interest. The Bank's financing in different sectors is generally structured at fixed and variable rates for specified terms. A change in the Government's monetary policy also tends to increase the rates. Increase in interest rates of borrowing could narrow or eliminate the spread or result in a negative spread, and hence, may have a material adverse effect on the Bank's business, financial condition and/or results of operations.

Mitigation:

The Bank adopted traditional Gap analysis for assessing impact on profit perspective (earnings perspective) and Duration Analysis for assessing the impact on the Economic Value of Equity (Economic Value Perspective). In compliance with the requirement of Bangladesh Bank's Asset Liability Management guidelines, the Bank has formed "Asset Liability Management Committee" (ALCO) with the senior executives. The Committee meets once every month to set and review strategies on Asset Liability Management (ALM). The ALM desk performs Money Market activities, manages liquidity and interest rate risk of the bank, and understands market dynamics i.e. competition, potential target markets etc., updates the balance sheet movements and complies with the statutory obligations as well as the risk elements involved with the business.

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2.2 Foreign Exchange Rate Risk

Foreign Exchange Risk is the current or prospective risk for earning and capital arising from adverse movements in currency exchange rates. Foreign Exchange risk may also arise as a result of exposures of banks to profit rate risk arising from the maturity mismatches of foreign currency positions.

Mitigation

IBBL has established Risk Tolerance limits for foreign exchange exposure with the directives of Bangladesh Bank in order to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are managed within acceptable parameters. Investment Risk arises when the counterparty fails to meet its obligations in accordance with agreed terms and conditions of an investment related contract. The failure may arise due to unwillingness of the counterparty or declining trend of overall economic condition, unanticipated legal or political constrains, etc.

2.3 Non-repayment Risk

The risk associated with the failure to pay the scheduled return of principal on a fixed-income security.

Mitigation

This bond is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria.

2.4 Prepayment, Call or Refunding Risk

The risk associated with the early unscheduled return of principal on a fixed-income security.

Mitigation

This bond is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria.

2.5 Security Risk

The risk associated with the default, authenticity or validation of the collateral used to guarantee repayment of a bond.

Mitigation

Since this is an unsecured bond, this particular risk is not applicable here.

2.6 Liquidity Risk

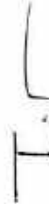
Liquidity Risk is the risk that the bank cannot promptly fulfill its payment obligations due to unforeseen factors or be forced to placement funds on unfavorable terms. Bank might face liquidity risk due to adverse mismatch of maturities of assets and liabilities and might encounter difficulty in meeting Obligation from its financial liabilities at a point of time.

Mitigation

Islami Bank Bangladesh Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of managing the liquidity risk of the bank lies with Treasury Division. Different key ratios including LCR and NSFR are regularly discussed in monthly meeting of ALCO of the Bank. The committee meets at least once in every month to review LCR, NSFR report and overall liquidity position of the bank. Treasury Division maintains liquidity based on current liquidity position anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

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2.7 Management Risk

The risk associated with ineffective, unprofessional, non-discreet or underperforming management, that impedes the growth of the organization as well as hurts the shareholders and the company, fund of which being managed.

Mitigation

IBBL is one of the leading Islamic banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. IBBL has a sound management system that is not only efficient but also dynamic in taking appropriate decision to make the organization more effective, vibrant and result oriented. Therefore, with the strong leaderships and structured corporate set-up the management risk is not a matter of concern at all for the steady and sustainable growth of IBBL.

2.8 Operational Risk

Operational risk refers to the risk of loss due to inadequate or failed 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 constitute operational risk Management activities of the bank.

Mitigation

The policy for operational risks including internal control and compliance risk is approved by the Board taking into account the relevant guidelines of Bangladesh Bank. In order to review the operation and compliance of statutory requirements, Internal Control & Compliance Division undertakes various measures including periodical and special audits on the affairs of the branches and departments at head office. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division of the bank to protect and safeguard the interest of all stakeholders.

2.9 Business Risk

IBBL might earn lower than anticipated profit, or that it will experience a loss rather than a profit. Business risk is influenced by a lot of factors, including revenue, costs, competition and overall economic climate and government regulations.

Mitigation

The Bank has a robust risk management system to counter any adverse business risk. Most business risks have been covered in investment, Liquidity and profit rate Risk. To counter and mitigate business risk, the following mitigation measures are in place:

- Regular review of impact of global & domestic economic changes meltdown and taking appropriate measures;
 - Innovative and convenient financial products and services;
 - Taking prompt action on customer complaints;
 - Frequent assessment of clients' satisfaction;
 - Regular review of performance against budget and targets;
 - Review and analysis of competitors' performance;
 - Regular review on different government regulations & make prompt action to cope up with those regulations.
- Prevention of risk by forecasting future market condition gives IBBL competitive edge over other competitors in the local market. In order to mitigate prospective risks of the market, the ALCO team regularly assesses the market information. This assessment updates the Management about the current market situation, growth of certain industries, current global phenomena, price index of raw materials, refinance scheme taken by central bank and regulatory steps taken by various regulatory bodies. This also helps to make future prediction on any industry and the market as a whole.

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2.10 Industry Risk

Industry Risk arises when a specific industry does not perform up to the expected level or at par. When problems plague one industry, they affect the individual organization of that particular industry. Industry risk also refers to the risk of increased competition from foreign and domestic sources leading to lower revenues, profit margins, loss of market share etc. which could have an adverse impact on the business, financial condition and result of operation.

Mitigation

IBBL constantly keeps watch on ever changing economic and business environment which sometimes leads some industry risk as well as opportunity and banks has taken prompt & proactive action for avoiding probable risk and grabbing the opportunity. IBBL has always been careful in offering Innovative, convenient and cost effective financial products and services which flexibility in nature and by the way minimizes its industry risk exposure. Since its inception the bank contributes significantly in harnessing deposits by launching different attractive schemes befitting the requirement of different segment of customers. The bank actively encourages feedback from the customers and regard complaints as constructive comments that helps to build customer relationships and improve business situation. The Bank has also succeeded in diversifying its business portfolio across the thrust sectors of the economy and always takes special care for utmost value addition in clientele services.

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2.11 Information Technology Related Risk

We are living in an era of information and communication technology and banks have become more technology driven these days. Use of computer, internet has become a common practice in the banking industry. There are certain risks involved in the use of technology. This risk may arise from malfunction of system, failure of network, shortage of skilled /trained manpower, lack of knowledge about the use of technology, virus attack, hacking etc.

Syed Mohammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Mitigation

To manage IT related risk, IBBL has adopted Core Banking Software "electronic Integrated Banking System (e-IBS), own developed full-fledged centralized core banking systems. IBBL is already running a Data Center at bank's own premises at Dilkusha since 2005. The bank has also secured its data through Disaster Recovery Site (DRS) located at Savar since 2009 to make sure that the bank will not lose any data in case of any disaster occurs. Moreover, IBBL has established in 2013 a Hot Disaster Recovery (Hot DRS), a replica of data center, at Kakrail for uninterrupted real-time online banking and most secured data storage.

IBBL has an IT Audit and Security team formed as per the Central Bank's Guideline. It is conducting IT Audit in each branch on a periodic basis and providing suggestions to higher management. IT Division is also managing IT related training programs to make sure that employees are aware of IT risk related issues. Besides, the bank has taken initiatives for capacity building of IT officials of the bank through providing appropriate training. Last year the bank has arranged more than fifty IT related training and workshop for the employee of IBBL.

Tanzim Alamgir
Chief Executive Officer
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2.12 Market Risk

Market risk is defined as the potential impact of adverse price movements such as benchmark rates, foreign exchange rates, and equity prices on the economic value of an asset i.e. the current or prospective threat to the Bank's earnings due to movements in market prices, i.e. prices of securities, commodities, profit rates and foreign exchange rates. Market risk exposure of IBBL is explicit in portfolios of securities/equities and instruments that are actively traded.

Mitigation

The Treasury Division manages market risk covering liquidity, profit rate and foreign exchange with oversight from Asset Liability Management Committee (ALCO) comprising Senior Executives of the Bank. ALCO is headed by the Managing Director.

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2.13 Risk Related to Potential or Existing Government Regulations

Excessive growth of Risk Weighted Assets against the growth of eligible regulatory capital of Islami Bank Bangladesh Limited might breach the Bangladesh Bank's criteria of minimum capital requirement. Also, the Bank might fail to comply with the laws, regulations or codes applicable to the financial services industry.

Mitigation

Internal Control and Compliance of IBBL works to achieve effectiveness and efficiency of operations, reliable financial reporting and compliance with laws and regulations. Pillar 1 and Pillar 2 of Basel-III Accord also focused on operational risk and supervisory review respectively attaching considerable importance to internal control & compliance and on supervision & monitoring. As prescribed in the Bangladesh Bank core risk guideline on Internal Control & Compliance, Management Committee of IBBL reviews the overall effectiveness of internal control system.

2.14 Risk Related to Potential Changes in Global and National Policies

Risk associated with any potential global issues (i.e. a global financial crisis or a massive volatility in an international currency) or a national policy change (i.e. regulatory changes made by the Bangladesh Bank or the Bangladesh Securities and Exchange Commission).

Mitigation

Since this security would be issued in the local market, potential global changes are unlikely to have any impact on the security issued. Moreover, IBBL has a robust risk management team and has the capability to adapt to any local/global scenario that might affect the local market.

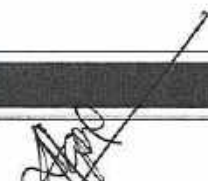
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Islami Bank Bangladesh Limited


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Section 3: Detailed Description and Information

Detailed description and information as per Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021; Schedule- A (Part I) is annexed to this Information Memorandum. Please check **Annexure - 01**

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Section 4: Details plan of utilization of proceeds:

Purpose of Issuance of IBBL Mudaraba Perpetual Bond

Islami Bank Bangladesh Limited (IBBL) has decided to raise Additional Tier-1 Capital through issuance of IBBL Mudaraba Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The proposed bond issue will allow the bank to enhance its capital strength and continue to grow its balance sheet in the future years.

Plan Regarding Use of Proceeds from IBBL Mudaraba Perpetual Bond

The proposed bond will qualify as part of IBBL's Additional Tier-1 capital and will help maintain healthy capital adequacy ratios in the next few years. Besides, the BDT 800 crore fund will be used for undertaking general business activities of the bank including strengthening of the investment portfolio and other securities.

Section 5: Features of IBBL Mudaraba Perpetual Bond

IBBL Second Perpetual Mudaraba Bond is a debt instrument in debenture nature unsecured and contingent convertible. The major features of the IBBL Second Perpetual Mudaraba Bond are presented below:

5.1 Basic Features of the Instrument

Finalization of all terms & conditions of this instrument (stipulated in the table below) are subject to approval from concerned regulatory authorities and may need to change as per regulatory instruction.

Table 1 Basic Features of IBBL Mudaraba Perpetual Bond

1	Issuer	Islami Bank Bangladesh Limited (the "IBBL"/ the "Bank"/ the "Issuer").
2	Name of the Instrument	IBBL 2 nd Perpetual Mudaraba Bond.
3	Issue Type	Unsecured, Subordinated, Contingent-Convertible, Fully paid up, Non-Cumulative, BASEL III compliant Perpetual Debt Instrument (i.e. Bond) for inclusion in Additional Tier1 Capital as regulatory capital.
4	Issue size	BDT 800,00,00,000 only.
5	Face Value/ Issue Price	BDT 5,000 only per Bond.
6	Number of Issuing Unit	1,440,000 units/bonds in private placement/offer and 160,000 units/bonds for public issue/offer in aggregate no.s 16,00,000 units/bonds.
7	Mode of Issue	BDT 720,00,00,000 only (90% of total Issue size) for private placement/offer and BDT 80,00,00,000 only (10% of total Issue size) for public issue/offer.
8	Market Lot	01(one) unit/bond and in multiple of 01 unit/bond thereafter.

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9	Maturity Period/Tenor	The Bond is perpetual i.e. there is no maturity date and there are no steps or other incentives to redeem.
10	Nature of Instrument and status of the Bond	Unsecured debt instrument. The Bonds are neither secured nor covered by a guarantee of the Issuer (i.e. the Bank) nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bondholders vis-à-vis other creditors of the Issuer (i.e. the Bank). Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.
11	Purpose and Objectives	Augmenting Additional Tier 1 Capital (As per the terms defined in Basel III Regulations/Guidelines/Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Issuer (i.e. Bank) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.
12	Issuance Mode	Dematerialized form.
13	Redemption date	Not applicable as the Bonds are perpetual and there shall be no redemption/maturity date.
14	Details of the utilization of the proceeds	The funds being raised by the Issuer (i.e. Bank) through the present Issue are not meant for financing any particular project. The Bank (i.e. the Issuer) shall utilize the proceeds of the Issue for its regular business activities. The Issuer (i.e. Bank) shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Securities and Exchange Commission.
15	Deemed Date of Allotment	For private placement/offer on the subscription closing date upon realisation of proceeds of subscription money in the designated bank account(s) and for public offer/issue on such date to be decided/fixed later based on regulatory approvals.
16	Transferability	Transfer and transmission of the Bonds shall be subject to the Depositories Act, 1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.
17	Seniority of Claims/ Seniority of the Instrument/ Claim Settlement in the event of Liquidation or Wind-up	<p>Unsecured Additional Tier 1 Bonds (as the term is defined in the Basel III Guidelines under pertinent Bangladesh Bank Guidelines, to the extent applicable.)</p> <p>The Claims of the Bondholders shall:</p> <ul style="list-style-type: none"> (i) be superior to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bond (MPB) of BDT 3,000 million (i.e. 1st mudaraba perpetual Bond of the Issuer); (iv) pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and (v) neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

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		The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise. Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.
18	Listing Status	The Bonds shall be listed with stock exchange(s) after deemed date of allotment and or after subscription closing date (on main board and/or ATB- Alternative Trading Board as per instructions of the regulators).
19	Convertibility	Contingent Convertible on pre-specified trigger point (as fixed/ to be fixed by the Bangladesh Bank/regulator(s) from time to time).
20	Redemption/Principal Repayment Amount	Not applicable. However, in case of Redemption on account of exercise of Call Option or Otherwise, in accordance with Bangladesh Bank Basel III Guidelines/instructions, the Bond shall be redeemed at Par along with coupon/profit accrued till one day prior to the call option date, subject to fulfillment of terms and conditions as mentioned in Bangladesh Bank Guidelines.
21	Late Redemption	Not Applicable. Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.
22	Put Option	Not Applicable.
23	Put Date	Not Applicable.
24	Put Price	Not Applicable.
25	Issuer Call Option	Can be exercised only after ten years of issuance , with prior approval from the Bangladesh Bank.
26	Call Option Eligibility/ Condition for exercise of call option	The Call Option may be exercised subject to following conditions: (a) To exercise the Call Option, the Bank (i.e. the Issuer) must receive prior approval of Bangladesh Bank; and (b) The Bank (i.e. the Issuer) shall not exercise Call Option unless: (i) The Bond is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank (i.e. the Issuer); or (ii) The Bank (i.e. the Issuer) demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.
27	Tax Call and Regulatory Call	The Issuer/Bank may call the instrument/bond due to the occurrence of Tax events or Regulatory event only if it is permitted by Bangladesh Bank.
28	Call Option Price	At par.
29	Repurchase/ Buy-Back/ Redemption	(1) Principal amount of the Bonds may be repaid (e.g. through repurchase or buy-back or redemption) only with prior approval of Bangladesh Bank; (2) The Bank may repurchase/buy-back/redeem the instrument /Bond only if: (a) It replaces the Bond with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank (i.e. the Issuer); or (b) The Bank (i.e. the Issuer) demonstrates that its capital position is well above the minimum capital requirements after the

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		repurchase/ buy-back/ redemption.
30	Re-capitalization	The Bonds shall not have any features that hinder re-capitalization, such as provisions which require the Bank (i.e. the Issuer) to compensate investors if a new instrument is issued at a lower price during a specified time frame.
31	Lead Arranger (for Private Placement/ Offer)	UCB Investment Limited.
32	Joint Co- Arrangers (for Private Placement/ Offer)	Prime Bank Investment Limited and Islami Bank Capital Management Limited.
33	Issue Managers (jointly) for public offer/issue	Prime Bank Investment Limited and UCB Investment Limited.
34	Underwriter(s)	AIBL Capital Management Limited.
35	Trustee	SBL Capital Management Limited.
36	Credit Rating Agency	Alpha Credit Rating Limited.
37	Legal Advisor	Barrister Md. Mydul H. Khan.
38	Prohibition on Purchase/ Funding in Bonds	Neither the Bank (i.e. Issuer) nor a related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards) should purchase the instrument, nor can the bank directly or indirectly should fund the purchase of the instrument. The same restriction will also apply to the employees' retirement benefit funds of the issuing bank. Banks should also not grant advances against the security of the instrument issued by them.
39	Profit/Coupon Type	Floating Rate.
40	Benchmark Profit Rate/ Coupon Rate/ Rate of Return/ Profit Distribution	The total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin as described in below mechanism: Rate of return will be calculated based on the latest available published deposit rate in Bangladesh Bank website. The average of yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st Generation, 2nd Generation and 3rd Generation banks only) will be considered excluding foreign Islamic banks and any Z-category Islamic Banks enlisted in capital market. Furthermore, if any Islamic bank goes into OTC Market/ delisted, that will be excluded from rate of return calculation as well. The Benchmark rate will be calculated/ fixed by the Trustee on every "Profit/Coupon Reset Date" or "Profit Rate/Coupon Rate Determination Date" and notified to the Issuer (i.e. the Bank) and all Investors/Bondholders on every Profit Reset Date.
41	Additional profit rate/ margin with Benchmark Profit Rate/ Coupon Rate	2.50% p.a.
42	Rate of Return/Coupon Range (i.e. floor rate and ceiling rate)	Return Ceiling: 10% Return Floor: 6% (subject to having available distributable profit)
43	Exercise of Rate of Return/ Coupon/Profit	Any return/coupon/profit will be distributed subject to having available distributable profit of the Issuer/Bank/IBBL.

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	Rate Discretion	
44	Profit/Coupon Payment Frequency	Profit will be paid to the bondholders annually within 60 days after due date and shall not be cumulative. However, the first profit/coupon payment period will be from the issue date/subscription closing date/deemed date of allotment up to the ensuing 31 December of the respective year of issue date/subscription closing date/deemed date of allotment. Thereafter, annual profit/coupon payment will be made as per Gregorian calendar year (i.e. Profit period/Coupon Period will be from 01 January to 31 December or up to Issuer Call date, or regulatory call date, if exercised).
45	Coupon Payment Dates	On the Anniversary of the closing each Gregorian calendar year, subject to Bangladesh Bank Guidelines (up to Call option date, in case Call option is exercised by the Bank).
46	Profit/Coupon rate Reset date/ Profit rate/ Coupon Rate determination date	The first rate will be determined at the date of the issuance of the Bond or subscription closing date (for private placement/offer) or deemed date of allotment (for public offer/issue) whichever comes first. From thereon, the rate will be re-fixed annually on 05(five) business days before the first day of any profit/coupon period for which a rate of return/coupon/profit is to be determined.
47	Computation of Profit/ Coupon/Day count Basis	The total Profit/Coupon for each of the Profit/Coupon periods shall be computed as per actual day count on the face value of principal outstanding at the coupon/profit rate. In case of a leap year, if February 29 falls during the tenor of the bonds then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for a whole 1-year period.
48	Settlement	Payment of Rate of Return/ Coupon/Profit and repayment/ redemption of principal shall be made by the way of cheque(s)/warrant(s)/demand draft(s)/Bank Payment Order(s) / credit through direct credit/ BACPS/ BD-RTGS/ BEFTN mechanism or any other permitted method at the discretion of the Issuer/IBBL/Bank.
49	Record Date	15 days prior to each Coupon Payment Date, and Call Option Due Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date. All bondholders/debt holders who are registered at Central Depository Bangladesh Limited, or if the bonds are not deposited in the depository, the persons whose name is recorded in the registers of the Issuer/Bank as on the relevant coupon/profit payment Record Date are eligible to receive coupon/profit for that relevant period.
50	Shari'ah Approval	Shari'ah views and opinion from Bank's Shari'ah Supervisory Committee has been obtained.
51	Penalty rate on delay repayment (as fixed by the Regulator)/Events of Default	In case of a default in payment of profit/coupon and/or principal redemption on the respective due dates (except in circumstances as mentioned in the Bangladesh Bank issued Basel III Guidelines), 2% p.a. (two percent per annum) as an extra above the usual documented Coupon Rate/profit rate of the bond will be paid to the bond holders as per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021. However, it is clarified that any non-payment of Coupon/Profit /Return and or principal on account Bangladesh Bank Guidelines on Basel III capital regulation, Coupon/Profit Rate/Rate of Return Discretion and other events of this term sheet, shall not be deemed to be an event of

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		default and no such default penalty.
52	Coupon/Profit Rate/Rate of Return Discretion	<p>(i) The bank (i.e. the Issuer) shall have full discretion at all times to cancel distributions/payments to the bondholder/ investors;</p> <p>(ii) Cancellation of Coupon/ discretionary payments shall not be an event of default as per SL. No. 51 of this term sheet;</p> <p>(iii) Banks shall have full access to cancelled payments to meet obligations as they fall due;</p> <p>(iv) Cancellation of distributions/payments shall not impose restrictions on the bank except in relation to distributions to common stakeholders;</p> <p>(v) Coupons/Profits shall be paid out of distributable items; and</p> <p>(vi) The Coupons/Profits shall not be cumulative i.e., Coupons/Profits missed in a year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When Coupons/Profits are paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.</p>
53	Dividend Stopper Clause Common Equity Holders' Dividend Stopper Clause	<p>Dividend Stopper Clause will be applicable to this instruments (i.e. Bonds) and will stop common equity holders' dividend payments on common shares in the event the holders of additional Tier 1 instruments (i.e. Bonds) are not paid profit/coupon either due to exercise of Issuer's Coupon Discretion or otherwise. For avoidance of doubt, the dividend stopper will not:</p> <ol style="list-style-type: none"> (1) Stop payment on another instrument/Bond(s) where the payments on such this other instrument /Bond(s) are not fully discretionary; (2) Prevent distribution to shareholders for a period that extends beyond the point in time at which dividends/profit /coupon on the Additional Tier 1 instrument/Bond are resumed; (3) Impede the normal operation of the Bank (i.e. Issuer or any restructuring activity (including acquisitions/ disposals /amalgamation/ re-constitution etc); or (4) Impede the full discretion that the bank has, at all times, to cancel the distributions or payments on the bonds nor act in a way that could hinder the re-capitalization of the Bank.
54	Loss Absorption Feature	<p>The AT-1 Capital qualifying Perpetual bond has a "Loss Absorption Feature" that will activate a loss absorption mechanism through "conversion of the bonds into common shares" at an objective per-specified "Trigger Point". Unless the Trigger Point takes place, this mechanism will never be activated. If the Trigger-Point or Trigger-Date is reached, the shortfall amount to maintain minimum required consolidated CET-1 Capital of Total Risk-Weighted Assets (RWA) will be converted into Common Shares as per Bangladesh Bank requirement from time to time (Currently of 4.50%).</p>
55	Loss Absorption Methodology	<p>CET-1 on Trigger Point Condition Date will be considered to identify the shortfall percentage, which would be required to bring the consolidated Common Equity Tier 1 (CET-1) ratio to 4.50% of RWA and it will be</p>

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		<p>converted into common shares at the Conversion Strike Price (CET-1 ratio always to be fixed as per Bangladesh Bank requirement from time to time).</p> <p>If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.</p>
56	Trigger Point for Loss Absorption Condition:	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters, it would be the Trigger Point Condition and the 3 rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.
57	Payment Suspension Methodology	<p>In case of the event of exercise of Loss Absorption feature of the Bond, any coupon payment in between the Trigger Point and publication date of audited financials will be suspended. The bondholder will not be eligible for the coupon payment if the same situation prevails (Bank's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of conversion on Trigger Point Condition, the portion that will be required to be converted into equity shares, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio remaining reaching 4.50% or above, and coupon will be paid along with previous coupon for this portion.</p> <p>No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payments are suspended.</p>
58	Calculation basis	Shortfall percentage of the consolidated common equity tier 1 (CET-1) ratio on trigger point condition date will be calculated based on audited financial statements of the Issuer.
59	Conversion Strike Price	Average of 180 business days market price prior to the Trigger Point Condition Date or par value (currently BDT 10/-) whichever is higher.
60	Governing Law and Jurisdiction	The instrument/Bond is governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh.
61	Applicable Bangladesh Bank Guidelines	The instrument/Bond is being made in pursuance of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 (herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria to Qualify As Additional Tier 1 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bonds and terms and conditions of the Bonds will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time.
62	Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Bank (i.e. Issuer)

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		will issue the Bonds.
63	Validity of the Consent (to be issued by BSEC)	The consent for issuance of securities under private offer shall remain valid for 06 (six) months from the date of consent or for such a period as determined by the Commission in the consent letter. The consent for issuance of securities under public issue shall remain valid for 03 (three) months from the date of consent or for such a period as determined by the Commission in the consent letter.
64	BDT	All references to "BDT" or "Tk." are to the Bangladeshi Taka, the official currency of Bangladesh.
65	Basel Accords	Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II, and III.
66	Basel III	Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: <ul style="list-style-type: none"> (1) minimum capital requirements, which seek to refine the present measurement framework; (2) supervisory review of an institution's capital adequacy and internal assessment process; and (3) market discipline through effective disclosure to encourage safe and sound banking practices.


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67	Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014	BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for issue of perpetual debt instruments for inclusion in Additional Tier 1 capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III). In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines as per Bangladesh Bank shall prevail. The issue of Bonds and the terms and conditions of the Bonds will primarily be subject to and govern by the applicable guidelines issued by the Bangladesh Bank from time to time and the Rules and Regulations of Bangladesh Securities and Exchange Commission as amended from time to time.
68	Common Equity Tier 1 (CET-1) capital	Common Equity Tier 1 Ratio means the common equity Tier 1 capital ratio as determined by the Bangladesh Bank, the Central Bank of Bangladesh.
69	Additional Tier 1 (AT1) capital	Capital instruments that meet the criteria for inclusion in the additional tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh.

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5.2 Rate of Return, Yield to Maturity, Coupon/Discount Rate

Coupon Range: As fixed by Bangladesh Bank (if any, but subject to having available distributable profit)

5.3 Transferability/Liquidity

The bond is freely transferable in accordance with the provisions of the Trust Deed.

5.4 Prepayment, Call, Refunding, Conversion Feature

Perpetual bond is non-puttable, callable in Nature.

5.5 Tax Features

The Company and any income from the Bond for the investors will be according to the Laws of Bangladesh.

5.6 Enforcement of Charges over securities

The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer. In the event of default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bond or the Trust Deed or any of the Issue Documents (save for failure to pay any amount of principal, coupon or expenses or in respect of any other payment obligation), (i) the Trustee or any Bondholder shall not be entitled to any remedy available to the Trustee or any Bondholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Bonds and (ii) any other remedy available.

5.7 Repayment Schedule:

As per BASEL III guideline (Annex IV: Special Eligibility Criteria to qualify for additional Tier I Capital) this instrument is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in features (5.1) section.

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EVP, Head of EAD & CFO
Islami Bank Bangladesh Limited
EAD Head Office Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office Dhaka

Section 6: Description of Collateral Security and Type of Charges to be created

The bond is unsecured and the claims of the Bondholders shall:

- be superior to the claims of investors in equity shares;
- be subordinated to the claims of depositors and general creditors of the bank;
- be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument **Mudaraba Perpetual Bond (MPB) of BDT 3,000 million (i.e. 1st mudaraba perpetual Bond of the Issuer)**; and
- neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.
- The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise

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Syad Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Section 7: Rights and Obligations of the Issuer

Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the profit payment under the Bonds become due for payment, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in immediately available freely transferable funds, the profit payments of the Bonds becoming due for payment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions profit on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

- every payment of profit in respect of the Bonds or any of them made to the Bondholders shall satisfy, to the extent of such payment;
- if any payment of profit in respect of the Bonds is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee; and
- in case of the Issuer exercising the call option, where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused penalty shall accrue at applicable rate of 2.00 % p.a. for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date on which such principal amount due is paid to the Bondholders.

The Trustee will hold the benefit of this covenant and the covenants in Clause (Covenant to comply with Trust Deed, Conditions and Schedules,) and Clause (Covenants by the Issuer) on trust for the Bondholders.

Covenant to comply with Trust Deed, Conditions, Schedules and applicable law

The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions (including, without limitation, Condition 5 (Covenants)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

Books of account

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

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Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
ICR Investment Limited

Khandaker Rahean Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Event of Default

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

Corporate Governance

Comply in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

Execution of further Documents

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of the Trust Deed;

Notices to Bondholders

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

Notification of non-payment

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

Notification of late payment

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

Notification of Call Exercise Date

Not less than 30 (thirty) days prior to the Call Exercise Date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

Authorized Signatories

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and

Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by laws of the land.

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Tanzim Alamgir
Chief Executive Officer

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limiter

Md. Ashraful Haque, FCA
EVP, Head of F&D & CFO
Islami Bank Bangladesh Limited
F&D Head Office

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited

Section 8: Rights and Obligation of the Trustee

Trustee's Rights

Applicable Law: Notwithstanding anything contained in the Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to The Securities and Exchange Commission (Debt Securities) Rules 2021 together with all its amendment, modification or ratification thereof.

Trustee's powers and duties

The Trustee shall have to perform the following duties and responsibilities, namely:

- (a) it shall act on behalf and for the exclusive interest of the Bondholders/Beneficiaries;
- (b) it shall ensure compliance of the Issuer as per the requirements of the Rules;
- (c) it shall monitor timely payment of all dues of the Issuer to the Bondholders in terms of the IM or the terms and conditions of the issue of Bonds under the Rules;
- (f) it shall call the Bondholders'/Beneficiaries' meeting and shall enforce the decisions within such time of any default or any act of the Issuer which may affect the interest of the Bondholders/Beneficiaries as specified in the Trust Deed and in the IM;
- (g) delay in payment of any dues by the Issuer, which is not approved by the Trustee shall be treated as final default, in such a case the Trustee shall enforce its rights over the credit enhancement or collateral securities and other securities or guarantees of the Issuer observing due legal process and thereafter the trustee shall dispose-off the same to pay the proceeds proportionately to the Bondholders/Beneficiaries after deduction of costs related thereto;
- (h) in case the delay is approved by the Trustee for a certain period upon any reasonable ground, the Trustee shall ensure repayment of the dues within the approved delay period along with interest for the delay period at a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument;
- (i) in case a downgrade of credit rating (i.e. below the rating trigger) of the Issue under surveillance rating, the Trustee shall ensure the collection of risk premium from the Issuer or originator for the Bondholders/Beneficiaries as per declaration in the Trust deed or IM, aimed at securing the lender claims from the borrower's higher risk level;
- (j) the Trustee shall submit an annual compliance report to the Commission regarding the activities of the Issuer including repayment of dues to the Bondholders/Beneficiaries;
- (k) the Trustee shall take adequate steps for redress of grievances of the Bondholders/Beneficiaries within one month of the date of receipt of the complaints and shall keep the Commission informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;
- (l) the Trustee shall be liable to sue or to be sued on behalf of the Bondholders/Beneficiaries: Provided that if any loss incurred due to negligence of Trustee in case of litigation or recovery process, the Trustee shall bear the loss;
- (m) the Trustee may, if required, inspect or call for books of accounts, records, registers of the Issuer and the Trust Asset to the extent necessary for discharging its obligation.

The Trust Deed shall be preserved in the Trustee's office for observation of the Bondholders/Beneficiaries.

The Trust Deed or appointment of the Trustee shall not be varied or modified without prior approval of the BSEC.

The BSEC may, considering the appeal of two third of the Bondholders/Beneficiaries by value through written request or through a resolution taken in a general meeting, in the event of negligence of Trustee's duties, replace the Trustee of an issue by a new trustee: Provided that the Trustee shall be given an opportunity of being heard before cancellation of its appointment.

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Syed Muhammad Golam Momin
Deputy Director
Bangladesh Securities and Exchange Commission

The BSEC may, in the event of negligence of Trustee's duties or in the public interest, if it thinks fit, replace the Trustee of an issue by a new trustee: Provided that the Trustee shall be given an opportunity of being heard before cancellation of its appointment.

A Trustee can resign with prior approval of BSEC which shall not be effective until appointment of a new trustee and handing over charges by the resigning trustee.

A Trustee shall cease to exist as trustee of an issue upon full and final settlement of the Bonds/Issue.

Section 9: Rights and Obligation of the Eligible Investors (Bondholders)

The rights of the Bondholder are several and any debt or other obligation arising under the Trust Deed at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.

Each Bondholder has the right to demand information from the Issuer as set out in the Trust Deed and the Condition attached in Schedule 1 (Terms and Conditions of the Bonds) of the Trust Deed.

Each Bondholder has the right to receive profit on the Bond on the Profit Payment Date as set out in the Condition attached in Schedule 1 (Terms and Conditions of the Bonds) of the Trust Deed.

Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with Condition 12 (Meetings of Bondholders, Modification, Waiver and Substitution) of the Trust Deed.

The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of the Trust Deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

Section 10: Rights and Obligation of the Issue Manager (s):

The Issue Managers jointly and severally warrant and represent to ISSUER that.

The Issue Managers are a valid and legally constituted company and has obtained all necessary and requisite licenses, approvals, and permits (as the case may be) from the Bangladesh Securities and Exchange Commission (BSEC) and any other authorities/agencies concerned to carry on the business as Manager to Issue with regard to the Issue Management.

The Issue Managers will provide all the Services in accordance with the requirement of the law, especially in strict compliance to the Bangladesh Securities and Exchange laws, regulations, notifications, and directions issued from time to time prior to and on the date of the PUBLIC OFFER, the Companies Act, the Listing Rules, etc.

The Issue Managers shall issue a Due Diligence Certificate in favor of ISSUER to execute PUBLIC OFFER in compliance with the "Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021" only upon the Issue Managers' satisfaction on independent verification of different papers, reports, documents and other material facts and disclosures to evaluate authenticity and integrity of the Company through several discussions with the officials and Directors of ISSUER.

The Issue Managers will take all possible precautions, care and exert the best of its expertise, skills, and services for the PUBLIC OFFER.

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Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
ICR Investment Limited

Iskander Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

The Issue Managers shall keep a record for the next 5 (five) years after PUBLIC OFFER approval for any inspection or queries by the Commission as per the guideline of "Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021". The Issue Managers shall have the power to engage/appoint any co-Issue Manager without any additional cost burden and with the written consent of ISSUER.

The Issue Managers shall ensure its competence for approval but extent any guarantee from the regulator which is beyond its control.

Section 11: Rights and Obligation of the Underwriter:

As per guideline of Bangladesh Securities and Exchanges Commission (Debt Securities) Rules, 2021 at least twenty percent (20%) of the public issue of any securities made under these rules have to be underwritten on a firm commitment basis by the underwriter(s) i.e. BDT 160,000,000 shall have to be underwritten on a firm commitment basis by the underwriters, subject to the terms stated below:

- The underwriter(s) may also use best efforts for selling securities to any institutional investor or eligible investor;
- The unsubscribed portion of securities up to the commitment shall be subscribed by the underwriter(s) itself or selling of any portion of unsubscribed securities to any institutional investor or eligible investor under best effort to fulfil the commitment;
- The IPO shall stand cancelled in case of under-subscription above fifty percent (50%).

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Deputy Director
Bangladesh Securities and Exchange Commission

Section 12: Description of Islami Bank Bangladesh Limited: The Issuer

Islami Bank Bangladesh Limited (IBBL) is a Joint Venture Public Limited Company engaged in commercial banking business based on Islamic Shari'ah based banking with 42.17% foreign shareholding. IBBL has the largest branch network with a total of 374 branches and 16 zonal offices among the private sector banks in Bangladesh, supported by its massive team of 19,108 people. This includes 70 Authorized Dealer (AD) branches, 195 sub-branches and 3 Off-shore Banking Units (OBUs). It was established on the 13 March 1983 as the first Islamic Bank in the South East Asia. The bank is listed with both the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

Capital Structure

Sources of Issuer's Capital Structure

Particulars	As of 31 December, 2020	% of Total Asset
LIABILITIES		
Mudaraba savings deposits	392,705,381,804	27.70%
Mudaraba term deposits	431,074,103,835	30.41%
Other mudaraba deposits	245,966,464,269	17.35%
Al-wadeeah current and other deposit accounts	103,950,642,503	7.33%
Bills payable	4,960,200,626	0.35%
Mudaraba perpetual bond	3,000,000,000	0.21%
Mudaraba redeemable subordinated bond	23,000,000,000	1.62%
Other liabilities	104,280,862,799	7.36%
Deferred tax liabilities	1,605,186,622	0.11%
Placement from banks & other financial institutions	44,469,318,312	3.14%
Total liabilities	1,355,012,160,770	95.58%

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raiban Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashraful Haque, FCA
EVP, Head of F&D & CFO
Islami Bank Bangladesh Limited
Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Particulars	As of 31 December, 2020	% of Total Asset
CAPITAL/SHAREHOLDERS' EQUITY		
Paid-up capital	16,099,906,680	1.14%
Statutory reserve	19,735,466,258	1.39%
Other Reserves	24,167,518,265	1.70%
Retained earnings	2,606,778,640	0.19%
Total shareholders' equity	62,609,669,843	4.42%
Non-controlling interest	274,980	0.00%
Total Liabilities and Shareholders' Equity	1,417,622,105,592	100.00%

The Issuer maintains appropriate capital adequacy, which enables it to confront various risk factors it may be exposed to

Description of Issuer's Total Capital

Particulars	As of 31 December, 2020
	BDT Million
Tier - 1 (Core Capital)	56,178.99
Tier - 2 (Supplementary Capital)	32,956.09
Total Eligible Capital	89,135.08
Total Risk Weighted Assets (RWA)	644,139.50
Capital to Risk-weighted Asset Ratio (CRAR)	13.84%
Core Capital to RWA	8.72%
Supplementary Capital to RWA	5.12%
Minimum Capital Requirement (MCR) including CCB	64,413.95
Surplus	24,721

Shareholding Structure of the Issuer

Share Holding Structure of IBBL			
Particulars	No. of Shares as on Dec 31, 2020	% Total	Amount in Taka
Sponsors/ promoters	826,202,266	51.32%	8,262,022,660
General Public	783,768,085	48.68%	7,837,680,850
Government of the People's Republic of Bangladesh	20,317	0.00%	203,170
Total	1,609,990,668	100%	16,099,906,680

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Syed Muhammad Golem Mowla
Deputy Director
Independent Securities and Exchange Commission

Tanzim Alamgir
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Khandoker Raihan Ali FCA
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Islami Bank Bangladesh Limited

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Head Office, Dhaka

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DMD & Company Secretary
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Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Business of the Issuer, Islami Bank Bangladesh Limited

Islami Bank Bangladesh Limited (IBBL) was incorporated on March 13, 1983 as a public limited company under the Companies Act 1913. The Bank started commercial operation on March 30, 1983 (formally inaugurated on August 12, 1983) under the ambit of Banking Company Ordinance 1962 (later on Banking Companies Act, 1991) as the first interest free Shari'ah based commercial bank with a mission to establish Islamic Banking through the introduction of a welfare oriented banking systems. The bank was promoted by 19 local sponsors. It is the first Shari'ah based scheduled commercial bank in South East Asia. It is listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. Authorized Capital of the Bank is BDT 20,000 million and Paid-up Capital is BDT 16,100 million as on 31 December 2020.

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-Istijrar and Bai-as-Sarf 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 bank has two active subsidiary companies (Local) - Islami Bank Securities Limited (IBSL) and Islami Bank Capital Management Limited (IBCML). IBSL was incorporated in March 22, 2010 as a Public Limited Company under Companies Act, 1994 with the objective to carry out Business of Stock Broker and Stock Dealer in the capital Market. IBCML was incorporated on the 01 April 2010 under the Companies Act 1994 as a Public Limited Company. 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.

The Bank carries out its business activities through its Head Office in Dhaka, 16 Zonal Offices, 374 branches including 70 Authorised Dealer (AD) branches, 195 sub-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. Moreover, it has strong ATM network with 1552 own and more than 12,500 shared ATM booths, 435 CRM, 38 Sheba Ghar (service centers) & 2,437 Agent Banking outlets throughout the country.

All the branches of the bank run on Islamic Shari'ah base. To achieve competitive advantage, IBBL is using state-of-art banking software, which enables the bank to perform real time banking service to the clients. All products and services are backed by IT infrastructure, which are upgrading on continuous basis.

Product and Services:

Islami Bank Bangladesh Limited provides all kinds of commercial banking services as well as various deposit and investment schemes as like as other private 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 Bai-Istijrar etc. There is an independent Shari'ah Supervisory Committee in the bank which ensures that the activities of the Bank are being conducted following Shari'ah principles. IBBL's products and services include deposit products (local & foreign currency), investment products, welfareoriented deposit and investment schemes, offshore banking unit (OBU) products, remittance services, alternative delivery channel products, online banking facilities, locker services etc.

Deposit Products include Al-Wadeeah Current Account, Mudaraba Savings Account, Mudaraba Special Notice Account, Mudaraba Special Savings (Pension) Account, Mudaraba Term Deposit Account, Students Mudaraba Saving Account, Mudaraba Farmers Savings Account, Mudaraba Waqf Cash Deposit Scheme, Mudaraba Hajj Savings Account, Mudaraba Muhar Savings Deposit Account, Mudaraba Foreign Currency Account, Mudaraba Exporters' Retention Quota Account etc.

Investment Products include Bai-Murabaha, Bai-Muajjal, Bai-Salam, Bai-as Sarf, Bai-Istijrar etc. It has 16 diversified investment schemes i.e. Household Durable Scheme, Real Estate Investment Program, Car Investment Scheme, Investment Scheme for Doctors, Solar Panel Investment Scheme, Women Entrepreneur Investment Scheme, Work Order Financing Scheme, Light Engineering Investment Scheme, Cluster Investment Scheme, Freelancer Investment Scheme etc.

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Monammed Monirul Moula
Managing Director & CEO
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Head Office, Dhaka

IBBL has been conducting collateral free micro-investment program namely Rural Development Scheme (RDS) among the rural poor people covering more than 12 lac members in more than 25,000 villages of the country where 92% beneficiaries are women.

IBBL has wide variety of Alternative Delivery Channel Products which includes ATM services, Islami Bank Deposit Machine (IDM), Sheba Ghar, Phone Banking, SMS Banking, i-Banking, mCash, IBBL iSmart, CellFin, e-Commerce Payment Gateway (iPaySafe), IBBL Contact Centre, Centralized Investment Proposal Processing System (CIPPS), Legal Affairs Management System (LAMS), RTGS etc. and various card products i.e. ATM/VISA Debit Card, Khidmah Credit Card, Hajj Card, Travel Card, Remittance Card, Business Expense Card etc.

IBBL provides wide range of foreign business products for Import, Export, Foreign Remittance and other necessary services relating to Foreign Exchange and Foreign trade. The common products & services are Murabaha Post Import, Murabaha Import Bills, Musharaka Documentary Bill (MDB), Letter of Credit, Back to Back Letter of Credit and export bills collection etc.

Board of Directors and Management

Board of Directors

The Bank's Board comprises of 20 members including four Independent Directors and the Managing Director & CEO as ex-officio. Prof. Md. Nazmul Hassan, Ph. D is the present Chairman of the Bank. The Board is involved in policy formulations, strategic direction setting, business plan approval, approval of financial position and results and review of various activities and also providing necessary directions to the management for conducting businesses in a competitive and profitable manner by managing risks and complying with the regulatory requirements. The Board has three sub committees, namely the Executive Committee, Audit Committee and Risk Management Committee.

Board of Directors:

Sl. No.	Name of the Director of the Board	Status
1	Mohammad Nazmul Hassan	Chairman
2	Yousif Abdullah AlRajhi	Vice Chairman
3	Mohammed Shahabuddin	Vice Chairman
4	Md Salim Uddin	Director
5	Mohammad Solaiman	Independent Director
6	Abdul Matin	Director
7	Areef Suleman	Director
8	Mohammad Sirajul Karim	Director
9	Md Kamal Uddin	Independent Director
10	Mohammad Joynal Abedin	Director
11	Dr Qazi Shahidul Alam	Director
12	Musaid Abdullah A AlRajhi	Director
13	Syed Abu Asad	Director
14	Tanveer Ahmad	Director
15	Mohammad Quamrul Hasan	Director
16	Dr Mohammad Saleh Jahur	Independent Director
17	Md Fashiul Alam	Independent Director
18	Khurshid Ul Alam	Director
19	Mohammed Nasir Uddin FCMA	Director
20	Mohammed Monirul Moula	Ex-Officio Director

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Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Mohammed Monirul Moula
MD & CEO (CC)
Prime Bank Investment Limited

Executive Committee:

Sl. No.	Name of the Member	Designation
1	Md Salim Uddin	Chairman
2	Yousif Abdullah AlRajhi	Member
3	Tanveer Ahmad	Member
4	Mohammad Quamrul Hasan	Member
5	Syed Abu Asad	Member
6	Dr Mohammad Saleh Jahur	Member
7	Md Fashiul Alam	Member

Audit Committee:

Sl. No.	Name of the Member	Designation
1	Mohammad Solaiman	Chairman
2	Mohammed Shahabuddin	Member
3	Khurshid Ul Alam	Member
4	Mohammed Nasir Uddin FCMA	Member
5	Md Kamal Uddin	Member

Risk Management Committee:

Sl. No.	Name of the Member	Designation
1	Abdul Matin	Chairman
2	Areef Suleman	Member
3	Mohammad Sirajul Karim	Member
4	Mohammad Joynal Abedin	Member
5	Dr Qazi Shahidul Alam	Member

Shariah Supervisory Committee:

Sl. No.	Name of the Member	Designation
1	Professor Dr. Mohammad Gias Uddin Talukder	Chairman
2	Mufti Sayeed Ahmed	Vice Chairman
3	Prof. Dr. Mohammad Abdus Samad	Member Secretary
4	Muhtaram Abdur Raquib	Member
5	Dr. Hasan Mohd. Moinuddin	Member
6	Dr. Md. Manzur-e-Elahi	Member
7	Moulana Mohiuddin Rabbani	Member
8	Professor Md. Mozahidul Islam Chowdhury	Member
9	Dr. Muhammad Saifullah	Member
10	Mufti Mohammad Muhibullahil Baqee	Member
11	Dr. Md. Ruhul Amin Rabbani	Member
12	Mohammad Harunar Rashid	Member

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Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Management Committee:

Sl. No.	Name of the Member	Designation
1	Mohammed Monirul Moula	Managing Director & CEO
2	Muhammad Qaisar Ali	Additional Managing Director
3	Md. Omar Faruk Khan	Additional Managing Director
4	Abu Reza Md. Yeahia	Deputy Managing Director
5	J Q M Habibullah, FCS	Deputy Managing Director & Company Secretary
6	Taher Ahmed Chowdhury	Deputy Managing Director
7	Md. Mostafizur Rahman Siddiquee	Deputy Managing Director & CHRO
8	Mohammad Ali	Chief Risk Officer
9	Md. Siddiqur Rahman	Senior Executive Vice President
10	Md. Altaf Hossain	Senior Executive Vice President
11	G.M. Mohd. Gias Uddin Quader	Senior Executive Vice President
12	Md. Sayeed Ullah	Senior Executive Vice President
13	Mohammed Shabbir	Senior Executive Vice President
14	Md. Ashrafur Haque, FCA	Executive Vice President & CFO
15	Miftah Uddin	Executive Vice President

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Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Profile of Board of Directors

Mohammad Nazmul Hassan
Chairman

Mohammad Nazmul Hassan is the Chairman of Board of Directors of Islami Bank Bangladesh Limited and he represents Armada Spinning Mills Limited as Director on the Bank's Board. He is also the Chairman of the Islami Bank Foundation. 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 Agricultural Economics and Development Economics respectively. There after he was appointed as Professor, Institute of Nutrition and Food Science, University of Dhaka in 1993 and later held a faculty position at Brown University, USA. In addition, he held many important research and teaching positions throughout his long professional career of about forty-five years. He worked as Consultant at Cornell University, USA in its Food System Development Research and served on Ph.D. Committees there. He was also a Visiting Professor at the Royal Agricultural University, Denmark and a Consultant at the International Food Policy Research Institute and Academy for Educational Development, Washington DC. USA. In addition, he collaborated with few more Universities in USA including Yale, Harvard, U-Penn, Minnesota, and Ohio on matters of research and has over one hundred influential publications in peer reviewed outlets to his credit.

Yousif Abdullah A AlRajhi
Vice Chairman

Yousif Abdullah A AlRajhi 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 is also a board member of many shareholder Corps in Saudi Arabia and outside. He visited various eastern and western countries of the world and participated in many international seminars, symposia and conferences.

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD Head Office, Dhaka.

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office Dhaka

Mohammed Monirul Moula
Managing Director & CEO
Islami Bank Bangladesh Limited

Mohammed Shahabuddin
Vice Chairman

Mohammed Shahabuddin is a Vice Chairman of the Board of Directors of the Bank. He represents JMC Builders Limited in the Board of Directors of Islami Bank Bangladesh Limited. He completed his M.Sc. Degree from Rajshahi University in 1974. Then he obtained L.L.B. Degree from Rajshahi University in 1975. He is a Heroic Freedom Fighter and one of the upholders of Liberation Flag at own district Pabna in the glorious Liberation War, 1971.

Mohammed Shahabuddin started his career in Judicial Service in 1983 and was District Judge till 2006. He also discharged his duties as Chairman of Labor Court in 2006, Lawyer of Bangladesh Supreme Court during 2008-2011 and Commissioner of Anti Corruption Commission during March, 2011 to March, 2016. He successfully performed various important assignments during his service period including Member of Judicial Inquiry Committee, Chairman of Judicial Inquiry Commission and a lot more.

Mohammed Shahabuddin visited various countries of the world and participated in many local and international seminars, symposium, workshops and conferences on Case Management and Court Management organized by Judicial Training Academy. He attended as representative of Bangladesh at International Seminar in Beijing, capital of China, organized by Commonwealth on Prevailing Law in Bangladesh, etc. He also worked as a Journalist of Daily BanglarBani during 1981-1982. He is also engaged in various social, educational and cultural organizations of the country.

Md Salim Uddin
Director

Md Salim Uddin is the director of Islami Bank Bangladesh Limited. He is the Chairman of the Executive Committee. Uddin is a Fellow Chartered Accountant (FCA), Fellow Cost & Management Accountant (FCMA), and Certified Public Finance Accountant (CPFA). As Professional Accountant, he is fellow member of three professional accounting bodies which are: (i) the Institute of Chartered Accountants of Bangladesh-ICAB (ii) the Institute of Cost and Management Accountants of Bangladesh-ICMAB and (iii) the Chartered Institute of Public Finance & Accountancy-CIPFA, UK. He obtained his Honours in Commerce and Master in Accounting from the University of Chittagong. He was all through a brilliant student and stood First in the First class of M. Com Final examination. He joined in the department of Accounting of the same University in 1994 as a lecturer and has been promoted to the posts of Assistant Professor, Associate Professor and Professor in 1996, 2002 and 2010 respectively. He did his PhD on "Application of International Financial Reporting Standards-IFRS in Bangladesh".

In 1999 he went to Belgium to study MBA at the University of Brussels and obtained his MBA degree with the grade of distinction. Before Joining the University of Chittagong, he joined the Government College for a very short time after qualifying Bangladesh Civil Service-BCS Examination in 1993. Now he is a faculty member, Professor in the Department of Accounting, University of Chittagong, Chittagong, Bangladesh.

He was an Independent Director of The Chittagong Stock Exchange-CSE appointed by the Government. He was also an Independent Director of Premier Bank Ltd and Director of Rupali Investment Ltd. Lastly, he was a Director of Rupali Bank Ltd- a nationalized commercial bank appointed by the Government. At present, he is Chairman of Bangladesh House Building Finance Corporation-BHBFC.

He has been working as Financial Consultant/Adviser in the different organizations since 1993 and gathered vast experiences in the field of designing accounting system, auditing and assurance practices, project management, project financing through debt and equity, business negotiation and regulatory compliance etc. Mr. Salim has keen interest in theoretical and applied research. His main areas of interest are International Accounting, IAS/IFRS, Forensic Accounting, Creative Accounting and Capital Market. He has more than sixty research publications at home and abroad in various fields of Accounting and Finance. He also actively participated and presented valuable papers in many national and international seminars, training programs and workshops. He attended an extensive training program on IFRS and ISA during July-August, 2008 in the UK funded by World Bank jointly organized by Ministry of Commerce, Bangladesh and ICAEW, UK.

He worked and completed a project on E-Brokerage in Belgium and gathered experience in negotiating international business and finalising contract. For the above purposes he widely visited USA, UK, Japan, France, Germany, Belgium, Netherlands, Luxembourg, Turkey, Saudi Arabia, UAE, Singapore, Hong Kong, China, Malaysia, Thailand, India, Nepal.

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Syed Munammar Gohar Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
ICR Investment Limited

Khandaker Rehan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Mohammad Solaiman
Independent Director

Mohammad Solaiman is an Independent Director of the Bank. He is a Commerce Graduate under the University of Chittagong and stood First Class First in order of merit in the year 1971. He passed SSC Examination in First Division in the year 1967 and HSC Examination in the year 1969 securing 10th position jointly in order of merit under Cumilla Board. Mr. Mohammad Solaiman qualified as Chartered Accountant in the year 1978 from the Institute of Chartered Accountants of Bangladesh (ICAB) and became associate member of the Institute in the same year. After qualifying professional examination Mr. Solaiman started his career as Public Accountant as a Partner of Muhammad Shaheedullah & Co., Chartered Accountants and continued till the year 1984. He then started accountancy profession under the name and style Mohammad Solaiman & Co., Chartered Accountants and continued till the end of the year 1993.

He then joined Government service as Accountant Member of Taxes Appellate Tribunal on contract basis for one year. The Government, being highly satisfied with his sincerity, punctuality, efficiency and devotion to duties, was pleased to extend his contract for consecutive three terms. Thereafter, he faced Public Service Commission and got success therein. The Government of Bangladesh appointed him as Accountant Member ((Ex-Officio Joint Secretary) of Taxes Appellate Tribunal under Internal Resource Division (IRD), Ministry of Finance on permanent basis. Mr. Mohammad Solaiman was subsequently promoted to the top post of the Taxes Appellate Tribunal, the highest fact finding authority of the Income Tax Department as President (Ex-Officio Additional Secretary) Ministry of Finance, Government of the Peoples Republic of Bangladesh.

Mohammad Solaiman is the only Chartered Accountant in Bangladesh who was fortunate to hold the position of Accountant Member and President of Taxes Appellate Tribunal on permanent basis. He retired from the Government Service in the end of the year 2008.

After retirement, Mr. Solaiman started accountancy profession as Public Accountant under the name and style M. Solaiman & Co., Chartered Accountants. During his long 41 years professional experience, he successfully acted both in Bar and Bench of taxation law with high dignity and reputation. He acted as External Auditors, Internal Auditors, Tax Advisor, Company Law Advisor and Consultant of so many clients at Corporate and non-corporate sectors. He participated in many seminars, conferences and workshops related to accountancy profession both at home and abroad. Mr. Solaiman is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) bearing enrollment number 161.

He travelled different countries of the world. He is associated with some social and religious activities in the country. He has behind him wife and two sons.

Abdul Matin
Director

Abdul Matin is the Chairman of Risk Management Committee of Islami Bank Bangladesh Limited as the representative of Marsa Food & Beverage 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 Masters Degree in Defense Studies from National University. He is also a graduate of Chittagong University.

Abdul Matin participated in mine clearance operation in Kuwait after the gulf war and received honorary certificate from Kuwait Authority on successful completion of the operation. He visited many countries related to Government assignments. He actively participated in modernizing Bangladesh Army. He is a fellow of Engineering Institute of Bangladesh. He completed Armed Forces War Course, Staff Course, Technical Staff Course and Capstone Course beside other mandatory courses and Training. He completed Radar specialization course from China. He served Army Golf club as Senior Vice President from 2011 to 2014.

Vetted
Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
ICB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited

Areef Suleman
Director

Areef Suleman is currently the Director Economic Research and Institutional Learning at the Islamic Development Bank (IDB) in Jeddah, Saudi Arabia. In this capacity, he heads the team providing thought leadership in all matters related to economic policy, socio-economic research and knowledge management needed to support initiatives of IDB and its Member Countries. Dr. Suleman has a distinguished career in formulating and leading the implementation of high level strategies, policies and programmes from the firm through to the global level to achieve measurable results. His career is marked by consistent advancement through positions of increased responsibility and impact with leading international development organizations.

He has a Ph.D in Economics along with a Masters in Business Leadership and a Masters in Commerce. Dr. Suleman's career began in post-apartheid South Africa where he was instrumental in developing inclusive growth-oriented strategies. Prior to joining the IsDB, Areef Suleman functioned as CEO of a Government Fund to foster innovation in South Africa. He was responsible for jointly establishing and managing the consulting arm of South Africa's premier development finance institution wherein he managed their consulting services on the African continent.

Areef Suleman represents Islamic Development Bank (IDB), Jeddah, KSA in the Board of Directors of Islami Bank Bangladesh Ltd. and is also a Director of Islami Bank Securities Limited.

Mohammad Sirajul Karim
Director

Mohammad Sirajul Karim is a Director of Islami Bank Bangladesh Limited as representative of Excel Dyeing and Printing Ltd. He started his career as Chemist in Karnaphuli Paper Mills Ltd., Chandraghona and then joined as Research Chemist in Pakistan Council of Scientific and Industrial Research and then 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 Chemistry and Chairman of Basic Science Department of Primeasia University, Banani, Dhaka. He obtained B.Sc. (Hons), M.Sc. (Applied Chemistry) and Ph.D. degree from the University of Dhaka. He obtained Post Doctorate Fellow from the University of Karlstad, Sweden. He was engaged as Guest Scientist, Senior Visiting 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 many books including primary, secondary and tertiary levels. He is an author of a few books of poems and short stories. Dr. Karim has evaluated a few techniques for pulping and bleaching in the field of paper science and technology. He has large number of publications in different journals at home and abroad.

Md Kamal Uddin
Independent Director

Md Kamal Uddin 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.

Md 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.

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Dr. Muhammad Golam Mowla
Director
Prime Bank Investment Limited

Tanzim Alamgir
Chief Executive Officer
Prime Bank Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashraful Haque, FCA
EVP, Head of F&D & CFO
Islami Bank Bangladesh Limited

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammad Joynal Abedin
Director

Mohammad 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 Managing Director (C.C) of Bangladesh Krishi Bank and Deputy Managing Director of Rupali Bank Limited and served Janata Bank as General Manager. An associate of Institute of Bankers Bangladesh, Mohammad Joynal Abedin participated in different seminars in home and abroad including International Conference on Investment Project Management in Turkey. He presided over the meeting of hoisting liberation flag at Sreenagar on 13th March, 1971. He fought in the liberation war. 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, Ujaner Jatri and Bankey Sharetherohajerden. He edited Akattorer Srinagar, Kingbodanti Purus Abdul Hakim Bikrampur and Chief Editor of Maa (a collection of mother). 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 his work and research on Liberation War Affairs.

Dr. Qazi Shahidul Alam
Director

Dr Qazi Shahidul Alam is a Director of the Bank representing Platinum Endeavours Limited. Currently, he is the Chairman of the Governing Body of the Uttara Adhunik Medical College, Vice Chairman of Islami Bank Foundation, Chairman in the Governing Body of Islami Bank Medical College of Rajshahi, Chairman of the Hospital Committee of the Islami Bank Foundation, Professor of Orthopedic Surgery at Anwar Khan Modern Medical College, Member of the Senate at BSMMU (Bangabandhu Sheikh Mujib Medical University), member of the Governing Board at Sirajul Islam Medical College, member Trustee Board of the BNSB (Bangladesh National Society for Blind) Hospital in Khulna, and member of the Executive Committee of the BMA (Bangladesh Medical Association).

Dr Alam graduated from Dhaka Medical College in 1972. In 1980, he obtained D. Orthopedic Surgery from the University of Vienna and Master of Surgery on Orthopedic Surgery in 1985 from the University of Dhaka. Subsequently he was conferred a Fellow of the International College of Surgeons USA in 1987. He has received advanced training in Orthopedic Surgery at The Johns Hopkins Medical Institutions, USA, Advanced Training in Tissue Culture and Bone Banking-- Atomic Energy Commission of Tyaian, China through the International Atomic Energy Commission, and has been WHO Fellow in Indonesia. Professor Alam has served the Government of Bangladesh in various capacities at Dhaka Medical College and the National Institute of Trauma and Rehabilitation and was Founder Chairman and Professor, Orthopedic Surgery at BSMMU, Director, Shaheed Suhrawardy Hospital and Director, Medical Education, Directorate General of Health Service.

Dr Alam holds the distinction of being General Secretary, Dhaka Medical College Students Union, 1972 (first election after independence), Convener, Bangladesh Medical Internee Association, 1973, President, Dhaka Medical College Teachers' Association, 1991-1994 (2 terms), Secretary General, Bangladesh Medical Association, 1994-96, President, Bangladesh Orthopedic Society, 1997- 2001 (2 terms), Secretary, PROKRICHI (Professional Association of Engineers, Doctors and Agriculturists), 1995-97, Founder President, Postgraduate Doctors' Society of Bangladesh, 1998-2001 and is currently President, Bangladesh Patients Welfare Fund, Bangladesh Medical Association (BMA) through Prime Minister Sheikh Hasina, awarded a Gold Medal to Professor Alam in April 2011 for his devotion and dedication to Medical Service.

Dr Alam is a well travelled person, has presented innumerable scientific papers and Chaired Scientific Sessions at National and International Conferences at home and abroad.

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Musaid Abdullah A AlRajhi
Director

Musaid Abdullah A AlRajhi represents Arabsas Travel & Tourist Agency, Kingdom of Saudi Arabia (K.S.A.) in the Board of Directors of Islami Bank Bangladesh Limited. He is a Business Graduate from Institute of Business Administration, Riyadh, K.S.A. in the year 1988. He has long 27 years of working experience during which he served as Branch Manager at Al-Rajhi Bank, General Manager at Al Rajhi Foam & Plastic Factory Ltd. and General Manager at Afnan Water Factory Ltd. A talented and successful businessman, presently he runs the Abdullah Abdul Aziz Al Rajhi & Sons Real Estate Development Co. being its General Manager since 2007. He visited various countries of the world and participated in many international seminars, symposia and conferences.

Syed Abu Asad
Director

Syed Abu Asad is a Director of Islami Bank Bangladesh Limited. He represents Excelsior Impex Company Limited in the Board of Directors of Islami Bank Bangladesh Limited. He has completed B. Com (Hons) & M. Com (Finance) Degree from Dhaka University in 1980. Mr. Abu Asad was a brilliant student and stood 6th in S.S.C Commerce in Jashore Board. He is also a Diplomaed Associate of IBB.

Abu Asad started his career in Banking Service in 1983 in Rupali Bank Limited as Senior Officer and served as Head of the Branch - many branches of local and overseas. He has also served as General Manager in Khulna Division, Local Office, Dhaka South and Head Office, Dhaka. He was awarded many appreciation letter, for achieving Deposit and Recovery Target, in Different Branches and Division. He was promoted to the post of Deputy Managing Director and posted at Sonali Bank Limited, Head Office, Dhaka. Lastly, he was promoted to the post of Managing Director and posted at Rajshahi Krishi Unnayan Bank. He has vast experience in Branch Banking, Foreign Exchange and Industrial Credit in Banking profession.

Abu Asad visited various countries of the world participated in many seminars, workshops & training programmes at home and abroad such as Correspondent Banking in Thailand, Letter of Credit and UCP-500, E-Banking Workshop Training, Information Technology in Banking & Islami Banking and Finance in Pakistan. He is also engaged in various social, educational and cultural organizations of the country.

Tanveer Ahmad
Director

Tanveer Ahmad is a Director of the Bank representing Paradise International Limited. He completed his MBBS Degree from University of Science & Technology, Chittagong in 2009. Then he obtained MD (Doctor of Medicine) in Cardiology from Bangabandhu Sheikh Mujib Medical University in 2017. He founded T A Trading in 2003. He joined as Assistant Registrar in the Department of Medicine, University of Science & Technology, Chittagong in 2012 before joining Sir Salimullah Medical College & Hospital & Mitford as a post Graduate Fellow. At present he has been working in United Hospital, first as a Fellow Cardiologist in 2017 and later on as a Specialist in the Department of Cardiology.

Tanveer is the owner of T A Trading and Managing Director of Infinia Knit Fabrics Ltd. & Paradise International Ltd. He manages and supervises the concerned institutions.

Tanveer visited various countries of the world and participated in various seminars and workshops conducted at National and International level by various local organizations including Bangladesh Society of Cardiology, Transnational (TNCS), BIT and Multinationals (MNCs), American College of Cardiology (ACC) workshops. He also volunteered for the free medical camp and relief work in various rural areas of Bangladesh. He is a life time member of Bangladesh Cardiac Society and an associate member of Bangladesh Intervention Cardiac Society. He is involved in a number of research studies and his thesis work on young patients with cardiovascular diseases was published in Bangladesh Heart Journal. He is also engaged in various social, educational and cultural organizations of the country.

22 SEP 2021
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Md. Monirul Moula
Depy
Chief Executive Officer
UCB Investment Limited

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raiban Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Mohammad Quamrul Hasan
Director

Mohammad Quamrul Hasan represents Grand Business Limited in the Board of Directors of Islami Bank Bangladesh Limited. He completed his M.B.A (Marketing) from Royal Roads University, British Columbia, Canada and BSS (Hon's) M.S.S, Economics from University of Dhaka.

Hasan started his career as Zonal In-Charge, Alpha Tobacco Co. Ltd. in 1984. Before joining the Board of Directors of Islami Bank Bangladesh Limited, he completed his long journey with Meghna Petroleum Ltd. from 1988 to 2018 in various areas of job responsibility. Lastly, he was the Managing Director and CEO, Jamuna Oil Co. Ltd, Chittagong, (A subsidiary of Bangladesh Petroleum Corporation). Besides, he was the Director of different Companies like; Mobil Jamuna Bangladesh BD Ltd., Omera Gas1 Ltd., Omera Petroleum Ltd. and Omera Cylinder Ltd. Hasan has a diverse marketing background on petroleum and FMCG products. He is fully conversant with marketing and business development of FMCG Products. He has also an excellent interpersonal skill, believes in encouraging people and initiative in work for organizational development.

Hasan is a life member of Greater Faridpur Chakurijibi Samity, Dhaka University Alumni Association (DUAA), Bangladesh Economic association (BEA) and Joint secretary, Dhaka University Economics Department Alumni Association (DUEDEAA).

Hasan visited various countries of the world and participated in many seminars, workshops & training programmes at home and abroad such as Leadership Excellence in Malaysia, Merchandising Skills in UAE, Treasury & Trade Solutions in Kuala Lumpur, Malaysia and Persuasive Selling Skills in Dubai, UAE and also attended training course in Sri Lanka, Thailand, India, Australia, Kingdom of Saudi Arabia and Singapore. He is also engaged in various social, educational and cultural organizations of the country.

Dr. Mohammad Saleh Jahur
Independent Director


Dr Mohammad Saleh Jahur is an Independent Director of the Bank. He is a Professor of Accounting and Finance in the department of Finance, University of Chittagong. He started his career as Lecturer in the Department of Finance in 1993. Before, joining the university, He worked at MIDAS (an NGO; now a financial institution) and Bangladesh Petroleum Corporation (an Autonomous Government Organization) as executive. He also completed BCS successfully but did not join.

Dr Jahur completed all academic programs –SSC, HSC, B.Com (Hons.) in Accounting, and M.Com in Accounting with outstanding results. He did his Ph.D.on Lease Financing in Bangladesh Study of Policy and Performance under the joint supervision of Professor Dr S.P.Singh and Professor Dr. Manoj Anand in University Business School, Punjab, India under ICCR Scholarship of Government of India in 2000-2002. He did a diploma on Financial Reporting Standards and Assurance under the World Bank Scholarship at London, United Kingdom in 2008. He also studied on Green Productivity for Industry under the scholarship of METI, Japan in 2013. He also worked in Chartered Accountancy Firm for five months.

He is a continuous researcher, working in the area of corporate finance, stock market and industrial productivity for many years. He has a good number articles published at home and abroad. He also participated many seminar and conference as paper presenter, discussant, and session chair at home and abroad. Besides, eleven students got awarded with M. Phil. and Ph.D. under his supervision from the University of Chittagong and about fourteen students are pursuing M. Phil. and Ph.D. at universities in Bangladesh and Malaysia under his supervision/Joint supervision at present.


Mr. Jahur successfully implemented the projects titled "Grameen Bank and Socio-Economic Changes—A Study of Select Loanees" and "Higher Education Quality Enhancement Project" awarded by German Cultural Center-Goethe institute, Dhaka, and University Grants Commission, World Bank & Government of the People's Republic of Bangladesh respectively. Besides, he worked as Editor of Capital Market Journal-Vision and Academic Journal-of Faculty of Business Administration of University of Chittagong.

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
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J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Professor Jahur served as an Advisor to Chittagong Capital Limited-a Brokerage of Chittagong Stock Exchange, Bangladesh and GPH Ispat Limited for three years from 2009 to 2012. He worked as an Independent Director of GPH Ispat Limited for two terms (6 years) i. e. from 2012 to 2018. He has also been working as an Independent Director of Hakkani Pulp and Paper Mills Limited since September, 2017. He is a member of Chittagong Club Limited, Chittagong and Life Member at Ma O Shishu Hospital Limited, Chittagong & Chittagong Diabetics Association, Khulshi, Chittagong. Prof. Jahur has visited many countries and participated in many international seminars, symposiums & conferences.

Md Fashiul Alam
Independent Director

Md Fashiul Alam is an Independent Director of the Bank. Currently, he is the Dean of Faculty of Business Studies, Port City International University, Chittagong. He was the Professor of Department of Management and Dean of Faculty of Commerce & Chairman of Department of Management, University of Chittagong and the former Vice Chancellor, Feni University. He was also the Senior Research Fellow, Institute of Business Management, Karachi, Pakistan. He obtained B.Com Hons and M.Com Degree in Management from the University of Chittagong and stood first in order of merit in both examinations. As an Indian Government Scholar, he earned Ph. D in 1982 on 'Collective Bargaining in Bangladesh Jute Industry' from the University of Punjab, Chandigarh. He did Post Doctoral Research from the University of London, UK as a Commonwealth Academic Staff Fellow in 1991-92. He was also a Visiting Scholar in 2009 at University of Texas A&M, USA.

Md Alam participated in the Australian Academy of Business Leadership sponsored SIBR Conference 2015, Sydney, Australia, April 17-20, 2015, 8th SKM Symposium and 2nd CBSM Conference, Magdeburg, Germany, September 17-20, 2013, Canada International Conference on Education (CICE, 012) CICE-2012 held in June 18-21, 2012 at University of Guelph, Canada and others in France, USA, China, South Korea, Malaysia, Taiwan, Bahrain during his professional tenure.

Md Alam has traveling experience in different countries like United Kingdom, Saudi Arabia, France, USA, India, South Korea, Thailand, Malaysia, UAE, Qatar, Pakistan, China, Sri Lanka, Oman, Bahrain, Singapore, Taiwan, Canada, Turkey, Germany, Switzerland, Hong Kong, Australia and has language proficiency in Bengali, English, Arabic, Urdu and Hindi.

Md Alam is well known as a reputed scholar, potential academia, creative researcher, efficient administrator, dedicated social worker and a man of high dignity and distinct personality. His fields of specialization cover mainly HRM, HRD, Industrial Relations, and Strategic Management. Besides holding a long experience of pursuing research in management and allied fields and conducting project work, he is an author of 41 articles published in reputed and recognized national and international journals.

He is as an Independent Director of the Peninsula Chittagong Limited since 2014. He was founder & Chairman of Nazmul-Jahan Foundation and Chairman of Sitakunda Foundation (A Social & Development Organization), Estd, in 1998. He is also the founder & President of Hill-Side Public School & Technical College (Estd. 2000) situated near Chittagong University.

He was Secretary General of Bangladesh Federation of University Teachers Association in 1994 and President of Chittagong University Teachers Association in 1993 and 1994.

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

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Syed Muhammad Golam Mowla
Deputy Director
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J Q M Habibullah, FCS
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Islami Bank Bangladesh Limited

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited

Khurshid Ul Alam
Director

Khurshid Ul Alam is a Director of Islami Bank Bangladesh Limited as representative of Lionhead Business Resources Limited. He started his career as Assistant Director, Bangladesh Bank in 1976 and retired as Executive Director in 2009. He worked successfully as Managing Director of Security Printing Press (BD) Limited, a subsidiary company of Bangladesh Bank. He obtained B.A (Hons.) and M.A in Economics from Dhaka University in 1972 and 1974 respectively and he also obtained his M. A in Economics from University of New England, New South Wales, Australia in 1986. Besides, during his tenure in Bangladesh Bank he has attended course works and High level seminar in IMF Training Institute in Washington in the year 1998 and 2002, undertaken study tour in Peru & Bolivia under the sponsorship of MPI & DFID and study tour in Malaysia & Indonesia under the sponsorship of US AID. He also attended Top level conferences on High Security Printing in Switzerland, Germany, Shanghai and Bangkok.

Alam has a career that spans over four decades in the banking sector, two of the prominent Private Universities (i.e. East West University and University of Liberal Arts Bangladesh) and other multidisciplinary fields, he has seen himself grow in terms of aptitude and managed to demonstrate his expertise as a professional regardless of the field or task. As Chairman of the Audit Committee and Member of Risk Management Committee of Pubali Bank, his significant contribution to elevate the financial management aspect to a new height in respect of asset quality of the bank has incessantly been acknowledged and appreciated. He accomplished his duty as Deputy Managing Director of Pubali Bank Limited from 2009 to 2011. He has remained consistently successful in delivering what was expected from him. He has worked in result oriented compartment knowing there was always room for improvement and thus have managed to attain the highest level of competency at work. With ample co-operation, he has succeeded in bringing prosperity to the department and the institute, at large, where he has offered his services. Letting his action do the talking and abiding by his norms, morals and an obdurate wall of integrity in any line of work, he has performed in a Specific, Measurable, Achievable, Realistic Time-bound (SMART) manner in order to achieve the goals set in the core strategic management policy. His work experiences have collectively enriched his knowledge of work in the financial sector and other related areas where he was entrusted with specific responsibilities.

Alam is a Life Member of Bangladesh Economic Association and Bangladesh Bank Colony Scout Group, Chattogram.

Mohammed Nasir Uddin FCMA
Director

Mohammed Nasir Uddin FCMA is a Director of Islami Bank Bangladesh Limited as representative of BLU International Limited. He is the Group General Manager (Chief of Finance & Accounts) of Bay Group. He obtained M.Com (Master of Commerce) in Accounting from Dhaka University in 1990. He also obtained CIMA Adv Dip MA (UK) from Chartered Institute of Management Accounts (CIMA) of London, U. K in 2012 and CMA & FCMA from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) in 1995.

Mohammed Nasir started his career as Manager (Audit) in Sunman Group. Mr. Nasir has a career that spans over 27 (Twenty Seven) years in the field of Industry namely Sunman Group, Monno Group of Industries, MEB Group, Saad Musa Group, S.A Group, Opex & Sinha Textile Group etc. in different capacities particularly worked as Corporate Sr. GM & Group CFO for 14 years. He has also sector wise experience arena specially, export oriented sector like Garments, Composite Textile, Ceramics, Leather & Foot Wear etc. Mr. Nasir participated in many National and international seminars, symposiums & conferences. His work experiences have collectively enriched his knowledge of work in the financial sector.

Mohammed Nasir has a career objective to play Strategic & Management role in Accounts, Finance and Audit activities, Project & Working Capital financing, Fund administration, Strategic "Cost Management, Establish Risk based Internal Control & Audit System.

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Syed Muhammad Goram Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)

Mohammed Monirul Moula
Ex-Officio Director

Mohammed Monirul Moula, an experienced and dynamic banker has been appointed as the Managing Director & CEO of Islami Bank Bangladesh Limited (IBBL) in January 2021. Prior to taking this position; he has served as Additional Managing Director & Head of Corporate Investment (Credit) Wing of the Bank. He also has contributed for the Bank as Head of Wings, Divisions, Zone and Branches.

Mr. Monirul has started his career with IBBL on 6 March 1986 as a "Probationary Officer". Joining as a Probationary Officer, he gained experience in all sections of the Bank over his 34 years of banking career. He was awarded "Letter of appreciation" for reducing Non-Performing Investment (Loan) by the Bank Management in the year 2004 and 2005.

Mr. Monirul was the Head of Branches of Hathazari, Cox's Bazar, Anderkilla, Pahartali, Chowmuhoni and Agrabad Corporate branches. Then, he has been assigned as Head of Chattogram South Zone of the Bank. Then he has been posted as Head of Corporate Investment Division-II, one of the important division of the Bank.

After joining as Head of Corporate Investment Division-II, he played significant role in Investment management like Corporate Finance, Sustainable Finance, Investment (Credit) Administration, Asset management and Investment (credit) Risk Management of the Bank. Then he was posted as Head of Retail Investment (Credit) Wing where he played significant role in the affairs of SME Finance, Retail, Consumer & Real Estate Investment and Rural Development Scheme.

He was also the Chairman of Investment Committee (IC), Investment Risk Management Committee (IRMC). He was also member of Management Committee (MANCOM), Asset Liability Committee (ALCO), and Committee for Recruitment & Promotion (CRP) of the Bank.

He was born in a noble family in 1963. He obtained Bachelor of Social Science (BSS) degree with Honors in 1983 and Masters of Social Science (MSS) in Economics in 1984 from the University of Chittagong. He is a Diplomaed Associate of the Institute of Bankers Bangladesh (DAIBB). Recently, he was awarded prestigious certificate on "Domestic and International Factoring" from Factors Chain International (FCI), Netherlands.

He visited many countries like Thailand, Bahrain, Italy, Sri Lanka, KSA, Myanmar, Morocco, Malaysia, Indonesia, UAE & India for attending various conferences, seminars, trainings & business development programs.

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)

Description of Assets and Liabilities (Consolidated)

Description of Asset:

Particulars	BDT Million	
	31.12.2020	31.12.2019
	Taka	Taka
Property and Assets		
Cash		
Cash in hand (Including Foreign Currencies)	18,747	15,024
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	195,037	60,830
	213,784	75,854
Balance with other Banks and Financial Institutions		
Inside Bangladesh	49,886	71,323
Outside Bangladesh	16,548	20,102
	66,434	91,425
Placement with other Banks & Financial Institutions		
Investments in Shares & Securities		
Government	56,103	40,111
Others	18,317	13,987
	74,420	54,098
Investments		
General Investment etc.	975,111	861,459
Bills Purchased and Discounted	55,477	32,764
	1,030,588	894,223
Fixed Assets Including Premises	17,828	16,199
Other Assets	14,568	10,382
Non-Banking Assets		
Total Property and Assets	1,417,622	1,142,182

Description of Liabilities:

Particulars	BDT Million	
	31.12.2020	31.12.2019
	Taka	Taka
Liabilities and Capital		
Liabilities		
Placement from other Banks & Financial Institutions	44,469	28,849
Deposits and Other Accounts		
Mudaraba Savings Deposits	392,705	313,110
Mudaraba Term Deposits	431,074	335,260
Other Mudaraba Deposits	245,966	207,026
Al-Wadeeah Current & Other Deposit Accounts	103,951	83,789
Bills Payable	4,960	6,648
	1,178,657	945,834
Mudaraba Bond		
Mudaraba perpetual bond	3,000	3,000
Mudaraba redeemable subordinated bond	23,000	18,000

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Syed Muhtamim Ghani
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Monirul Moula
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

	<u>26,000</u>	<u>21,000</u>
Other Liabilities	104,281	85,445
Deferred Tax Liabilities	1,605	1,681
Total Liabilities	<u>1,355,012</u>	<u>1,082,808</u>
Capital/Shareholders' Equity		
Paid-up Capital	16,100	16,100
Statutory Reserve	19,735	18,735
Other reserves	24,168	22,206
Retained Earnings	2,607	2,332
Non-controlling interest	0	0
Total Capital/Shareholders' Equity	<u>62,610</u>	<u>59,374</u>
Total Liabilities & Shareholders' Equity	<u>1,417,622</u>	<u>1,142,182</u>

Description of Encumbered and Unencumbered assets with value thereof:

The value of the assets of IBBL (stand-alone) comprising of Cash, Investments, Placements, Fixed Assets including premises, Non-banking assets, etc. is BDT 1,41,682,85,01,093 only as on 31 December, 2020. Out of this amount, encumbered fixed assets (land, building and floor area) value is BDT 762,65,84,782 only as on December 31, 2020 against the Fixed Assets mortgaged to Investment Corporation of Bangladesh (ICB) in consideration of ICB to act as a Trustee of Mudaraba Perpetual Bond (MPB) of BDT 3,000 million issued by IBBL. The remaining value of assets of **BDT 1,40,920,19,16,311 only** is unencumbered.

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Description of Previously Issued Debt or Equity Securities:

Mudaraba Perpetual Bond

In November 2007, Islami Bank issued Mudaraba Perpetual Bond (MPB) amounting to BDT 3,000,000,000 through private placement and repeat public offer divided into 30,00,000 bonds of BDT 1000 each with the approval of Bangladesh Bank as well as Bangladesh Securities and Exchange Commission. MPB is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and trading of the same started on 25th November 2007. This Mudaraba Perpetual Bond is qualified for additional Tier-I Capital under Basel-III Guidelines.

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Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Salient Features of Mudaraba Perpetual Bond of Islami Bank Bangladesh Limited:

- It has no redemption facility & pre-determined interest rates.
- Term: Perpetual (no maturity period).
- MPB is listed with both Bourses of the country and will remain freely transferable depending on the market demand.
- MPB is being treated as a Tier-I Capital.
- Profit Distribution:
 - MPB will carry 1.25 weightage for distribution of profit.
 - Not less than 65% of the income generated by deployment of MPB fund and

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MD & CEO (CC)
Prime Bank Investment Limited

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• An additional rate of profit equivalent to 10% of the rate of dividend declared by the Islami Bank Bangladesh Limited every year. No portion of dividend will be distributed to the MPB holders.

f) MPB was rated as A+ by Credit Rating Information and Services Limited (CRISL)

g) Trustee is Investment Corporation of Bangladesh (ICB)

h) Manager to the Issue was: ICB Capital Management Limited (A subsidiary company of ICB)

i) The outstanding balance as of 31 December 2020 is BDT 3,000 million for the Bank's Mudaraba Perpetual Bond.

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Deputy Director
Bangladesh Securities and Exchange Commission

Mudaraba Floating Rate Redeemable Non-Convertible Subordinated Bond

In the year 2017 Islami Bank Bangladesh Limited issued the 1st IBBL Mudaraba Redeemable Non-Convertible Subordinated Bond valuing BDT 5,000 Million through private placement divided into 500 bonds of BDT 10,000,000 each under Mudaraba Principles of Islamic Shari'ah with the approval of Bangladesh Bank as well as Bangladesh Securities and Exchange Commission. The bond was subscribed by the four investors on 26 September 2017 which is qualified as regulatory capital (Tier 2) as Guidelines on 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 December 21, 2014. Since then, IBBL has issued an additional three subordinated bonds.

Salient Features of Mudaraba Subordinated Bond (1st Issue) of Islami Bank Bangladesh Ltd.:

(i) The Bond is Unsecured, non-convertible, with fixed maturity period which will qualify as Tier 2 Capital in the nature of "Bond" as per Qualifying criteria as stated in Annex 4 of Guidelines on Risk Based Capital Adequacy (Revised

Regulatory Capital Framework for banks in line with Basel III) issued by Bangladesh Bank. This obligation is not insured by any deposit insurance scheme.

(ii) Term: 7 years' redeemable bond to be redeemed in 5 equal annual Installments starting from end of 3rd year and each 12 months from thereafter.

(iii) Profit Distribution: Benchmark Mudarba profit rate which is equivalent to issuer's prevailing Mudaraba Term Deposit profit rate in six months' tenor plus a provisional additional profit rate of 2.00% p.a. from pre-tax profit/operating income of the Issuer.

(iv) The Bond was rated as AA by Emerging Credit Rating Limited.

(v) Trustee is Green Delta Insurance Company Limited.

(vi) Mandated Lead Arranger was: Standard Chartered Bank, Dhaka Branch.

The outstanding balance as of 31 December 2020 is BDT 4,000 Million for the bank's issued 1st IBBL Mudaraba Redeemable Non-Convertible Subordinated Bond.

Salient Features of Mudaraba 2nd Subordinated Bond of Islami Bank Bangladesh Ltd.:

(i) The Bond is Unsecured, non-convertible, with fixed maturity period which will qualify as Tier 2 Capital in the nature of "Bond" as per Qualifying criteria as stated in Annex 4 of Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) issued by Bangladesh Bank. This obligation is not insured by any deposit insurance scheme.

(ii) Term: 7 years' redeemable bond to be redeemed in 5 equal annual Installments starting from end of 3rd year and each 12 months from thereafter.

(iii) Profit Distribution: Benchmark Mudarba profit rate which is equivalent to issuer's prevailing Mudaraba Term Deposit highest profit rate in six months' tenor plus a provisional additional profit rate of 2.00% p.a. from pre-tax profit/operating income of the Issuer.


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Chief Executive Officer
UCB Investment Limited


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MD & CEO (CC)
Prime Bank Investment Limited

- (iv) The Bond was rated as AA+IB by Emerging Credit Rating Limited.
(v) Trustee is Green Delta Insurance Company Limited.
(vi) Mandated Lead Arranger was: Standard Chartered Bank, Dhaka Branch.

The outstanding balance as of 31 December 2020 is BDT 7,000 Million for the bank's issued 2nd IBBL Mudaraba Redeemable Non-Convertible Subordinated Bond.

Salient Features of Mudaraba 3rd Subordinated Bond (1st Tranche) of Islami Bank Bangladesh:

(i) The Bond is Unsecured, non-convertible, with fixed maturity period which will qualify as Tier 2 Capital in the nature of "Bond" as per Qualifying criteria as stated in Annex 4 of Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) issued by Bangladesh Bank. This obligation is not insured by any deposit insurance scheme.

(ii) Term: 7 years' redeemable bond to be redeemed in 5 equal annual Installments starting from end of 3rd year and each 12 months from thereafter.

(iii) Profit Distribution: Benchmark Mudaraba profit rate which is equivalent to the average of immediate past month highest profit rate of Mudaraba Term Deposit in 6 months tenor of all Islami Banks plus an additional profit rate of 1.75% p.a. from pre-tax profit/operating income of the Issuer

- (iv) The Bond was rated as AA+IB by Emerging Credit Rating Limited.
(v) Trustee is Green Delta Insurance Company Limited.
(vi) Mandated Lead Arranger was: Standard Chartered Bank, Dhaka Branch.

The outstanding balance as of 31 December 2020 is BDT 6,000 Million for the bank's issued 1st Tranche BDT 6,000 million of IBBL 3rd Mudaraba Redeemable Non-Convertible Subordinated Bond.

Salient Features of Mudaraba 3rd Subordinated Bond (2nd Tranche) of Islami Bank Bangladesh:

- (i) The Bond is Unsecured, non-convertible, with fixed maturity period which will qualify as Tier 2 Capital in the nature of "Bond" as per Qualifying criteria as stated in Annex 4 of Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) issued by Bangladesh Bank. This obligation is not insured by any deposit insurance scheme.
(ii) Term: 7 years redeemable bond to be redeemed in 5 equal annual Instalments starting from end of 3rd year and each 12 months from thereafter.

Profit Distribution:

- (1) Benchmark Mudaraba profit rate which is equivalent to the average of most recent month's published highest profit rate of Mudaraba Term Deposit in 6 months tenor of all Islami Banks plus an additional profit rate of 2.00% p.a. from pre-tax profit/operating income of the Issuer.
(2) The Bond was initially rated as AA+ by Emerging Credit Rating Limited.
(3) Trustee is Green Delta Insurance Company Limited.
(4) Mandated Lead Arranger was: Standard Chartered Bank, Bangladesh Branch.
(5) The outstanding balance as of 31 December 2020 is BDT 6,000 million for the Bank's issued 2nd Tranche BDT 6,000 million of IBBL 3rd Mudaraba Redeemable Non-Convertible Subordinated Bond.

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Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

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MD & CEO (CC)
Prime Bank Investment Limited

Right Issue and Evaluation of Paid-Up-Capital

After establishment in 1983 the bank raised its share capital through the initial public offering of shares in 1985. Subsequently, the first right share was issued in 1989, 2nd right share was issued in 1996, 3rd right share was issued in 2000 and 4th right share was issued in 2003 to enhance its capital base. Moreover, the paid up capital of Islami Bank Bangladesh Limited was also raised by way of issuing bonus shares in several times.

The evaluation of paid-up capital of the bank is depicted as hereunder:

Year	Particulars (Taka in BTD Million)	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 (Bangladesh)	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)	1280.00	1920.00
2004	Bonus/2003 (1B:5) – Stock Dividend @20%	384.00	2304.00
2005	Bonus/2004 (1B:5) – Stock Dividend @20%	460.80	2764.80
2006	Bonus/2005 (1B:4) – Stock Dividend @25%	691.20	3456.00
2007	Bonus/2006 (1B:10) – Stock Dividend @10%	345.60	3801.60
2008	Bonus/2007 (1B:4) – Stock Dividend @25%	950.40	4752.00
2009	Bonus/2008 (3B:10) – Stock Dividend @30%	1425.60	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

Section 13: Audit Report of Islami Bank Bangladesh Ltd.

Auditor's Report along with the audited financial statements as on Dec 31, 2020 is annexed with this Information Memorandum. Please check **Annexure - 02**.

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Deputy Director
Bangladesh Securities and Exchange Commission

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Chief Executive Officer
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Prime Bank Investment Limited

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Section 14: Comparative Financial Statement of Islami Bank Bangladesh Ltd.


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Consolidated Balance Sheet of IBBL:

Islami Bank Bangladesh Limited Consolidated Balance Sheet As at 31 December 2018 to 31 December 2020			
BDT Million			
Particulars	31.12.2020	31.12.2019	31.12.2018
	Taka	Taka	Taka
Property and Assets			
Cash			
Cash in hand (Including Foreign Currencies)	18,747	15,024	14,817
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	195,037	60,830	52,647
	<u>213,784</u>	<u>75,854</u>	<u>67,464</u>
Balance with other Banks and Financial Institutions			
Inside Bangladesh	49,886	71,323	56,624
Outside Bangladesh	16,548	20,102	6,775
	<u>66,434</u>	<u>91,425</u>	<u>63,399</u>
Placement with other Banks & Financial Institutions			0
Investments in Shares & Securities			
Government	56,103	40,111	32,104
Others	18,317	13,987	9,089
	<u>74,420</u>	<u>54,098</u>	<u>41,193</u>
Investments			
General Investment etc.	975,111	861,459	759,570
Bills Purchased and Discounted	55,477	32,764	41,400
	<u>1,030,588</u>	<u>894,223</u>	<u>800,970</u>
Fixed Assets Including Premises	17,828	16,199	15,348
Other Assets	14,568	10,382	9,586
Non-Banking Assets			0
Total Property and Assets	<u>1,417,622</u>	<u>1,142,182</u>	<u>997,959</u>
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions	44,469	28,849	37,814
Deposits and Other Accounts			
Mudaraba Savings Deposits	392,705	313,110	277,805
Mudaraba Term Deposits	431,074	335,260	272,834
Other Mudaraba Deposits	245,966	207,026	188,286
Al-Wadeeah Current & Other Deposit Accounts	103,951	83,789	79,148


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Bills Payable	4,960	6,648	4,128
	<u>1,178,657</u>	<u>945,834</u>	<u>822,201</u>
Mudaraba Bond			
Mudaraba perpetual bond	3,000	3,000	3,000
Mudaraba redeemable subordinated bond	23,000	18,000	12,000
	<u>26,000</u>	<u>21,000</u>	<u>15,000</u>
Other Liabilities	104,281	85,445	65,790
Deferred Tax Liabilities	1,605	1,681	1,688
Total Liabilities	<u>1,355,012</u>	<u>1,082,808</u>	<u>942,493</u>
Capital/Shareholders' Equity			
Paid-up Capital	16,100	16,100	16,100
Statutory Reserve	19,735	18,735	17,735
Other reserves	24,168	22,206	19,451
Retained Earnings	2,607	2,332	2,180
Non-controlling interest	0	0	0
Total Capital/Shareholders' Equity	<u>62,610</u>	<u>59,374</u>	<u>55,467</u>
Total Liabilities & Shareholders' Equity	<u>1,417,622</u>	<u>1,142,182</u>	<u>997,959</u>

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Consolidated Profit & Loss Account of IBBL:

Islami Bank Bangladesh Limited Consolidated Profit and Loss Account For the year ended 31 December 2018 to 31 December 2020			
BDT Million			
Particulars	31.12.2020	31.12.2019	31.12.2018
	Taka	Taka	Taka
Operating Income			
Investment Income	74,173	75,612	67,028
Less: Profit paid on Mudaraba Deposits	-44,770	-44,928	-37,987
Net Investment Income	<u>29,403</u>	<u>30,685</u>	<u>29,041</u>
Income from Investments in Shares/Securities	2,228	1,809	1,683
Commission, Exchange and Brokerage	4,741	6,195	5,507
Other Operating Income	3,926	5,103	3,958
	<u>10,896</u>	<u>13,106</u>	<u>11,148</u>
Total Operating Income	<u>40,299</u>	<u>43,791</u>	<u>40,189</u>
Operating Expenses			
Salaries and allowances & contribution to P.F	16,617	15,123	14,169
Directors fees & expenses	7	21	1,461
Shariah Supervisory Committee's fees & expenses	2	3	15
Rent, taxes, insurance and lighting etc.	1,238	1,520	56
Postage, telegram, telephone and stamp etc.	75	59	254

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

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Md. Ashraf Haque, FCA
EVP, Head of F&D & CFO
Islami Bank Bangladesh Limited
F&D, Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Draft Information Memorandum
IBBL 2nd Perpetual Mudaraba Bond of BDT 800 Crore

Legal charges	10	17	14
Auditors' fee	4	5	12
Salary & Allowances to the Managing Director	14	14	3
Depreciation and repairs to the bank's properties	1,491	970	3
Stationery, printing & advertisement etc.	257	256	834
Zakat expenses	817	719	602
Other expenses	4,439	2,622	1,980
Total Operating Expenses	24,973	21,328	19,403
Profit/ (Loss) before Provision	15,326	22,463	20,786
Provision against Investments & Contingent Liabilities	4,408	7,335	6,251
Provision for diminution in value of investment	-541	655	384
Other Provision	366	64	68
Total Provision	4,233	8,053	6,702
Total Profit/ (Loss) before Taxes	11,093	14,410	14,083
Provision for Taxation			
Current Tax	6,340	8,903	7,770
Deferred Tax	-42	26	3
	6,298	8,929	7,773
Net Profit/ (Loss) after Tax	4,796	5,481	6,310
Net Profit after tax attributable to:			
Equity holders of the IBBL	4,796	5,481	6,310
Non-controlling Interest	0	0	0
Profit for the year	4,796	5,481	6,310
Retained earnings from previous year	2,332	2,180	1,945
Add: Net profit after tax (attributable to equity holders of IBBL)	4,796	5,481	6,310
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	90	92	94
Profit available for appropriation	7,217	7,753	8,349
Appropriation:			
Statutory Reserve	1,000	1,000	1,000
General reserve	2,001	2,810	3,559
Dividend (previous year)	1,610	1,610	1,610
Retained earnings	2,607	2,332	2,180
	7,217	7,753	8,349

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

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J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office: Dhaka.

22 SEP 2021

Draft Information Memorandum
IBBL 2nd Perpetual Mudaraba Bond of BDT 800 Crore**Vetted****Consolidated Cash Flow Statement of IBBL:**

Islami Bank Bangladesh Limited			
Consolidated Cash Flow Statement			
For the year ended 31 December 2018 to 31 December 2020			
Particulars	BDT Million		
	31.12.2020	31.12.2019	31.12.2018
	Taka	Taka	Taka
Cash flows from operating activities			
Investment income	67,173	68,216	61,533
Profit paid on mudaraba deposits	-46,410	-41,388	-37,368
Income/ dividend receipt from investments in shares & securities	2,299	882	1,333
Fees & commission receipt in cash	4,741	6,195	5,507
Recovery from written off investments	115	82	37
Payments to employees	-16,426	-15,874	-12,431
Cash payments to suppliers	-334	-377	-321
Income tax paid	-6,668	-7,232	-6,460
Receipts from other operating activities	4,424	5,144	4,010
Payments for other operating activities	-5,744	-4,208	-3,565
(i) Operating profit before changes in operating assets	3,168	11,440	12,276
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits - -			0
(Increase)/decrease of net trading securities	-127	-5	0
(Increase)/decrease of placement to other banks			0
(Increase)/decrease of investments to customers	-131,575	-88,463	-90,241
(Increase)/decrease of other assets	-4,235	-784	-3,046
Increase/(decrease) of placement from other banks	15,620	-8,965	8,585
Increase/(decrease) of deposits from other banks	33	84	-431
Increase/(decrease) of deposits received from customers	232,405	123,250	67,609
Increase/(decrease) of other liabilities account of customers		0	0
Increase/(decrease) of trading liabilities		0	0
Increase/(decrease) of other liabilities	17,444	10,230	499
(ii) Cash flows from operating assets and liabilities	129,566	35,347	-17,025
Net cash flows from operating activities (A)=(i+ii)	132,734	46,786	-4,749
Cash flows from investing activities			
Proceeds from sale of securities	-13,567	-8,689	-1,076
Payment for purchase of securities/BGIIB	-6,750	-4,451	-3,545
Placement to Islamic Refinance Fund Account	0	0	0
Payment for purchase of securities/member	0	0	0
Purchase/sale of property, plants & equipments	-2,879	-1,616	-552
Purchase/sale of subsidiaries	0	0	0
Net Cash flows from investing activities (B)	-23,196	-14,756	-5,174
Cash flows from financing activities			
Receipts from issue of debt instruments	6,000	6,000	7,000
Payment for redemption of debt instruments	-1,000	0	0
Receipts from issuing ordinary share/ right share	0	0	0
Dividend paid in cash	-1,610	-1,610	-1,610

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Net cash flows from financing activities (C)	3,390	4,390	5,390
Net increase/(decrease) in cash (A+B+C)	112,927	36,420	-4,533
Add/(less): effects of exchange rate changes on cash & cash equivalent	12	-4	-12
Add: cash & cash equivalents at beginning of the year	167,279	130,863	135,408
Cash & cash equivalents at the end of the year	280,218	167,279	130,863

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Balance Sheet of IBBL:

Islami Bank Bangladesh Limited			
Balance Sheet			
As at 31 December 2018 to 31 December 2020			
BDT Million			
Particulars	31.12.2020	31.12.2019	31.12.2018
	Taka	Taka	Taka
Property and Assets			
Cash	18,747	15,024	-
Cash in hand (Including Foreign Currencies)	195,037	60,830	14,817
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	-	-	52,647
	213,784	75,853	67,464
Balance with other Banks and Financial Institutions			
Inside Bangladesh	44,885	66,034	51,100
Outside Bangladesh	16,548	20,102	6,775
	61,433	86,136	57,875
Placement with other Banks & Financial Institutions	0	0	0
Investments in shares & securities			
Government	56,103	40,111	32,104
Others	18,004	14,027	9,507
	74,107	54,138	41,611
Investments			
General Investment etc.	979,811	866,249	764,360
Bills Purchased and Discounted	55,477	32,764	41,400
	1,035,288	899,013	805,760
Fixed assets including premises	17,810	16,187	15,346
Other Assets	14,406	10,166	9,374
Non Banking Assets	-	-	0
Total Property and Assets	1,416,829	1,141,493	997,430
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions	44,469	28,849	37,814
Deposits and Other Accounts			
Mudaraba Savings Deposits	392,750	313,115	277,830
Mudaraba Term Deposits	431,775	335,626	273,164
Other Mudaraba Deposits	245,977	207,034	188,291
Al-Wadeeah Current & Other Deposit Accounts	104,015	83,794	79,161
Bills Payable	4,960	6,648	4,128
	1,179,476	946,217	822,573
Mudaraba Bond			
Mudaraba perpetual bond	3,000	3,000	3,000

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Primar Bank Investment Limited

Mudaraba redeemable subordinated bond	23,000	18,000	12,000
	26,000	21,000	15,000
Other Liabilities	103,662	85,092	65,456
Deferred Tax Liabilities	1,608	1,683	1,690
Total Liabilities	1,355,216	1,082,841	942,533
Capital/Shareholders' Equity			
Paid-up Capital	16,100	16,100	16,100
Statutory Reserve	19,735	18,735	17,735
Revaluation Reserve	24,168	22,206	19,451
Retained Earnings	1,610	1,610	1,610
Total Capital/Shareholders' Equity	61,613	58,652	54,896
Total Liabilities & Capital/Shareholders' Equity	1,416,829	1,141,493	997,430

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Profit & Loss Account of IBBL:

Islami Bank Bangladesh Limited Profit and Loss Account For the year ended 31 December 2018 to 31 December 2020			
BDT Million			
Particulars	31.12.2020	31.12.2019	31.12.2018
	Taka	Taka	Taka
Operating Income			
Investment Income	74,305	75,749	67,166
Less: Profit paid on Deposits	-44,787	-44,941	-37,999
Net Investment Income	29,518	30,808	29,167
Income from Investments in Shares/Securities	1,993	1,627	1,487
Commission, Exchange and Brokerage	4,721	6,177	5,480
Other Operating Income	3,475	4,578	3,463
	10,188	12,382	10,430
Total Operating Income	39,706	43,190	39,597
Operating Expenses			
Salaries and allowances & contribution to P.F	16,577	15,092	14,142
Directors fees & expenses	6	20	11
Shariah Supervisory Committee's fees & expenses	2	3	3
Rent, taxes, insurance and lighting etc.	1,232	1,513	1,455
Postage, telegram, telephone and stamp etc.	75	59	55
Legal charges	10	17	15
Auditors' fee	3	4	3
Salary & Allowances to the Managing Director	14	14	14
Depreciation and repairs to the bank's properties	1,486	966	832
Stationery, printing & advertisement etc.	256	256	254
Zakat Expenses	817	719	602
Other expenses	4,428	2,612	1,971
Total Operating Expenses	24,908	21,276	19,357
Profit/ (Loss) before Provision	14,798	21,914	20,240
Provision against Investments & Contingent Liabilities	4,408	7,335	6,251
Provision for diminution in value of investment	-665	415	220
Other Provision	366	64	68

Eyed Muhammad Golem Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Total Provision	4,109	7,814	6,539
Total Profit/ (Loss) before Taxes	10,689	14,100	13,701
Provision for Taxation			
Current Tax	6,210	8,745	7,622
Deferred Tax	-42	26	4
	6,168	8,771	7,626
Net Profit/ (Loss) after Tax	4,521	5,328	6,075
Retained Earnings from the Previous Year	1,610	1,610	1,610
Add: Net Profit After Tax	4,521	5,328	6,075
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	90	92	94
Profit available for appropriation	6,221	7,030	7,779
Appropriation:			
Statutory Reserve	1,000	1,000	1,000
General Reserve	2,001	2,810	3,559
Dividend (Previous Year)	1,610	1,610	1,610
Retained Earnings	1,610	1,610	1,610
Non-Controlling Interest			
	6,221	7,030	7,779

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Cash Flow Statement of IBBL:

Islami Bank Bangladesh Limited			
Cash Flow Statement			
For the year ended 31 December 2018 to 31 December 2020			
BDT Million			
Particulars	31.12.2020	31.12.2019	31.12.2018
	Taka	Taka	Taka
Cash flows from operating activities			
Investment income receipt in Cash	67,305	68,352	61,671
Profit paid on deposits and borrowing	-46,428	-41,402	-37,380
Dividend received	2,077	700	1,138
Fees & Commission received in cash	4,721	6,177	5,480
Recoveries from written off investments	115	82	37
Cash payments to employees	-16,394	-15,844	-12,404
Cash payments to suppliers	-334	-377	-320
Received from other operating activities (item-wise)	3,957	4,619	3,515
Paid for other operating activities (item-wise)	-5,716	-4,190	-3,548
Advance income tax paid	-6,519	-7,078	-6,360
(i) Operating profit before changes in operating assets & liabilities	2,784	11,040	11,828
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	-136,275	-93,253	-95,031
(Increase)/decrease of other assets	-4,241	-792	-3,067
Increase/(decrease) of placement from other banks	15,620	-8,965	8,585
Increase/(decrease) of deposits from other banks	34	84	-431

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

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MD & CEO (CC)
Prime Bank Investment Limited

Increase/(decrease) of deposits received from customer	233,226	123,634	67,982
Increase/(decrease) of other liabilities account of c	-	-	-
Increase/(decrease) of trading liabilities	-	-	-
Increase/(decrease) of other liabilities	21,517	14,650	4,809
(ii) Cash flows from operating assets and liabilities	129,881	35,358	-17,154
(A) Net cash flow from operating activities=(i+ii)	132,665	46,398	-5,326
Cash flows from investing activities			
Proceeds from sale of securities/BGIIB/Sukuk	-19,970	-12,527	-3,667
Payment for purchase of securities/BGIIB/Sukuk	-	-	-
Placement to Islamic Refinance Fund Account	-	-	-
Payment for purchase of securities/membership	-	-	-
Purchase/sale of property, plants & equipments	-2,870	-1,606	-552
Purchase/sale of subsidiaries	-	-	-
(B) Net cash used in investing activities	-22,840	-14,133	-4,219
Cash flows from financing activities			
Receipts from issue of debt instruments	6,000	6,000	7,000
Payment for redemption of debt instruments	-1,000	-	-
Receipts from issuing ordinary share/ right share	-	-	-
Dividend paid in cash	-1,610	-1,610	-1,610
(C) Net cash used in financing activities	3,390	4,390	5,390
(D) Net increase in cash & cash equivalents (A+B+C)	113,215	36,655	-4,155
E. Effects of exchange rate changes on cash and cash-equivalents	12	-4	-12
F. Net increase in cash and cash equivalent (D+E)	113,227	36,651	-4,167
G. Cash & Cash Equivalents at the beginning of the year	161,990	125,339	129,506
H. Cash & Cash Equivalents period ended (F+G)	275,217	161,990	125,339

Section 15: Comparative Financial Ratios of Islami Bank Bangladesh Limited

Sl. No.	Particulars	2018	2019	2020
1	Return on Assets (ROA)	0.64	0.50	.35
2	Return on Equity (ROE)	11.07	9.08	7.38
3	Earnings Per Share (EPS) In BDT	3.77	3.31	2.81
4	Net Assets Value (NAV) Per Share BDT	34.10	36.43	38.27
5	Cost of Fund	8.02	8.31	7.03
6	Statutory Liquidity Reserve Ratio (SLR)	7.01	6.88	19.86
7	Cash Reserve Ratio (CRR)	6.19	6.17	17.05
8	Cash Dividend (%)	10	10	10
9	Current Ratio	N/A	N/A	N/A
10	Quick Ratio	N/A	N/A	N/A
11	Break Even Point (including financial costs)	N/A	N/A	N/A
12	Debt to Equity Ratio (prior and after issue of debt securities)	1716.93%	1846.22%	2199.57%
13	Debt to Total Asset Ratio	95.65%	94.86%	95.65%

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Md. Ashraf Haque, FCA
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khondker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Draft Information Memorandum
IBBL 2nd Perpetual Mudaraba Bond of BDT 800 Crore

14	Accounts Receivable Turnover Ratio	N/A	N/A	N/A
15	Gross Margin Ratio	N/A	N/A	N/A
16	Operating Income Ratio	51.03%	49.01%	47%
17	Net Income Ratio	7.83%	6.31%	5.13%
18	Net Operating Cash Flow to Net Income	-87.66%	870.77%	2934.43%
19	Total Debt to Tangible Asset Ratio	6166.57%	6762.65%	7702.13%

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Section 16: Credit Rating Report of the Issue

AlphaRating

29 July, 2021

Managing Director & CEO
Islami Bank Bangladesh Limited
Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh

Subject: Credit Rating of IBBL 2nd Perpetual Mudaraba Bond issued by Islami Bank Bangladesh Limited

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to IBBL 2nd Perpetual Mudaraba Bond issued by Islami Bank Bangladesh Limited:

Date of Declaration	Valid Till	Rating Action	Bond Rating	Outlook
29 July, 2021	28 July, 2022	Surveillance	AA+	Stable

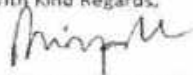
The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to IBBL 2nd Perpetual Mudaraba Bond issued by Islami Bank Bangladesh Limited, hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With Kind Regards,


Riyadh M. Hossain MBA (USA)
Chief Risk Officer

This letter forms an integral part of the credit rating report.

Credit Rating Report is also annexed in this Information Memorandum. Please check **Annexure - 03**.

22 SEP 2021
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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCA Investment Limited



Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

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Md. Ashraful Haque, FCA
EVP, Head of Finance & CFO
Islami Bank Bangladesh Limited


J O M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Section 17: Latest Default Matrix and Transaction Statistics

AlphaRating

5. Latest default matrix and transition statistic of CRC.

> Default Matrix

Corporate

	2017	2018	2019	2020	Number of default derived from other rating	Default Rate
AAA	2	4	6	5		0.00%
AA	19	24	34	38		0.00%
A	170	162	210	205		0.00%
BBB	395	425	413	371	2	0.12%
BB	21	23	19	22		0.00%
B	1	0	0	0		0.00%
C	0	0	0	1		0.00%
D	1	2	0	1		0.08%

SME

	2017	2018	2019	2020	Number of default derived from other rating	Default Rate
ARSME-1	0	0	0	0	0	0.00%
ARSME-2	467	469	841	890	0	0.00%
ARSME-3	2246	2802	2399	3707	0	0.00%
ARSME-4	148	235	246	282	0	0.00%
ARSME-5	7	10	18	18	0	0.00%
ARSME-6	2	0	1	1	0	0.00%
ARSME-7	0	0	1	0	0	0.00%
ARSME-8	0	0	2	0	0	0.00%

AlphaRating

> Transition Statistic (3 Years)

Corporate

2018/2020	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA	5%	95%	0%	0%	0%	0%	0%	0%	0%	0%
A	0%	2%	92%	6%	0%	0%	0%	0%	0%	0%
BBB	0%	0%	7%	90%	3%	0%	0%	0%	0%	0%
BB	0%	0%	0%	25%	75%	0%	0%	0%	0%	0%
B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
D	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

SME

2018/2020	ARSME-1	ARSME-2	ARSME-3	ARSME-4	ARSME-5	ARSME-6	ARSME-7	ARSME-8
ARSME-1	0%	0%	0%	0%	0%	0%	0%	0%
ARSME-2	0%	56%	41%	3%	0%	0%	0%	0%
ARSME-3	0%	19%	78%	3%	0%	0%	0%	0%
ARSME-4	0%	8%	68%	22%	0%	1%	0%	0%
ARSME-5	0%	0%	0%	0%	0%	0%	0%	0%
ARSME-6	0%	0%	0%	0%	0%	0%	0%	0%
ARSME-7	0%	0%	0%	0%	0%	0%	0%	0%
ARSME-8	0%	0%	0%	0%	0%	0%	0%	0%

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Syed Muhammad Golam Mowla
Deputy Director
Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Section 18: Description of Trustee

SBL Capital Management Limited (SCML) is the Trustee for the Bond subject to necessary regulatory approval.

Description of the Company:

After obtaining a full-fledged Merchant Banker license from the Bangladesh Securities and Exchange Commission (BSEC), merchant banking operations of the Bank was initially launched through the Merchant Banking Wing (MBW) in the year 2009. Later on as per Directive of Bangladesh Bank, the Board of Directors of Standard Bank Limited formed a separate Subsidiary Company under Standard Bank Limited named SBL Capital Management Limited. Thereafter the Registrar of Joint Stock Companies and Firms issued the Certificate of Incorporation and also the Certificate of Commencement of business in favour of the said company. The Bangladesh Securities and Exchange Commission (BSEC) then issued a full-fledged Merchant Banker license in the name of SBL Capital Management Limited. The operation of SBL Capital Management Limited was launched from January 2011 through taking over all activities of the erstwhile Merchant Banking Wing (MBW) of the Bank to this subsidiary.

Major Events:

Date of Incorporation: 20 October 2010	Date of Commencement: 20 October 2010	BSEC's Registration obtained 05 January 2011
Business Commencement 09 January 2011	Authorized Capital Tk. 500.00 Cr.	Paid up Capital Tk. 150.00 Cr.

Functions of SBL Capital Management Limited

The Merchant Banker license enables our company to undertake the activities as mentioned below:

- 16.1.1 Issue management
- 16.1.2 Underwriting of Public/Right Issue
- 16.1.3 Portfolio Management
- 16.1.4 Investment Advisory Services.

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited

J O M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Clients of SBL Capital Management Limited

From the inception of SCML operations we have acted as underwriter with the following issues:

Sl.	Company Name	Type
1	Zahintex Industries Ltd	IPO
2	United Airways (BD) Ltd	IPO
3	NCC Bank Ltd	Right
4	Mercantile Bank Ltd	Right
5	BD Com Online Ltd	Right
6	Lanka Bangla Securities Ltd	IPO
7	Fidelity Assets Convertible Bond	Repeat Public Offering
8	Salvo Chemical Ltd	IPO
9	Bay Leasing & investment Ltd	Right
10	City Bank	Right
11	Asia Insurance Ltd	Right
12	Sonargaon Textiles Ltd	Right
13	Golden Son Ltd	Right
14	Al-Arafah Islami Bank	Right
15	Uttara Finance & Investment Ltd	Right
16	Eastern Insurance Ltd	Right
17	Exim Bank	Right
18	UCBL	Right
19	SIBL	Right
20	CGIC	Right
21	Jamuna Bank Ltd	Right
22	Southeast Bank Ltd	Right
23	Janata Bank Ltd	Right
24	Lafarge Surma Cement Ltd	Right
25	Energyprima Ltd	IPO
26	Khulna Printing & Packaging Ltd	IPO
27	Ananda Shipyard & Slipways Ltd	IPO
28	C & A Textiles Ltd	IPO
29	First Security Islami Bank Ltd	Right
30	Shasha Denims Ltd	IPO
31	IFIC Bank Ltd	Right
32	Pacific Denims Ltd	IPO
33	Navana Real Estate Ltd.	IPO
34	Arain Chemicals Ltd.	IPO
35	SBS Cables Limited	IPO
36	Aman Tax Limited	IPO
37	Golden Harvest Agro Limited	IPO
38	Modern Steel Mills Limited	IPO
39	Esquire Knit Composite Limited	IPO

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Syed Monirul Moulah
Deputy Director
Bangladesh Securities and Exchange Board


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

16.4 Board of Directors

Name of the Personnel	Designation
Mr. Kazi Akram Uddin Ahmed	Chairman
Al-Haj Mohammed Shamsul Alam	Vice Chairman
Mohammed Abdul Aziz	Director
Md. Zahedul Hoque	Director
ICB Represented by Md Abual Hossain, Managing Director	Director
Md, Nazmus Salehin	Independent Director
SBL Ltd. represented by Mr md Tariqul Azam	Director
Kazi Khurum Ahmed	Director
Tazmeen Mostafa Chowdhury	Director
Md Nizamul Alam	Director
Md Shahedul Alam	Director
Sheikh Omar Faruque	Director
Humayra Ahmed	Director
Sumaita Hossain	Director

Key Management

SCML has their own manpower support and running by the most professional and experienced team of the market.

1	Mr. Abu Nayem Md. Ibrahim	CEO
2	Mr. Mohammed Anisuzzaman Chowdury	A V P
3	Mr. Md. Noruzzaman Khondoker	SEO
4	Mr. Sampad Tarafder	E O
5	Mr. A. H. M. Jobair Ibn Joha	E O
6	Mr. Sala Uddin Mojahid	E O

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Syed Munirul Goum Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Due Diligence Certificate of the Trustee:



SBL Capital Management Limited
(A subsidiary of Standard Bank Limited)

2 D I T Avenue (Extension), 3rd Floor
Motijheel C/A, Dhaka-1000, Bangladesh
Tel : +88-02-9552384, Fax : +88-02-9552365
E-mail : capitalmgm@standardbankbd.com
scm2009@yahoo.com
Web : www.standardbankbd.com
Tel: +8802-22365060, Fax: +8802-22355669

Schedule "D"

[See Rule: 3(1) (m), 4 (1) (c) and 4 (2) (a)]

Due Diligence Certificate of the Trustee

Chairman
Bangladesh Securities and Exchange Commission

Sub: Issuance of 16,00,000 units/bonds BASEL III compliant, Floating rate Unsecured, Contingent Convertible on pre-specified trigger point, Coupon/Profit Discretion, Subordinated, Non-Cumulative, IBBL 2nd Perpetual Mudaraba Bond of Taka 5,000 (five thousand) face value each and total value of Bond Taka 800 crore to be issued by Islami Bank Bangladesh Limited on private placement/offer basis for Taka 720 crore and the rest amount of Taka 80 crore on public offer/issue basis

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the investors, have examined the draft information Memorandum, legal and other documents and materials as relevant to our decision, and
2. On the basis of such examination and the discussion with the issuer, its directors and officers, and other agencies' Independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) All information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft DEED of Trust and draft Subscription Agreement forwarded to the commission has been approved by us;
- (b) We have also examined all document of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) While examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities), Rules, 2021 have been complied with;
- (d) We shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) We shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) The above declarations are unequivocal and irrevocable.

For Trustee

Abu Sayem Md. Ibrahim
Chief Executive Officer
SBL Capital Management Limited

22 SEP 2021
Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Due Diligence Certificate is also annexed with this Information Memorandum. Please check **Annexure - 04.**

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Section 19: Modus Operandi of the Issue

The Issuance of Mudaraba Bond

Notwithstanding anything contained anywhere in the Trust Deed, the Bonds shall be issued in dematerialized form as per the CDBL Bye Laws and shall be listed in the stock exchanges complying with respective regulations of the stock exchange(s) in this regard as to be finalized and guided by the BSEC. The Issuer shall apply to the Central Depository Bangladesh Ltd. (CDBL) for dematerialization of the allotted securities/bonds in order to enable the Bondholders to hold and transfer their respective units/bonds in dematerialized form.

The Bond shall be rated by a Credit Rating Company and its periodical surveillance rating shall be done by the said Credit Rating Company in line with the provisions of the Credit Rating Companies Rules, 1996 up to the full and final redemption or conversion of the issued securities.

BOND CERTIFICATE

Subject to the completion of all statutory formalities within time frame, the Bonds shall be issued in electronic (dematerialized) form (the beneficiary account of the investor(s) with Central Depository Bangladesh Ltd shall be credited akin to a Bond Certificate) and shall be governed as per the provisions of CDBL Bye Laws and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

Entitlement to treat Registered Holder as owner

The Register/CDBL records shall be prima facie evidence of any matter in relation to the ownership of the Bonds. Each of the Issuer and the Trustee may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond. All payments made to any such Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Bonds.

CALL-OPTION FEATURES

Each Bond shall be redeemed in accordance with Condition 7 of the Trust Deed (Exercise of Call-Option by the Issuer) as below-

Call-Option:

Subject to Issuer having achieved Call Option Eligibility and obtaining prior approval of Bangladesh Bank, after the 10th (tenth) anniversary of the Issue Date, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date ("Call-Option Exercise Notice"), which notice shall be irrevocable, elect to redeem all of the Bonds at their principal amount together with any outstanding payments. No partial redemption of the Bonds shall be allowed under any Call-Option Exercise Notice by the Issuer.

Upon receipt of the Call-Option Exercise Notice as per Condition 7 (A) of the Trust Deed (Call Option), Trustee will notify the amount of the redemption payment, i.e., principal amount of the Bonds together with any outstanding payments to the Issuer 15 (fifteen) days prior to intended Call Exercise Date.

When issued in dematerialized form, give proper intimation to CDBL for making necessary updates in the CDBL System and the respective BO Accounts for reducing the balances against such Call-Option.

Tanzim Alamgir
Chief Executive Officer
Prime Bank Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Islami Bank Bangladesh Limited

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Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

TRANSFER OF BONDS

Bonds are transferable subject to the terms and conditions set out in the Bond Documents. Each Bond shall be transferred in accordance with Condition 4 of the Trust Deed (Transfer of Bonds) as below-

Transfer of Bonds in dematerialized form as per CDBL Bye Laws:

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the Central Depository Bangladesh Limited (CDBL) and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, coupon/profit/return will be paid/redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

LIST OF BENEFICIAL OWNERS

The Bank/Issuer shall request the Central Depository Bangladesh Limited (CDBL) to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of coupon/profit/return or repayment of principal amount on maturity, as the case may be.

FUTURE ISSUANCE OF BOND (I.E. BORROWINGS)

The Bank shall be entitled, from time to time, to make further issue of bonds and/or Bonds and other such instruments to the public/members of the Bank / banks / financial institutions / bodies corporate /mutual funds and / or any other person(s) of the above without obtaining the approval of the Bondholders and/or the Trustee.

BONDHOLDER NOT A SHAREHOLDER


The Bond holders will not be entitled to any rights and privileges of share holders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Bank. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Bank, such resolution will first be placed before the bondholders through the Trustee for their consideration.

TAX DEDUCTION AT SOURCE

Tax as applicable under The Income-tax Ordinance, 1984, or as may be amended from time to time.

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited



Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

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EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Section: 20: Details of fees structure and expenses:

The issue expenses shall be borne by the Bank (i.e. Issuer). The estimated (projected) cost related with the proposed unsecured contingent convertible IBBL 2nd Perpetual Mudaraba Bond of BDT 8,000 million may be as under:

Particulars	Basis of Calculation	Amount in BDT
BSEC fees:		
Application Fee to BSEC	Fixed	10,000/-
Consent Fee to BSEC	@ 0.10% of total Issue size	80,00,000/-
The estimated other cost(fees, commissions & misc. expenses):		
Trustee Fee (yearly)	Taka 1,90,000/- only (excluding VAT) per year.	
Arranger(s) and Issue Managers fees	@0.2113% (excluding VAT) on total Issue size, i.e. Taka 1,69,00,000/- only (excluding VAT).	
Underwriter(s) fee	@0.10% (excluding VAT) on the amount to be underwritten i.e. Taka 1,60,000/- only (excluding VAT).	
Rating Agency fee with periodic review	Taka 75,000/- only (excluding VAT) per year.	
Legal Consultant fee	Taka 1,50,000/- only (excluding VAT). Besides Professional Fee, all ancillary cost (i.e. notarization, registration, filing, non-judicial stamp, cartridge paper, printing, etc.) to be borne by the Bank At actual.	
CDBL admission fee, security fee with yearly fee	Approximate Tk. 20.00 lac for 1 st year but at actual with applicable Govt. fee, VAT & Tax	
Stock exchange (s) listing fee and annual fee	At actual with applicable Govt. fee, VAT & Tax.	
Expenses related to printing, publication and Miscellaneous:		
Trust Deed Registration and Miscellaneous Expenses at SRO	Approximate Tk. 15.00 lac but at actual with applicable Govt. fee, VAT & Tax	
Printing prospectus and arranging Road Show/investors get-together and Miscellaneous Expenses, etc.	At actual with applicable Govt. fee, VAT & Tax	

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
ICR Investment Limited


Khondoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Section 21: Additional Disclosures for IM under Public Issue

i. Particulars of the Public Issue:

Issuer	Islami Bank Bangladesh Limited
Name of the Instrument	IBBL 2 nd Perpetual Mudaraba Bond
Issue Type	Unsecured, Subordinated, Contingent-Convertible (CoCo), Fully paid up, Non-Cumulative, BASEL III compliant Perpetual Debt Instrument (i.e. Bond) for inclusion in Additional Tier 1 Capital as regulatory capital.
Total Issue size	BDT 8,000,000,000/-
Mode of Issue	90% Private Placement and 10% Public Issue
Public Issue Size	BDT 800,000,000/- (10% of the total issue)
Face Value/Issue Price	BDT 5,000/- per Bond
Number of Public Issue Unit	160,000
Bonds per lot	01 Bond
Market Lot	01 Unit
Maturity Period/Tenor	The Bond is perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Major Terms and Features	As per Term Sheet disclosed in page no. 15 - 23
Issue Managers (jointly)	1. Prime Bank Investment Limited; and 2. UCB Investment Limited
Underwriter	AIBL Capital Management Limited
Credit Rating Company for the Issue	Alpha Credit Rating Limited
Auditor	M/s Hoda Vasi Chowdhury & Co., Chartered Accountants and M/s A. Qasem & Co., Chartered Accountants and

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ii. Particulars of the Parties related to Public Issue:

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Particulars of the Issuer:

Name & Address	Contact	Contact Person
Islami Bank Bangladesh Limited Islami Bank Tower 40, Dilkusha C/A Dhaka - 1000 Bangladesh	Tel: 01713046179	J Q M Habibullah, FCS Deputy Managing Director & Company Secretary
	Phone: 9552639	
	E-mail: jqmfc@gmail.com	
	Website: bcs@islamibankbd.com	

Particulars of the Issue Manager/s:

Name & Address	Contact	Contact Person
UCB Investment Limited Bulus Center (17 th Floor), Plot: CWS (A)1, Road: 34, Gulshan Avenue, Dhaka- 1212	Tel: + 88 01927 111 555	Tanzim Alamgir Chief Executive Officer
Prime Bank Investment Limited Tajwar Centre (5th Floor), Block: E, Road, 19/A,	Tel: + 88 01730031810	Khandoker Raihan Ali, FCA Chief Operating Officer

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

House, 34 Kemal Ataturk Ave, Dhaka 1212		
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Particulars of the Underwriter/s:

Name & Address	Contact	Contact Person
AIBL Capital Management Limited Al- Arafah Tower, 63 Purana Paltan, Dhaka- 1000	Tel: + 88 01730322450	Md. Riyadh Hossain Mahmud Chief Executive Officer

iii. Particulars of the Stock Exchanges/s in which the security to be listed:

Name & Address	Contact	Contact Person
Dhaka Stock Exchange Limited DSE Tower, Road: 21, House: 46 Nikunja, Dhaka-1229	Tel: 88 02 9564601, 88 02 9576210-18	Mrs. Souzia Afrin Librarian
	Fax: 88 02 9564727 88 02 9569755	
	E-mail: research@dsebd.org	
	Website: www.dsebd.org	

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Section 22: Conditions imposed by the Commission in the Consent Letter

**PART-A
(General Conditions)**

1. The Issuer shall ensure required all compliance of the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, Commission's Directive No. BSEC/CMRRCD/2009-193/19 dated 23 May, 2021, the Depository Act, 1999 and other securities Laws, Rules & Regulations for Debt Securities regarding processing of application, subscription, refund, allotment, listing and trading;
2. This consent shall remain valid for 06 (six) months for private offer and 03 (three) months for public offer from the date of consent, failing which the permission will stand cancelled to the extent of un-subscribed portion;
3. The Issuer shall not change or modify the submitted draft Information Memorandum, Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;
4. The Issuer shall disseminate approval of the Commission along with the purpose of the issue, amount and price of the bond etc. as price sensitive information, as prescribed by the Commission;

Tanzim Alamgir
Chief Executive Officer
ICR Investment Limited

Khairul Karim
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

5. The Issuer shall submit the Commission's approval of the trustee registration certificate to act as trustee to the issue before opening of subscription;
6. The Issuer shall execute the deed of trust as per Schedule-C as approved by the Commission in favour of the trustee and register the same under the Registration Act, 1908 (Act No. XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the Issuer and the trustee to the Commission;
7. Auditors' report along with Audited Financial Statements of the issuer made up to a date not earlier than 270 days from the date of issue of the Information Memorandum (IM) and shall be incorporated in IM before the offer;
8. Financial statements shall be prepared in accordance with International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
9. Annual General Meeting (AGM) of The Issuer shall be held in each year of the Gregorian Calendar;
10. A copy of audited financial statements and a copy of annual report and the minutes of annual general meeting shall be submitted to the Commission within 14 (fourteen) days of the completion of the audit or, as the case may be, holding of the annual general meeting;
11. The Issuer shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the Issuer;
12. The proceeds or fund of the bond shall be placed in an escrow or specified bank account, and utilization of such proceeds or fund shall also be made from the escrow or specified bank account;
13. The Issuer shall submit a report on utilization of proceeds as well as implementation status to the Commission, the trustee, the issue manager(s) and to the stock exchange(s) as applicable, on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds;
14. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;

Tanzim Alamgir
Chief Executive Officer
IBBL Investment Limited

Vetted 22 SEP 2021

Syed Muhammad Golam Mowla
Deputy Director
Securities and Exchange Commission

Khairul Karim
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

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Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

15. Approved information memorandum (IM) and Deed of Trust shall be made available in the websites of the Issuer or the Issue Manager or the Exchange(s), as applicable, till the closure of the subscription list;
16. The Issuer shall pay, within 5 (five) working days of issuance of this letter, a fee at the rate of 0.10% on the total face value of securities to be issued through a bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission. If the applicant fails to pay within the specified time, this consent shall be revoked;
17. The Commission may impose conditions/restrictions from time to time, as required. If the Issuer or the Issue Manager or the Trustee of the issue fails to comply with any of the conditions as stated in this consent letter, the Issuer or the Issue Manager or the Trustee of the issue would be subject to penal provisions under the Securities and Exchange Ordinance, 1969 or any other related securities laws.

**PART-B
(Private Offer)**

1. The Issuer shall make offer of Unsecured, Contingent-Convertible and Floating Rate Mudaraba Perpetual Bond of BDT 720 (seven hundred twenty) crore through Private Placement;
2. The applicants shall apply for a minimum 10,000 units (each unit of Taka 5,000/-) which totalling of BDT 5,00,00,000 (Taka five crore) or its multiples;
3. The subscription shall be received through the designated bank account of the Issuer during subscription period not less than 30 (thirty) days and not more than 180 (one hundred eighty) days for private offer;
4. Application process for private offer shall be prescribed by the issuer and made it available on Issuer's website;

**PART-C
(Public Offer)**

1. The Issuer shall make offer of Unsecured, Contingent-Convertible and Floating Rate Mudaraba Perpetual Bond of BDT 80 (eighty) crore through Public Offer;
2. The issue manager(s) shall examine the issued Information Memorandum approved by the Commission. If any discrepancy is found, both the Issuer and the Issue Manager shall jointly.

Islami Bank Bangladesh Limited

Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

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DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Molla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Tanzim Alamgir
Chief Executive Officer

Khandaker Raiban Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

communicate with the general applicants immediately, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned;

18. The subscription shall be conducted through Electronic Subscription System (ESS) of the exchange(s) and subsequently made it available in the websites of the Issuer and the Exchange(s), as applicable, till the closure of the subscription;
3. The Information Memorandum, as approved by the Commission, shall be published by the Issuer, Issue Manager and the Exchange(s) as applicable in their own official websites, within 03 (three) working days from the date of the consent, till the closure of the subscription list;
4. A notice regarding the publication of information memorandum in the websites mentioning web-addresses shall be circulated in the national daily newspaper at least one in Bangla and another in English within 7 (seven) working days from the date of this consent;
5. The applicants shall apply for a minimum 1 unit of Taka 5,000/- (Taka five thousand only) each or its multiples;
6. The Exchange(s) as applicable shall complete the listing procedure and start of trading of securities within 15 (fifteen) working from the closure of subscription period;
7. In case of over-subscription, the Exchange(s) as applicable shall refund excess amount to the applicants and send final allotment list through e-mail to the Allottees, Issuer and Issue Manager within 3 (three) working days from the closure of subscription period;
8. The Issuer shall issue allotment letters in the name s of all Allottees in electronic form with digital signatures and credit the allotted securities to the respective BO accounts on the basis of allotment data (BO ID and number of securities) via their CDBL VeDAS Terminal within 5 (five) working days of receipt of the final allotment list from the Exchange(s);
9. The Exchange(s) shall transfer the issue proceeds to the designated bank account of the Issuer before starting trading of the securities;
10. As per provision of the Depository Act, 1999 & Regulations made thereunder, the securities will only be issued in dematerialized condition. All transfer/ transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL);
11. The Issuer shall submit statement of subscription received against issuance of securities along with bank statement(s) of the Bank's designated account to the Commission within 10 (ten) days of the closing of subscription list;

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Chief Executive Officer
IICB Investment Limited

Khondoker Raihan Ali FCA
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DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

12. The Issuer shall submit the statement of subscription received from the underwriter(s) against undersubscribed securities along with bank statement to the Commission within 07 (seven) days of the expiry of subscription period;
13. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any violation of any provision of the public offer application process within intimation to the Commission;
14. The Issuer and the issue Manager shall ensure due compliance of all the above conditions and the listing regulations of the Exchange(s). Moreover, the Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Bank;

PART-D

(Public Offer Application Process)

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Step-1 (Applicant):

1. An applicant for public issue of "Unsecured, Contingent-Convertible and Floating Rate Mudaraba Perpetual Bond of **BDT 80 (eighty) crore** of Islami Bank Bangladesh Limited" shall submit application/buy instruction to the cut-off date (i.e., the subscription closing date); Stock-Broker/ Merchant Banker where the applicant maintains customer account;
2. The application/buy instruction may be submitted in prescribed form or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant;
3. Eligible Investors shall submit an application through the Electronic Subscription System (ESS) of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s);
4. The General Public and Non-Resident Bangladeshi (NRB) shall submit the application through the Stockbroker/ Merchant Banker where the applicant maintains customer account.

Step-2 (Intermediary):

5. The registered Stock Broker/Merchant Banker in the ESS shall:
 - a) Post the amount separately in the customer account equivalent to the application money;
 - b) Accumulate all the applications (Subscription Forms)/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;

Tanzim Alamgir
Chief Executive Officer

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

6. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within 3 (three) working days from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the applicants including Foreign investors by the method as determined by exchange(s).
7. The application (Subscription Form)/buy instructions shall be preserved by the Stock-Broker/Merchant Bankers up to 6 (six) months from listing of the securities with the exchange;
8. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BO IDs in electronic (text) format to CDBL for verification on the next working day. CDBL shall verify the BO IDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual and verify more than two applications using same bank account;
9. On the next working day, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report;
10. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare lists of valid and invalid applications within 2 (two) working days;
11. On the next working day, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result;

Step-3 (Issuer or Originator):

12. The Issuer and issue manager shall post the final status of subscription on their websites within 6 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of receiving information by the Commission and the Exchanges;
13. Within 2 (two) working days of receipt of the subscription result, the Issuer and Exchanges shall:
 - a) Process pro-rata allotment of securities to the applicants under Public Offer.
 - b) Issuer shall issue allotment letters in the names of the Allottees in electronic format.
 - c) Issuer shall credit the allotted securities to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.
 - d) Any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on a random basis.

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Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
TTCB

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

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Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Step-4 (Intermediary)

14. On the next working day, Exchanges shall:
 - a) Remit the amount of allotted applicants to the Issuer's Bank Account opened for subscription purpose;
 - b) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money;
15. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.


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Bangladesh Securities and Exchange Commission



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DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Section 23: Declaration and due diligence certificates as per Annexure(s) I, II, III & IV:

Annexure- I

**Declaration about the responsibility of the Managing Director & CEO of
the issuer or originator in respect of the information memorandum**

[Rule 4(2)(a)]

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Sd/-
Mohammed Monirul Mowla
Managing Director & CEO
Date: 29 July, 2021

22 SEP 2021
Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Annexure-II
[Rule 3(1)(m), 4(1)(c) and 4(2) (a)]
Due diligence certificate of the Trustee

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of 16,00,000 units/bonds BASEL III compliant, Floating rate Unsecured, Contingent-Convertible on pre-specified trigger point, Coupon/Profit Discretion, Subordinated, Non-Cumulative, IBBL 2nd Perpetual Mudaraba Bond of Taka 5,000 (five thousand) face value each and total value of Bond Taka 800 crore to be issued by Islami Bank Bangladesh Limited on private placement/offer basis for Taka 720 crore and the rest amount of Taka 80 crore on public offer/issue basis

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee

Sd/-
Chief Executive Officer
SBL Capital Management Ltd

22 SEP 2021
Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

22 SEP 2021

Annexure-III
Due diligence certificate by issue manager
UCB Investment Limited
[Rule 4(2)(a)]

Vetted
Syed Muhammad Gabor Mowla
Dep. Secy.
Bangladesh Sec.

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of Unsecured, Contingent-Convertible and Floating Rate Perpetual Mudaraba Bond Islami Bank Bangladesh Limited of BDT 8,000,000,000 (Eight Billion Taka), under private placement of BDT 7,200,000,000 and public issue of BDT 800,000,000

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

- (a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;
- (c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Rahean Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

Page 77

Mo. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

by us for the next 5 (five) years after the issue of securities for any further inspection by the Commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;

(k) We also declare that we have not managed any issue of securities of the following issuers including originators in the last 05 (five) years

Place: Dhaka, Bangladesh
Date: 28.07.2021

Sd/-
Chief Executive Officer (Acting)
UCB Investment Limited

22 SEP 2021
Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

22 SEP 2021

Vetted

Annexure-III
Due diligence certificate by issue manager
Prime Bank Investment Limited
[Rule 4(2)(a)]

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of 1,440,000 units/bonds in private placement/offer and 160,000 units/bonds for public issue/offer in aggregate no.s 16,00,000 units/bonds of unsecured, contingent- convertible, floating rate mudaraba perpetual bond of Islami Bank Bangladesh Limited

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

- (a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;
- (c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the Commission;

Tanzim Alamgir
Chief Executive Officer
ICR Investment Bank Ltd.

Khandaker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;


(k) We also declare that we have managed the following issue of securities of the following issuers including originators in the last 05 (five) years:

Sl No.	Name of the Issue	Issue Date	Issue Price	Dividend Payment History					Category
				2016	2017	2018	2019	2020	
1	Sea Peral Beach Resort & Spa Ltd	March 28, 2019	10.00	0%	0%	0%	5% B	1% C	B
2	Fortune Shoes Limited	July 24, 2016	10.00	0%	12% B	15% B	18% B 2% C	5% B 5% C	A

Place: Dhaka, Bangladesh
Date: July 26, 2021

Sd/-
MD & CEO (CC)
Prime Bank Investment Limited


Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission



Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited


Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Annexure - IV
Due diligence certificate by the underwriter
[Rule 4(2)(a)]

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of 1,440,000 units/bonds in private placement/offer and 160,000 units/bonds for public issue/offer in aggregate no.s 16,00,000 units/bonds of unsecured, contingent- convertible, floating rate mudaraba perpetual bond of Islami Bank Bangladesh Limited.

Dear Sir,

We, the under-noted underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer or originator, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT 500,000,000.00 (Fifty Crore only) and we have the capacity to underwrite a total amount of BDT 2,500,000,000.00 (Two Hundred Fifty Crore only) as per relevant legal requirements. We have committed to underwrite for up to BDT 160,000,000.00 (Sixteen Crore only) for the upcoming issue.

(c) At present, the underwriting obligations are pending for us:

Sl No.	Name of the Issue	Amount Underwritten (in BDT)
1	Ratanpur Steel Re-Rolling Mills Ltd.	10.50 Mn
2	Three Angle Marine Ltd.	30.00 Mn
3	Infinity Technology International Ltd.	10.00 Mn
4	Union Bank	250.00 Mn
5	BEXIMCO - Sukuk	250.00 Mn
	Total	500.50 Mn

(c) All information as are relevant to our underwriting decision have been received by us and the draft IM forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer or originator; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Md. Riyadh Hossain Mahmud
Chief Executive Officer
AIBL Capital Management Limited
Date: July 27, 2021

22 SEP 2021 **Vetted**



Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer

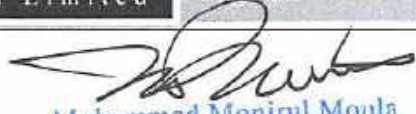

Khandoker Rahean Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

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Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

The Due Diligence Certificates are also annexed to this Information Memorandum as mentioned below:

- Declaration about the responsibility of the Managing Director & CEO of the issuer or originator in respect of the information memorandum [Rule 4(2)(a)] is annexed with this Information Memorandum. Kindly Check Annexure – I
- Due Diligence Certificate of the Trustee [Rule 3(1)(m), 4(1)(c) and 4(2) (a)] is annexed with this Information Memorandum. Kindly Check Annexure – II
- Due Diligence Certificate of the Issue Manager/s [Rule 4(2)(a)] is annexed with this Information Memorandum. Kindly Check Annexure – III
- Due Diligence Certificate of the Underwriter/s [Rule 4(2)(a)] is annexed with this Information Memorandum. Kindly Check Annexure – IV

Section 24: Particulars of the Underwriter and Underwritten Amount

Name of the Underwriter	AIBL Capital Management Limited
Legal status of the issue manager	AIBL Capital Management Limited (AIBL CML), a subsidiary of Al – Arafah Islami Bank Limited, was incorporated under the Companies Act, 1994 on October 25, 2011.
Details of contact information of the Underwriter	Md. Riyadh Hossain Mahmud Chief Executive Officer AIBL Capital Management Limited Email: riyadh@aibl.com.bd Contact: + 88 01730322450
Name of the issue managed by the Underwriter	N/A
Underwritten Amount	BDT 160,000,000

22 SEP 2021
Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Section 25: Public Issue Application Procedure

Step-1 (Applicant):


- An applicant for public issue of “Unsecured, Contingent-Convertible and Floating Rate Mudaraba Perpetual Bond of **BDT 80 (eighty) crore** of Islami Bank Bangladesh Limited” shall submit application/buy instruction to the cut-off date (i.e., the subscription closing date); Stock-Broker/ Merchant Banker where the applicant maintains customer account;
- The application/buy instruction may be submitted in prescribed form or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant;
- Eligible Investors shall submit an application through the Electronic Subscription System (ESS) of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s);


Khondoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited


Md. Ashraf Ullah, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
Head Office, Dhaka


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

- The General Public and Non-Resident Bangladeshi (NRB) shall submit the application through the Stockbroker/ Merchant Banker where the applicant maintains customer account.
- **Step-2 (Intermediary):**
- The registered Stock Broker/Merchant Banker in the ESS shall:
 - Post the amount separately in the customer account equivalent to the application money;
 - Accumulate all the applications (Subscription Forms)/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
- The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within 3 (three) working days from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the applicants including Foreign investors by the method as determined by exchange(s).
- The application (Subscription Form)/buy instructions shall be preserved by the Stock-Broker/Merchant Bankers up to 6 (six) months from listing of the securities with the exchange;
- The Exchanges shall prepare a consolidated list of the applications and send the applicants' BO IDs in electronic (text) format to CDBL for verification on the next working day. CDBL shall verify the BO IDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual and verify more than two applications using same bank account;
- On the next working day, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report;
- After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare lists of valid and invalid applications within 2 (two) working days;
- On the next working day, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result;

Step-3 (Issuer or Originator):

- The Issuer and issue manager shall post the final status of subscription on their websites within 6 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of receiving information by the Commission and the Exchanges;

22 SEP 2021 VETTED


Syed Murtaza Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
IBBL Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)

- Within 2 (two) working days of receipt of the subscription result, the Issuer and Exchanges shall:
 - Process pro-rata allotment of securities to the applicants under Public Offer.
 - Issuer shall issue allotment letters in the names of the Allottees in electronic format.
 - Issuer shall credit the allotted securities to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.
 - Any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on a random basis.

Step-4 (Intermediary)

- On the next working day, Exchanges shall:
 - Remit the amount of allotted applicants to the Issuer's Bank Account opened for subscription purpose;
 - Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money;
- On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Section 26: Rights option/issue Application Procedure

Not Applicable

22 SEP 2021

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
Prime Investment Limited

Section 27: Private Offer Application Procedure

- The Issuer shall make offer of Unsecured, Contingent-Convertible and Floating Rate Mudaraba Perpetual Bond of BDT 720 (seven hundred twenty) crore through Private Placement;
- The applicants shall apply for a minimum 10,000 units (each unit of Taka 5,000/-) which totalling of BDT 5,00,00,000 (Taka five crore) or its multiples;
- The subscription shall be received through the designated bank account of the Issuer during subscription period not less than 30 (thirty) days and not more than 180 (one hundred eighty) days for private offer;
- Application process for private offer shall be prescribed by the issuer and made it available on Issuer's website;

Khondker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Annexure - 01

Detailed Description and Information

As per Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021
Schedule A (part I)

1. Particular of the Issuer:

Sl No	Name of the issuer	Islami Bank Bangladesh Limited
1	Legal Status of the issuer	Public Limited Company under the Companies Act, 1994 (Act No. 18 of 1994) and also is governed by the Banking Companies Act 1991 (Amendment up to 2018)
2	Details of contact information of the issuer	J Q M Habibullah, FCS Deputy Managing Director & Company Secretary Mobile: 01713046179 Email: jqmfc@gmail.com
3	Date of Incorporation of the issuer	13 March 1983
4	Date of Commencement of Business of the issuer	30 March 1983
5	Authorized Capital of the issuer	BDT 20,000,000,000 as at 31 December 2020
6	Paid-up Capital of the issuer	BDT 16,099,906,680 as at 31 December 2020
7	Total equity of the issuer	BDT 61,612,881,871 as at 31 December 2020
8	Total Liabilities of the issuer	BDT 1,355,215,619,223 as at 31 December 2020
9	Total Financial Obligations of the issuer	BDT 1,355,215,619,223 as at 31 December 2020
10	Total Assets of the issuer	BDT 1,416,828,501,093 as at 31 December 2020
11	Total Tangible Assets of the issuer	BDT 17,809,898,730 as at 31 December 2020
12	Net Worth of the issuer	BDT 61,612,881,871 as at 31 December 2020

2. Particulars of Issue Manager:

13	Name of the issue manager	(i) Prime Bank Investment Limited; and (ii) UCB Investment Limited
14	Legal status of the issue manager	Prime Bank Investment Limited: Public Limited Company UCB Investment Limited: Private Limited Company All are licensed as Merchant Bankers under the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulations, 1996
15	Details of contact information of the issue manager	Khandoker Raihan Ali, FCA Prime Bank Investment Limited SEVP & Chief Operating Officer Contact: 01730031810 Email: raihan@pbil.com.bd Tanzim Alalmgir Chief Executive Officer UCB Investment Limited Mobile: + 88 01927 111 555 Email: tanzim.alalmgir@ucb.com.bd

Vetted

22 SEP 2021

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alalmgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited

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Mo. Ashratul Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited

J Q M Habibullah
Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

16	Name of the issue managed by the issue manager	<p>Prime Bank Investment Limited</p> <p>1. Fortune Shoes Limited</p> <p>2. Sea Pearl Beach Resorts and Spa Ltd.</p> <p>UCB Investment Limited</p> <p>N/A</p>
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3. Particulars of the Issue:

17	Issuer	Islami Bank Bangladesh Limited (the "IBBL"/ the "Bank"/ the "Issuer").
18	Name of the Instrument	IBBL 2 nd Perpetual Mudaraba Bond.
19	Issue Type	Unsecured, Subordinated, Contingent-Convertible, Fully paid up, Non-Cumulative, BASEL III compliant Perpetual Debt Instrument (i.e. Bond) for inclusion in Additional Tier1 Capital as regulatory capital.
20	Issue size	BDT 800,00,00,000 only.
21	Face Value/ Issue Price	BDT 5,000 only per Bond.
22	Number of Issuing Unit	1,440,000 units/bonds in private placement/offer and 160,000 units/bonds for public issue/offer in aggregate no.s 16,00,000 units/bonds.
23	Mode of Issue	BDT 720,00,00,000 only (90% of total Issue size) for private placement/offer and BDT 80,00,00,000 only (10% of total Issue size) for public issue/offer.
24	Market Lot	01(one) unit/bond and in multiple of 01 unit/bond thereafter.
25	Maturity Period/Tenor	The Bond is perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
26	Nature of Instrument and status of the Bond	Unsecured debt instrument. The Bonds are neither secured nor covered by a guarantee of the Issuer (i.e. the Bank) nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bondholders vis-à-vis other creditors of the Issuer (i.e. the Bank). Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.
27	Purpose and Objectives	Augmenting Additional Tier 1 Capital (As per the terms defined in Basel III Regulations/Guidelines/Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Issuer (i.e. Bank) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.
28	Issuance Mode	Dematerialized form.
29	Redemption date	Not applicable as the Bonds are perpetual and there shall be no redemption/maturity date.
30	Details of the utilization of the proceeds	The funds being raised by the Issuer (i.e. Bank) through the present Issue are not meant for financing any particular project. The Bank (i.e. the Issuer) shall utilize the proceeds of the Issue for its regular business activities. The Issuer (i.e. Bank) shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Securities and Exchange Commission.
31	Deemed Date of Allotment	For private placement/offer on the subscription closing date upon realisation of proceeds of subscription money in the designated bank account(s) and for public offer/issue on such date to be decided/fixed later based on regulatory approvals.
32	Transferability	Transfer and transmission of the Bonds shall be subject to the Depositories Act, 1999, the rules made thereunder, the bylaws, rules and regulations of the Depositories as amended from time to time.

22 SEP 2021

Vetted

Syed Muhammad Golam Mowla
Deputy Director

Islami Bank Bangladesh Limited

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Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited

Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited

Mohammed Monir Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office Dhaka.

Khayfokar Rahean Ali FCA
MD & CEO (CC)
Dhaka, Bangladesh

33	Seniority of Claims/ Seniority of the Instrument/ Claim Settlement in the event of Liquidation or Wind-up	Unsecured Additional Tier 1 Bonds (as the term is defined in the Basel III Guidelines under pertinent Bangladesh Bank Guidelines, to the extent applicable.) The Claims of the Bondholders shall: (i) be superior to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bond (MPB) of BDT 3,000 million (i.e. 1st mudaraba perpetual Bond of the Issuer); (iv) pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and (v) neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise. Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.
34	Listing Status	The Bonds shall be listed with stock exchange(s) after deemed date of allotment and or after subscription closing date (on main board and/or ATB- Alternative Trading Board as per instructions of the regulators).
35	Convertibility	Contingent Convertible on pre-specified trigger point (as fixed/ to be fixed by the Bangladesh Bank/regulator(s) from time to time).
36	Redemption/Principal Repayment Amount	Not applicable. However, in case of Redemption on account of exercise of Call Option or Otherwise, in accordance with Bangladesh Bank Basel III Guidelines/instructions, the Bond shall be redeemed at Par along with coupon/profit accrued till one day prior to the call option date, subject to fulfillment of terms and conditions as mentioned in Bangladesh Bank Guidelines.
37	Late Redemption	Not Applicable. Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.
38	Put Option	Not Applicable.
39	Put Date	Not Applicable.
40	Put Price	Not Applicable.
41	Issuer Call Option	Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.
42	Call Option Eligibility/ Condition for exercise of call option	The Call Option may be exercised subject to following conditions: (a) To exercise the Call Option, the Bank (i.e. the Issuer) must receive prior approval of Bangladesh Bank; and (b) The Bank (i.e. the Issuer) shall not exercise Call Option unless: (i) The Bond is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank (i.e. the Issuer); or (ii) The Bank (i.e. the Issuer) demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.
43	Tax Call and Regulatory Call	The Issuer/Bank may call the instrument/bond due to the occurrence of Tax events or Regulatory event only if it is permitted by Bangladesh Bank.
44	Call Option Price	At par.

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Islami Bank Bangladesh Limited

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EVP, Head of AD & CFO
Islami Bank Bangladesh Limited

M Habibullah, FCS
CMD & Company Secretary
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Head Office, Dhaka

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MD & CEO (CC)
Prime Bank Investment Limited

Draft Information Memorandum
IBBL 2nd Perpetual Mudaraba Bond of BDT 800 Crore

45	Repurchase/ Buy-Back/ Redemption	(1) Principal amount of the Bonds may be repaid (e.g. through repurchase or buy-back or redemption) only with prior approval of Bangladesh Bank; (2) The Bank may repurchase/buy-back/redeem the instrument /Bond only if: (a) It replaces the Bond with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank (i.e. the Issuer); or (b) The Bank (i.e. the Issuer) demonstrates that its capital position is well above the minimum capital requirements after the repurchase/ buy-back/ redemption.
46	Re-capitalization	The Bonds shall not have any features that hinder re-capitalization, such as provisions which require the Bank (i.e. the Issuer) to compensate investors if a new instrument is issued at a lower price during a specified time frame.
47	Lead Arranger (for Private Placement/ Offer)	UCB Investment Limited.
48	Joint Co- Arrangers (for Private Placement/ Offer)	Prime Bank Investment Limited and Islami Bank Capital Management Limited.
49	Issue Managers (jointly) for public offer/issue	Prime Bank Investment Limited and UCB Investment Limited.
50	Underwriter(s)	AIBL Capital Management Limited.
51	Trustee	SBL Capital Management Limited.
52	Credit Rating Agency	Alpha Credit Rating Limited.
53	Legal Advisor	Barrister Md. Mydul H. Khan.
54	Prohibition on Purchase/ Funding in Bonds	Neither the Bank (i.e. Issuer) nor a related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards) should purchase the instrument, nor can the bank directly or indirectly should fund the purchase of the instrument. The same restriction will also apply to the employees' retirement benefit funds of the issuing bank. Banks should also not grant advances against the security of the instrument issued by them.
55	Profit/Coupon Type	Floating Rate.
56	Benchmark Profit Rate/ Coupon Rate/ Rate of Return/ Profit Distribution	The total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin as described in below mechanism: Rate of return will be calculated based on the latest available published deposit rate in Bangladesh Bank website. The average of yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st Generation, 2nd Generation and 3rd Generation banks only) will be considered excluding foreign Islamic banks and any Z-category Islamic Banks enlisted in capital market. Furthermore, if any Islamic bank goes into OTC Market/ delisted, that will be excluded from rate of return calculation as well. The Benchmark rate will be calculated/fixed by the Trustee on every "Profit/Coupon Reset Date" or "Profit Rate/Coupon Rate Determination Date" and notified to the Issuer (i.e. the Bank) and all Investors/Bondholders on every Profit Reset Date.
57	Additional profit rate/ margin with Benchmark Profit Rate/ Coupon Rate	2.50% p.a.
58	Rate of Return/Coupon Range (i.e. floor rate and ceiling rate)	Return Ceiling: 10% Return Floor: 6% (subject to having available distributable profit)

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59	Exercise of Rate of Return/ Coupon/Profit Discretion Rate	Any return/coupon/profit will be distributed subject to having available distributable profit of the Issuer/Bank/IBBL.
60	Profit/Coupon Frequency Payment	Profit will be paid to the bondholders annually within 60 days after due date and shall not be cumulative. However, the first profit/coupon payment period will be from the issue date/subscription closing date/deemed date of allotment up to the ensuing 31 December of the respective year of issue date/subscription closing date/deemed date of allotment. Thereafter, annual profit/coupon payment will be made as per Gregorian calendar year (i.e. Profit period/Coupon Period will be from 01 January to 31 December or up to Issuer Call date, or regulatory call date, if exercised).
61	Coupon Payment Dates	On the Anniversary of the closing each Gregorian calendar year, subject to Bangladesh Bank Guidelines (up to Call option date, in case Call option is exercised by the Bank).
62	Profit/Coupon rate Reset date/ Profit rate/ Coupon Rate determination date	The first rate will be determined at the date of the issuance of the Bond or subscription closing date (for private placement/offer) or deemed date of allotment (for public offer/issue) whichever comes first. From thereon, the rate will be re-fixed annually on 05(five) business days before the first day of any profit/coupon period for which a rate of return/coupon/profit is to be determined.
63	Computation of Profit/ Coupon/Day count Basis	The total Profit/Coupon for each of the Profit/Coupon periods shall be computed as per actual day count on the face value of principal outstanding at the coupon/profit rate. In case of a leap year, if February 29 falls during the tenor of the bonds then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for a whole 1-year period.
64	Settlement	Payment of Rate of Return/ Coupon/Profit and repayment/ redemption of principal shall be made by the way of cheque(s)/warrant(s)/demand draft(s)/Bank Payment Order(s) / credit through direct credit/ BACPS/ BD-RTGS/ BEFTN mechanism or any other permitted method at the discretion of the Issuer/IBBL/Bank.
65	Record Date	15 days prior to each Coupon Payment Date, and Call Option Due Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date. All bondholders/debt holders who are registered at Central Depository Bangladesh Limited, or if the bonds are not deposited in the depository, the persons whose name is recorded in the registers of the Issuer/Bank as on the relevant coupon/profit payment Record Date are eligible to receive coupon/profit for that relevant period.
66	Shari'ah Approval	Shari'ah views and opinion from Bank's Shari'ah Supervisory Committee has been obtained.
67	Penalty rate on delay repayment (as fixed by the Regulator)/Events of Default	In case of a default in payment of profit/coupon and/or principal redemption on the respective due dates (except in circumstances as mentioned in the Bangladesh Bank issued Basel III Guidelines), 2% p.a. (two percent per annum) as an extra above the usual documented Coupon Rate/profit rate of the bond will be paid to the bond holders as per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021. However, it is clarified that any non-payment of Coupon/Profit /Return and or principal on account Bangladesh Bank Guidelines on Basel III capital regulation, Coupon/Profit Rate/Rate of Return Discretion and other events of this term sheet, shall not be deemed to be an event of default and no such default penalty.
68	Coupon/Profit Rate/Rate of Return Discretion	(i) The bank (i.e. the Issuer) shall have full discretion at all times to cancel distributions/payments to the bondholder/ investors; (ii) Cancellation of Coupon/ discretionary payments shall not be an event of default as per SL. No. 67 of this term sheet; (iii) Banks shall have full access to cancelled payments to meet obligations as they fall due; (iv) Cancellation of distributions/payments shall not impose restrictions on the bank except in relation to distributions to common stakeholders; (v) Coupons/Profits shall be paid out of distributable items; and (vi) The Coupons/Profits shall not be cumulative i.e., Coupons/Profits missed in a year will not be paid in future years, even if adequate profit is available and the

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		level of CRAR conforms to the regulatory minimum. When Coupons/Profits are paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.
69	Dividend Stopper Clause Common Equity Holders' Dividend Stopper Clause	Dividend Stopper Clause will be applicable to this instruments (i.e. Bonds) and will stop common equity holders' dividend payments on common shares in the event the holders of additional Tier 1 instruments (i.e. Bonds) are not paid profit/coupon either due to exercise of Issuer's Coupon Discretion or otherwise. For avoidance of doubt, the dividend stopper will not: (i) Stop payment on another instrument/Bond(s) where the payments on such this other instrument /Bond(s) are not fully discretionary; (ii) Prevent distribution to shareholders for a period that extends beyond the point in time at which dividends/profit /coupon on the Additional Tier 1 instrument/Bond are resumed; (iii) Impede the normal operation of the Bank (i.e. Issuer or any restructuring activity (including acquisitions/ disposals /amalgamation/ re-constitution etc); or (iv) Impede the full discretion that the bank has, at all times, to cancel the distributions or payments on the bonds nor act in a way that could hinder the re-capitalization of the Bank.
70	Loss Absorption Feature	The AT-1 Capital qualifying Perpetual bond has a "Loss Absorption Feature" that will activate a loss absorption mechanism through "conversion of the bonds into common shares" at an objective per-specified "Trigger Point". Unless the Trigger Point takes place, this mechanism will never be activated. If the Trigger-Point or Trigger-Date is reached, the shortfall amount to maintain minimum required consolidated CET-1 Capital of Total Risk-Weighted Assets (RWA) will be converted into Common Shares as per Bangladesh Bank requirement from time to time (Currently of 4.50%).
71	Loss Absorption Methodology	CET-1 on Trigger Point Condition Date will be considered to identify the shortfall percentage, which would be required to bring the consolidated Common Equity Tier 1 (CET-1) ratio to 4.50% of RWA and it will be converted into common shares at the Conversion Strike Price (CET-1 ratio always to be fixed as per Bangladesh Bank requirement from time to time). If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.
72	Trigger Point for Loss Absorption Condition:	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters it would be the Trigger Point Condition and the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.
73	Payment Suspension Methodology	In case of the event of exercise of Loss Absorption feature of the Bond, any coupon payment in between the Trigger Point and publication date of audited financials will be suspended. The bondholder will not be eligible for the coupon payment if the same situation prevails (Bank's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of conversion on Trigger Point Condition, the portion that will be required to be converted into equity shares, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio remaining reaching 4.50% or above, and coupon will be paid along with previous coupon for this portion. No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payments are suspended.
74	Calculation basis	Shortfall percentage of the consolidated common equity tier 1 (CET-1) ratio on trigger point condition date will be calculated based on audited financial statements of the Issuer.

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Tanzim Alamgir
Chief Executive Officer

75	Conversion Strike Price	Average of 180 business days market price prior to the Trigger Point Condition Date or par value (currently BDT 10/-) whichever is higher.
76	Governing Law and Jurisdiction	The instrument/Bond is governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh.
77	Applicable Bangladesh Bank Guidelines	The instrument/Bond is being made in pursuance of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 (herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria to Qualify As Additional Tier 1 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bonds and terms and conditions of the Bonds will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time.
78	Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Bank (i.e. Issuer) will issue the Bonds.
79	Validity of the Consent (to be issued by BSEC)	The consent for issuance of securities under private offer shall remain valid for 06 (six) months from the date of consent or for such a period as determined by the Commission in the consent letter. The consent for issuance of securities under public issue shall remain valid for 03 (three) months from the date of consent or for such a period as determined by the Commission in the consent letter.
80	BDT	All references to "BDT" or "Tk." are to the Bangladeshi Taka, the official currency of Bangladesh.
81	Basel Accords	Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II, and III.
82	Basel III	Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: <ul style="list-style-type: none"> (i) minimum capital requirements, which seek to refine the present measurement framework; (ii) supervisory review of an institution's capital adequacy and internal assessment process; and (iii) market discipline through effective disclosure to encourage safe and sound banking practices.
83	Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014	BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for issue of perpetual debt instruments for inclusion in Additional Tier I capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III). In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel

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		III Guidelines as per Bangladesh Bank shall prevail. The issue of Bonds and the terms and conditions of the Bonds will primarily be subject to and govern by the applicable guidelines issued by the Bangladesh Bank from time to time and the Rules and Regulations of Bangladesh Securities and Exchange Commission as amended from time to time.
84	Common Equity Tier 1 (CET-1) capital	Common Equity Tier 1 Ratio means the common equity Tier 1 capital ratio as determined by the Bangladesh Bank, the Central Bank of Bangladesh.
85	Additional Tier 1 (AT1) capital	Capital instruments that meet the criteria for inclusion in the additional tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh.

4. Particulars of the Trustee:

86	Name of the Trustee	SBL Capital Management Ltd
87	Paid-up capital of the Trustee as on 31.12. 2020	BDT 150.00 crore
88	Net worth of the Trustee as on 31.12.2020	BDT 150.99 Crore
89	Name of the issue where performing as Trustee	City Bank Zero Coupon Bond

5. Particular of the Credit Rating Company:

90	Name of the Credit Rating Company	Alpha Credit Rating Limited
91	Credit rating status of the issuer	Long Term rating: AAA Short Term Rating: ST-1 Outlook: Stable
92	Date and validity of rating	Issuer Rating: Date of Declaration: 14 July, 2021 Valid till: 13 July, 2022 Bond Rating: Date of Declaration: 29 July, 2021 Valid Till: 28 July, 2022
93	Latest default rate of the rating company	0.08%
94	Average time to default of the rated category	3 Years
95	Rating Trigger	Not Applicable

6. Particulars of the Originator: Not Applicable

7. Particulars of other contractual parties:

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Annexure – 02
(Auditor's Report along with Audited Financial Statements)

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**Independent auditors' report
and
audited consolidated & separate
financial statements
of
Islami Bank Bangladesh Limited
and its Subsidiaries**

As at & for the year ended 31 December 2020


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Verified

Syed Muhammad Golam Mowla
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Independent auditors' report

To the shareholders of Islami Bank Bangladesh Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the 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 sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and 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 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and 3 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for 2020. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated and separate financial statements. These results of our audit procedures,



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including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Description of key audit matters	Our response to key audit matters
Measurement of provision for investments	
<p>The process for estimating the provision for investments portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group reported total gross Investments of BDT 1,035,288 million (2019: BDT 899,013 million) and provision for investments of BDT 48,118 million (2019: BDT 43,597 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, investments disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Investments; <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.
See note no 11 and 17 to the financial statements	
Implementation of IFRS 16 Leases	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
See note no 12, 17, 38 to the financial statements	

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UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited



Md. Ashraf Ullaque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.

J O M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office Dhaka



Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We tested a sample of investments valuation as at 31 December 2020 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 10 to the financial statements</p>	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Tanzim Alamgir
Chief Executive Officer
ICIB Investment Limited

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MD & CEO (CC)
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Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.

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Syed Muhammad Golam Mowla
Dputy Director
J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka



Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our Auditors' report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' report.

Our opinion on the consolidated and separate financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and 3, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission



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Chief Executive Officer
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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) 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;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements 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:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) 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 Group and its related entities {other than matters disclosed in these financial statements};

Consolidated financial statements of the Bank include two subsidiaries, namely Islami Bank Securities Limited and Islami Bank Capital Management Limited reflect total assets of BDT 1,417,622 million as at 31 December 2020 and total operating income of BDT 40,299 million for the year ended 31 December 2020. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;

- (iv) 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;



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EVP, Head of F&D & CFO
Islami Bank Bangladesh Limited
F&D, Head Office, Dhaka.

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J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka



Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

22 SEP 2021
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Syed Muhammad Goleem Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets as per DBI letter no: DBI-4/42(7)/2021-378 which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 9,800 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

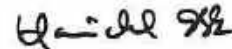
Place of issue: Dhaka
Date of issue: 27 April 2021

Hoda Vasi Chowdhury & Co
Chartered Accountants

A. Qasem & Co.
Chartered Accountants



Showkat Hossain, FCA
Partner
Enrolment no. 137




Mohammed Hamidul Islam, FCA
Partner
Enrolment no. 912

Dye No: 2104280137AS204484 DVC No: 2104270912AS141003


22 SEP 2021
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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission



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EVP, Head of FAD & CFO
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FAD, Head Office, Dhaka.




J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka



Mohammed Monirul Moula
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

T-5
Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited



Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
Property and Assets			
Cash in hand	7(a)	213,784,344,840	75,853,653,790
Cash in hand (including foreign currency)	7(a)(i)	18,747,321,125	15,024,007,850
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7(a)(ii)	195,037,023,715	60,829,645,940
Balance with other banks & financial institutions	8(a)	66,433,733,141	91,425,373,838
In Bangladesh	8(a)(i)	49,886,043,162	71,323,380,899
Outside Bangladesh	8(a)(ii)	16,547,689,979	20,101,992,939
Placement with banks & other financial institutions	9.0	-	-
Investments in shares & securities	10(a)	74,419,952,242	54,098,466,625
Government	10(a)(i)	56,103,358,581	40,111,029,770
Others	10(a)(ii)	18,316,593,661	13,987,436,855
Investments		1,030,587,882,333	894,223,206,248
General investments etc.	11.1(a)	975,111,103,912	861,458,730,969
Bills purchased & discounted	11.2(a)	55,476,778,421	32,764,475,279
Fixed assets including premises	12(a)	17,828,047,378	16,199,274,493
Other assets	13(a)	14,568,145,658	10,381,912,393
Non - banking assets		-	-
Total property and assets		<u>1,417,622,105,592</u>	<u>1,142,181,887,387</u>
Liabilities and Capital			
Liabilities			
Placement from banks & other financial institutions	14(a)	44,469,318,312	28,849,020,000
Deposits & other accounts	15(a)	1,178,656,793,037	945,833,525,017
Mudaraba savings deposits		392,705,381,804	313,110,479,503
Mudaraba term deposits		431,074,103,835	335,259,771,889
Other mudaraba deposits		245,966,464,269	207,026,042,105
Al- wadeeah current and other deposit accounts		103,950,642,503	83,789,287,905
Bills payable		4,960,200,626	6,647,943,615
Mudaraba bond	16.0	26,000,000,000	21,000,000,000
Mudaraba perpetual bond		3,000,000,000	3,000,000,000
Mudaraba redeemable subordinated bond	16.1	23,000,000,000	18,000,000,000
Other liabilities	17(a)	104,280,862,799	85,444,546,111
Deferred tax liabilities	18(a)	1,605,186,622	1,680,571,950
Total liabilities		<u>1,355,012,160,770</u>	<u>1,082,807,663,078</u>
Capital/shareholders' equity		62,609,944,823	59,374,224,309
Paid - up capital	19.2	16,099,906,680	16,099,906,680
Statutory reserve	21.0	19,735,466,258	18,735,466,258
Other reserves	22.0	24,167,518,265	22,206,310,080
Retained earnings	40(a)	2,606,778,640	2,332,280,365
Non-controlling interest	40(b)	274,980	260,926
Total liabilities & shareholders' equity		<u>1,417,622,105,592</u>	<u>1,142,181,887,387</u>

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22 SEP 2021

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission



Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
Head Office, Dhaka

J. Q. M. Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka



Mohammed M. M. Mulla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandokar Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances & endorsements		-	-
Letters of guarantee	23.0	30,293,446,219	34,566,514,299
Irrevocable letters of credit (including back to back bills)		128,591,841,263	113,823,281,324
Bills for collection		49,194,701,777	26,285,503,243
Other contingent liabilities		8,174,045	959,400
Total		208,088,163,304	174,676,258,266
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		208,088,163,304	174,676,258,266

The annexed notes form an integral part of these financial statements.

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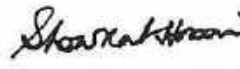
22 SEP 2021

 Chairman	 Director	 Eyed Muhammad Golam Mowla Deputy Director Bangladesh Securities and Exchange Commission	 Managing Director & CEO
 Director	 Managing Director & CEO	 Tanzim Alamgir Chief Executive Officer UCB Investment Limited	 Khandoker Raihan Ali FCA MD & CEO (CC) Prime Bank Investment Limited

This is the consolidated balance sheet referred to in our separate report of even date.

Hoda Vasi Chowdhury & Co
Chartered Accountants

A. Qasem & Co.
Chartered Accountants


Showkat Hossain, FCA
Enrolment no: 137



Mohammed Hamidul Islam, FCA
Enrolment no: 912

DVC No: ~~2104270912AS141003~~ 2104280137AS204484
Dhaka; 27 April 2021

DVC No: 2104270912AS141003


Md. Ashraful Haque, FCA
EVP, Head of F&D & CFO
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F&D, Head Office, Dhaka.


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Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Islami Bank Bangladesh Limited and its Subsidiaries
Consolidated Profit & Loss Account
For the year ended 31 December 2020


Particulars	Notes	2020 Taka	2019 Taka
Operating income			
Investment income	24(a)	74,173,020,245	75,612,499,933
Profit paid on mudaraba deposits	25(a)	(44,769,787,223)	(44,927,564,177)
Net investment income		29,403,233,022	30,684,935,756
Income from investments in shares & securities	26(a)	2,228,472,251	1,809,246,731
Commission, exchange & brokerage income	27(a)	4,741,303,927	6,194,591,221
Other operating income	28(a)	3,925,923,356	5,102,524,416
Total operating income		40,298,932,555	43,791,298,124
Operating expenses			
Salary & allowances	29(a)	16,617,387,626	15,123,405,576
Rent, taxes, insurances, electricity etc.	30(a)	1,238,044,237	1,519,647,957
Legal expenses	31(a)	10,186,955	16,823,524
Postage, stamps and telecommunication etc.	32(a)	75,182,076	59,116,769
Stationery, printing and advertisement etc.	33(a)	257,185,786	256,174,010
Chief executive's salary & fees	34.0	14,320,000	14,320,000
Directors' fees & expenses	35(a)	7,075,815	20,657,363
Shari'ah supervisory committee's fees & expenses	36.0	2,187,874	3,147,721
Auditors' fees	37(a)	3,599,500	4,509,500
Depreciation and repair to bank's assets	38(a)	1,491,001,398	969,566,980
Zakat expenses	17.8	817,497,629	719,191,449
Other expenses	39(a)	4,438,932,451	2,621,818,723
Total operating expenses		24,972,601,348	21,328,379,572
Profit/(loss) before provision		15,326,331,207	22,462,918,552
Provision for investments & off- balance sheet exposures	17.1.4	4,407,811,852	7,335,195,972
Provision for diminution in value of investments in shares	17.2(a)	(540,713,755)	654,521,588
Other provisions	17.4	365,868,381	63,580,044
Total provision		4,232,966,478	8,053,297,604
Total profit/(loss) before taxes		11,093,364,729	14,409,620,948
Provision for taxation for the period		6,297,844,342	8,928,979,426
Current tax	17.7(a)	6,340,160,339	8,902,530,645
Deferred tax	18(b)	(42,315,997)	26,448,781
Net profit/(loss) after tax		4,795,520,387	5,480,641,522
Net profit after tax attributable to:		4,795,520,387	5,480,641,522
Equity holders of IBBL		4,795,506,333	5,480,630,861
Non-controlling interest	40(b)	14,054	10,661
Retained earnings from previous year		2,332,280,365	2,180,043,654
Add: Net profit after tax (attributable to equity holders of IBBL)		4,795,506,333	5,480,630,861
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	22.2	89,615,729	91,913,571
Profit available for appropriation		7,217,402,427	7,752,588,086
Appropriation:		7,217,402,427	7,752,588,086
Statutory reserve	21.0	1,000,000,000	1,000,000,000
General reserve	22.1	2,000,633,119	2,810,317,053
Dividend (previous year)	40.0	1,609,990,668	1,609,990,668
Retained earnings	40(a)	2,606,778,640	2,332,280,365
Consolidated earnings per share	42(a)	2.98	3.40

The annexed notes form an integral part of these financial statements.


Chairman


Director

Vetted

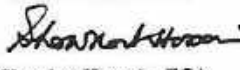

Syed Muhammad Golem Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Director

Managing Director & CEO

This is the consolidated profit & loss account referred to in our separate report of even date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA

Enrolment no: 137

DVC No: 2104270912AS141003 2104280137AS204484
Dhaka: 27 April 2021

A. Qasem & Co.
Chartered Accountants



Mohammed Hamidul Islam, FCA

Enrolment no: 912

DVC No: 2104270912AS141003

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Khandoker Raiban Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
Cash flows from operating activities			
Investment income		67,173,020,245	68,216,045,165
Profit paid on mudaraba deposits		(46,410,487,873)	(41,388,448,320)
Income/ dividend receipt from investments in shares & securities		2,298,539,043	881,761,005
Fees & commission receipt in cash		4,741,303,927	6,194,591,221
Recovery from written off investments		114,501,741	82,128,286
Payments to employees		(16,426,171,108)	(15,874,015,278)
Cash payments to suppliers		(334,206,411)	(376,966,397)
Income tax paid		(6,668,335,889)	(7,231,569,815)
Receipts from other operating activities		4,423,663,837	5,143,694,109
Payments for other operating activities		(5,743,871,352)	(4,207,654,831)
(i) Operating profit before changes in operating assets		3,167,956,159	11,439,565,145
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits		-	-
(Increase)/decrease of net trading securities		(126,856,928)	(4,870,064)
(Increase)/decrease of placement to other banks		-	-
(Increase)/decrease of investments to customers		(131,574,676,085)	(88,463,230,032)
(Increase)/decrease of other assets		(4,235,240,052)	(783,846,900)
Increase/(decrease) of placement from other banks		15,620,298,312	(8,965,340,564)
Increase/(decrease) of deposits from other banks		32,613,503	84,265,490
Increase/(decrease) of deposits received from customers		232,405,138,571	123,249,581,562
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		17,444,381,121	10,230,339,659
(ii) Cash flows from operating assets and liabilities		129,565,658,442	35,346,899,151
Net cash flows from operating activities (A)=(i+ii)		132,733,614,601	46,786,464,296
Cash flows from investing activities			
Proceeds from sale of securities/BGIB/Sukuk		(13,567,446,404)	(8,689,414,296)
Payment for purchase of securities/BGIB/Sukuk		(6,749,618,542)	(4,450,954,914)
Placement to Islamic Refinance Fund Account		-	-
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		(2,879,255,129)	(1,615,835,762)
Purchase/sale of subsidiaries		-	-
Net Cash flows from investing activities (B)		(23,196,320,075)	(14,756,204,972)
Cash flows from financing activities			
Receipts from issue of debt instruments		6,000,000,000	6,000,000,000
Payment for redemption of debt instruments		(1,000,000,000)	-
Receipts from issuing ordinary share/ right share		-	-
Dividend paid in cash		(1,609,990,668)	(1,609,990,668)
Net cash flows from financing activities (C)		3,390,009,332	4,390,009,332
Net increase/(decrease) in cash (A+B+C)		112,927,303,857	36,420,268,656
Add/(less): effects of exchange rate changes on cash & cash equivalent		11,746,496	(4,153,635)
Add: cash & cash equivalents at beginning of the year		167,279,027,628	130,862,912,607
Cash & cash equivalents at the end of the year	45(a)	280,218,077,981	167,279,027,628

The annexed notes form an integral part of these financial statements.


Chairman

22 SEP 2021

Vetted


Director


Director

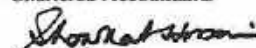
Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

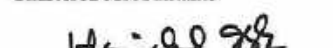

Managing Director & CEO

This is the consolidated cash flow statement referred to in our separate report of even date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

A. Qasem & Co.
Chartered Accountants


Showkat Hossain, FCA
Enrolment no: 137

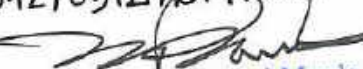

Mohammed Hamdul Islam, FCA
Enrolment no: 912

DVC No: 2104270912 AST41003 3104280137AS204484
Dhaka; 27 April 2021

DVC No: 2104270912 AST41003

Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.


J O M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Islami Bank Bangladesh Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

	1	2	3	4	5	6	7	8	9	Total
		Paid-up capital	Share premium	Statutory reserve	General/ other reserves (*)	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2020		16,899,906,680	1,989,633	19,735,466,258	12,985,128,537	9,181,915,890	67,276,800	2,332,288,365	268,976	39,374,224,309
Deferred tax on revaluation surplus		-	-	-	-	-	(537,600)	-	-	(537,600)
Deferred tax impact on intangible assets		-	-	-	-	31,605,899	-	-	-	31,605,899
Depreciation adjustment on revalued fixed assets		-	-	-	-	(89,615,729)	-	89,615,729	-	-
Surplus/ (deficit) on account of revaluation		-	-	-	1,746,496	-	5,376,000	-	-	5,376,000
Currency translation differences		-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the income statement		-	-	-	-	-	-	-	-	-
Net profit for the period		-	-	-	2,000,633,119	-	-	4,795,266,333	14,054	4,795,283,397
Transfer to (from) reserve		-	-	1,000,000,000	-	-	-	(3,000,633,119)	-	-
Dividend:		-	-	-	-	-	-	-	-	-
Bonus share		-	-	-	-	-	-	-	-	-
Cash dividend		-	-	-	-	-	-	-	-	-
Issue of share capital		-	-	-	-	-	-	-	-	-
Total shareholders' equity as on 31 December 2020		16,899,906,680	1,989,633	19,735,466,258	14,987,808,172	9,314,905,260	72,115,200	2,606,778,640	274,920	62,609,944,823
Add: Mudaraba perpetual bond		-	-	-	-	-	-	-	-	3,000,000,000
Add: Mudaraba reformable subordinated bond		-	-	-	-	-	-	-	-	23,000,000,000
Add: General provision for unclassified investments and off-balance sheet items (Note-3.14.7)		-	-	-	11,820,648,293	-	-	-	-	11,820,648,293
Less: Excess Tier-II Capital		-	-	-	-	-	-	-	-	(1,664,556,479)
Adjustment for intangible assets		-	-	-	(214,558,302)	-	-	-	-	(214,558,302)
Adjustment for currency translation differences		-	-	-	(18,376,319)	-	-	-	-	(18,376,319)
Less: Assets revaluation reserve (Note-3.14.4)		-	-	-	-	(9,125,905,260)	-	-	-	(9,125,905,260)
Less: Revaluation reserve of securities (Note-3.14.5)		-	-	-	-	-	(72,115,200)	-	-	(72,115,200)
Total equity as on 31 December 2020		16,899,906,680	1,989,633	19,735,466,258	26,565,221,444	-	-	2,606,778,640	274,920	89,135,081,556

(*Note: General / other reserves

Particulars	31.12.2020	31.12.2019
General reserve	12,916,493,234	10,106,131,631
Dividend equalization account	32,000,000	32,000,000
Currency translation differences	6,629,823	10,783,458
Total	12,955,123,057	10,448,915,139

22 SEP 2021
Vetted
Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Dhaka Office, Dhaka

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited
Dhaka Office, Dhaka

Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.



Mohammed Monirul Mouta
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Islamic Bank Bangladesh Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	(Amount in Taka)									
	1	2	3	4	5	6	7	8	9	Total
Balance as at 01 January 2019		16,099,906,680	1,909,613	17,735,466,258	10,148,965,139	9,239,361,972	60,624,000	2,100,043,654	250,265	35,466,666,701
Deferred tax on revaluation surplus		-	-	-	-	-	(739,206)	-	-	(739,206)
Deferred tax impact on excess depreciation		-	-	-	-	34,462,589	-	-	-	34,462,589
Depreciation adjustment on revalued fixed assets		-	-	-	-	(91,913,571)	-	91,913,571	-	-
Surplus/(deficit) on account of revaluation		-	-	-	-	-	2,392,000	-	-	2,392,000
Currency translation difference		-	-	-	(4,153,635)	-	-	-	-	(4,153,635)
Net gains and losses not recognized in the income statement		-	-	-	-	-	-	-	-	-
Net profit for the period		-	-	1,000,000,000	2,810,317,053	-	-	5,410,630,861	10,661	5,480,441,522
Transfer to (from) reserve		-	-	-	-	-	-	(5,810,317,053)	-	-
Dividend		-	-	-	-	-	-	-	-	-
Bonus shares		-	-	-	-	-	-	-	-	-
Cash dividend		-	-	-	-	-	-	(1,699,990,668)	-	(1,699,990,668)
Issue of share capital		-	-	-	-	-	-	-	-	-
Total shareholders' equity as on 31 December 2019		16,099,906,680	1,909,613	18,735,466,258	12,955,128,557	9,181,915,099	67,276,800	2,332,280,345	268,926	59,374,224,309
Add: Mutarabat redeemable subordinated bond		-	-	-	-	-	-	-	-	3,000,000,000
Add: Mutarabat subordinated bond		-	-	-	-	-	-	-	-	18,000,000,000
Add: General provision for reclassified investments and off-balance sheet items (Note 3.14.7)		-	-	-	8,858,404,318	-	-	-	-	8,858,404,318
Adjustment for intangible assets		-	-	-	(174,551,449)	-	-	-	-	(174,551,449)
Adjustment for currency translation differences		-	-	-	(6,629,323)	-	-	-	-	(6,629,323)
Less: Access revaluation reserve (Note 3.14.4)		-	-	-	-	(9,181,915,099)	-	-	-	(9,181,915,099)
Less: Revaluation reserve of securities (Note 3.14.5)		-	-	-	-	-	(67,276,800)	-	-	(67,276,800)
Total equity as on 31 December 2019		16,099,906,680	1,909,613	18,735,466,258	21,632,348,008	-	-	2,332,280,345	268,926	79,802,252,465

Vetted

22 SEP 2021

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
ICB Investment Limited

[Signature]
Managing Director & CEO

[Signature]
Director

This is the consolidated statement of changes in equity referred to in our separate report of even date.

Huda Yas Chowdhury & Co.
Chartered Accountants

[Signature]
Shahin Hossain, FCA
Enrollment no: 137

Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islamic Bank Bangladesh Limited
FAD, Head Office

A. Queen & Co.
Chartered Accountants
Enrollment no: 912
Mohammed Hamidul Islam, FCA

[Signature]
Mohammed Monirul Moulana
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

[Signature]
J Q M Habibullah, FCS¹²
DMD & Company Secretary
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

[Signature]
Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

DVC No: 210428Q137AS204484
Dhaka, 27 April 2021

DVC No: 2104270912AS141003

22 SEP 2021

Vetted

Islami Bank Bangladesh Limited
Balance Sheet
As at 31 December 2020

Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
Property and Assets			
Cash in hand	7.0	213,784,327,061	75,853,433,326
Cash in hand (including foreign currency)	7.1	18,747,303,346	15,023,787,386
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7.2	195,037,023,715	60,829,645,940
Balance with other banks & financial institutions	8.0	61,432,799,230	86,136,492,545
In Bangladesh	8.i	44,885,109,251	66,034,499,606
Outside Bangladesh	8.ii	16,547,689,979	20,101,992,939
Placement with banks & other financial institutions	9.0	-	-
Investments in shares & securities	10.0	74,107,431,899	54,137,642,576
Government	10.1	56,103,358,581	40,111,029,770
Others	10.2	18,004,073,318	14,026,612,806
Investments	11.0	1,035,287,882,333	899,013,206,248
General investments etc.	11.1	979,811,103,912	866,248,730,969
Bills purchased & discounted	11.2	55,476,778,421	32,764,475,279
Fixed assets including premises	12.0	17,809,898,730	16,186,646,562
Other assets	13.0	14,406,161,840	10,165,550,110
Non - banking assets		-	-
Total property and assets		1,416,828,501,093	1,141,492,971,367
Liabilities and Capital			
Liabilities			
Placement from banks & other financial institutions	14.0	44,469,318,312	28,849,020,000
Deposits & other accounts	15.0	1,179,476,476,597	946,216,966,209
Mudaraba savings deposits	15.1	392,750,096,373	313,114,645,635
Mudaraba term deposits		431,774,827,124	335,626,192,223
Other mudaraba deposits	15.2	245,976,592,728	207,034,165,684
Al- wadeeah current and other deposit accounts	15.3	104,014,759,747	83,794,019,052
Bills payable	15.4	4,960,200,626	6,647,943,615
Mudaraba bond	16.0	26,000,000,000	21,000,000,000
Mudaraba perpetual bond		3,000,000,000	3,000,000,000
Mudaraba redeemable subordinated bond	16.1	23,000,000,000	18,000,000,000
Other liabilities	17.0	103,661,938,774	85,092,336,112
Deferred tax liabilities	18.0	1,607,885,540	1,682,975,360
Total liabilities		1,355,215,619,223	1,082,841,297,681
Capital/ shareholders' equity		61,612,881,871	58,651,673,686
Paid - up capital	19.2	16,099,906,680	16,099,906,680
Statutory reserve	21.0	19,735,466,258	18,735,466,258
Other reserves	22.0	24,167,518,265	22,206,310,080
Retained Earnings	40.0	1,609,990,668	1,609,990,668
Total liabilities & shareholders' equity		1,416,828,501,093	1,141,492,971,367



Md. Ashrafu Haque, FCA
 EVP, Head of FAD & CFO
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka.

J Q M Habibullah, FCS
 DMD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.

Mohammed Mowla
 Managing Director
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.



Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

Tanzim Alamgir
 Chief Executive Officer
 Prime Bank Investment Limited

Islami Bank Bangladesh Limited
Balance Sheet
As at 31 December 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances & endorsements		-	-
Letters of guarantee	23.0	30,293,446,219	34,566,514,299
Irrevocable letters of credit (including back to back bills)		128,591,841,263	113,823,281,324
Bills for collection		49,194,701,777	26,285,503,243
Other contingent liabilities		8,174,045	959,400
Total		208,088,163,304	174,676,258,266
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		208,088,163,304	174,676,258,266

The annexed notes form an integral part of these financial statements.


Chairman

22 SEP 2021
Vetted


Director


Director

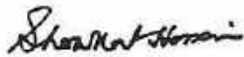

 Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission


Managing Director & CEO

This is the balance sheet referred to in our separate report of even date.

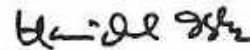
Hoda Vasi Chowdhury & Co.
 Chartered Accountants

A. Qasem & Co.
 Chartered Accountants



Showkat Hossain, FCA
 Enrolment no: 137

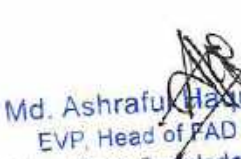
DVC No: ~~2104270912A5141003~~ 2104280137204484
 Dhaka; 27 April 2021




Mohammed Hamdul Islam, FCA
 Enrolment no: 912

DVC No: 2104270912A5141003

Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited


Md. Ashrafu Hossain, FCA
 EVP, Head of FAD & CFO
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka.


J Q M Habibullah, FCS
 DMD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, Dhaka


Mohammed Monirul Mowla
 Managing Director & CEO
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.

Islami Bank Bangladesh Limited
Profit & Loss Account
For the year ended 31 December 2020

Particulars	Notes	2020 Taka	2019 Taka
Operating income			
Investment income	24.0	74,305,334,714	75,748,836,764
Profit paid on mudaraba deposits	25.0	(44,787,005,760)	(44,941,325,781)
Net investment income		29,518,328,954	30,807,510,983
Income from investments in shares & securities	26.0	1,992,608,470	1,626,837,630
Commission, exchange & brokerage income	27.0	4,720,903,804	6,177,483,389
Other operating income	28.0	3,474,540,005	4,577,955,123
Total operating income		39,706,381,232	43,189,787,125
Operating expenses			
Salary & allowances	29.0	16,576,577,017	15,091,747,421
Rent, taxes, insurances, electricity etc.	30.0	1,232,312,541	1,513,496,044
Legal expenses	31.0	9,873,909	16,823,524
Postage, stamps and telecommunication etc.	32.0	74,842,508	58,934,588
Stationery, printing and advertisement etc.	33.0	256,441,158	255,760,614
Chief executive's salary & fees	34.0	14,320,000	14,320,000
Directors' fees & expenses	35.0	6,207,975	19,818,963
Shari'ah supervisory committee's fees & expenses	36.0	2,187,874	3,147,721
Auditors' fees	37.0	3,450,000	4,360,000
Depreciation and repair to bank's assets	38.0	1,486,354,465	966,181,093
Zakat expenses	17.8	817,497,629	719,191,449
Other expenses	39.0	4,428,094,762	2,612,392,077
Total operating expenses		24,908,159,839	21,276,173,494
Profit/ (loss) before provision		14,798,221,393	21,913,613,631
Provision for investments & off- balance sheet exposures	17.1.4	4,407,811,852	7,335,195,972
Provision for diminution in value of investments in shares	17.2	(664,550,012)	415,085,114
Other provisions	17.4	365,868,381	63,580,044
Total provision		4,109,130,221	7,813,861,130
Total profit/(loss) before taxes		10,689,091,172	14,099,752,501
Provision for taxation for the period		6,168,083,114	8,771,358,351
Current tax	17.7.1	6,210,104,635	8,744,910,665
Deferred tax expense/(income)	18.0	(42,021,521)	26,447,686
Net profit/(loss) after tax		4,521,008,058	5,328,394,150
Retained earnings from previous year		1,609,990,668	1,609,990,668
Add: Net profit after tax		4,521,008,058	5,328,394,150
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	22.2	89,615,729	91,913,571
Profit available for appropriation		6,220,614,455	7,030,298,389
Appropriation:		6,220,614,455	7,030,298,389
Statutory reserve	21.0	1,000,000,000	1,000,000,000
General reserve	22.1	2,000,633,119	2,810,317,053
Dividend (previous year)	40.0	1,609,990,668	1,609,990,668
Retained earnings	40.0	1,609,990,668	1,609,990,668
Earnings per share (EPS)	42.0	2.81	3.31

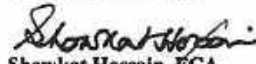
The annexed notes form an integral part of these financial statements.

Vetted
 22 SEP 2021



 Chairman

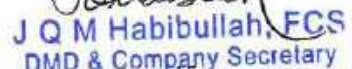

 Director

Hoda Vasi Chowdhury & Co.
 Chartered Accountants


 Showkat Hossain, FCA
 Enrolment no: 137

DVC No: 2104270912AS141003 2104280137AS204484
 Dhaka; 27 April 2021


 Md. Ashraf Hossain, FCA
 EVP, Head of FAD & CFO
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka


 J Q M Habibullah, FCS
 DMD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, Dhaka


 Director


 Managing Director & CEO

A. Qasem & Co.
 Chartered Accountants


 Mohammed Hamidul Islam, FCA
 Enrolment no: 912

DVC No: 2104270912AS141003


 Mohammed Monirul Molla
 Managing Director & CEO
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.


 Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

Islami Bank Bangladesh Limited
Cash Flow Statement
For the year ended 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
Cash flows from operating activities			
Investment income		67,305,334,714	68,352,381,996
Profit paid on mudaraba deposits		(46,427,706,410)	(41,402,209,924)
Income/ dividend receipt from investments in shares & securities		2,077,194,030	699,631,725
Fees & commission receipt in cash		4,720,903,804	6,177,483,389
Recovery from written off investments		114,501,741	82,128,286
Payments to employees		(16,393,543,303)	(15,843,682,501)
Cash payments to suppliers		(333,689,921)	(376,553,001)
Income tax paid		(6,519,324,018)	(7,078,331,739)
Receipts from other operating activities		3,956,501,836	4,618,809,908
Payments for other operating activities		(5,715,961,189)	(4,189,545,726)
(i) Operating profit before changes in operating assets		2,784,211,283	11,040,112,413
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		(136,274,676,085)	(93,253,230,032)
(Increase)/decrease of other assets		(4,240,611,730)	(791,900,171)
Increase/(decrease) of placement from other banks		15,620,298,312	(8,965,340,564)
Increase/(decrease) of deposits from other banks		33,580,303	84,269,990
Increase/(decrease) of deposits received from customers		233,225,930,085	123,634,130,708
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		21,516,635,682	14,650,031,112
(ii) Cash flows from operating assets and liabilities		129,881,156,567	35,357,961,043
Net cash flows from operating activities (A)=(i+ii)		132,665,367,850	46,398,073,456
Cash flows from investing activities			
Proceeds from sale of securities/BGIB/Sukuk		(19,969,789,323)	(12,526,987,918)
Payment for purchase of securities/BGIB/Sukuk		-	-
Placement to Islamic Refinance Fund Account		-	-
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		(2,870,133,934)	(1,605,920,192)
Purchase/sale of subsidiaries		-	-
Net cash flows from investing activities (B)		(22,839,923,257)	(14,132,908,110)
Cash flows from financing activities			
Receipts from issue of debt instruments		6,000,000,000	6,000,000,000
Payment for redemption of debt instruments		(1,000,000,000)	-
Receipts from issuing ordinary share/ right share		-	-
Dividend paid in cash		(1,609,990,668)	(1,609,990,668)
Net cash flows from financing activities (C)		3,390,009,332	4,390,009,332
Net increase/(decrease) in cash (A+B+C)		113,215,453,925	36,655,174,678
Add/(Less): effects of exchange rate changes on cash & cash equivalent		11,746,496	(4,153,635)
Add: cash & cash equivalents at beginning of the year		161,989,925,871	125,338,904,828
Cash & cash equivalents at the end of the year	45.0	275,217,126,291	161,989,925,871

The annexed notes form an integral part of these financial statements.


Chairman


Director

Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA
Enrolment no: 137

DVC No: 2104280137AS204484
Md. Ashraf Uddin
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

22 SEP 2021

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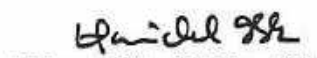

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Director


Managing Director & CEO

A. Qasem & Co.
Chartered Accountants


Mohammed Hamidul Islam, FCA
Enrolment no: 912

DVC No: 2104280137AS204484
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

22 SEP 2021
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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Islamic Bank Bangladesh Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	9 (2+3+4+5+6+7+8)
	Paid-up capital	Shares premium	Statutory reserve	General/ other reserves(*)	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Total	
Balance as at 01 January 2020	16,099,906,680	1,989,633	19,735,466,258	12,956,124,557	9,181,915,090	67,376,809	1,609,990,668	58,651,673,586	
Deferred tax on revaluation surplus	-	-	-	-	-	(537,600)	-	(537,600)	
Deferred tax impact on excess depreciation	-	-	-	-	33,605,899	-	-	33,605,899	
Depreciation adjustment on revalued fixed assets	-	-	-	-	(89,615,729)	-	89,615,729	-	
Surplus (deficit) on account of revaluation	-	-	-	-	-	5,376,000	-	5,376,000	
Currency translation differences	-	-	-	11,746,496	-	-	-	11,746,496	
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	
Net profit for the period	-	-	-	-	-	-	4,521,003,058	4,521,003,058	
Transfer to (from) reserve	-	-	1,000,000,000	2,000,033,119	-	-	(3,000,033,119)	-	
Dividend:	-	-	-	-	-	-	-	-	
Bonus shares	-	-	-	-	-	-	-	-	
Cash dividend	-	-	-	-	-	-	(1,609,990,668)	(1,609,990,668)	
Issue of share capital	-	-	-	-	-	-	-	-	
Total shareholders' equity as on 31 December 2020	16,099,906,680	1,989,633	19,735,466,258	14,967,908,172	9,125,905,268	72,115,200	1,609,990,668	61,613,881,871	
Add: Miliaraha perpetual bond	-	-	-	-	-	-	-	3,000,000,000	
Add: Miliaraha redeemable subordinated bond	-	-	-	-	-	-	-	23,000,000,000	
Add: General provision for unclassified investments and off-balance sheet items (Note-3.14.7)	-	-	-	11,820,646,293	-	-	-	11,820,646,293	
Less: Excess Tier-II Capital	-	-	-	-	-	-	-	(2,749,850,344)	
Adjustment for intangible assets	-	-	-	(214,558,302)	-	-	-	(214,558,302)	
Adjustment for currency translation differences	-	-	-	(18,376,319)	-	-	-	(18,376,319)	
Less: Assets revaluation reserve (Note-3.14.4)	-	-	-	-	-	(9,125,905,260)	-	(9,125,905,260)	
Less: Revaluation reserve of securities (Notes-3.14.5)	-	-	-	-	-	(72,115,200)	-	(72,115,200)	
Total equity as on 31 December 2020	16,099,906,680	1,989,633	19,735,466,258	26,655,221,844	-	-	1,609,990,668	87,252,724,739	

(*) Note: General / other reserves

Particulars	01.01.2020	01.01.2019
General reserve	12,916,493,734	10,106,181,681
Dividend equalization account	32,000,000	32,000,000
Currency translation differences	6,629,823	10,783,458
Total	12,955,124,557	10,148,965,139

Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islamic Bank Bangladesh Limited
FAD, Head Office, Dhaka.



J Q M Habibullah, FCS
DMD & Company Secretary
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Monirul Mowla
17, Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited



Islami Bank Bangladesh Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	9
Balance as at 01 January 2019		16,099,906,680	1,989,633	17,735,466,258	10,148,965,139	9,239,361,072	60,624,000	1,699,990,668	54,896,303,450
Deferred tax on revaluation surplus	-	-	-	-	-	-	(735,200)	-	(735,200)
Deferred tax on excess depreciation	-	-	-	-	-	34,467,589	-	-	34,467,589
Depreciation adjustment on revalued fixed assets	-	-	-	-	-	(91,913,571)	-	91,913,571	-
Surplus/ (deficit) on account of revaluation	-	-	-	-	(4,153,635)	-	-	-	(4,153,635)
Currency translation differences	-	-	-	-	-	-	7,392,000	-	7,392,000
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	5,328,394,150	5,328,394,150
Transfer to (from) reserve	-	-	-	1,000,000,000	2,810,317,053	-	-	(3,810,317,053)	-
Dividend:	-	-	-	-	-	-	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	(1,609,990,668)	(1,609,990,668)
Issue of share capital	-	-	-	-	-	-	-	-	-
Total shareholders' equity as on 31 December 2019		16,099,906,680	1,989,633	18,735,466,258	12,955,128,557	9,181,915,090	67,276,000	1,699,990,668	58,451,673,686
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	-	3,000,000,000
Add: Mudaraba redeemable subordinated bond	-	-	-	-	-	-	-	-	18,000,000,000
Add: General provision for unclassified investments and off-balance sheet items (Note-3.14.7)	-	-	-	-	8,858,401,318	-	-	-	8,858,401,318
Adjustment for intangible assets	-	-	-	-	(174,551,449)	-	-	-	(174,551,449)
Adjustment for currency translation differences	-	-	-	-	(6,629,823)	-	-	-	(6,629,823)
Less: Assets revaluation reserve (Note-3.14.5)	-	-	-	-	-	(9,181,915,090)	-	-	(9,181,915,090)
Less: Revaluation reserve of securities (Note-3.14.5)	-	-	-	-	-	-	(67,276,000)	-	(67,276,000)
Total equity as on 31 December 2019		16,099,906,680	1,989,633	18,735,466,258	21,632,348,603	-	-	1,699,990,668	79,879,701,842


Chairman


Director


Director


Managing Director & CEO

This is the statement of changes in equity referred to in our separate report of even date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

A. Oasem & Co.
Chartered Accountants

Shawkat Hossain, FCA
Enrollment no: 137

Mohammed Hamidul Islam, FCA
Enrollment no: 912

DVC No: 210428013745204484
Dhaka; 27 April 2021

DVC No: 210427091205199003

Md. Ansharul Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.

J Q M Habibullah, FCS,¹⁶
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Moula
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Hamidul Islam, FCA
Enrollment no: 912

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
TICB Investment Limited

Tanzim Alamgir
Chief Executive Officer
DCB Investment Limited

Vetted
22 SEP 2021

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Islamic Bank Bangladesh Limited
Liquidity Statement
Assets & Liabilities Analysis
As at 31 December 2020

Particulars	Amount in taka							
	1	2	3	4	5	6	7	8
	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	More than 5 years	Total 31.12.2020	Total 31.12.2019	
ASSETS								
Cash in hand	169,338,011,061	-	-	-	44,446,316,000	213,784,327,061	75,853,433,326	
Balance with other banks & financial institutions (Note-8.2)	35,607,755,634	24,275,022,345	1,550,021,251	-	-	61,432,799,230	86,136,492,545	
Placement with Banks & other Financial Institutions	-	-	-	-	-	-	-	
Investments (in shares & securities) (Note-10.4)	2,377,616,738	974,513,861	773,800,000	6,211,605,650	63,769,895,650	74,107,431,899	54,137,642,576	
General investments etc. (Note-11.1.1)	132,274,413,831	220,457,356,994	274,347,564,022	253,770,911,266	98,960,857,799	979,811,103,912	866,248,730,969	
Bills purchased & discounted (Note-11.2.1)	18,307,336,788	17,752,569,095	19,416,872,538	-	-	55,476,778,421	32,764,475,279	
Fixed assets including premises (land & building), furniture and fixtures (Note-12.3)	-	-	765,845,654	2,983,514,657	14,060,538,419	17,809,898,730	16,186,646,562	
Other assets (Note-13.1)	1,753,163,297	5,713,069,864	1,975,073,871	4,765,162,984	199,691,824	14,406,161,840	10,165,550,110	
Non - banking assets	-	-	-	-	-	-	-	
Total Assets	359,658,297,349	269,172,532,159	298,829,177,337	267,731,194,557	221,437,299,692	1,416,828,501,093	1,141,492,971,367	
LIABILITIES								
Placement from banks & other financial institutions	9,709,645,800	22,294,025,160	12,465,647,352	-	-	44,469,318,312	28,849,020,000	
Deposits (Note-15.5)	211,065,765,237	228,824,879,530	348,084,820,359	256,448,863,067	135,052,148,404	1,179,476,476,597	946,291,525,243	
Other accounts	-	-	-	-	-	-	-	
Provision & other liabilities (Note-17.10)	2,082,619,318	10,413,096,591	8,330,477,273	8,671,154,294	74,164,591,298	103,661,938,774	85,017,777,078	
Deferred tax liability/(assets)	-	-	-	-	-	-	-	
Mudaraba perpetual bond	-	-	-	-	-	-	-	
Mudaraba redeemable subordinated bond	-	-	-	-	-	-	-	
Total Liabilities	222,858,030,355	261,532,001,281	371,280,944,984	282,120,017,361	217,424,625,242	1,355,215,619,223	1,082,841,297,681	
Net Liquidity Gap	136,800,266,994	7,640,530,879	(72,451,767,647)	(14,388,822,804)	4,012,674,451	61,612,881,871	58,651,673,686	

Chairman

Director

Director

Managing Director & CEO

This is the liquidity statement referred to in our separate report of even date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

A. Qasem & Co.
Chartered Accountants

Showkat-Hossain, FCA
Enrollment no: 137

Mohammed Hamidul Islam, FCA
Enrollment no: 912

Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islamic Bank Bangladesh Limited
FAD, Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islamic Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Molla
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

DVC No: 2104270912AS141003
Dhaka; 27 April 2021

Islami Bank Bangladesh Limited and its Subsidiaries
Notes to the financial statements
As at and for the year ended 31 December 2020

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, 16 Zonal Offices, 373 Branches including 61 Authorised Dealer (AD) Branches, 162 Sub Branches, 2273 Agent Banking Outlets 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 2020 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"). The current number of employees are 18,621 (2019: 16,807).

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 Companies 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 of 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 - F.

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.2,699,856,000/- divided into 2,699,856 shares of Tk.1,000/- each which represent 99.995% 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.

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. The company has obtained Merchant Banker Registration Certificate on 31.03.2019 from Bangladesh Securities & Exchange Commission (BSEC) to operate the activities of Issue Manager/Underwriting/Portfolio manager.

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 2020, 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.

22 SEP 2021
Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
ICIS Investment Limited



Muhammad Shrafur Raheem, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

J Q M Habibullah, FCA
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Saifur Raheem
Managing Director
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

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. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991 as amended, the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules, 1987, 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 Companies Act differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. As such the Bank has departed from those requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

I. Presentation of financial statements

IFRS

As per IAS-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, notes to the financial statements comprising summary of accounting policies and other explanatory information and retrospective restatement of items in the earlier financial statement, where applicable. Furthermore, IAS-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 Companies Act 1991 as amended 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 thereon (if any) 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 IAS-1.

II. Other Comprehensive Income

IFRS

As per IAS-1 "Other Comprehensive Income (OCI)" is a component of of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income (OCI).

Bangladesh Bank

Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

III. Disclosure of Appropriation of Profit

IFRS

IFRS do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank

As per BRPD circular no. 14, dated 25 June 2003 and BRPD 15 dated 09 November 2009, an appropriation of profit should be disclosed on the face of profit and Loss Account.

IV. Investments in shares and securities

IFRS

As per requirements of IFRS-9 "Financial Instruments", investment in shares and securities are generally classified either at fair value through profit or loss or at fair value through other comprehensive income and measured initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. However in the case of financial assets classified and measured at fair value through profit or loss, transactions costs are immediately recognised in profit or loss. Change in the fair value of shares and securities measured at fair value through profit or loss is recognised in the statement of profit or loss and changes in the fair value of shares and securities measured at fair value through other comprehensive income is recognised in the other comprehensive income and are never reclassified to profit or loss.

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 Book Value 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 closed end mutual fund is revalued at lower of cost and higher of (market value and 85% of NAV) as per 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.

V. Provision for investments

IFRS

As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition. For those loans and advances for which the credit risk has not increased significantly since initial recognition, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.

Bangladesh Bank

As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition. For those loans and advances for which the credit risk has not increased significantly since initial recognition, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.

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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, BRPD circular No. 16 dated 18 November 2014 and a BRPD Circular No.01 dated 20 February 2018 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 1% for all unclassified investment (irregular & regular) 5% for sub-standard and doubtful investments and 100% for bad & loss investments) depending on the duration of overdue.

VI. Provision for Off-balance sheet items
IFRS

There is no concept of off-balance sheet items in any IFRS; 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, Bills for collection etc.) must be disclosed separately on the face of the balance sheet. Furthermore, as per BRPD Circular No.14 dated 23 September 2012, BRPD Circular No.19 dated 27 December 2012, BRPD Circular No.7 dated 21 June 2018 and BRPD Circular No.13 dated 18 October 2018 a general provision at 1% is required to be provided for all off-balance sheet exposures except Bills for Collection received by the bank on behalf of its customers and issued guarantees. Mentionable that Provision against guarantees issued by Bank is to be kept in different rates @ nil, 0.50%, 0.75% & 01% considering the BB rating grade equivalence of the bank providing the counter guarantee.

VII. Recognition of investment income in suspense
IFRS

Investment to customers (loans and receivables) are generally classified at amortized cost as per IFRS 9 "Financial Instruments" and investment income is recognised by using the effective interest rate method over the term of the investment. Once an investment is impaired, the entity shall apply the effective interest rate to the amortised cost of these investments.

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.

VIII. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

IX. Financial guarantees

IFRS

As per IFRS-9, 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 and BRPD 15 dated 09 November 2009, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items.

X. Balance with Bangladesh Bank (Cash Reserve Requirement)

IFRS

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 IAS-7 "Statement of Cash Flows".

Bangladesh Bank

Balance with Bangladesh Bank is treated as cash and cash equivalents.

XI. Cash flow statement

IFRS

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.

XII. Non-banking asset

IFRS

No indication of Non-banking asset is found in any IFRS.

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.

XIII. Presentation of intangible asset

IFRS

An intangible asset must be identified and recognised, and the disclosure must be given as per IAS-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.

XIV. Off-balance sheet items

IFRS

As per IFRS, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank

As per BRPD circular no. 14 dated 25 June 2003 and BRPD 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.

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XV. Investments net off provision

IFRS

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.

XVI. Revenue

As per IFRS 15, 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.

XVII. Charges on tax on retained earnings, reserve, surplus as per Income tax ordinance (ITO) 1984

As per section 16(G) of the income tax ordinance 1984, Listed companies should disclose proposed dividend in the balance sheet as "among to be distributed as dividend". However there is no provision for this in BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009 and IFRS also restricts to disclose such presentation in the balance sheet.

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 similar 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 (BDT) 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 (except the items mentioned in note-XII) 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.

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2.10 Offsetting

The Bank does not offset assets and liabilities or income and expenses, unless required or permitted by BB guidelines or IFRS.

2.11 Reporting period

These financial statements of the Bank and its subsidiaries cover one calendar year from 01 January 2020 to 31 December 2020.

2.12 Authorization of the financial statements for issue

The consolidated financial statements and the separate financial statements of the Bank were reviewed by the Audit Committee of the Board in its 521st meeting on 27 April 2021 and was subsequently authorized for issue by the Board of Directors in its 299th meeting held on the same date.

2.13 Cash flow statement

Cash Flow Statement is prepared in accordance with IAS-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 year.

2.14 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS-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 2020 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.
- ix) Mudaraba Redeemable Subordinated Bond is reported under maturity within 1 (one) year for Tk. 240 (Two hundred forty) crore, 1 (one) to 5 (five) years for Tk. 1,700 (one thousand seven hundred) crore and more than 5 (five) years for Tk. 360 (three hundred sixty) crore.

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2.16 Changes in accounting policies

The Bank changes its accounting policy only if the change is required by IFRS 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.

2.16.1 IFRS-16: Lease

In January 2016, the International Accounting Standards Board (IASB) issued IFRS-16. IFRS-16 replaces IAS-17, IFRIC 4, SIC 15 and SIC 27 which sets out the principles for recognition, measurement, presentation and disclosure of leases which is effective from annual reporting periods beginning on or after 01 January 2019. IBBL has applied IFRS-16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS-16 supersedes IAS-17 Lease, the bank has made recognition, measurement and disclosure in the financial statements-2020 both as Lessee and Lessor as per IFRS-16.

Bank as lessee:

The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank consider the contract as a lease contract. The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognizes lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets. If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per FA policy of the bank. The Bank determine incremental borrowing rate to calculate the ROU assets and depreciate the asset over the useful life by straight line method. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities.

Right-of-use assets (ROU):

The bank recognises the right-of-use (ROU) assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

The bank assessed all lease contracts live in 2020 and recognised as ROU of assets of all leases, except short term and low value of assets as guided by Bank's own policy set as per IAS-16 and IFRS-16. The ROU assets are presented in the Note 12.1 of these financial statements.

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Lease Liabilities (Bank as a lessee):

"At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees.

In 2020, the bank reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2020. The lease liabilities are presented in the Note 17.0 of these financial statements.

Bank as a lessor:

"Leases where the bank does not transfer substantially all of the risk and benefit of ownership of any asset are classified as operating assets. Rental income is recorded as earned based on the contractual term of the lease. However, the Bank did not hold any such assets in 2020."

Recognition of consideration made under contract in exchange of use of rental premises/assets:

"As per IFRS 16, when consideration is made by the bank under contract in exchange of use of rental premises or assets for a period not exceeding a period of twelve months, and or, the present value of the obligation plus initial payment under contract does not exceed the threshold limit of the bank, and substantially all the risk and benefit of ownership of those rental premises/assets does not transfer to the bank, then the bank considers the payment (other than advance payment) as rental expense under IFRS 15 Revenue from contracts with customers."

Therefore, in 2020, IBBL recognised those payments against contracts that do not qualify as lease item under IFRS-16 as rental expense which is presented in Note 30.0 of the financial statements for the year ended 31 December 2020.

Particulars	Amount in Tk.
Depreciation charge for right-of-use (ROU) assets by class of underlying asset	418,099,764
Finance charge on lease liabilities	109,797,779
Total cash outflows	385,733,833
Additions to right-of-use assets	1,928,173,303
Carrying amount of right of use assets at the end of the reporting period	1,906,084,535
Lease obligation on ROU assets as at end of the reporting period	1,677,862,245

2.17 Changes in accounting estimates

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

3.0 Summary of significant accounting policies

Accounting policies are determined by applying the relevant guidelines of Bangladesh Bank as well as the relevant IFRS. Where there is no available guidelines of BB and IFRS, 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 IFRS 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 criteria 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 as mentioned in Note-3.2.3. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis).

Investment in Government 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 end market price and change in the market price is recognized in equity under the head revaluation surplus.

Investment in subordinated 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 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 marked 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.

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3.2.3 Investment- Initial recognition and subsequent measurement

Investment class	Initial Recognition	Measurement after initial recognition	Recording of Changes
Govt. treasury securities - BGIIB/Sukuk	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) of last audited financial statements	Loss to profit and loss account but no unrealized gain booking.
Mutual fund (Open-end)	Cost	If average cost price (CP) > NAV _{CMF} * 0.95, then required provision per unit will be (RP) = CP - NAV _{CMF} * 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 _{CMF} * 0.85, then required provision (RP) per unit will be: (i) In case of MV > NAV _{CMF} * 0.85, then RP = CP - MV or (ii) In case of MV < NAV _{CMF} * 0.85, then RP = CP - NAV _{CMF} * 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.

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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-	10%-25%
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. The rates used for amortizing intangible assets is 25.00%.

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 ceases 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 principal amount of the outstanding balance.

3.9 Deposits and other accounts

Deposit and other accounts include Al Wadeah 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.

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3.10 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 Mudaraba Perpetual Bond (MPB) is non-convertible, secured and perpetual in nature i.e. infinite maturity. Profit paid against Mudaraba Perpetual Bond is 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.

3.10.1 Mudaraba Redeemable Subordinated Bond

In addition to previously issued 03 (three) Mudaraba Redeemable Non-convertible Subordinated Bonds (1st bond of Tk. 5,000 million in 2017 and 2nd bond of Tk. 7,000 million in 2018, 1st Tranche of Tk. 6,000 million of 3rd Bond in 2019), IBBL has issued another Tier-2 bond of Tk. 6,000 million on 15 December, 2020 which is named as 2nd Tranche Issue of BDT 6,000 million of IBBL 3rd Mudaraba Redeemable Non-convertible Subordinated Bond as per approval of Bangladesh Securities and Exchange Commission Vide Letter No. BSEC/CI/DS-111/2019/282 dated December 02, 2020 and NOC from Bangladesh Bank Vide Letter No. BRPD (BFIS)661/14b(p)/2020-9515 dated 09 November, 2020. The rate of profit (coupon rate/expenditure) of 2nd Tranche issue of 3rd bond is calculated on the average of most recent month's published highest profit rates of Mudaraba Term Deposit in 6 months tenor of all Islami Banks in Bangladesh to be applied semi-annually for Benchmark Profit Rate fixation plus additional 2.00% (indicative/provisional) per annum on the outstanding balance of the bond from pre-tax profit/operating income of the Bank. The profit rates of banks are collected from "Announced Interest Rate Chart of the Scheduled Banks (Deposit Rate)" published by Bangladesh Bank in its website.

3.10.2 Usage of Mudaraba Redeemable Subordinated Bond

The fund has been used to extend the investment facility to the existing clients and to extend investment facility to the new clients in different sectors for sustainable business growth.

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. 04 dated 29 January 2015, BRPD Circular no. 08 dated 02 August 2015, BRPD Circular No.12, dated 20 August, 2017, BRPD Circular No. 12 dated 20 August, 2017, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular No. 01 dated 20 February, 2018, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 07 dated 19 March 2020 and BRPD circular no. 56 dated 10 December 2020 Details are given below:

Particulars	Classification/Percentage (%) of provision requirement											
	2020					2019						
	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 Housing Finance	1%	1%	20%	50%	100%	1%	1%	20%	50%	100%	
	Investment for Professionals	2%	2%	20%	50%	100%	2%	2%	20%	50%	100%	
	Other than Investment for Housing Finance & Professionals	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		1%		5%	100%		1%		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/loss 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. Details are stated in Note 17.2 of these financial statements.

3.11.3 Provision for off-balance sheet exposures

In compliance with BRPD circular no. 14 dated 23 September 2012, BRPD Circular No.7 dated 21 June 2018 and BRPD Circular No.13 dated 18 October 2018 the Bank has been maintaining provision against off-balance sheet exposures (mainly contingent assets/liabilities) Note-3.1.1.VI.

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 and other instructions made by Bangladesh Bank. (Note- 17.3.1).

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.

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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 has been made on the face of balance sheet under 'Off-balance Sheet Items' as per BRPD circular No. 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009.

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 01 March 1986. The employees who served at least 7 (seven) years, served for 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.

3.12.2.2 Superannuation fund

The Fund came into force with effect from the 19 June, 2008. It was established for financial help to the members of the Bank Employees' Superannuation 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 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.

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 Companies Act 1991. As such consistent with widely accepted industry practice as well lawyer opinion the Bank did not make any provision during the year for WPPF.

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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	2020	2019
Business income	37.50%	37.50%
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.

Deferred tax on revaluation

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. An upward revaluation will therefore give rise to a deferred tax liability. IBBL recognizes the underlying revaluation directly in equity, so the deferred tax thereon is also recognized as part of tax relating to equity. IBBL transfers each year from revaluation surplus to retained earnings an amount equal to the difference between the depreciation based on the cost of that asset. The amount transferred is net off any related deferred tax.

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 per 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 Companies 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 were reviewed by the then statutory auditors. To calculate Capital to Risk Weighted Assets Ratio (CRAR), 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) already have been deducted from Tier-2 capital with a phase in manner from 2015 to 2019.

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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 30.12.2017 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 revaluation reserve upto 2014 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 from Tier-2 capital from 2015 to 2019.

3.14.6 Non-controlling interest

Non-controlling interest is the equity in the subsidiaries that is not attributable, directly or indirectly to the 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 III, full amount of general provision for unclassified investments and off-balance sheet items & Mudaraba Subordinated Bond as capital gone-concern. However, as per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III), BRPD No.18, dated 21 December 2014, Assets Revaluation Reserve and Revaluation Reserve of Securities has gradually been 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 into 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.

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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 agreement between the Mudaraba depositors and the Bank in line with Mudaraba Principle, 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 2020, the Bank paid 65% of Investment Income earned through deployment of Mudaraba Fund. 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-Wade'ah 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 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 2020, therefore, has not been recognized as a liability however disclosed in the balance sheet in accordance with IAS-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

Income (doubtful, compensation & other earnings) which is prohibited by shari'ah are not being included in the distributable income of the Bank.

3.19.1 Doubtful income

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 off 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.

From the year 2014, the Bank has decided to introduce a separate account for doubtful income after providing corporate income tax. Accordingly, net off 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).

3.19.2 Compensation

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) titled as "compensation account". Applicable tax on the amount is provided/paid from those account. Realized amount of compensation on which corporate tax has already been provided are expended for charitable purposes.

3.19.3 Other earnings

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.

3.20 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.

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Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
TIFR Investment Limited

Md. Ashraful Haque
EVP, Head of FAD
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka



J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited

Mohammed Monirul
Managing Director &
Islami Bank Bangladesh Limited
Head Office, Dhaka.



Khondoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

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 basic and diluted earnings per in the statement of profit or loss. The Bank presents 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 percent or more of the combined revenue, internal and external, of all operating segments.
- The absolute amount of its reported profit or loss is 10 percent 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 percent 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 IAS-10 "Events after the Reporting Period". Events after the reporting period that are not adjusting events are disclosed in the notes when material (Note - 41.0).

All other material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS-10 "Events after the reporting period".

Board's recommendation for dividend distribution is a common item presented in the Note 41.0.

3.24 Risk management

The Bank Companies 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.

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 Risk, Prevention of Money Laundering Risk, 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 Companies 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:

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3.24.1 Internal Control and Compliance

Operational loss may arise from errors and fraud 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 (I) Audit & Inspection Division, (II) Compliance Division and (III) Monitoring Division.

I. Audit & Inspection Division

Internal Audit & Inspection Division undertakes periodical and special audit of Branches, Divisions and Departments of Head Office of the Bank, its subsidiaries and Foundation to review operational effectiveness and internal & external compliance requirements. The Bank has introduced Risk Based Internal Audit 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 under risk based approach 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, Islami Bank Bangladesh Limited has formed 10 (ten) members Central Compliance Committee (CCC) under the leadership of a senior Deputy Managing Director of the Bank as the Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office. Apart from that, Branch Compliance Units (BCU) and Zone Compliance Units (ZCU) are also functioning under the leadership of Branch Anti Money Laundering Compliance Officer (BAMLCO) at branch level and Zone Anti Money Laundering Compliance Officer (ZAMLCO) at Zonal Offices.

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The Bank has introduced a comprehensive AML Policy namely "POLICY AND GUIDELINES FOR PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING RISK MANAGEMENT" under the light of local Laws, Rules & Regulations as well as international best AML practices duly approved by the Board of Directors, IBBL.

As per approved Policy, IBBL has been conducting many time-befitting programs to prevent Money Laundering & Terrorist Financing which include among others (a) Central Customer On-boarding, (b) Electronic Know Your Customer (e-KYC), (c) KYC Remediation including all Legacy Accounts, (d) Automated Transaction Monitoring and filing of Suspicious Transaction Report (STR)/Suspicious Activity Report (SAR) to Bangladesh Financial Intelligence Unit (BFIU), (e) Electronic Record Keeping, (f) Building of employee awareness and skill on prevention of Money Laundering & Terrorist Financing round the year through training-seminar-symposium, workshop held both home and abroad, (g) Maintaining Self-Assessment Report by every branch, (h) Conducting Independent Testing by the Internal Auditors of the Bank to assess the correctness and accuracy of the activities of the branches on AML & CFT as instructed by BFIU, the local AML & CFT regulator of Bangladesh and so on.

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 2020, Audit & inspection Division of Internal Control & Compliance Wing conducted inspection on all 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 willful or criminal deception intended to result in financial or personal gain. It will never be possible to eliminate all fraud 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 2020, no fraud has been detected by the Bank.

3.25 Credit rating report

Alpha Credit Rating Limited was engaged by the Bank for the purpose of rating the Bank since 2017 as per Bangladesh Bank BRPD Circular No.06 dated 5 July 2006. Alpha assigned AAA (Triple A) rating in the long term (indicates exceptionally strong capacity) and ST-1 in the short term (highest certainty of timely repayment) to the Bank based on the financials up to 31 December 2019.

3.26 Impact on COVID-19

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. While the overall effect of COVID-19 global pandemic on Bank's business in the past years is still evolving at this point, there has been limited impact assessed on the business since the outbreak. The board and management are regularly monitoring the potential impact of the pandemic on the Bank as the situation continues to deteriorate but are assured that any foreseeable adverse impact can be reasonably managed.

The management of the Bank assessed the going concern and found no uncertainty regarding this for the foreseeable future due to COVID-19. The global economy including Bangladesh has been seriously affected since March 2020 due to the outbreak of COVID-19 that has caused disruption in Export and Import business.

3.27 Regulatory and legal compliance

Among others, the Bank complied with the requirements of the following circular, rules and regulations:

- The Bank Companies Act, 1991 as amended
- The Companies Act, 1994
- 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
- Other circulars, rules and regulations issued by Bangladesh Bank from time to time
- The Securities and Exchange Rules, 1987
- The Securities and Exchange Ordinance, 1969
- The Securities and Exchange Commission Act, 1993
- Income Tax Ordinance, 1984 as amended
- Value Added Tax and Supplementary Duty Act, 2012
- Standards issued by AAOIFI
- The Stamp Act-1899
- The Customs Act-1969

1) The Stamp Act-1899

1) The Customs Act-1969

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- m) The Money Laundering Prevention Act, 2012
n) The Anti Terrorism (Amendment) Act, 2009 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 International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) 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.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International 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	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory deferral accounts	Not Applicable
15	15	Revenue from contracts with customers	Complied
16	16	Lease	Complied

Sl. No.	IAS No.	IAS 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	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	19	Employee Benefits	Complied
9	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchange Rates	Complied
11	23	Borrowing Costs	Not Applicable
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
14	27	Separate Financial Statements	Complied
15	28	Investments in Associates and Joint Ventures	Not Applicable
16	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
17	32	Financial Instruments: Presentation	Complied
18	33	Earnings Per Share	Complied
19	34	Interim Financial Reporting *	Complied
20	36	Impairment of Assets	Complied
21	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
22	38	Intangible Assets	Complied
23	39	Financial Instruments: Recognition and Measurement	Complied
24	40	Investment Property	Not Applicable
25	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. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018, on Corporate Governance, the current committee is constituted with the following 5 (five) members of the Board:

Sl. No.	Name of the Member	Status with the Bank	Status with the Committee	Educational Qualification	Remarks
1	Mr. Mohammad Solaiman, FCA	Independent Director	Chairman	B.Com, FCA	
2	Mr. Md. Shahabuddin	Vice-Chairman	Member	Msc. & LLB	
3	Professor Dr. Qazi Shahidul Alam	Director	Member	MBBS, MS, FICS	
4	Mr. Khurshid-Ul-Alam	Director	Member	B. A (Hon's) & MA in Economics	
5	Mr. Mohammed Nasir Uddin, FCMA	Director	Member	M. Com in Accounting, FCMA	

04 (four) meetings were held for reviewing the Financial Statements out of total 09 (nine) meetings held in the year 2020. The Audit Committee reviewed the Financial Statements of 2020 on 27 April 2021.

6.0 Related party disclosures

As per IAS-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 IAS-24.

Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per IAS-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:

- Terms & conditions for financial transaction with bank related person/related parties will not be easier than other persons i.e. other investment clients.
- Prior approval from the majority of Board of Directors shall be required for all financial transactions with bank related person/related parties.
- The Bank shall not allow funded facilities exceeding 10% of Tier-I capital to the Bank related persons/related parties; real investment facilities shall be considered deducting encashable securities from funded investment.

6.2 The Name of Directors along with all related Firms/ Companies/ Institutions/ Parties: As at 31.12.2020

Sl. No	Name of the Directors	Status with the Bank	Name of the related Firms/ Companies/ Institutions/ Parties etc.	Remarks
1	Professor Md. Nazmul Hassan, Ph.D	Chairman	Armada Spinning Mills Limited, Former Professor, University of Dhaka	
2	Mr. Yousif Abdullah Al-Rajhi	Vice-Chairman	General Manager of Al-Rajhi Co. for Industry & Trade	Foreign Director
3	Mr. Md. Shahabuddin	Vice-Chairman	JMC Builders Limited, Commissioner (Ex) Anti Corruption Commission	
4	Professor Dr. Md. Salim Uddin, FCA, FCMA	Chairman, Executive Committee	Mortaza Assets Limited, Professor, Department of Accounting, University of Chittagong	
5	Mr. Mohammad Solaiman, FCA	Chairman, Audit Committee	Public Accountant, M Solaiman & Co., Chartered Accountants; Ex President, Taxes Appellate Tribunal, Internal Resource Division, Ministry of Finance, Govt. of Bangladesh	Independent Director
6	Major General (Retd.) Engr. Abdul Matin	Chairman, Risk Management Committee	Paradise International Ltd.	
7	Dr. Areef Suleman	Director	Islamic Development Bank	Foreign Director
8	Professor Dr. Md. Sirajul Karim	Director	Excel Dyeing & Printing Ltd., Professor, Primeasia University, Dhaka	
9	Professor Md. Kamal Uddin, Ph.D	Director	Professor, Department of International Business, University of Dhaka	Independent Director
10	Mr. Md. Joyal Abedin	Director	ABC Ventures Limited, Ex Deputy Managing Director, Bangladesh Krishi Bank	
11	Professor (Dr.) Qazi Shahidul Alam	Director	Platinum Endeavours Limited, Professor, Orthopedic Surgery, A.K. Modern Medical College.	
12	Mr. Musaid Abdullah A. Al-Rajhi	Director	Arabias Travel & Tourist Agency, K.S.A., GM, Abdullah Abdul Aziz Al Rajhi & Sons Real Estate Development Co., K.S.A.	Foreign Director
13	Mr. Syed Abu Asad	Director	Excelsior Impex Company Limited, Ex Managing Director, Rajshahi Krishi Unnayan Bank	
14	Dr. Tanveer Ahmad	Director	Marsa Food & Beverage Limited, Managing Director, Infinia Knit Fabrics Ltd.	
15	Mr. Md. Quamrul Hasan	Director	Grand Business Limited, Ex Managing Director & CEO, Jamuna Oil Co. Ltd., Chattogram	
16	Professor Dr. Mohammad Saleh Jahur	Director	Professor of Accounting and Finance, University of Chittagong	Independent Director
17	Professor Dr. Md. Fashial Alam	Director	Ex Vice Chancellor, Feni University & Dean, Faculty of Business Studies, Port City International University	Independent Director
18	Mr. Khurshid-Ul-Alam	Director	Lionhead Business Resources Ltd. & Ex Independent Director and Chairman of Audit Committee, Pubali Bank Limited, Ex DMD, Pubali Bank Limited and Ex Executive Director, Bangladesh Bank	
19	Mr. Mohammed Nasir Uddin, FCMA	Director	BLU International Limited & Group GM (Chief of Finance & Accounts) - Bay Group, Dhaka	
20	Mr. Md. Zakir Hossain	Director	Deputy Managing Director, Investment Corporation of Bangladesh	
21	Mr. Md. Mahbub-ul-Alam	Managing Director & CEO	Islami Bank Bangladesh Limited	Ex CEO Bank Director

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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 01.01.2020	Disbursement/charged during the year 2020	Realised during the year 2020	Outstanding balance as on 31.12.2020	Provision required & maintained	Particulars of value of securities
1	2	3	4	5	6	7	8	9	10=7+8-9	11	12
Nil											
Total						-	-	-	-	-	-

(b) Other type of balances of related parties of the Bank are as follows:

Amount in Taka					
SL. No.	Name of the related parties	Nature of relationship	Nature of transactions	Closing balance	
				31.12.2020	31.12.2019
1	Islami Bank Securities Limited (IBSL)	Parent- subsidiary	Investment in share capital by IBBL	2,699,856,000	2,699,796,000
			Bank balance	8,594,822	8,594,822
			MTDR balance	229,914,000	229,914,000
			Quard balance	90,000,000	90,000,000
			Profit receivable	1,410,411	1,410,411
			Mudaraba investment	4,700,000,000	4,700,000,000
			Accounts payable	590,024	590,024
			Bank charge payable	-	-
2	Islami Bank Capital Management Limited (IBCML)	Parent- subsidiary	Investment in share capital by IBBL	299,993,000	299,993,000
			Bank balance	8,123,579	8,123,579
			MTDR balance	136,506,334	136,506,334
			Dividend payable	-	-
				-	-

6.3.2 Related party transactions

Nature and type of related party transactions of the Bank during the year 2020 are as follows:

Amount in Taka				
SL. No.	Name of the related party	Nature of relationship	Nature of transaction	2020
1	Islami Bank Securities Limited (IBSL)	Parent- Subsidiary	Deposit to Savings account maintained with IBBL	469,581,906
			Withdraw from Savings account maintained with IBBL	414,575,424
			Bank charge paid to IBBL	7,014
			Payment against office rent	734,400
			Tax deduction at source against MTDR	908,555
			Profit paid on investment against MTDR	-
			Profit withdrawn against MTDR	-
2	Chief Executive Officer	Key Management Personnel	Short-term employee benefits (Salary and allowance)	1,938,836
3	Islami Bank Capital Management Limited (IBCML)	Parent- Subsidiary	Payment of interim dividend to IBBL	-
			Profit against MTDR	7,307,007
			Profit against MSND	54,871
4	Directors of the Bank	Director	Fees, TA/DA/hotel fare and other expenses	8,894,890

6.4 Other related party disclosures

- 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.
- Investment to related parties is effected as per requirement of section 27 of Bank Company Act, 1991 as amended.
- Share issued to Directors and Executives without consideration or exercisable at discount is Nil.
- 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.

Vetted 22 SEP 2021

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Md. Ashraf Haque, FCS
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Tanzim Alamgir
Chief Executive Officer
Prime Bank Investment Limited

	31.12.2020 Taka	31.12.2019 Taka
7.0 Cash in hand		
Cash in hand (including foreign currency) (Note. 7.1)	18,747,303,346	15,023,787,386
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency) (Note. 7.2)	195,037,023,715	60,829,645,940
Total	213,784,327,061	75,853,433,326
7.1 Cash in hand (including foreign currency)		
In local currency	18,593,381,057	14,978,101,375
In foreign currency	153,922,289	45,686,011
Total	18,747,303,346	15,023,787,386
7.2 Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		
(a) Balance with Bangladesh Bank		
In local currency	189,469,886,735	57,411,702,281
In foreign currency	2,887,250,623	829,388,094
Sub-total	192,357,137,358	58,241,090,375
(b) Balance with Sonali Bank Ltd. (as agent of Bangladesh Bank)		
In local currency	2,679,886,356	2,588,555,565
In foreign currency	-	-
Sub-total	2,679,886,356	2,588,555,565
Total (a+b)	195,037,023,715	60,829,645,940
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 4.00% of average total demand and time liabilities on bi-weekly basis with a provision of minimum 3.50% on daily basis as per Bangladesh Bank MPD Circular No. 03 dated 09 April 2019. 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 (4.00% of average total time and demand liabilities including 2.00% of OBU)	44,446,316,000	51,116,652,000
Actual reserve held with Bangladesh Bank in local currency (Note 7.2) *	189,441,886,735	57,383,702,281
Excess/(shortfall)	144,995,570,735	6,267,050,281
* Lien against TT discounting facilities of Tk. 28,000,000 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 including OBU)	61,615,960,000	51,116,652,000
Actual reserve maintained (Note- 7.3.2.1)	222,482,478,438	63,974,145,232
Excess/(shortfall)	160,866,518,438	12,857,493,232
7.3.2.1 Components of Statutory Liquidity Ratio (SLR)		
Cash in hand including foreign currency (Note- 7.1)	18,747,303,346	15,023,787,386
Excess CRR amount (Note- 7.3.1)	144,995,570,735	6,267,050,281
Balance with Sonali Bank as Agent Bank of BB (Note- 7.2.b)	2,679,886,356	2,588,555,565
Balance with Islamic Refinance Fund A/c (Note- 9)	-	-
Unencumbered approved securities :		
Bangladesh Shipping Corporation (Note -10.1)	100,128,000	94,752,000
Bangladesh Government Islamic Investment Bond (Note -10.1)	52,000,000,000	40,000,000,000
Bangladesh Government Sukuk Bond (Islamic Bond)	3,959,590,000	-
Total	222,482,478,438	63,974,145,232
7(a) Consolidated cash in hand		
7(a)(i) Cash in hand (including foreign currency)		
Islami Bank Bangladesh Limited	18,747,303,346	15,023,787,386
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	17,779	220,464
Sub total	18,747,321,125	15,024,007,850
7(a)(ii) Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		
Islami Bank Bangladesh Limited	195,037,023,715	60,829,645,940
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Sub total (ii)	195,037,023,715	60,829,645,940
Total (i+ii)	213,784,344,840	75,853,653,790

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Monirul
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD Head Office, Dhaka



8.0	Balance with other banks & financial institutions	31.12.2020	31.12.2019
8.1	In Bangladesh	Taka	Taka
	In current account	834,137,848	1,281,518,298
	OBU's balance with treasury division, IBBL (Note-2.0 _OBU)	152,561,168	824,047,444
	In Mudaraba savings & MTDR account with other Islamic banks/financial institutions	44,050,971,403	64,752,981,308
	Sub total	45,037,670,420	66,858,547,050
	Less: OBU's balance with treasury division, IBBL	152,561,168	824,047,444
	Sub total (I)	44,885,109,251	66,034,499,606
8.1i	Outside Bangladesh (Note 8.1)		
	In current account	16,547,689,979	20,101,992,939
	In Mudaraba savings & MTDR account with other Islamic banks/financial institutions	-	-
	Sub total (ii)	16,547,689,979	20,101,992,939
	Grand total (I+ii)	61,432,799,230	86,136,492,545

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	31.12.2020	31.12.2019
US Dollar	173,825,460.39	84.80	14,740,468,571	19,010,118,521
Great Britain Pound (GBP)	723,587.63	114.45	82,812,144	39,403,552
Saudi Riyal	3,905,139.19	22.60	88,242,868	53,074,048
EURO	6,365,287.39	103.87	661,175,132	475,569,349
YEN	15,156,775.00	0.82	12,411,883	2,945,086
Canadian Dollar	102,354.55	66.17	6,772,555	709,753
Swiss Franc	98,138.38	95.87	9,408,899	3,893,218
Singapore Dollar	723,268.42	63.88	46,205,714	66,373,566
China Currency (CNY)	101,059.44	12.98	1,312,085	1,220,808
ACU Dollar	10,346,045.17	84.80	877,348,769	331,170,218
AED	922,722.03	23.33	21,531,359	117,514,820
Total			16,547,689,979	20,101,992,939

8.2 Maturity - wise classification balance with other banks & financial institutions

Repayable on demand	27,000,065,655	28,061,492,545
With a residual maturity of		
Up to 1 Month	8,607,689,979	6,850,000,000
Over 1 month but not more than 3 months	24,275,022,345	49,555,000,000
Over 3 months but not more than 1 year	1,550,021,251	1,670,000,000
Over 1 year but not more than 5 years	-	-
More than 5 years	-	-
Total	61,432,799,230	86,136,492,545

8(a) Consolidated Balance with other banks & financial institutions

8(a)(i) In Bangladesh	44,885,109,251	66,034,499,606
Islamic Bank Bangladesh Limited	5,445,527,092	5,297,980,139
Islamic Bank Securities Limited	371,095,559	374,629,913
Islamic Bank Capital Management Limited	(818,688,740)	(383,728,759)
Inter-company balances	49,886,043,162	71,323,380,899
Sub-total (i)		
8(a)(ii) Outside Bangladesh	16,547,689,979	20,101,992,939
Islamic Bank Bangladesh Limited	-	-
Islamic Bank Securities Limited	-	-
Islamic Bank Capital Management Limited	16,547,689,979	20,101,992,939
Sub-total (ii)	66,433,733,141	91,425,373,838
Total (I+ii)		

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 Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

9.0 Placement with banks & other financial institutions

Placement to OBU by Treasury Division, IBBL (Note-6.0 _OBU)	15,554,797,835	8,904,413,666
Placement to AD Branches for MDB in FC by OBU (Note-3.0 _OBU)	3,217,847,934	4,495,813,854
Placement to Islamic Refinance Fund Account (*)	-	-
Total	18,772,645,769	13,400,227,520
Less: Placement to OBU by Treasury Division, IBBL	15,554,797,835	8,904,413,666
Less: Placement to AD Branches for MDB in FC by OBU	3,217,847,934	4,495,813,854
Total	-	-

Particulars	As at December 2020					
	No. of share at 31 Dec. 2020	Face Value/Average cost	Total Cost price	Market Value	Un-realized gain/Loss	Remarks
10.1 Government						
Bangladesh Shipping Corporation	2,240,000	44.70	100,128,000	100,128,000	-	Quoted
MPETROLEUM	40,000	225.24	9,009,645	7,920,000	(1,089,645)	Quoted
BSCCL	139,128	131.92	18,353,166	23,109,161	4,755,995	Quoted
Karmasengshan Bank	100,000	100.00	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 Sukuk Bond (Islamic Bond)	395,959	9,999.99	3,959,590,000	3,959,590,000	-	Un-Quoted
Bangladesh Government Islamic Investment Bond (Islamic Bond)	10	5,200,000.00	52,000,000,000	52,000,000,000	-	Un-Quoted
Sub Total Government	5,199,818	-	56,103,358,581	56,107,024,931	3,666,350	

Tanzim Alamgir
 Chief Executive Officer
 UIC Investment Limited

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Mohammed Monir
 Managing Director
 Islamic Bank Bangladesh Limited
 Head Office, Dhaka.

Khondoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

Particulars	As at December 2020					Remarks
	No. of share as at 31 Dec. 2020	Face Value/Average cost	Total Cost price	Market Value	Un-realized gain/Loss	
10.2 Other than Government						
(i) Subsidiary Companies						
Islami Bank Securities Limited	2,699,796	1,000.00	2,699,796,000	2,699,796,000	-	Un-Quoted
Islami Bank Capital Management Ltd.	299,993	1,000.00	299,993,000	299,993,000	-	Un-Quoted
Sub total (i)	2,999,789		2,999,789,000	2,999,789,000		
(ii) Mutual Funds						
SEML IBBL Shariah Fund	50,000,000	10.00	500,000,000	520,000,000	20,000,000	Quoted
UFS-IBBL Shariah Unit Fund	50,000,000	10.00	500,000,000	471,500,000	(28,500,000)	Un-Quoted
CAPM IBBL Shariah Fund	49,500,000	10.00	495,000,000	1,123,650,000	628,650,000	Quoted
NAM IBBL Islamic Mutual Fund	10,651,731	9.99	106,399,998	94,587,371	(11,812,627)	Un-Quoted
AT Capital Shariah Unit Fund	5,010,020	9.98	50,000,000	52,755,511	2,755,511	Un-Quoted
Capitec Padma PFS Unit Fund	10,000,000	10.00	100,000,000	95,300,000	(4,700,000)	Un-Quoted
UFS-Padma Life Islami Unit Fund	15,000,000	10.00	150,000,000	149,400,000	(600,000)	Un-Quoted
Capitec IBBL Shariah Unit Fund	3,750,000	10.00	37,500,000	37,500,000	-	Un-Quoted
Sub Total (ii)	193,911,751		1,938,899,998	2,545,692,882	606,792,884	
(iii) Foreign Share						
APIF of InDB	983,211	1,000.00	983,211,300	983,211,300	-	Un-Quoted
Sub Total (iii)	983,211		983,211,300	983,211,300		
(iv) Subordinated Debt						
Mudaraba Subordinated Debt of Social Islami Bank Ltd (1st)	960	1,000,000	960,000,000	960,000,000	-	Un-Quoted
Mudaraba Subordinated Debt of Social Islami Bank Ltd (1st)	400	250,000	100,000,000	100,000,000	-	Un-Quoted
Mudaraba Subordinated Debt Social Islami Bank Ltd (2nd)	1,000	2,000,000	2,000,000,000	2,000,000,000	-	Un-Quoted
Mudaraba Subordinated Debt of First Security Islami Bank (3rd)	325	10,000,000	3,250,000,000	3,250,000,000	-	Un-Quoted
SIBL Mudaraba Perpetual Bond	150,000	10,000	1,500,000,000	1,500,000,000	-	Un-Quoted
FSBL Mudaraba Perpetual Bond	180,000	10,000	1,800,000,000	1,800,000,000	-	Un-Quoted
Mudaraba Subordinated Debt of Union Bank Ltd.	100	10,000,000	1,000,000,000	1,000,000,000	-	Un-Quoted
Sub Total (iv)	332,785		10,610,000,000	10,610,000,000		
(v) Others						
MSF Assets Management Ltd	500,000	10.00	5,000,000	5,000,000	-	Un-Quoted
Bangladesh Aroma Tea Co	1,570	100.00	157,000	-	(157,000)	De-listed
ACMELAB	814,167	101.13	82,338,788	60,818,275	(21,520,513)	Quoted
ACTIVEFINE	875,000	33.57	29,372,442	14,787,500	(14,584,942)	Quoted
APEXFOOT	22,161	353.78	7,840,046	4,882,068	(2,957,978)	Quoted
ACT	31,684	362.63	11,489,511	7,794,264	(3,695,247)	Quoted
AFC AGRO	432,630	38.21	16,530,864	7,354,710	(9,176,154)	Quoted
ADVENT	385,000	26.22	10,093,091	8,778,000	(1,315,091)	Quoted
APOLISPAT	583,250	13.62	7,944,812	3,791,125	(4,153,687)	Quoted
ALARABANK	279,125	20.39	5,691,713	6,196,575	504,862	Quoted
AGNISYSL	200,000	20.43	4,086,445	3,780,000	(306,445)	Quoted
BBS	998,617	36.76	36,705,047	17,475,798	(19,229,249)	Quoted
BBSCABLES	102,850	89.65	9,220,791	5,636,180	(3,584,611)	Quoted
BSRMSTEEL	323,334	91.55	29,600,989	13,741,695	(15,859,294)	Quoted
BATASHOE	9,600	1,278.82	12,276,674	6,745,920	(5,530,754)	Quoted
BEACONPHAR	120,000	78.13	9,375,925	9,408,000	32,075	Quoted
BXPHERMA	20,000	146.21	2,924,107	3,810,000	885,893	Quoted
BPML	10,807	80.00	864,560	479,831	(384,729)	Quoted
CONFIDCEM	179,000	133.59	23,913,252	21,712,700	(2,200,552)	Quoted
DOREENPOWER	156,356	67.13	10,496,930	9,537,716	(959,214)	Quoted
DAFODILCOM	10,000	73.30	733,028	738,000	4,972	Quoted
ESQUIRENT	41,780	45.00	1,880,100	1,098,814	(781,286)	Quoted
GP	468,591	349.39	163,722,032	162,647,936	(1,074,096)	Quoted
ETL	384,615	11.10	4,270,925	3,153,843	(1,117,082)	Quoted
GENNEXT	1,391,500	10.03	13,952,950	5,426,850	(8,526,100)	Quoted
GENXIL	280,000	60.93	17,059,628	15,400,000	(1,659,628)	Quoted
IFADAUTOS	537,132	87.50	46,997,200	25,352,630	(21,644,570)	Quoted
ITC	5,729	34.42	197,219	183,901	(13,318)	Quoted
MARICO	6,369	2,029.50	12,925,991	13,622,017	696,026	Quoted
HEIDELBCEM	77,148	555.17	42,830,127	11,541,341	(31,288,786)	Quoted
EXIMBANK	1,750,000	13.01	22,764,658	20,850,000	(1,914,658)	Quoted
LHBL	505,000	75.71	38,234,690	24,139,000	(14,095,690)	Quoted
LINDEBD	37,151	1,430.28	53,136,260	47,594,146	(5,542,114)	Quoted
MJLBD	419,508	106.69	44,757,105	32,260,165	(12,496,940)	Quoted
MHSMIL	382,347	26.52	10,139,609	5,620,501	(4,519,108)	Quoted
NAVANACNG	54,022	56.29	3,040,665	2,004,218	(1,036,447)	Quoted
OLYMPIC	232,233	264.97	61,535,209	44,379,728	(17,155,481)	Quoted
PTL	296,951	61.07	18,134,003	15,738,403	(2,395,600)	Quoted
QUASEMIND	459,441	58.84	27,031,794	21,134,286	(5,897,508)	Quoted
QUEENSOUTH	173,460	36.10	6,261,451	4,457,922	(1,803,529)	Quoted
ROBI	271,254	10.00	2,712,540	8,083,369	5,370,829	Quoted
RUNNERAUTO	5,735,100	42.86	245,790,000	291,916,590	46,126,590	Quoted
SOURPHARMA	702,538	195.68	137,474,340	154,207,091	16,732,751	Quoted
SHASHADNIM	122,475	49.22	6,027,932	2,645,460	(3,382,472)	Quoted
IBP	222,360	29.73	6,610,288	4,247,076	(2,363,212)	Quoted
SINGERBD	163,765	176.63	28,926,099	28,757,134	(168,965)	Quoted
SAPORTL	212,160	49.71	10,546,418	6,576,960	(3,969,458)	Quoted
SPCL	244,326	116.05	28,353,492	17,509,096	(10,844,396)	Quoted
SAIFPOWER	90,368	30.02	2,713,166	1,626,624	(1,086,542)	Quoted
SUMITPOWER	1,182,393	42.86	50,881,377	45,995,088	(4,886,289)	Quoted
SQUARETEXT	100,000	54.86	5,486,392	2,980,000	(2,506,392)	Quoted
SILVAPHL	500,010	20.97	10,485,047	9,150,183	(1,334,864)	Quoted
RINGSHINE	233,531	8.61	2,010,600	1,494,598	(516,002)	Quoted
TALLUSPIN	244,528	15.58	3,809,976	1,100,376	(2,709,600)	Quoted
UPGDCL	87,500	285.92	24,817,992	23,056,250	(1,761,742)	Quoted
Sub Total (v)	23,670,436		1,472,173,020	1,268,619,949	(203,553,070)	
Sub Total Other than Government (i-v)	221,897,972		18,004,073,318	18,407,313,131	403,239,814	
Total (10.1+10.2)	227,097,791		74,107,431,899	74,514,338,062	406,906,164	

22 SEP 2021

Vetted

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Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCIS Investment Limited

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EVP, Head of Finance
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Managing Director & CEO
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Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited



10.0 Investments in shares & securities						
Particulars	As at December 2019					
	No. of share as at 31 Dec. 2019	Face Value/Average cost	Total Cost price	Market Value	Un-realized gain/loss	Remarks
10.1 Government						
Bangladesh Shipping Corporation	2,240,000	42.30	94,752,000	94,752,000	-	Quoted
Kermasangsthan Bank	100,000	100.00	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)	10	4,000,000.00	40,000,000.00	40,000,000.00	-	Un-Quoted
Sub total Government	4,624,731		40,111,029,770	40,111,029,770		
10.2 Other than Government						
i) Subsidiary companies						
Islami Bank Securities Limited	2,699,796	1,000.00	2,699,796,000	2,699,796,000	-	Un-Quoted
Islami Bank Capital Management	299,993	1,000.00	299,993,000	299,993,000	-	Un-Quoted
Sub total (i)	2,999,789		2,999,789,000	2,999,789,000		
ii) Mutual Funds						
SEMI IBBL Shariah Fund	50,000,000	10.00	500,000,000	320,000,000	(180,000,000)	Quoted
UFS-IBBL Shariah Unit Fund	50,000,000	10.00	500,000,000	408,500,000	(91,500,000)	Un-Quoted
CAPM IBBL Shariah Fund	50,000,000	10.00	500,000,000	395,000,000	(105,000,000)	Quoted
NAM IBBL Islamic Mutual Fund	10,651,731	9.99	106,399,998	83,403,054	(22,996,944)	Un-Quoted
AT Capital Shariah unit Fund	5,010,020	9.98	50,000,000	44,839,679	(5,160,321)	Un-Quoted
Capitec Padma PFS Unit Fund	10,000,000	10.00	100,000,000	91,700,000	(8,300,000)	Un-Quoted
UFS-Padma Life Islami Unit Fund	15,000,000	10.00	150,000,000	130,650,000	(19,350,000)	Un-Quoted
Capitec IBBL Shariah Unit Fund	3,750,000	10.00	37,500,000	37,500,000	-	Un-Quoted
Sub Total (ii)	194,411,751		1,943,899,998	1,511,592,733	(432,307,265)	
iii) Subordinated Debt						
Mudraba Subordinated Debt of First Security Islami Bank (2nd)	1,200	1,000,000	1,200,000,000	1,200,000,000	-	Un-Quoted
Mudraba Subordinated Debt of Social Islami Bank Ltd (1st)	400	500,000	200,000,000	200,000,000	-	Un-Quoted
Mudraba Subordinated Debt Social Islami Bank Ltd (2nd)	1,000	2,000,000	2,000,000,000	2,000,000,000	-	Un-Quoted
Mudraba Subordinated Debt of First Security Islami Bank (3rd)	325	10,000,000	3,250,000,000	3,250,000,000	-	Un-Quoted
Mudraba Subordinated Debt of Union Bank LTD.	100	10,000,000	1,000,000,000	1,000,000,000	-	Un-Quoted
Sub Total (iii)	3,025		7,650,000,000	7,650,000,000		
iv) Others						
MSF Assets Management Ltd	500,000	10.00	5,000,000	5,000,000	-	Un-Quoted
Bangladesh Aroma Tea Co	1,570	100.00	157,000	-	(157,000)	De-listed
ACMELAB	734,167	103.79	76,197,416	44,710,770	(31,486,646)	Un-Quoted
ACTIVEFINE	875,000	33.57	29,372,442	12,862,500.00	(16,509,942)	Quoted
APEXFOOT	22,161	353.78	7,840,046	4,944,119.10	(2,895,927)	Quoted
ACI	28,804	398.89	11,489,511	5,227,926.00	(6,261,585)	Quoted
AFC AGRO	432,630	38.21	16,530,864	8,652,600.00	(7,878,264)	Quoted
APOLISPAT	583,250	13.62	7,944,812	2,274,675.00	(5,670,137)	Quoted
ALARABANK	204,000	21.91	4,468,654	3,508,800.00	(959,854)	Quoted
ADN TEL	18,968	30.00	569,040	569,040.00	-	Quoted
BBS	951,065	38.39	36,705,046	15,217,040.00	(21,488,006)	Quoted
BBSCABLES	93,500	98.62	9,220,701	5,497,800.00	(3,722,901)	Quoted
BSRMSTEEL	323,334	91.55	29,600,989	12,674,692.80	(16,926,296)	Quoted
BATASHOE	9,600	1,278.82	12,276,674	6,682,560.00	(5,594,114)	Quoted
BXPHARMA	457,015	101.19	46,247,233	31,716,841.00	(14,530,392)	Quoted
BARKAPOWER	495,000	27.94	13,829,918	11,236,500.00	(2,593,418)	Quoted
BPML	10,807	80.00	864,560	497,122.00	(367,438)	Quoted
CONFIDCEM	362,670	99.59	36,117,927	38,479,287.00	2,361,360	Quoted
COPPERTech	4,978	9.52	47,410	116,983.00	69,573	Quoted
DOREENPWR	125,415	75.91	9,519,920	7,386,943.50	(2,132,977)	Quoted
ESQUIRENT	41,780	45.00	1,880,100	1,182,374.00	(697,726)	Quoted
ETL	366,300	11.66	4,270,925	3,516,480.00	(754,445)	Quoted
GP	225,377	397.75	89,643,239	64,412,746.60	(25,230,492)	Quoted
GLAXOSMITH	1,355	1,751.77	2,373,652	2,379,786.50	6,135	Quoted
GENNEXT	1,391,500	10.03	13,952,950	3,757,050.00	(10,195,900)	Quoted
GENXIT	5,233	10.00	52,330	352,704.20	300,374	Quoted
IFADAUTOS	382,600	104.78	40,096,989	17,676,120.00	(22,410,869)	Quoted
ITC	5,457	36.14	197,219	184,992.30	(12,227)	Quoted
HEIDELBCEM	77,148	555.17	42,830,127	12,713,990.40	(30,116,137)	Quoted
EXIMBANK	1,000,000	14.01	14,008,940	10,100,000.00	(3,908,940)	Quoted
LHBL	505,000	75.71	38,234,690	16,968,000.00	(21,266,690)	Quoted
LINDEBD	37,151	1,430.28	53,136,260	48,259,149.00	(4,877,111)	Quoted
MPETROLEUM	40,000	225.24	9,009,645	6,552,000.00	(2,457,645)	Quoted
MJLBD	419,508	106.69	44,757,105	26,554,856.40	(18,202,249)	Quoted
MHSML	382,347	26.52	10,139,609	3,594,061.80	(6,545,547)	Quoted
MLDYENG	935,653	41.30	38,647,492	30,789,563.70	(7,857,928)	Quoted
MARICO	14,094	1,743.48	24,572,607	23,583,490.20	(989,117)	Quoted
NEWLINE	8,038	9.35	75,130	118,962.40	43,832	Quoted
NAVANACNG	54,022	56.29	3,040,665	1,858,356.80	(1,182,308)	Quoted
OLYMPIC	205,912	275.27	56,680,718	33,975,480.00	(22,705,238)	Quoted
FTL	545,000	64.12	34,945,712	32,155,000.00	(2,790,712)	Quoted
QUASEMIND	437,563	61.78	27,031,794	16,014,805.80	(11,016,988)	Quoted
QUEENSOUTH	160,612	38.98	6,261,451	4,047,422.40	(2,214,029)	Quoted
RUNNERAUTO	5,735,100	42.86	245,790,000	341,238,450.00	95,448,450	Quoted
SAIFPOWER	86,065	31.52	2,713,166	1,153,271.00	(1,559,895)	Quoted
SQRPHARMA	770,670	204.28	157,435,099	146,427,300.00	(11,007,799)	Quoted
SHASHADNIM	116,643	51.68	6,027,932	2,881,082.10	(3,146,850)	Quoted
ISP	218,000	30.32	6,610,288	3,989,400.00	(2,620,888)	Quoted
SINGERBD	65,065	209.25	13,614,847	11,737,726.00	(1,877,121)	Quoted
SAPORTL	208,000	50.70	10,546,418	3,473,600.00	(7,072,818)	Quoted
SPCL	239,536	118.37	28,353,492	16,767,520.00	(11,585,972)	Quoted
SUMITPOWER	950,000	42.73	40,589,316	34,485,000.00	(6,104,316)	Quoted
SQUARETEXT	100,000	54.86	5,486,392	3,100,000.00	(2,386,392)	Quoted
SSSTEEL	3,710	9.09	33,730	83,475.00	49,745	Quoted
RINGSHINE	216,139	9.30	2,010,600	2,226,231.70	215,632	Quoted
TALLUSPIN	244,528	15.58	3,809,976	709,131.20	(3,100,845)	Quoted
SILCOPHL	8,034	9.09	73,040	243,430.20	170,390	Quoted
Sub total (iv)	22,437,274		1,432,923,808	1,146,519,209	(286,404,599)	
Sub total Other than Government (i-iv)	219,851,839		14,026,612,806	13,027,990,942	(998,621,864)	
Total (10.1+10.2)	224,476,570		54,137,642,576	53,418,930,712	(718,711,864)	

22 SEP 2021

Vetted

Md. Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCS Investment Limited

Md. Ashraf Hossain
EVP, Head of Finance
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul
Managing Director
Islami Bank Bangladesh Limited
Head Office, Dhaka

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited



10.3 Revaluation of shares & securities

All Shares and Securities are shown at cost price other than the Shares of Bangladesh Shipping Corporation (BSC) which have been recognized at closing market price as on 31.12.2020 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. Netting-off unrealized gain and diminution of values in securities as per DOS Circular No-4 dated 24.11.2011, the ultimate requirement of provision for Capital Market Investment for the year 2020 (Note-17.2.1) is zero/NIL. However, provision for Tk. 3,157,000 is required for investment/ de-listed securities. Change in revaluation of shares of Bangladesh Shipping Corporation (BSC) has been shown as revaluation reserve of securities.

10.4 Maturity grouping of investments in shares & securities

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
Over 1 year but not more than 5 years
More than 5 years
Total

31.12.2020	31.12.2019
Taka	Taka
-	-
2,377,616,738	6,413,772,307
974,513,861	18,950,491,502
773,800,000	19,681,944,211
6,211,605,650	3,822,737,825
63,769,895,650	5,268,696,731
74,107,431,899	54,137,642,576

10(a) Consolidated investments in shares & securities

10(a)(i) Government
Islami Bank Bangladesh Limited
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Inter-company balances
Sub total (i)

56,103,358,581	40,111,029,770
-	-
-	-
-	-
56,103,358,581	40,111,029,770

10(a)(ii) Others
Islami Bank Bangladesh Limited
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Inter-company balances
Sub total (ii)
Total (i+ii)

18,004,073,318	14,026,612,806
3,180,516,793	2,955,677,427
131,792,550	4,935,622
(2,999,789,000)	(2,999,789,000)
18,316,593,661	13,987,436,855
74,419,952,242	54,098,466,625

11.0 Investments
General investments etc. (Note-11.1)
Bills purchased & discounted (Note-11.2)
Total

979,811,103,912	866,248,730,969
55,476,778,421	32,764,475,279
1,035,287,882,333	899,013,206,248

11.1 General investments etc.

i) In Bangladesh
Bai - Murabaha
Bai - Muajjal
Hire Purchase under Shirkatul Melk
Hire Purchase under Shirkatul Melk (HPSM in FC-OBU)
Bai-Murabaha Import Bills
Baim- FC Bills
Musharaka
Mudaraba
Bai - Salam
Murabaha Foreign Currency Investment
Quard
Investment in Khidmah Card (KC)
Sub total (i)

581,357,648,888	521,228,979,868
63,781,356,606	56,657,722,364
203,627,313,520	190,187,591,978
11,219,337,143	11,963,915,516
10,362,506,676	5,424,696,234
14,027,632,335	12,745,346,208
391,152,359	388,106,099
4,800,080,000	4,700,025,000
15,525,608,456	11,247,245,436
29,496,673,770	17,698,068,760
44,566,863,231	33,509,089,094
654,930,929	297,944,412
979,811,103,912	866,248,730,969

ii) Out side Bangladesh

Bai - Murabaha
Bai - Muajjal
Hire Purchase under Shirkatul Melk
Musharaka
Overseas Investment
Bai - Salam
Quard
Others
Sub total (ii)
Grand total (i+ii)

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
979,811,103,912	866,248,730,969

11.1.1 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
Over 1 year but not more than 5 years
More than 5 years
Total

-	-
132,274,413,831	168,429,321,509
220,457,356,994	141,251,232,532
274,347,564,022	208,614,630,131
253,770,911,266	168,971,364,215
98,960,857,799	178,982,182,182
979,811,103,912	866,248,730,969

11.1(a) Consolidated general investments etc.

Islami Bank Bangladesh Limited
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Inter-company balances
Total

979,811,103,912	866,248,730,969
-	-
(4,700,000,000)	(4,700,000,000)
975,111,103,912	861,458,730,969

11.2 Bills purchased & discounted

i) In Bangladesh
Musharaka Doc. Bill (MDB)
ii) Outside Bangladesh
Mudaraba Doc Bill (UPAS)-OBU
Bai- As- Sarf (FDB)
MDB in FC
Sub-total (ii)
Total (i+ii)

2,838,094,426	3,317,066,947
46,795,657,019	21,725,073,825
2,630,672,056	3,229,576,624
3,212,354,920	4,492,757,883
52,638,683,995	29,447,408,332
55,476,778,421	32,764,475,279

11.2.1 Maturity-wise classification of bills purchased & discounted

Payable within 1 month
Over 1 month but less than 3 months
Over 3 months but less than 6 months
6 months or more
Total

18,307,336,788	9,185,647,214
17,752,569,095	9,457,253,387
10,422,569,095	8,165,127,024
1,994,308,443	5,956,447,654
55,476,778,421	32,764,475,279

22 SEP 2021

Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
ICBS Investment Limited

Md. Ashraf
EVP, Head of Finance
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mo
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited



11.2(a) Consolidated bills purchased & discounted

	31.12.2020 Taka	31.12.2019 Taka
Islami Bank Bangladesh Limited	55,476,778,421	32,764,475,279
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Total	55,476,778,421	32,764,475,279

11.3 Geographical location wise classification of investments

	31.12.2020 Taka	31.12.2019 Taka
Within Bangladesh	76,451,168,324	63,666,798,276
In rural areas	958,836,713,809	855,346,407,972
In urban areas	-	-
Sub total	1,035,287,882,333	899,013,206,248
Outside Bangladesh	-	-
Total	1,035,287,882,333	899,013,206,248

11.4 Division wise classification of investments (*)

	31.12.2020 Taka	31.12.2019 Taka
Dhaka division	530,950,680,891	461,164,000,290
Chattogram division	290,457,813,920	236,169,118,980
Khulna division	59,951,752,989	61,280,153,552
Rajshahi division	81,647,001,707	71,517,340,170
Barisal division	13,892,768,906	12,091,252,938
Sylhet division	15,299,907,239	15,177,272,788
Rangpur division	31,092,334,547	30,099,447,393
Mymensingh division	11,995,622,134	11,514,620,137
Total	1,035,287,882,333	899,013,206,248

(*) 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.

11.5 Investment on the basis of significant concentration including bills purchased and discounted

	31.12.2020 Taka	31.12.2019 Taka
Investment to directors	1,438,634,458	1,179,702,984
Investment to chief executive & other senior executives	-	-
Sector wise other investments:		
Trade & commerce	304,478,371,536	263,945,731,643
Real estate	65,913,751,572	60,401,717,462
Transport	8,192,135,987	7,232,408,464
Agriculture (including fertilizer & agriculture implements)	29,541,041,273	25,518,113,544
Industrial investment (Note-11.5.1)	562,743,323,334	493,102,367,865
Others	62,980,624,173	47,633,164,286
Total	1,035,287,882,333	899,013,206,248

11.5.1 Classification of industrial investments

	31.12.2020 Taka	31.12.2019 Taka
Textile- spinning, weaving & dyeing	138,030,218,065	126,465,555,868
Garments & garments accessories	33,861,246,357	43,728,047,923
Steel, re-rolling & engineering	47,609,390,667	32,593,782,821
Agro-based industry	171,807,740,837	155,544,573,957
Food & beverage	12,909,098,293	11,472,860,864
Cements industry	14,311,057,860	15,515,384,184
Pharmaceuticals	5,393,976,485	6,284,383,699
Poultry, poultry feed & hatchery	8,911,132,220	1,688,913,040
Sanitary wares	97,527,565	219,634,736
Chemicals, toiletries & petroleum	9,445,448,592	7,441,594,251
Printing & packaging	13,765,438,058	11,112,128,521
Power (electricity)	7,425,919,178	4,492,561,540
Ceramic & bricks	12,979,243,990	10,860,720,644
Health care (hospital & others)	7,699,407,486	6,499,894,788
Plastic industries	5,864,228,104	4,711,593,232
Petrol pump & CNG filling station	1,728,392,353	1,030,308,445
Information technology	271,822,986	212,574,870
Hotel & restaurant	1,574,578,337	1,132,850,110
Other industries	49,037,455,899	52,095,004,372
Total	562,743,323,334	493,102,367,865

11.6 Details of investment to customers group (10.00% of regulatory equity and above)

Number of clients with amount of sanctioned limit or investments exceeding 10.00% of total regulatory equity of the bank & classified amount thereon are given below:

	23	17
Number of clients	292,819,000,000	185,058,800,000
Amount of investments (Taka)	Nil	Nil
Classified amount thereon	Nil	Nil
Measures taken for recovery	Not Applicable	Not Applicable

Total regulatory capital of the Bank was Tk. 87,252.72 million as at 31 December 2020 & Tk. 79,079.70 million as at 31 December 2019. (Taka in million)

Sl. No.	Name of clients	Sanctioned limit	Outstanding as on 31.12.2020			31.12.2019
			Funded	Non-funded	Total	
1	S. Alam Steels & Refined Sugar Ind. Ltd.	40,000	22,781	7,728	30,509	13,160
2	Bashundara Multifood Group	28,381	4,311	12,745	17,056	9,055
3	S. Alam Vegetable Oil Ltd.	27,800	13,622	14,915	28,537	15,769
4	S. Alam Super Edible Oil Ltd.	27,800	13,623	4,680	18,303	15,147
5	Abul Khair Group	20,000	1,899	6,013	7,912	18,803
6	BRB Group	19,640	3,828	5,146	8,974	9,356
7	Noman Group	17,380	8,720	6,037	14,757	12,060
8	Infinite CR Strips Ind Ltd.	16,520	11,425	917	12,342	-
9	Nabil Group	16,250	2,229	13,466	15,695	-
10	Farzana Group	15,800	4,305	3,982	8,287	6,092
11	Nassa Group	15,112	11,535	3,927	15,462	12,349
12	S. Alam Cold Rolled Steels Ltd.	13,500	12,534	1,799	14,333	13,402
13	Jamuna Tyre & Rubber/Jamuna Group	12,157	7,989	840	8,829	7,821
14	Noapara Group	11,278	869	6,816	7,685	-
15	East West Property Dev (Pvt) Ltd.	10,400	8,378	-	8,378	-
16	BSM Composite Knitting Ind. Ltd.	10,377	6,222	3,886	10,108	-
17	Globe Edible Oil	10,362	5,137	5,269	10,406	6,764
18	Petromax Refinery/ Youth Group	10,328	5,178	4,343	9,521	9,482
19	Badshah Group	9,760	6,196	2,653	8,849	-
20	Shaikh Brothers Group	9,656	4,248	3,795	8,043	10,034
21	MSA Group	9,450	6,988	2,191	9,179	8,152
22	Mosharraf & Brothers Group	9,165	7,216	1,041	8,257	8,884
23	Aman Cement Mills Unit-2 Ltd. & Its Sister Concern	8,854	8,073	2,474	10,547	8,729
	Total	369,920	177,306	115,512	292,819	185,059

22 SEP 2021
Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Md. Ashraful Haque
EVP, Head of FA
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monir
Managing Director
Islami Bank Bangladesh Limited
Head Office, Dhaka

Khandoker Rahean Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

11.7 Classification status - wise investments

Unclassified :

- i) Unclassified including staff investment
- ii) Special mention account (SMA)

Total unclassified (i+ii)

Classified :

- iii) Substandard
- iv) Doubtful
- v) Bad and Loss

Total classified (iii+iv+v)

Grand total (i to v)

31.12.2020	31.12.2019
Taka	Taka
979,020,083,510	833,240,426,015
21,008,700,199	31,388,236,971
1,000,028,783,709	864,628,662,988
6,347,883,368	7,031,123,629
2,787,025,194	2,014,014,807
26,124,190,062	25,339,404,824
35,259,098,624	34,384,543,260
1,035,287,882,333	899,013,206,248

11.8 Pledged collaterals against investments

- Land & building
- MTDR, securities, etc.
- Share certificates
- Total**

1,112,522,620,095	1,168,742,484,655
142,204,778,206	142,463,588,347
345,220,535	346,906,578
1,255,072,618,836	1,311,552,980,080

11.9 Particulars of investments

- i) Investments considered good in respect of which the bank is fully secured
- ii) Investments considered good in respect of which the Bank holds debtors' personal security
- iii) Investments considered good and secured by personal security of one or more persons in addition to personal security of debtors
- iv) Investments considered bad or doubtful not provided for.
- Total**
- v) Investments due by directors or employees of the bank or any of them either severally or jointly with any other
- 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
- 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.
- 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
 - b) Provision for classified investments
 - c) Provision kept against investments classified as bad & loss
 - d) Amount credited to profits/ rent /compensation suspense account
- xi) **Particulars of written off investments**
 - a) Cumulative amount of investment written off since inception to 31st December last year
 - b) Amount of investment written off during this year
 - c) **Total amount written Off (a+b)**
 - d) Amount recovered against written off investment up to this year (*)
 - e) Amount waived against written off investment up to this year
 - f) **Amount of investment written off against which suit has been filed to recover the same**

995,134,772,478	864,607,871,424
654,930,929	297,944,412
39,498,178,926	34,247,390,412
-	-
1,035,287,882,333	899,013,206,248
29,426,928,786	28,272,209,680
-	-
5,194,355,950	5,420,429,173
-	-
-	-
-	-
26,124,190,062	25,339,404,824
36,297,928,491	34,739,328,171
33,934,079,430	33,996,301,386
29,607,545,099	22,461,637,783
12,167,909,201	12,167,909,201
-	-
12,167,909,201	12,167,909,201
1,716,326,810	1,601,825,069
987,680,501	977,990,000
9,463,901,890	9,588,094,132

(*) During the year of 2020, Tk. 124,192,242/- was recovered from written-off investments, out of which a sum of Tk. 9,690,501/- was waived and remaining Tk. 114,501,741/- was recovered from the clients in cash.

11.10 Information about restructured investment as per Bangladesh Bank's BRPD Circular No-4, dated 29 January, 2015

Investment amounting to Tk. 4,874 million (outstanding Tk. 2,531.20 million as on 31.12.2020) of 2 (two) investment clients (i) Abdul Monem Sugar Refinery Ltd., Local Office & (ii) Jamuna Electronics Ltd., Gulshan Br, Dhaka have been restructured. Those restructured have been made by extension of validity of term investment for 6 (six) years with no gestation period for Abdul Monem Sugar Refinery Ltd. and 12 (twelve) years including 01 (one) year gestation period for Jamuna Electronics Ltd. under the purview of BRPD Circular No-4, dated 29 January, 2015. The status of the investments are unclassified and reported as Special Mention Account (SMA) as per Bangladesh Bank Guidelines.

12.0 Fixed assets including premises (Annexure-A)

12.1 Tangible assets

- Land
- Building
- Construction/capital work-in-process
- Furniture and fixtures
- Mechanical appliances
- Computer
- Motor vehicles
- ATM
- Books
- Right of Use- Assets for lease rent
- Total cost of tangible assets including revaluation**
- Less: Accumulated depreciation
- Net book value of tangible assets at the end of the year**

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7,623,650,885	7,623,650,885
6,539,112,354	6,539,112,354
1,472,423,140	1,275,557,951
2,805,970,340	2,627,237,017
1,899,643,977	1,820,601,861
1,658,491,089	1,622,222,419
1,484,405,294	1,125,673,435
10,601,409	10,276,356
2,380,392,163	452,218,860
25,874,690,651	23,096,551,138
8,279,350,223	7,084,456,025
17,595,340,428	16,012,095,113

12.2 Intangible assets

- Computer software
- Total cost of intangible assets**
- Less: Accumulated amortization
- Net book value of intangible assets at the end of the year**
- Total net book value at the end of the year (12.1+12.2)**

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

725,114,427	618,879,258
725,114,427	618,879,258
510,556,125	444,327,809
214,558,302	174,551,449
17,809,898,730	16,186,646,562

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
- Over 1 year but not more than 5 years
- More than 5 years
- Total**

-	-
765,845,654	712,564,984
2,983,514,657	2,718,533,751
14,060,538,419	12,755,547,827
17,809,898,730	16,186,646,562

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FAD, Head Office, Dhaka.

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DMD & Company Secretary
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Road Office, Dhaka.

Mohammed Monirul M
Managing Director &
Islami Bank Bangladesh
Head Office, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)

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 24, 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 statutory auditors.

	31.12.2020 Taka	31.12.2019 Taka
12(a) Consolidated fixed assets including premises (Annexure-B)		
12(a.1) Tangible assets		
Islami Bank Bangladesh Limited	17,595,340,428	16,012,095,113
Islami Bank Securities Limited	12,760,443	10,360,563
Islami Bank Capital Management Limited	4,732,875	2,267,368
Sub-total	17,612,833,746	16,024,723,044
12(a.2) Intangible assets		
Islami Bank Bangladesh Limited	214,558,302	174,551,449
Islami Bank Securities Limited	655,330	-
Islami Bank Capital Management Limited	-	-
Sub-total	215,213,632	174,551,449
Total (12.a.1+12.a.2)	17,828,047,378	16,199,274,493
13.0 Other assets		
I) Income generating other assets		
II) Non-income generating other assets		
Stock of stationery in hand	201,415,596	134,674,579
Stamps in hand	31,542,735	27,687,810
Advance rent paid	404,976,132	468,009,415
Security deposits account	25,614,923	25,006,943
Suspense	3,227,103,669	424,246,654
Advance against expenses	55,942,526	54,510,788
Pre-paid expense-OBU	29,680,080	31,517,491
Accrued income	2,169,997,068	2,254,921,730
IB General account (Note - 13.3)	7,510,360,004	5,869,116,961
Clearing adjustment	583,061	-
Transfer delivery adjustment	-	-
F.C. clearing adjustment	308,562,401	761,892,100
mCash System A/c	32,880,947	9,457,684
Dividend income receivable	21,808,261	21,460,158
Master card receivable	20,325,879	-
ATM receivable	341,464,001	83,038,791
Foreign remittance incentive receivable	23,904,558	-
Sub-total (ii)	14,406,161,840	10,165,550,110
Total (I+II)	14,406,161,840	10,165,550,110
13.1 Maturity-wise classification		
Repayable on demand		
With a residual maturity of		
Up to 1 Month	1,878,641,529	1,753,163,297
Over 1 month but not more than 3 months	6,038,548,829	5,713,069,864
Over 3 months but not more than 1 year	2,789,575,125	1,975,073,871
Over 1 year but not more than 5 years	3,498,449,750	524,551,254
More than 5 years	200,946,607	199,691,824
Total	14,406,161,840	10,165,550,110
13.2 Classification status of other assets		
Unclassified	14,145,712,950	10,045,893,930
Doubtful	52,555,252	32,127,398
Bad/ Loss	207,893,638	87,528,762
Total	14,406,161,840	10,165,550,110
13.3 IB General account		
13.3.1 Un-reconciled entries of Inter Branch Transactions in Bangladesh		
Age		
Upto 3 months	7,510,360,004	5,869,116,961
Over 3 months but not more than 6 months	-	-
Total	7,510,360,004	5,869,116,961
13.3.2 Un-reconciled entries of Inter Branch Transactions outside Bangladesh		
Age		
Upto 3 months	-	-
Over 3 months but not more than 6 months	-	-
Total	-	-
13(a) Consolidated other assets		
Islami Bank Bangladesh Limited	14,406,161,840	10,165,550,110
Islami Bank Securities Limited	115,635,075	108,805,543
Islami Bank Capital Management Limited	50,385,688	108,967,151
Inter-company balances	(4,036,945)	(1,410,411)
Total	14,568,145,658	10,381,912,393
14.0 Placement from banks & other financial institutions		
Borrowing from Abroad- OBU (Note-14.1)	13,601,984,100	25,433,020,000
Borrowing from other Banks in Bangladesh- OBU (Note 14.2)	30,867,334,152	3,396,000,000
Bangladesh Government Islamic Investment Bond (BGIIIB) from BB	-	-
Borrowing from Treasury Division, IBBL -OBU (Note-6.0_OBU)	15,554,797,835	8,904,413,666
Fund obtained by AD branches from OBU for MDB in FC (Note-3.0_OBU)	3,217,847,934	4,495,813,854
Sub total	63,241,964,081	42,249,247,520
Less: Borrowing from Treasury Division, IBBL- OBU	15,554,797,835	8,904,413,666
Less: Fund obtained by AD branches from OBU for MDB in FC	3,217,847,934	4,495,813,854
Sub total	44,469,318,312	28,849,020,000
Total	44,469,318,312	28,849,020,000

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

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 of 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.

Md. Ashraf U Haque
EVP, Head of FAD & C
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Head Office, Dhaka.

Mohammed Monir
Managing Director
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Tanzim Alamgir
Chief Executive Officer
Prime Bank Investment Limited

- 14.1 **Borrowing from Abroad-OBU**
 SCB UAE
 First Gulf UAE
 Abu Dhabi Bank, UAE
 Noor Bank, UAE
 Emirates Islamic Bank, UAE
 ICIC Bank, Mumbai
 Mashreq Bank, UAE
 Emirates NBD Bank, UAE
 Commercial Bank of Doha, UAE
 Ras Al Khaimah
Total
- 14.2 **Borrowing from other Banks in Bangladesh**
 Pubali Bank Ltd.
 Commercial Bank of Ceylon
 BRAC Bank Ltd.
 Dutch Bangla Bank Ltd.
 Southeast Bank Ltd.
 Bank Asia Ltd.
 Bank Alfalah
 Shahjalal Islami Bank Ltd.
 Dhaka Bank Ltd.
 Jamuna Bank Ltd.
 Sonali Bank Ltd.
 Rupali Bank Ltd.
 NCC Bank Ltd.
 Al Arafah Islami Bank Ltd.
Total
- 14.3 **Borrowing from Bangladesh Bank**
 Bangladesh Government Islamic Investment Bond (BGIIIB)
Total
- 14(a) **Consolidated placement from banks & other financial institutions**
 Islami Bank Bangladesh Limited
 Islami Bank Securities Limited
 Islami Bank Capital Management Limited
Total
- 15.0 **Deposits & other accounts**
 Mudaraba savings deposits (Note-15.1)
 Mudaraba term deposits
 Other mudaraba deposits (Note-15.2)
 Al-wadeeah current and other deposit accounts (Note-15.3)
 Bills payable (Note-15.4)
Total
- 15.1 **Mudaraba Savings Deposits**
 Mudaraba Savings Deposits
 Mudaraba Savings Deposits (RDS)
 Mudaraba Savings Deposit (RDS-RIP)
 Mudaraba School Student Savings A/C
 Mudaraba Farmers Savings A/C
 Mudaraba Industry Employee Saving A/C
Total
- 15.2 **Other mudaraba deposits**
 Mudaraba Special Notice Deposits
 Mudaraba Hajj Deposits
 Mudaraba Savings Bond
 Mudaraba NRB Savings Bond
 Mudaraba Special Savings (Pension) Deposits
 Mudaraba Monthly Profit Deposit Scheme
 Mudaraba Muhor Savings
 Mudaraba Waqf Cash Deposit
 Mudaraba Upahar Deposit Scheme
 Mudaraba FC Deposit
 Mudaraba FC Deposit -Exporters Retention Quota (ERQ)
Total
- 15.3 **Al Wadeeah current and other deposits accounts**
 Al Wadeeah Current Deposits
 Convertible Taka Account
 Non Resident Investors Taka Account
 Non Resident FC of Exchange House / Banks
 Non Resident FC of Exchange House/ Banks-OBU (Note-2.0_OBU)
 Non Resident Taka Account
 Foreign Currency Deposit
 Foreign Currency Deposit ERQ
 Other FC Deposit
 Foreign Currency: Security Deposit
 Foreign Currency Held against Back to Back L/C
 Foreign Currency held against Cash L/C
 Foreign Demand Draft /TT Payable
 Foreign Currency Deposit against Foreign Bank Guarantee
 Resident Foreign Currency Deposit
 Profit Payable
 Remittance Card Account
 Sundry Deposits (Note-15.3.1)
 FC Deposit of EPZ Enterprises
 Mobile Wallet A/C
 Sub total
 Less: Non Resident FC of Exchange House / Banks-OBU
Total

31.12.2020	31.12.2019
Taka	Taka
2,544,012,000	7,131,600,000
-	2,037,600,000
1,441,606,800	3,396,000,000
-	9,152,220,000
1,696,008,000	3,735,600,000
1,696,008,000	-
1,696,008,000	-
848,004,000	-
848,004,000	-
2,832,333,360	-
13,601,984,160	25,453,020,000

2,120,010,000	1,273,500,000
848,004,000	849,000,000
2,968,014,000	849,000,000
-	424,500,000
424,002,000	-
6,360,018,552	-
424,002,000	-
848,004,000	-
4,240,020,000	-
763,203,600	-
2,544,012,000	-
5,088,024,000	-
2,120,010,000	-
2,120,010,000	-
30,867,334,152	3,396,000,000

-	-
-	-

44,469,318,312	28,849,020,000
-	-
44,469,318,312	28,849,020,000

392,750,096,373	313,114,645,635
431,774,827,124	335,626,192,223
245,976,592,728	207,034,165,684
104,014,759,747	83,794,019,052
4,960,200,626	6,647,943,615
1,179,476,476,597	946,216,966,209

378,604,275,724	300,762,528,790
8,697,788,839	8,458,952,223
291,165	291,165
3,366,126,579	2,320,742,981
1,809,826,984	1,421,297,486
267,787,081	150,832,984
392,750,096,373	313,114,645,635

15,869,388,369	13,242,722,424
4,502,382,314	3,918,043,712
13,360,134,650	13,416,504,219
788,722,304	806,041,430
141,288,306,312	130,088,456,446
38,544,584,146	26,032,621,662
764,305,390	686,992,250
1,436,988,168	1,331,233,587
19,372,639	16,210,127
29,401,502,862	17,493,502,177
905,575	1,237,650
245,976,592,728	207,034,165,684

54,074,229,469	42,374,501,177
151,708	151,708
268,703,200	134,658,927
524,498,838	606,539,796
152,561,168	391,322,756
4,720,358,320	2,164,673,648
157,405,387	121,792,455
1,463,919,027	824,684,386
40,064,766	39,605,998
140,563,173	126,221,967
3,782,698,836	3,158,538,785
2,942,441,844	1,311,184,119
835,367,899	898,314,792
33,867,160	33,906,938
357,514	357,505
15,084,920,798	16,725,621,448
358,569	374,283
19,792,554,502	15,207,504,585
26,174,900	34,939,519
126,123,837	30,445,010
104,167,320,915	84,185,341,808
152,561,168	391,322,756
104,014,759,747	83,794,019,052

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Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Tanzim Alamgir
 Chief Executive Officer
 ICB Investment Limited


Md. Ashraful Haque
 EVP, Head of FAD &
 Islami Bank Bangladesh
 FAD, Head Office, Dhaka


J Q M Habibullah, FCS
 DMD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, Dhaka


Mohammed M
 Managing Director
 Islami Bank Bangladesh Limited
 Head Office, Dhaka


Khandoker Raihan Ali FCA
 MD & CEO (CC)



15.3.1 Break-up of sundry deposits

Sundry creditors	
Supervision charge	
Security deposit L/G	
Security money payable	
Security money locker	
Marginal deposit	
Bank guarantee	
Closed account profit	
Sundry deposit others	
Govt. Tax & VAT	
Security Deposit - Investment	
Security Deposit - L/C (Wes)	
Security Deposit - Foreign L/C General	
Security Deposit - Bank Guarantee	
Security Deposits - Foreign Bill Negotiation (FBN)/ MDB	
Security Deposit - IBP	
Security Deposit - Inland L/C	
RDS (RIP)	
Other earnings (Note-15.3.1.1)	
Total	

31.12.2020	31.12.2019
Taka	Taka
158,834,484	269,139,458
(8,346,410)	19,748,798
6,029,029	-
142,289,056	99,610,810
25,777,590	25,294,820
1,191,126,622	1,010,343,791
-	-
676,433,883	594,475,758
1,416,385,401	970,998,565
3,356,609,187	2,666,711,296
5,751,933	4,342,831
8,936,839	7,478,839
11,467,371,299	8,232,372,687
1,225,179,505	1,154,848,545
209,422	211,522
145,536	145,536
60,385,925	104,244,743
43,249,389	39,587,227
16,185,813	7,949,359
19,792,554,502	15,287,504,585

15.3.1.1 Break-up of other earnings

Opening balance	
Received from B. Bank FC clearing A/c	
Received from foreign correspondents/banks	
Total receipt during the year	
Total available balance	
Less:	
Income tax provision @ 37.50%	
Transferred/ paid for charitable activities	
Closing balance	

7,949,359	3,365,872
13,178,326	23,333,580
-	-
13,178,326	23,333,580
21,127,685	26,699,452
4,941,872	8,750,093
-	10,000,000
16,185,813	7,949,359

15.4 Bills payable

P.O. payable	
T.T. payable	
D.D. payable	
BEFTN & RTGS EFT payable	
Spot cash payable	
Foreign remittance incentive	
Total	

4,459,356,258	4,915,162,305
1,146,006	823,435
68,811,449	70,762,277
362,955,043	463,993,952
67,931,870	231,720,203
-	965,481,443
4,960,200,626	6,647,943,615

15.5 Maturity wise classification of deposits (other than inter-Bank deposit)

Re-payable on demand	
With a residual maturity of	
Re-payable within 1 month	
Over 1 month but not more than 3 months	
Over 3 months 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	
Unclaimed Deposits for 10 years or more	
Sub-total	

112,341,254,865	116,524,580,374
98,037,364,106	80,742,557,112
228,824,879,530	172,907,909,950
136,034,569,852	95,261,641,995
212,050,250,507	122,727,352,876
256,448,863,067	150,963,372,189
134,996,046,206	206,472,970,247
56,102,198	37,574,537
1,178,789,330,331	945,637,959,280

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	
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	
Total (15.5+15.6)	

-	-
687,146,266	653,565,963
-	-
-	-
-	-
-	-
687,146,266	653,565,963
1,179,476,476,597	946,291,525,243

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15.7 Other banks' deposits with IBBL

Al Waadeah Current Deposits	
Mudaraba Special Notice Deposits	
Mudaraba Savings Account	
Total	

122,958,586	184,802,492
549,516,316	454,588,389
14,671,364	14,175,082
687,146,266	653,565,963

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

15.8 Sector wise break up of deposits and other accounts

Government	
Other banks' deposit	
Other public	
Foreign currency	
Private	
Total	

1,508,411,000	1,454,538,558
687,146,266	653,565,963
3,951,004,000	4,788,249,000
39,349,767,781	24,650,826,087
1,133,980,147,550	914,744,345,635
1,179,476,476,597	946,291,525,243

15(a) Consolidated deposits & other accounts

Islami Bank Bangladesh Limited	
Islami Bank Securities Limited	
Islami Bank Capital Management Limited	
Inter-company balances	
Total	

1,179,476,476,597	946,216,966,209
1,107,954	1,107,954
-	-
(820,791,514)	(384,549,146)
1,178,656,793,037	945,813,525,017

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Md. Ashraf Haque
EVP, Head of FAD & C
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.



J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Monir
Managing Director
Islami Bank Bangladesh Limited
Head Office, Dhaka.



Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

	31.12.2020 Taka	31.12.2019 Taka
16.0 Mudaraba Bond		
Mudaraba Perpetual Bond (*)	3,000,000,000	3,000,000,000
Mudaraba Redeemable Subordinated Bond (Note-16.1)	23,000,000,000	18,000,000,000
Total	26,000,000,000	21,000,000,000
(*) Security pledged against Mudaraba Perpetual Bond (MPB)	4,489,100,000	4,489,100,000
16.1 Mudaraba Redeemable Subordinated Bond		
Private Placement (Note-16.1.1)	23,000,000,000	18,000,000,000
Public Subscription	-	-
	23,000,000,000	18,000,000,000
16.1.1 Private placement		
	No of Units	
Agrani Bank Limited	730	6,000,000,000
EXIM Bank of Bangladesh Limited	460	5,000,000,000
Sonali Bank Limited	240	2,400,000,000
Shahjalal Islami Bank Limited	240	1,600,000,000
Rupali Bank Limited	200	1,000,000,000
Fubali Bank Limited	80	1,000,000,000
Southeast Bank Limited	30	500,000,000
Dhaka Bank Limited	30	500,000,000
Dutch-Bangla Bank Limited	100	1,000,000,000
Eastern Bank Limited	100	1,000,000,000
Squire Pharmaceuticals Limited	30	500,000,000
Total	2300	18,000,000,000

17.0 Other liabilities		
Provision for classified & unclassified investments and off- balance sheet items (Note- 17.1)	48,118,576,784	43,597,729,489
Provision for diminution in value of investments in shares (Note - 17.2)	5,157,000	669,707,012
Other provisions (Note- 17.3)	406,145,024	188,258,857
Compensation account (Note- 17.5)	4,411,863,867	3,246,072,279
Profit/rent /compensation suspense (Note- 17.6)	29,607,545,099	22,461,637,783
Current tax (Note-17.7)	12,688,711,353	11,906,737,393
Zakat payable (Note-17.8)	1,258,687,787	651,797,908
Foreign correspondents charges	14,747,918	12,353,005
Incentive bonus payable	1,212,587,357	1,015,233,643
Payable against expenditure	246,984,136	205,975,755
Payable against expenditure - Incentive to Good Borrowers(*)	150,000,000	150,000,000
Clearing adjustment	-	5,838,110
Transfer delivery adjustment	-	-
BEFTN adjustment	31,142,554	26,345,291
Payable to Benevolent Fund, GF & SAF	200,000,380	307,225,000
Deferred/Unearned Airtime Commission	168,800	-
F.C. Payable A/c IBBL Travel Card	13,185,946	13,066,417
F.C. Payable A/c IBBL Haji Card	1,955,584	2,366,436
F.C. Payable A/c IBBL Credit Card	2,900,068	2,900,068
VAT Payable	214,869,287	214,869,287
IB General account (Note-17.9)	-	-
Unclaimed dividend	84,688,530	74,559,034
Stimulus Fund: Covid-19	2,754,147,243	-
Agri. Refinance: Covid-19	332,224,000	-
Lease obligation on ROU assets	1,677,862,245	295,000,979
Start-Up Fund for investment(**)	147,982,214	-
Others(***)	79,805,599	44,662,366
Total	103,661,938,774	85,692,336,112

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Syed Muhammad Goum Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

(*) 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, 2017, 2018, 2019 & 2020.

(**) Start-Up Fund for investment is created as per SMESPD Circular no. 04, dated 29 March 2021.

(***) NPS adjustment Tk. 55,548,505/-, RTGS EFT adjustment Tk. (5,456,682/-), Foreign Remittance Cash Tk. 16,183,162/- and i-Transaction Settlement Tk. 13,530,515/- are included in Others.

17.1 Provision for classified & unclassified investments and off- balance sheet items		
General provision		
Unclassified investments excluding OBU	7,642,875,395	6,814,852,288
Special General Provision COVID-19	1,900,000,000	-
Unclassified investments- OBU	578,730,000	336,890,000
Special mention account	131,952,898	220,379,030
Sub-total (Note-17.1.1)	10,253,558,293	7,372,121,318
Off-balance sheet items (Note-17.1.2)	1,567,090,000	1,486,280,000
Sub-total (General provision)	11,820,648,293	8,858,401,318
Specific provision (Note-17.1.3)		
Sub-standard	151,986,073	459,683,664
Doubtful	191,862,968	283,343,121
Bad and loss (*)	35,954,079,450	33,996,301,386
Sub-total (Specific provision)	36,297,928,491	34,739,328,171
Total provision held at the end of the year	48,118,576,784	43,597,729,489

(*) As on 31 December 2020 provision of Tk. 23,572.03 million against Ananda Shipyards & Slipways Ltd., writ clients, rescheduled clients & restructured clients (considering qualitative judgment) is included in the specific provision (Bad & Loss) of Tk. 35,954.08 million against Tk. 33,996.30 million as on 31 December 2019.

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 Bangladesh Bank Inspection Team, External Auditors and the Management of Islami Bank Bangladesh Limited and subsequent Bangladesh Bank Letter No. DBI-442(7)/2021-378 dated 22 April 2021.

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Managing Director
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Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

	31.12.2020	31.12.2019
	Taka	Taka
17.1.1 General provision on unclassified investment including OBU		
Provision held at the beginning of the year	7,372,121,318	6,516,051,318
Provision made/(no longer required) during the year	2,881,436,975	856,070,000
Total provision held at the end of the year	10,253,558,293	7,372,121,318
17.1.2 General provision on off-balance sheet items		
Provision held at the beginning of the year	1,486,280,000	1,420,800,000
Provision made/(no longer required) during the year	80,810,000	65,480,000
Total provision held at the end of the year	1,567,090,000	1,486,280,000
Sub-total (17.1.1+17.1.2)	11,820,648,293	8,858,401,318
17.1.3 Provision for classified investments		
Provision held at the beginning of the year	34,739,328,171	28,246,830,666
Fully provided investment written off/waived/transferred (Note-17.1.3.1)	(1,466,298)	(3,276,753)
Recoveries of amounts previously written off	114,501,741	82,128,286
Provision made/ (no longer required) during the year	1,445,564,877	6,413,645,972
Total provision held at the end of the year	36,297,928,491	34,739,328,171
Total provision for investments 17.1.1+17.1.3	46,551,486,784	42,111,449,489
Total provision (17.1.1+17.1.2+17.1.3)	48,118,576,784	43,597,729,489
17.1.3.1 Fully provided investment written off/waived/transferred		
Written-off during the year	-	-
Compensation waived upto 2013 which was included in provision	1,466,298	3,276,753
Total	1,466,298	3,276,753
17.1.4 Provision made for investments & off-balance sheet items for the year		
Provision for classified investments	1,445,564,877	6,413,645,972
General provision on unclassified investment including OBU	981,436,975	856,070,000
Special General Provision Covid-19	1,900,000,000	-
General provision on off-balance sheet items	80,810,000	65,480,000
Total provision made during the year	4,407,811,852	7,335,195,972

17.1.5 Total Provision Requirement and maintained for investments including off balance sheet items at the end of year 2020

Particulars	Required Provision for 2020 (Taka)	Maintained Provision for 2020 (Taka)
General provision on unclassified investment including OBU	10,251,058,293	10,253,558,293
Provision for classified investments	12,725,890,320	12,725,890,320
Provision for investments considering qualitative judgment	23,572,030,000	23,572,030,000
Total provision for investment	46,548,978,613	46,551,478,613
General provision on off-balance sheet items	1,567,090,000	1,567,090,000
Total provision for investment including off balance sheet items at the end of the year	48,116,068,613	48,118,568,613
Provision surplus/(deficit) for the year 2020		2,500,000

	31.12.2020	31.12.2019
	Taka	Taka
17.2 Provision for diminution in value of investments in shares		
Opening balance	669,707,012	254,621,898
Add: Provision made/(adjustment) during the year	(664,550,012)	415,085,114
Closing balance (Note-17.2.1)	5,157,000	669,707,012
17.2.1 Provision for diminution in value of investments in shares(*)		
i) Dealing		
Quoted	(444,558,714)	500,247,598
Un-quoted	60,585,653	164,302,414
Sub-total	(383,973,061)	664,550,012
Required provision (i)	-	664,550,012
ii) Investment securities		
Quoted	-	-
Un-quoted	5,157,000	5,157,000
Sub-total (ii)	5,157,000	5,157,000
Total (i+ii)	5,157,000	669,707,012

(*) As per DOS Circular No.03 dated 12.03.2015 & DOS Circular No.10 dated 28.06.2015, there is no requirement of provision for Mutual funds (considering NAVcomp 95% for open-end mutual fund & 85% for closed-end mutual fund); rather a surplus of Tk. 588,064,347 exists in un-realized gain. On the other hand as per DOS Circular No-4 dated 24.11.2011 required provision against shares other than Mutual Funds comes to Tk. 204,091,286. Netting-off un-realized gain and diminution of values in securities, the ultimate requirement of provision for Capital Market Investment is zero/ Nil. However, provision for Tk. 5,157,000.00 is required for investment/ de-listed securities (MFS Asset Management Ltd., Bangladesh Aroma Tea Co.).

	31.12.2020	31.12.2019
17.2(a) Consolidated provision for diminution in value of investments in shares made during the year		
Islami Bank Bangladesh Limited	(664,550,012)	415,085,114
Islami Bank Securities Limited	122,436,257	239,361,721
Islami Bank Capital Management Limited	1,400,000	74,753
Total	(540,713,755)	654,521,588

	31.12.2020	31.12.2019
17.3 Other provisions		
Provision for other assets (Note-17.3.1)	244,261,361	106,021,993
Provision for doubtful income account (Note-17.3.2)	161,883,663	82,236,864
Total	406,145,024	188,258,857

	31.12.2020	31.12.2019
17.3.1 Provision for other assets		
Opening balance	106,021,993	120,185,975
Less: Settlement	-	-
Add: Provision made/(adjustment) during the year	138,239,368	(14,163,982)
Closing balance	244,261,361	106,021,993

Provision on other assets have been made as per BRPD circular no-14 dated 25.06.2001

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	31.12.2020 Taka	31.12.2019 Taka
17.3.2 Provision for doubtful income account		
Opening balance	82,236,864	47,142,838
Add: Provision made during the year	79,646,799	77,744,026
Less: Expended for charitable purposes	0	42,650,000
Closing balance	161,883,663	82,236,864
17.4 Other provisions made for the year		
Provision for other assets	138,239,368	(14,163,982)
Provision for doubtful income account	79,646,799	77,744,026
Provision for Start-Up Fund for investment	147,982,214	-
Total	365,868,381	63,580,044
17.5 Compensation account		
Opening balance	3,246,072,279	2,112,283,458
Addition during the year	2,896,670,588	3,045,794,323
Total	6,142,742,867	5,158,077,781
Less: Income tax provision @ 37.50%	1,086,251,471	982,364,292
Less: Expended for charitable activities	644,627,530	503,485,000
Less: Adjustment of actual administrative cost incurred against defaulter clients	-	426,156,210
Closing balance	4,411,863,867	3,246,072,279
17.6 Profit/rent/compensation suspense		
Profit/rent suspense (Note-17.6.1)	3,596,873,930	4,316,877,317
Compensation suspense (Note-17.6.2)	26,010,671,169	18,144,760,466
Total	29,607,545,099	22,461,637,783
17.6.1 Profit/rent suspense		
Balance at the beginning of the year	4,316,877,317	3,470,959,893
Amount transferred to suspense account during the year	2,322,151,430	2,116,264,705
Amount transferred to investment income during the year	(2,961,656,131)	(1,242,597,281)
Amount written-off during the year	-	-
Amount waived during the year	(80,498,686)	(27,750,000)
Balance at the end of the year	3,596,873,930	4,316,877,317
17.6.2 Compensation suspense		
Balance at the beginning of the year	18,144,760,466	10,976,004,562
Amount transferred to suspense account during the year	9,793,838,780	12,084,536,103
Amount transferred to compensation income during the year	(1,601,717,497)	(4,755,040,199)
Amount written-off during the year	-	-
Amount waived during the year	(326,210,580)	(160,740,000)
Balance at the end of the year	26,010,671,169	18,144,760,466
17.7 Current tax liability		
Balance of provision on 01 January	19,992,983,940	16,522,692,370
Add: Provision made during the year (Note 17.7.1)	6,210,104,635	8,744,910,665
Add: Other provision made during the year	1,091,193,343	991,114,385
Less: Settlement for previous year	7,001,211,802	6,265,733,480
Total (a)	20,293,070,116	19,992,983,940
Advance income tax paid		
Balance of advance tax on 01 January	8,086,246,547	7,273,648,288
Add: Payment made during the year	6,519,324,018	7,078,331,739
Less: Settlement for previous year	7,001,211,802	6,265,733,480
Total (b)	7,604,358,763	8,086,246,547
Net balance as at 31 December (a-b)	12,688,711,353	11,906,737,393
17.7.1 Provision for current tax made during the year		
Income tax @ 37.50% on taxable profit (A)	6,196,985,591	8,718,055,673
Add: Income tax @ 20% on dividend income	9,041,524	24,413,036
Capital Gain @ 10%	4,077,520	2,441,956
Add: Excess profit tax	-	-
Less: Provision already kept	-	-
Estimated provision required as at 31 December, (i)	6,210,104,635	8,744,910,665
Computation of taxable profit		
Profit before tax	10,689,091,172	14,099,752,501
Less: Dividend income	45,207,620	122,065,178
Less: Capital Gain	40,775,198	24,419,557
Profit before tax (excluding dividend income and capital gain)	10,603,108,354	13,953,267,766
Add: Inadmissible expenditure	7,334,818,847	10,126,221,200
Less: Further allowable expenditure	1,412,632,292	831,340,505
Estimated taxable profit for the year (A)	16,525,294,909	23,248,148,461

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Provision for tax for the year ended on 31.12.2020 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 2018 and income tax return has been submitted for the year 2019. 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.

Particulars	2020		2019	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		10,689,091,172		14,099,752,501
Income Tax using the domestic corporate tax rate	37.50%	4,008,409,190	37.50%	5,287,407,188
Factors affecting the tax charge for current year:				
Non deductible expenses	25.73%	2,750,557,067	26.93%	3,797,332,950
Tax exempt income	-4.96%	(529,737,110)	-2.21%	(311,752,689)
Tax savings from reduced tax rates from dividend	-0.18%	(19,124,513)	-0.20%	(28,076,784)
Total Income tax expenses	58.10%	6,210,104,634	62.02%	8,744,910,665

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	31.12.2020 Taka	31.12.2019 Taka
17.7(a) Consolidated current tax made during the year		
Islami Bank Bangladesh Limited	6,210,104,635	8,744,910,665
Islami Bank Securities Limited	122,551,082	146,097,568
Islami Bank Capital Management Limited	7,504,622	11,522,412
Total	6,340,160,339	8,902,530,645
17.8 Zakat payable		
Opening balance	651,797,908	407,516,083
Addition during the year	817,497,629	719,191,449
Total	1,469,295,537	1,126,707,534
Less: expended for charitable activities	210,607,750	474,909,626
Closing balance	1,258,687,787	651,797,908
17.9 IB General account		
Un-reconciled entries of Inter branch transactions in Bangladesh		
Maturity		
Up to 3 months	-	-
Over 3 months but not more than 6 months	-	-
More than 6 months	-	-
Total (i+ii+iii)	-	-
17.10 Maturity-wise classification of other liabilities		
Repayable on demand		
With a residual maturity of		
Up to 1 Month	-	-
Over 1 month but not more than 3 months	2,082,619,318	6,445,576,302
Over 3 months but not more than 1 year	10,413,096,591	24,517,069,037
Over 1 year but not more than 5 years	8,330,477,273	7,456,906,318
More than 5 years	8,671,154,294	8,671,154,294
Over 5 years	74,164,591,298	37,927,071,107
Total	103,661,938,774	85,017,777,078
17(a) Consolidated other liabilities		
Islami Bank Bangladesh Limited	103,661,938,774	85,092,336,112
Islami Bank Securities Limited	5,171,504,273	3,040,843,516
Islami Bank Capital Management Limited	149,353,560	101,956,507
Inter-company balances	(4,701,933,808)	(4,790,590,624)
Total	104,280,862,799	85,444,546,111

18.0 Deferred tax (assets)/liabilities
Deferred tax assets and liabilities have been recognised and measured in accordance with the provision of International Accounting Standard (IAS)-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:

	31.12.2020 Taka	31.12.2019 Taka
(i) Deferred tax on fixed assets excluding revaluation surplus		
Carrying amount	4,785,149,860	4,647,616,242
Tax Base	3,863,836,005	3,614,244,998
Temporary timing difference	921,313,855	1,033,371,244
Deferred tax (asset)/liability @ 37.50%	345,492,696	387,514,217
Opening balance	387,514,217	361,066,511
Deferred tax (income)/expenses	(42,021,521)	26,447,686
(ii) Deferred tax on revaluation reserve of Building		
Carrying amount	3,495,013,451	3,584,629,180
Tax Base	-	-
Temporary timing difference	3,495,013,451	3,584,629,180
Deferred tax (asset)/liability @ 37.50%	1,310,630,044	1,344,235,943
Opening balance	1,344,235,943	1,378,703,532
Transfer to /from reserve	(33,605,899)	(34,467,589)
(iii) Deferred tax on revaluation reserve of securities (HTM)		
Carrying amount	100,128,000	94,752,000
Tax Base	20,000,000	20,000,000
Temporary timing difference	80,128,000	74,752,000
Deferred tax (asset)/liability @ 10.00%	8,012,800	7,475,200
Opening balance	7,475,200	6,736,000
Transfer to /from reserve	537,600	739,200
iv) 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 @ 37.50%	(56,250,000)	(56,250,000)
Opening balance	(56,250,000)	(56,250,000)
Deferred tax (income)/expenses	-	-
(vi) Net deferred tax (income)/expenses (i+iv)	(42,021,521)	26,447,686
(vii) Net deferred tax (assets)/liabilities (i+ii+iii+iv)	1,607,885,540	1,682,975,360
(viii) Net deferred tax transferred to reserve (ii)	(33,605,899)	(34,467,589)
(ix) Net deferred tax transferred from reserve (iii)	537,600	739,200

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18(a) Consolidated Deferred tax (assets)/liabilities
 Islami Bank Bangladesh Limited
 Islami Bank Securities Limited
 Islami Bank Capital Management Limited
 Total

31.12.2020	31.12.2019
Taka	Taka
1,607,885,540	1,682,975,360
(2,733,299)	(2,403,410)
34,381	-
1,605,186,622	1,680,571,950

18(b) Consolidated Deferred tax (Income)/expenses for the year
 Islami Bank Bangladesh Limited
 Islami Bank Securities Limited
 Islami Bank Capital Management Limited
 Total

2020 (Taka)	2019 (Taka)
(42,021,521)	26,447,686
(329,889)	1,095
35,413	-
(42,315,997)	26,448,781

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 Brief history of raising of Paid up capital

Paid-up Capital of the Bank at the end of the year 2020 is Tk. 16,099,906,680 divided into 1,609,990,668 ordinary shares of Tk. 10 each.

No. of shares allotted	Date of issue	Face Value	Total allotted Shares (Cumulative Figure)	Total Paid-up Capital (Cumulative Figure)	Year	Remarks
500	13.03.1983	1,000	500	500,000	1983	Initial Capital
9,000	23.03.1983	1,000	9,500	9,500,000	1983	Sponsors subscription
2,500	23.03.1983	1,000	12,000	12,000,000	1983	Local Placement Holders subscription
56,000	23.03.1983	1,000	68,000	68,000,000	1983	Foreign Placement Holders subscription
4,000	10.04.1984	1,000	72,000	72,000,000	1984	Subscribed Bangladesh Bank on behalf of the Government of the Peoples Republic of Bangladesh 10.04.1984 as per approval of the Controller of Capital Issues dated 14.03.1983
8,000	22.08.1985	1,000	80,000	80,000,000	1985	IPO subscription on 22.08.1985
80,000	12.03.1990	1,000	160,000	160,000,000	1990	1 st Rights -1989 (1R:1)
160,000	06.10.1996	1,000	320,000	320,000,000	1996	2 nd Rights -1996 (1R:1)
320,000	01.03.2001	1,000	640,000	640,000,000	2000	3 rd Rights 2000 (1R:1)
1,280,000	08.11.2003	1,000	1,920,000	1,920,000,000	2003	4 th Rights 2003 (2R:1)
384,000	27.10.2004	1,000	2,304,000	2,304,000,000	2003	Bonus - 2003 (1B:5) - Stock Dividend @20%
460,800	17.11.2005	1,000	2,764,800	2,764,800,000	2004	Bonus -2004 (1B:5) - Stock Dividend @20%
691,200	17.10.2006	1,000	3,456,000	3,456,000,000	2005	Bonus -2005 (1B:4) - Stock Dividend @25%
345,600	30.10.2007	1,000	3,801,600	3,801,600,000	2006	Bonus -2006 (1B:10) - Stock Dividend @10%
950,400	30.09.2008	1,000	4,752,000	4,752,000,000	2007	Bonus - 2007 (1B:4) - Stock Dividend @25%
	30.11.2008	100	47,520,000	4,752,000,000	2008	[BBL Shares have been changed from Tk.1,000/- to Tk.100/- with a market lot of 10 shares with effect from 30.11.2008
14,256,000	15.09.2009	100	61,776,000	6,177,600,000	2008	Bonus - 2008 (3B:10) - Stock Dividend @30%
12,355,200	02.06.2010	100	74,131,200	7,413,120,000	2009	Bonus 2009 (1B:5) - Stock Dividend @20%
25,945,920	25.05.2011	100	100,077,120	10,007,712,000	2010	Bonus 2010 (35B:100) - Stock Dividend @35%
	04.12.2011	10	1,000,771,200	10,007,712,000		[BBL Shares have been changed from Tk.100/- to Tk.10/- with a market lot of 100 shares with effect from 04.12.2011
250,192,800	27.05.2012	10	1,250,964,000	12,509,640,000	2010	Bonus - 2011 (1B:4) - Stock Dividend @25%
212,663,880	30.05.2013	10	1,463,627,880	14,636,278,800	2012	Bonus - 2012 (17B:100) - Stock Dividend @17%
146,362,788	05.06.2014	10	1,609,990,668	16,099,906,680	2013	Bonus - 2013 (10B:100) - Stock Dividend @10%
	Total		1,609,990,668	16,099,906,680		

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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, 2020	% of Total	31.12.2020	31.12.2019
			Amount in Taka	Amount in Taka
(i) Sponsors/promoters*	826,202,266	51.32%	8,262,022,660	7,877,428,840
(ii) General public	783,768,083	48.68%	7,837,680,850	8,222,274,670
(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

* As per the requirement of Regulation no. 2(1)(r) of Dhaka Stock Exchange (Listing) Regulations, 2015 and Chittagong Stock Exchange (Listing) Regulations, 2015, the Shares holding by Sponsors/promoters of Foreign directors have been shifted to General public categories.

** 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 31.12.2020

Holdings	No. of Shareholders	Total Holdings/No. of Shares	Percentage (%)
Less than 500 Shares	16,236	2,529,096	0.1571%
500 to 5,000 Shares	13,037	23,374,793	1.4519%
5,001 to 10,000 Shares	1,994	14,776,928	0.9178%
10,001 to 20,000 Shares	1,075	15,732,317	0.9772%
20,001 to 30,000 Shares	382	9,344,109	0.5804%
30,001 to 40,000 Shares	196	6,832,315	0.4244%
40,001 to 50,000 Shares	334	6,410,117	0.3981%
50,001 to 100,000 Shares	228	16,552,906	1.0281%
100,001 to 1,000,000 Shares	301	98,304,392	5.9817%
Over 1,000,000 Shares	86	1,418,133,695	88.0833%
Total	33,869	1,609,990,668	100.00%

20.0 Capital adequacy as per Basel - III as on 31 December 2020

The Calculation of Capital to Risk-weighted Assets Ratio (CRAR) 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 21.12.2014. Detail calculation of Capital Adequacy as per Basel-III as on December 31, 2020 is given below:

	(Amount in million Taka)		
	31.12.2020 (Consolidated)	31.12.2020 (Solo)	31.12.2019 (Consolidated)
20.1 A. Regulatory capital			
Tier-1 (Going Concern Capital) (Note-20.1.1)	56,178.99	55,181.93	52,943.85
Tier-2 (Gone Concern Capital) (Note-20.1.2)	32,956.09	32,070.80	26,858.40
Total regulatory capital	89,135.08	87,252.72	79,802.25
20.1.1 Tier-1 (Going Concern Capital)			
Common Equity Tier-1 (CET-1) (Note-20.1.1.1)	53,178.99	52,181.93	49,943.85
Additional Tier (AT-1) (Note-20.1.1.2)	3,000.00	3,000.00	3,000.00
Total Tier-1 (Going Concern Capital)	56,178.99	55,181.93	52,943.85
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	19,735.47	19,735.47	18,735.47
Non-repayable share premium account	1.99	1.99	1.99
General reserve	14,917.13	14,917.13	12,916.50
Retained earnings	2,606.78	1,609.99	2,332.28
Non-controlling interest in subsidiaries	0.27	-	0.26
Non-cumulative irredeemable preferences shares	-	-	-
Dividend equalization account	32.00	32.00	32.00
i. Sub total	53,393.55	52,396.49	50,118.40
Deductions from Tier-1 (Going Concern Capital)			
Book value of goodwill/intangible assets	214.56	214.56	174.55
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	-	-	-
Reciprocal crossholdings of bank capital/subordinated debt	-	-	-
Any investment exceeding the approved limit	-	-	-
ii. Sub total	214.56	214.56	174.55
Total eligible CET-1 (i-ii)	53,178.99	52,181.93	49,943.85
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

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(Amount in million Taka)

	31.12.2020 (Consolidated)	31.12.2020 (Solo)	31.12.2019 (Consolidated)
20.1.2 Tier-2 (Gone Concern Capital)			
General provision (unclassified investment and off balance sheet exposure)	11,820.65	11,820.65	8,553.40
Mudaraba redeemable subordinated bond	23,000.00	23,000.00	18,000.00
Assets revaluation reserves	-	-	-
Revaluation reserves of securities	-	-	-
Revaluation reserves for equity instruments	-	-	-
All other preference shares	-	-	-
Others (if any item approved by Bangladesh Bank)	-	-	-
i. Sub total	34,820.65	34,820.65	26,858.40
ii. Deductions, if any	-	-	-
Excess amount over maximum limit of Tier-II Capital has been deducted	1,854.56	2,749.85	-
Total Eligible Tier-2 Capital (I-II)	32,966.09	32,070.80	26,858.40
20.2 Risk Weighted Assets (RWA) for			
1. Investment (Credit) risk (i+ii)	569,651.84	570,425.56	541,964.26
(i) On-balance sheet	548,301.82	549,065.54	512,775.40
(ii) Off-balance sheet	21,360.02	21,360.02	29,188.86
2. Market Risk	11,364.36	11,364.36	12,470.59
3. Operational risk	63,113.30	62,304.79	57,438.59
Total Risk Weighted Assets (I+2+3)	644,139.50	644,094.71	611,873.44
B. Total Risk Weighted Assets (RWA) (Note-20.2)	644,139.50	644,094.71	611,873.44
C. Capital to Risk Weighted Asset Ratio (CRAR) (as against required above 12.50%)	13.84%	13.55%	13.04%
D. Going Concern Capital to RWA (as against required minimum 6.00%)	8.72%	8.57%	8.65%
E. Gone Concern Capital to RWA	5.12%	4.98%	4.39%
F. Minimum Capital Requirement (MCR)	64,413.95	64,409.47	61,187.34
G. Surplus capital (A-F)	24,721.13	22,843.25	18,614.91
H. Minimum capital requirement including capital conservation buffer	80,517.44	80,511.84	76,484.18
I. Surplus capital considering conservation buffer (A-H)	8,617.64	6,740.89	3,318.07

Notes
 1. Subordinated Debt (Mudaraba Perpetual Bond) of Tk 3,000.00 million has been qualified for Additional Tier-I Capital under Basel-III Guidelines.
 2. Mudaraba Redeemable Subordinated Bond of Tk. 20,250.15 million out of Tk. 23,000.00 million has been qualified for Tier-II Capital under Basel-III guidelines.

	31.12.2020 Taka	31.12.2019 Taka
21.0 Statutory reserve		
Opening balance	18,735,466,258	17,735,466,258
Add: Addition made this year	1,000,000,000	1,000,000,000
Closing balance	19,735,466,258	18,735,466,258

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. Though the cumulative balance of statutory reserve exceeded the amount of paid up capital, the Board of Directors has decided to transfer an amount of Tk. 1,000,000,000/- to statutory reserve account.

	31.12.2020	31.12.2019
22.0 Other reserves		
General reserve (Note-22.1)	14,917,131,853	12,916,498,734
Assets revaluation reserve (Note-22.2)	9,125,905,260	9,181,915,090
Revaluation reserve of securities (Note-22.3)	72,115,200	67,276,800
Translation reserve (Note-22.4)	18,376,319	6,629,823
Share premium	1,989,633	1,989,633
Dividend equalization account	32,000,000	32,000,000
Total	24,167,518,265	22,206,310,080

	31.12.2020	31.12.2019
22.1 General reserve		
Opening balance	12,916,498,734	10,106,181,681
Add: Addition/adjustment made this year	2,000,633,119	2,810,317,053
Closing balance	14,917,131,853	12,916,498,734

	31.12.2020	31.12.2019
22.2 Assets revaluation reserve		
Opening balance	9,181,915,090	9,239,361,072
Add: Addition made this year	-	-
Add: Deferred tax impact on excess depreciation	33,605,899	34,467,589
Less: Depreciation adjustment on revalued amount of building	89,615,729	91,913,571
Closing balance	9,125,905,260	9,181,915,090

	31.12.2020	31.12.2019
22.3 Revaluation reserve of securities		
Opening balance	67,276,800	60,624,000
Add: Addition made this year	5,376,000	7,392,000
Add: Deferred tax impact on revaluation reserve of securities	(537,600)	(739,200)
Less: Adjustment made this year	-	-
Closing balance	72,115,200	67,276,800

	31.12.2020	31.12.2019
22.4 Translation reserve		
Opening balance	6,629,823	10,783,458
Add: Addition/adjustment made this year	11,746,496	(4,153,635)
Closing balance	18,376,319	6,629,823

	31.12.2020	31.12.2019
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	7,532,075,142	8,172,078,572
iii) Bank and other financial institutions	218,546,520	259,864,602
iv) Others	22,542,824,557	26,134,571,125
Total	30,293,446,219	34,566,514,299

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 EVP, Head of FAD & CFO
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 FAD, Head Office, Dhaka



24.0 Investment Income	
Income from general investment (Note-24.1)	
Profit on deposits with other banks & financial institutions (Note-24.2)	
Total	

2020	2019
Taka	Taka
68,919,471,016	70,248,344,898
5,385,863,697	5,500,491,866
74,305,334,714	75,748,836,764

24.1 Income from general investment (*)

Bai Murabaha	
Musharaka/Musharaka Documentary Bills	
Bai Muajjal	
Hire Purchase under Shirkatul Melk	
Bai Salam	
Bai -As- Sarf (FDB/PCD), IBP, MFCI and UPAS	
Investment income: Off-shore Banking Unit (OBU)	
Income on overseas investment	
Income on Mudaraba investment	
Sub total	

41,798,575,510	40,478,624,118
452,894,035	642,331,404
5,121,668,052	5,960,012,204
17,572,702,287	19,185,116,873
581,996,346	963,367,491
607,706,679	695,359,895
2,645,227,701	2,188,132,913
-	-
138,700,407	135,400,000
68,919,471,016	70,248,344,898

(*) This amount includes any amount transferred from profit/rent 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	
Outside Bangladesh	
Sub total	

5,385,863,697	5,500,491,866
-	-
5,385,863,697	5,500,491,866

24.3 Investment income derived from the fund deployed by	
Mudaraba deposits	
Other deposits/fund	
Total	

67,726,246,577	63,901,193,175
6,579,088,137	11,847,643,589
74,305,334,714	75,748,836,764

24(a) Consolidated Investment Income

Islami Bank Bangladesh Limited	
Islami Bank Securities Limited	
Islami Bank Capital Management Limited	
Inter-company transactions	
Total	

74,305,334,714	75,748,836,764
-	-
-	-
(132,314,469)	(136,336,831)
74,173,020,245	75,612,499,933

25.0 Profit paid on mudaraba deposits

Profit paid on Mudaraba Savings Deposit	
Profit paid on Mudaraba Term Deposit Account	
Profit paid on other Mudaraba Deposits	
Profit paid on Placement (*)	
Profit paid on Mudaraba Perpetual Bond (MPB)	
Profit paid on Mudaraba Subordinate Bond	
Total	

9,550,137,002	8,347,381,227
19,555,337,053	19,090,769,492
12,858,700,555	13,831,926,638
1,427,153,347	2,608,305,140
214,479,450	253,216,438
1,181,198,354	809,726,846
44,787,005,760	44,941,325,781

(*) Profit paid on Placement includes Tk. 1,270,862,656 (Tk. 1,981,443,332 in 2019) against Profit paid on Placement for Off-shore Banking Units (OBUs).

25(a) Consolidated profit paid on mudaraba deposits

Islami Bank Bangladesh Limited	
Islami Bank Securities Limited	
Islami Bank Capital Management Limited	
Inter-company transactions	
Total	

44,787,005,760	44,941,325,781
-	-
-	-
(17,218,537)	(13,761,604)
44,769,787,223	44,927,564,177

26.0 Income from investments in shares & securities

I. Inside Bangladesh	
Bangladesh Government Islamic Investment Bond (BGIB)	
Bangladesh Government Sukuk Bond (Islamic Bond)	
Bangladesh Shipping Corporation (BSC)	
Central Depository Bangladesh Ltd. (CDBL)	
Income on Share Securities Trading	
Dividend Income	
Other Banks/companies	
Sub total (I)	
II. Outside Bangladesh	
Sub total (II)	
Grand total (I+II)	

1,268,023,186	889,815,419
1,526,000	-
2,000,000	3,200,000
3,427,082	5,711,803
40,775,198	24,419,557
38,254,538	113,153,375
638,602,466	590,537,476
1,992,608,470	1,626,837,630
-	-
1,992,608,470	1,626,837,630

26(a) Consolidated income from investments in shares & securities

Islami Bank Bangladesh Limited	
Islami Bank Securities Limited	
Islami Bank Capital Management Limited	
Inter-company transactions	
Total	

1,992,608,470	1,626,837,630
221,345,013	182,129,280
14,518,768	279,821
-	-
2,228,472,251	1,809,246,731

27.0 Commission, exchange & brokerage income

Commission income	
Exchange income (Note 27.1)	
Total	

3,261,022,318	3,080,878,911
1,459,881,486	3,096,604,478
4,720,903,804	6,177,483,389

27.1 Exchange income

Gross exchange gain	
Less: exchange loss	
Net exchange gain	

1,459,881,486	3,096,604,478
-	-
1,459,881,486	3,096,604,478

27(a) Consolidated commission, exchange & brokerage income

Islami Bank Bangladesh Limited	
Islami Bank Securities Limited	
Islami Bank Capital Management Limited	
Total	

4,720,903,804	6,177,483,389
20,400,123	17,107,832
4,741,303,927	6,194,591,221

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DMD & Company Secretary
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Head Office, Dhaka.

Mohammed Monirul Hossain
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

	2020 Taka	2019 Taka
28.0 Other operating income		
Rent on locker	18,482,377	18,117,406
Telephone/trunk call charge recovered	16,804	135,385
Income from ATM		6,995,724
E & TA fees recovered	125,900	254,416
Income from SWIFT	171,484,094	190,352,476
Account maintenance charges realised	798,069,452	905,799,273
Service charges recovered	109,849,893	119,805,529
Service charges recovered: OBU	229,276,920	440,901,377
Income from Mobile Wallet	21,933,810	764,375
Rent on premises realised	13,001,027	11,454,698
Sale proceeds of tender schedule	2,927,000	2,898,972
Profit on sale of bank's car	15,710,946	13,729,066
Cheque charge realised	44,678,512	48,182,179
P&T Charge realised	25,850,349	15,501,760
Commission on NPS Network Transaction	46,830,918	43,279,465
Proposal Processing Fees & Services Charge	289,740,314	921,740,087
Others	1,686,561,691	1,838,132,935
Total	3,474,540,005	4,577,955,123
28(a) Consolidated other operating income		
Islami Bank Bangladesh Limited	3,474,540,005	4,577,955,123
Islami Bank Securities Limited	441,187,866	507,782,112
Islami Bank Capital Management Limited	27,414,022	30,548,785
Inter Company Transactions	(17,218,537)	(13,761,604)
Total	3,925,923,356	5,102,524,418
29.0 Salary & allowances (*)		
Basic pay	7,026,086,662	6,472,824,701
Allowances	5,912,007,327	5,186,674,758
Bonus	2,139,304,079	1,893,903,743
Contribution to provident fund	507,493,949	469,999,219
Contribution to Gratuity	859,060,000	976,520,000
Contribution to benevolent fund and superannuation fund	92,625,000	91,825,000
Total	16,576,577,017	15,091,747,421
(*) The above salary & allowances includes Tk. 4,726,398 (Tk. 9,834,224 in 2019) against salary and allowances of Off-shore Banking Units (OBUs).		
29(a) Consolidated salary & allowances		
Islami Bank Bangladesh Limited	16,576,577,017	15,091,747,421
Islami Bank Securities Limited	32,627,805	30,332,777
Islami Bank Capital Management Limited	8,182,804	1,325,378
Total	16,617,387,626	15,123,405,576
30.0 Rent, taxes, insurances, electricity etc.		
Rent, rates and taxes	230,413,389	610,962,870
Insurance	665,484,873	562,715,415
Electricity and lighting	336,414,279	339,817,759
Total	1,232,312,541	1,513,496,044
30(a) Consolidated rent, taxes, insurances, electricity etc.		
Islami Bank Bangladesh Limited	1,232,312,541	1,513,496,044
Islami Bank Securities Limited	5,520,816	5,715,544
Islami Bank Capital Management Limited	201,880	436,369
Total	1,238,035,237	1,519,647,957
31.0 Legal expenses		
Legal charges	9,873,909	16,823,524
31(a) Consolidated legal expenses		
Islami Bank Bangladesh Limited	9,873,909	16,823,524
Islami Bank Securities Limited	92,806	-
Islami Bank Capital Management Limited	220,240	-
Total	10,186,955	16,823,524
32.0 Postage, stamps, telecommunications etc.		
Telephone (*)	67,741,834	39,721,763
Postage	-	-
Fax & internet (modem)	7,095,414	19,206,041
Stamps charges	5,260	6,784
Total	74,842,508	58,934,588
(*) Telephone expenses includes Tk. 500 (Tk. 6,000 in 2019) against Telephone bill of Off-shore Banking Units (OBUs).		
32(a) Consolidated postage, stamps and telecommunication etc.		
Islami Bank Bangladesh Limited	74,842,508	58,934,588
Islami Bank Securities Limited	180,887	182,181
Islami Bank Capital Management Limited	158,681	-
Total	75,182,076	59,116,769
33.0 Stationery, printing and advertisement etc.		
Paper & table stationery	43,923,093	42,266,556
Printing and stationery (registers and forms)	91,040,278	110,672,625
Advertisement & publicity	121,477,787	102,821,433
Total	256,441,158	255,760,614

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Tanzim Alamgir
Chief Executive Officer
ICES Investment Limited

	2020 Taka	2019 Taka
33(a) Consolidated stationery, printing and advertisement etc.		
Islami Bank Bangladesh Limited	256,441,158	255,760,614
Islami Bank Securities Limited	516,490	413,396
Islami Bank Capital Management Limited	228,138	-
Total	257,185,786	256,174,010
34.0 Chief executive's salary & fees		
Basic pay	7,200,000	7,200,000
House rent allowance	600,000	600,000
Medical allowance	1,200,000	1,200,000
Utilities allowance	720,000	720,000
Festival bonus	1,320,000	1,320,000
Incentive bonus	1,000,000	1,000,000
Leave Fare Assistance	1,200,000	1,200,000
House Maintenance	1,080,000	1,080,000
Total	14,320,000	14,320,000
35.0 Directors' fees and expenses		
Directors' fees for attending board/ executive committee/ other committees meeting	4,502,514	5,426,862
TA/DA/hotel fare for local & foreign directors	921,540	14,252,814
Others	783,921	139,287
Total	6,207,975	19,818,963
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	6,207,975	19,818,963
Islami Bank Securities Limited	580,800	636,000
Islami Bank Capital Management Limited	287,040	202,400
Total	7,075,815	20,657,363
36.0 Shari'ah supervisory committee's fees & expenses		
Shari'ah supervisory members' fees for attending meeting	915,500	885,500
TA/DA/hotel fare	984,632	1,785,899
Others	287,742	476,322
Total	2,187,874	3,147,721
36.1 Rate of fees for attending shariah supervisory		
For shariah supervisory meeting	8,000	8,000
For sub-committee meeting	8,000	8,000
37.0 Auditors' fees		
Auditors' fees	3,450,000	4,360,000
37(a) Consolidated auditors' fees		
Islami Bank Bangladesh Limited	3,450,000	4,360,000
Islami Bank Securities Limited	92,000	92,000
Islami Bank Capital Management Limited	57,500	57,500
Total	3,599,500	4,509,500
38.0 Depreciation/amortization and repair to bank's assets		
i) Depreciation/amortization		
Premises (building)	126,158,342	129,393,174
Furniture & fixtures	73,873,300	66,230,283
Mechanical appliances	165,550,788	165,362,194
Computer	125,304,067	98,761,437
Motor vehicles	196,756,084	162,652,405
Books	653,261	768,915
ATM	112,380,325	103,488,075
Depreciation on lease assets	474,307,628	56,207,864
Amortization: Intangible assets	66,228,316	37,796,815
Sub total (i)	1,341,212,111	820,661,162
ii) Repair of bank's properties/assets	145,142,354	145,519,931
Grand total (i+ii)	1,486,354,465	966,181,093
38(a) Consolidated depreciation and repair to bank's assets		
Islami Bank Bangladesh Limited	1,486,354,465	966,181,093
Islami Bank Securities Limited	3,387,051	3,350,800
Islami Bank Capital Management Limited	1,259,882	35,087
Total	1,491,001,398	969,566,980
39.0 Other expenses		
TA/DA	156,855,243	231,018,775
Repairs to rented premises	17,141,502	11,439,838
Motor car running & maintenance (Note-39.1)	166,699,782	166,063,477
Periodicals & newspapers	7,992,965	6,814,209
Entertainment Expenses	138,852,287	126,638,249
Overtime	63,443,250	85,821,120
Training expenses	20,781,292	51,093,933
Meeting expenses	4,406,565	6,749,231
Bank charges	16,960,571	11,157,034
Uniforms	22,749,380	24,068,440
Conveyance	43,436,923	57,931,940
Cash award	20,487,954	22,617,700
Membership fees	11,043,655	10,302,268
Staff welfare	1,478,290	2,391,080

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Mohammed Monirul Hossain
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Khandoker Raibhan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Tanzim Alamgir
Chief Executive Officer
UBI Investment Limited

Md. Ashraful Haque
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka



Evening banking allowance	
Computer expenses	
Wages	
Discomfort allowance	
Air condition maintenance	
WASA / gas expenses	
Washing charges	
Transportation charges	
Reuters charges	
Business development expenses	
Photocopy expenses	
Upkeep of office premises	
Clearing house expenses	
Band width charges	
Other regulatory fees and expenses	
Bond expenses (*)	
Recruitment expenses	
Professional fees	
Loss on sale of bank's fixed asset	
Khidmah card expenses	
Mobile wallet expense	
BACH Expense	
Other RDS expenses (Note-39.2)	
NPS network transactions charges	
VISA expenses	
Maintenance of software	
Diploma in Islamic Banking related expenses	
Agent Banking related Expenses	
Finance charge on lease rental	
Safety materials (COVID-19) & Special aid	
Others (**)	
Total	

2020 Taka	2019 Taka
2,100,944	2,861,110
39,447,910	48,781,344
43,507,105	33,775,081
46,887,376	41,962,197
1,771,912	1,794,177
21,305,313	18,992,250
22,132,204	16,562,701
14,631,268	15,998,040
24,030	8,332,347
638,690,249	526,741,404
14,911,982	14,694,382
28,277,511	27,697,550
71,527	99,967
108,720,072	118,576,088
-	-
413,662,179	297,737,905
3,930,680	4,882,504
24,910,836	36,353,286
1,470,198	774,626
5,070	1,000
21,137,108	424,839
548,036	597,762
96,091,858	96,848,619
12,074,488	11,113,013
32,164,390	15,894,942
80,736,478	44,968,020
875,872	7,450,279
973,715,461	343,502,873
109,797,779	22,167,818
898,876,490	-
83,228,776	38,698,658
4,428,094,762	2,612,392,077

(*) Bond expenses includes Tk. 1,500,000 for Mudaraba Perpetual Bond, Tk. 65,943,000 for Mudaraba Subordinated Bond and Tk. 346,219,179 for additional profit paid on Mudaraba Subordinated Bond.

(**) Other expenses- OBU for Tk. 151,252,219 (Tk. 153,927,377 in 2019) is included in others.

39.1 Motor car running and maintenance

As on 31.12.2020 the Bank had 500 (Five hundred) Motor Vehicles (Car- 408, Jeep- 42, Pickup- 48 and Microbus- 2). Out of 500 vehicles, 376 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. A sum of Tk. 166,699,782 was incurred during the year 2020 as against Tk. 166,063,477 incurred during the year 2019 for repairs, maintenance, purchase of fuel & lubricants and insurance etc. for the motor vehicles of the Bank.

39.2 Other RDS expenses

Risk allowance	
By-cycle allowance	
Motor cycle allowance	
Field allowance	
TAV/DA	
Fuel	
Stationary	
Repairing	
Total	

28,752,000	34,317,000
2,692,000	2,696,400
29,613,000	27,117,613
2,352,000	3,873,944
5,163,000	8,565,000
13,627,000	12,590,320
9,398,220	2,905,458
4,502,390	4,782,884
96,099,610	96,848,619

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

Islamic Bank Bangladesh Limited	
Islamic Bank Securities Limited	
Islamic Bank Capital Management Limited	
Inter Company transactions	
Total	

4,428,094,762	2,612,392,077
140,327,704	144,706,239
2,824,454	1,057,238
(132,314,469)	(136,336,831)
4,438,932,451	2,621,818,723

40.0 Retained earnings: movement of surplus in profit & loss account

Retained earnings as on 1 January	
Add: Net profit after tax for the year	
Add: Depreciation adjustment on revalued assets	
Sub-total	
Less:	
Transfer to statutory reserve	
Transfer to/(from) general reserve	
Dividend paid (Previous Year)	
Sub-total	
Balance of retained earnings as at 31 December	

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1,609,990,668	1,609,990,668
4,521,008,058	5,328,394,150
89,615,729	91,913,571
6,220,614,455	7,030,298,389

40(a) Consolidated retained earnings

Retained earnings as on 1 January	
Add: Net profit attributable to equity holders of IBBL	
Add: Transfer from Assets Revaluation Reserve to Retained Earnings	
Add: Transfer from Deferred tax liabilities to Retained Earnings	
Less: Adjustment for changing in shares position	
Sub-total	
Less:	
Transfer to statutory reserve	
Transfer to/(from) general reserve	
Dividend paid (cash dividend)	
Sub-total	
Balance of retained earnings as at 31 December	

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

2,332,280,365	2,180,043,654
4,795,506,333	5,480,630,861
89,615,729	91,913,571
-	-
7,217,402,427	7,752,588,086

1,000,000,000	1,000,000,000
2,000,633,119	2,810,317,053
1,609,990,668	1,609,990,668
4,610,623,787	5,420,307,721
2,606,778,640	2,332,280,365

Md. Ashraf U Haque
EVP, Head of FAD &
Islamic Bank Bangladesh Limited
FAD, Head Office, Dhaka.



J Q M Habibullah, FCS
DMD & Company Secretary
Islamic Bank Bangladesh Limited
Head Office, Dhaka

Mohammed M...
Managing Director
Islamic Bank Bangladesh Limited
Head Office, Dhaka.



Khandoker Raihan Ali FCA
MD & CEO (CC)

[Handwritten signature]

Tanzim Alamgir
Chief Executive Officer
ICBS Investment Limited

40(b) Non-controlling interest

Particulars	As on 01.01.2020	Share of profit or loss for the year 2020	Adjustments	As on 31.12.2020	As on 31.12.2019
A. Islami Bank Securities Limited	251,846	13,597	-	265,443	251,846
Add: Adjustment for changing in shares position	-	-	-	-	-
Less: Adjustment for changing in net Assets position due to distribution of dividend	-	-	-	-	-
Less: Dividend	-	-	-	-	-
Sub-total	251,846	13,597	-	265,443	251,846
B. Islami Bank Capital Management Limited	9,080	457	-	9,537	9,080
Less: Adjustment for changing in net Assets position due to distribution of dividend	-	-	-	-	-
Sub-total	9,080	457	-	9,537	9,080
Total (A+B)	260,926	14,054	-	274,980	260,926

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. 144,000/- divided into 144 shares of Tk. 1,000/- each which represent 0.0053% of total share of the subsidiary Company.

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 299th meeting held on 27 April, 2021 recommended 10% Cash Dividend for the year 2020 subject to approval of the shareholders in the ensuing 38th Annual General Meeting to be held on 27 June 2021.

42.0 Earnings per share (EPS)

- a) Attributable profit for the year
b) Weighted average number of ordinary share during the year

2020 Taka	2019 Taka
4,521,008,058	5,328,394,150
1,609,990,668	1,609,990,668

Basic earnings per share (EPS) (a + b)

2.81 3.31

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
Less: Profit attributable to non-controlling interest
Attributable profit for distribution to shareholders of IBBL
Weighted average number of ordinary share during the year
Consolidated basic earnings per share

2020 Taka	2019 Taka
4,795,520,387	5,480,641,522
14,054	10,661
4,795,506,333	5,480,630,861
1,609,990,668	1,609,990,668

2.98 3.40

43.0 Net asset value per share (NAV) of the Bank

- a) Capital/shareholders' equity for the year
b) Weighted average number of ordinary share during the year
Net asset value per share (NAV) (a + b)

31.12.2020 Taka	31.12.2019 Taka
61,612,881,871	58,651,673,686
1,609,990,668	1,609,990,668

38.27 36.43

Net asset value per share (NAV) has been disclosed as per the Bangladesh Securities and Exchange Commission's Notification No.BSEC/CMRRC/2006-158/208/Admin/81 dated June 20, 2018.

Net operating cash flow per share (NOCFPS)

- a) Net cash flows from operating activities
b) Weighted average number of ordinary share during the year
Net operating cash flow per share (NOCFPS) (a + b)

2020 Taka	2019 Taka
132,665,367,850	46,398,073,456
1,609,990,668	1,609,990,668

82.40 28.82

The Net Operating Cash Flow Per Share (NOCFPS) on solo basis has significantly increased Tk. 53.58 than that of previous year due to positive net cash inflows from customer deposits Tk. 109,591 million, placement from other banks Tk. 24,586 million and other liabilities Tk. 6,867 million as well as net cash outflows of operating activities Tk. 8,256 million investment to customers tk. 43,021 million and others assets Tk. 3,449 million during the year 2020.

Reconciliation of cash and cash equivalent at the end of the year

- Cash in hand
Balance with Bangladesh Bank and its agent banks (Sonali Bank Ltd.)
Balance with other banks and financial institutions
Total

31.12.2020 Taka	31.12.2019 Taka
18,747,303,346	15,023,787,386
195,037,023,715	60,829,645,940
61,432,799,230	86,136,492,545

275,217,126,291 161,989,925,871

45(a) Reconciliation of consolidated cash and cash equivalent at the end of the year

- Cash in hand
Balance with Bangladesh Bank and its agent banks (Sonali Bank Ltd.)
Balance with other banks and financial institutions
Total

2020 Taka	2019 Taka
18,747,321,125	15,024,007,850
195,037,023,715	60,829,645,940
66,433,733,141	91,425,373,838

280,218,077,981 167,279,027,628

Note: The reconciliation of net profit with cash flows from operating activities has been presented at Annexure- E.

46.0 Currency wise exposures

Currency wise exposures are shown at Annexure- C.


Chairman


Director

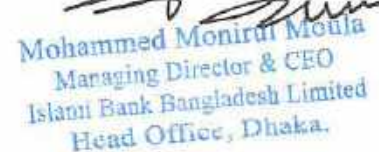

Director


Managing Director & CEO

Dhaka; 27 April 2021


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Molla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.


Md. Ashraf Ali Naque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka


Khandoker Raihan Ali FCA
MD & CEO (CC)

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Syad Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

UCS Investment Limited
Chief Executive Officer
Tanzim Alamgir

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Vetted

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Islamic Bank Bangladesh Limited
Fixed Assets Schedule
As at 31 December 2020

Annexure - A
(Amount in Taka)

Group of Fixed Assets	Cost				Depreciation/Amortization				Written down value	
	Balance as at 01.01.2020	Addition during the year	Sale / adjustment during the year	Total as at 31.12.2020	Charged up to 01.01.2020	Charged during the year	Adjustment during the year	Total as at 31.12.2020	as at 31.12.2020	as at 31.12.2019
	3	3	4	3 (2+3-4)	6	7	8	5 (6+7-8)	10 (5-9)	11
A. Tangible Assets										
i) Premises										
Cost										
Land	682,129,033	-	-	682,129,033	-	-	-	-	682,129,033	682,129,033
Building	1,981,662,887	-	-	1,981,662,887	519,958,371	36,542,613	-	556,500,984	1,425,161,903	1,461,704,516
Construction/capital work in process	-	-	-	-	519,958,371	36,542,613	-	556,500,984	-	-
Sub total	2,663,791,920	-	-	2,663,791,920	1,039,916,742	73,085,226	-	1,112,902,968	2,107,290,936	2,143,833,549
Revaluation										
Land	6,941,521,852	-	-	6,941,521,852	-	-	-	-	6,941,521,852	6,941,521,852
Building	4,557,449,467	-	-	4,557,449,467	972,820,287	89,615,729	-	1,062,436,016	3,495,013,451	3,584,029,180
Sub total	11,498,971,319	-	-	11,498,971,319	1,965,640,574	126,158,342	-	2,124,874,358	10,436,535,393	10,526,151,032
Sub total (i)	14,162,763,239	-	-	14,162,763,239	3,005,557,316	199,243,568	-	3,204,801,682	12,543,826,139	12,669,984,581
ii) Other fixed assets										
Furniture and fixtures	1,275,557,951	190,244,436	1,379,247	1,472,823,140	623,823,725	73,873,300	-	697,697,025	775,489,151	651,734,276
Mechanical appliances	2,627,237,017	180,363,604	1,630,281	2,809,230,902	1,894,503,833	165,550,788	-	2,060,054,621	2,049,331,733	742,733,184
Computer	1,820,601,861	82,124,303	3,082,187	1,905,808,351	1,479,621,713	125,204,067	3,050,193	1,607,875,973	297,768,390	340,980,148
Motor vehicles	1,622,222,419	77,788,559	41,519,889	1,741,530,867	884,312,080	196,756,084	19,345,416	1,090,413,580	596,768,341	737,910,339
Books	10,276,356	325,053	-	10,601,409	8,327,976	653,261	-	8,981,237	1,620,172	1,948,380
ATM	1,125,673,435	358,731,859	-	1,484,405,294	654,880,176	112,380,325	-	767,260,501	717,144,793	470,793,239
ROU-Assets for lease rent	452,218,860	1,928,173,303	-	2,380,392,163	56,207,864	418,099,764	-	474,307,628	1,906,084,535	396,010,996
Sub Total (ii)	8,933,787,899	2,825,751,117	47,611,604	11,711,927,412	5,991,677,367	1,092,617,589	23,881,733	7,108,176,789	5,051,514,189	3,342,110,532
Total (i+ii)	23,096,551,138	2,825,751,117	47,611,604	25,974,904,651	7,084,456,025	1,218,775,931	23,881,733	8,327,113,589	17,595,340,428	16,012,095,113
B. Intangible assets										
Goodwill	618,879,258	106,235,169	-	725,114,427	444,327,809	66,228,316	-	510,556,125	214,558,302	174,551,449
Total (A+B)	23,715,430,396	2,931,986,286	47,611,604	26,599,008,776	7,528,783,834	1,285,004,247	23,881,733	8,789,996,348	17,809,898,730	16,186,646,562



Mohammed Monirul Moulia
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

J. Q. M. Habibullah, FCS
DMD & Company Secretary
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Md. Ashraful Haque
EVP, Head of FAD & CFO
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Head Office, Dhaka.

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Islamic Bank Bangladesh Limited
Consolidated Fixed Assets Schedule
As at 31 December 2020

Amount in Taka
(Amount in Taka)

Group of Fixed Assets	Cost			Depreciation/Amortization				Written Down Value		
	Balance as at 01.01.2020	Addition during the year	Sale / adjustment during the year	Total as at 31.12.2020	Charged up to 01.01.2020	Charged during the year	Adjustment during the year	Total as at 31.12.2020	as at 31.12.2020	as at 31.12.2019
1	2	3	4	5 (2+3-4)	6	7	8	9 (6+7-8)	10 (5-9)	11
A. Tangible Assets										
i) Premises										
Cost										
Land	682,129,033	-	-	682,129,033	-	-	-	-	682,129,033	682,129,033
Building	1,981,662,887	-	-	1,981,662,887	519,958,371	36,542,613	-	556,500,984	1,425,161,903	1,461,704,516
Construction/capital work in process	-	-	-	-	519,958,371	36,542,613	-	556,500,984	2,107,890,936	2,143,833,549
Sub total (i)	2,663,791,920	-	-	2,663,791,920	519,958,371	36,542,613	-	556,500,984	2,107,890,936	2,143,833,549
Revaluation										
Land	6,941,521,852	-	-	6,941,521,852	-	-	-	-	6,941,521,852	6,941,521,852
Building	4,537,449,467	-	-	4,537,449,467	972,820,287	89,615,729	-	1,062,436,016	3,495,013,451	3,584,629,180
Sub total	11,498,971,319	-	-	11,498,971,319	972,820,287	89,615,729	-	1,062,436,016	10,436,533,503	10,576,151,032
Sub total (i)	14,162,763,239	-	-	14,162,763,239	1,492,778,658	126,158,342	-	1,618,937,000	12,543,826,239	12,669,984,581
ii) Other fixed assets										
Furniture and fixtures	1,281,136,567	202,338,966	2,380,376	1,483,855,909	628,529,602	74,565,771	1,639,805	698,455,588	782,639,589	655,606,965
Mechanical appliances	2,630,233,247	181,563,029	2,134,381	2,809,651,695	1,886,137,722	1,653,881,715	1,171,588	2,050,867,849	758,783,846	744,063,525
Computer	1,825,655,027	83,253,432	3,845,822	1,909,665,637	1,483,355,013	125,544,625	3,813,828	1,606,085,810	299,976,827	342,300,014
Motor vehicles	1,629,579,919	77,788,559	41,519,389	1,668,818,588	855,566,595	198,227,584	19,345,416	1,064,448,763	601,399,826	744,013,324
Books	10,276,356	325,053	-	10,601,409	8,327,976	653,261	-	8,981,237	1,620,172	1,948,380
ATM	1,125,673,435	358,731,859	-	1,484,405,294	654,880,176	112,380,325	-	767,260,501	717,144,793	470,793,259
ROU-Assets for lease rent	452,218,860	1,930,345,974	-	2,382,564,834	56,207,864	418,914,516	-	475,122,380	1,907,442,454	396,010,996
Sub Total (ii)	8,954,763,411	2,834,346,872	49,880,668	11,739,225,615	5,600,024,948	1,696,167,797	25,970,637	6,670,222,108	5,069,007,507	3,354,738,463
Total (ii)	23,117,526,650	2,834,346,872	49,880,668	25,991,991,854	7,097,803,606	1,222,326,139	25,970,637	8,289,159,108	17,612,833,746	16,024,723,044
B. Intangible Assets										
Goodwill	618,879,248	106,900,859	-	725,780,107	444,327,809	66,238,676	-	510,566,485	215,213,632	174,551,469
Total (A+B)	23,736,405,908	2,941,247,731	49,880,668	26,627,771,971	7,537,131,415	1,288,564,815	25,970,637	8,799,715,593	17,828,047,378	16,199,274,493



Mohammed Monirul Hossain
Managing Director & CEO
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Dhaka City, Dhaka.



Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islamic Bank Bangladesh Limited
FAD, Heart City, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Islamic Bank Bangladesh Limited
Currency wise Exposures
As at 31 December 2020

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										
	2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34		
Cash in hand	18,593,381,057	14,078,101,375	151,847,091	43,164,655	564,821	795,770	245,136	668,914	1,265,241	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914	1,056,832	1,265,241	668,914
Balance with Bangladesh Bank & its agent bank	192,149,773,092	60,000,257,846	2,799,915,243	770,651,709	2,545,235	16,254,250	84,535,013	42,345,874	245,132	155,761	16,254,250	84,535,013	42,345,874	245,132	155,761	16,254,250	84,535,013	42,345,874	245,132	155,761	16,254,250	84,535,013	42,345,874	245,132	155,761	16,254,250	84,535,013	42,345,874	245,132	155,761	16,254,250	84,535,013	42,345,874	245,132	155,761	
Balance with banks & other financial institutions	44,885,196,251	66,034,496,606	14,740,408,371	15,010,118,321	82,812,144	35,403,552	661,175,132	475,549,349	1,062,234,132	376,901,317	1,062,234,132	475,549,349	376,901,317	1,062,234,132	475,549,349	1,062,234,132	475,549,349	376,901,317	1,062,234,132	475,549,349	376,901,317	1,062,234,132	475,549,349	376,901,317	1,062,234,132	475,549,349	376,901,317	1,062,234,132	475,549,349	376,901,317	1,062,234,132	475,549,349	376,901,317	1,062,234,132	475,549,349	
Provision with other banks & financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Investments (in shares & securities)	74,107,631,899	54,137,642,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments	927,965,555,091	827,138,467,432	107,382,327,242	71,854,718,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed assets including premises	17,809,096,720	16,186,646,562	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other assets	14,097,399,439	9,403,658,004	308,565,401	761,892,106	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Non banking assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total assets	1,290,548,748,559	1,047,899,273,401	125,388,146,549	95,440,365,697	85,922,369	56,414,072	745,945,281	518,934,157	1,064,744,965	378,124,136	1,064,744,965	518,934,157	378,124,136	1,064,744,965	518,934,157	1,064,744,965	518,934,157	378,124,136	1,064,744,965	518,934,157	1,064,744,965	378,124,136	1,064,744,965	518,934,157	1,064,744,965	378,124,136	1,064,744,965	518,934,157	1,064,744,965	378,124,136	1,064,744,965	518,934,157	1,064,744,965	378,124,136		

LIABILITIES	Taka					Equivalent Taka of US Dollar					Equivalent Taka of GBP					Equivalent Taka of EURO					Equivalent Taka of Other Currency					Total Taka									
	2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32			
Reserve from Bangladesh Bank, other banks, financial institutions and agents	-	-	-	44,469,319,312	28,440,020,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits	1,125,166,508,190	914,992,255,541	31,577,087,699	24,672,547,824	12,452,351	8,227,910	664,621,156	518,125,432	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	518,125,432	51,624,871	
Bills payable	6,940,208,626	6,647,943,615	-	30,583,926	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	107,237,034,798	86,670,066,312	32,789,516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mutuals/Personal Bond	2,090,200,000	3,005,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mutuals/Retainable Subordinated Bond	22,000,000,000	18,000,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total liabilities	1,271,362,943,614	1,029,216,766,649	63,979,415,527	62,254,073,922	12,452,351	8,227,910	664,621,156	518,125,432	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	518,125,432	51,624,871	95,486,275	518,125,432	51,624,871	
Net provision	14,181,004,844	18,888,507,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



Mohammed Monirul Mowla
Managing Director & CEO
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Head Office, Dhaka.

J Q M Habibullah, FCS
DMD & Company Secretary
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Head Office, Dhaka.



Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashrafur Rahman FCA
EVP, Head of FAD & CFO
Islamic Bank Bangladesh Limited
FAD, Head Office, Dhaka.

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Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Islami Bank Bangladesh Limited
 Consolidated Segment Reporting
 For the year ended 31 December 2020

A. Segmental operating profit and loss

Particulars	Amount in Taka										
	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	25,840,000,000	10,100,000,000	1,497,640,000	2,818,800,000	2,991,340,000	1,528,110,000	3,419,570,000	1,379,630,000	1,338,920,000	25,555,782,496	76,481,492,456
Profit paid on murabah deposits	(3,784,180,255)	(3,472,100,254)	(1,791,492,764)	(2,866,643,228)	(2,014,285,556)	(3,586,285,071)	(1,991,893,564)	(2,795,195,975)	(3,141,053,971)	(19,376,356,368)	(44,769,787,223)
Profit received/(paid) on IB General A/C	(15,634,000,000)	(2,272,400,000)	2,215,140,000	3,064,190,000	1,323,930,000	5,639,530,000	(19,839,000)	3,811,940,000	4,635,360,000	2,763,890,000	-
Net investment income	4,422,439,745	4,095,889,746	1,921,287,236	3,046,346,772	2,210,684,444	3,581,374,929	1,497,846,439	2,387,344,025	2,833,226,029	8,843,365,968	31,631,705,273
Commission, exchange & other income	2,128,480,000	1,356,180,000	261,940,000	335,630,000	256,160,000	201,730,000	304,800,000	193,430,000	291,670,000	3,427,137,282	8,667,227,282
Total operating income	6,550,919,745	5,791,769,746	2,183,327,236	3,381,976,772	2,466,844,444	3,783,104,929	1,712,646,439	2,580,844,025	3,024,896,029	12,370,443,190	40,298,932,555
Total operating expenses	(1,154,546,026)	(1,351,432,378)	(875,463,304)	(1,213,063,419)	(1,016,483,143)	(990,676,073)	(1,043,759,550)	(906,936,833)	(948,242,634)	(15,465,299,223)	(24,972,601,348)
Operating Profit	7,396,373,719	4,440,337,368	1,307,863,932	2,168,913,353	1,450,361,301	2,792,428,856	668,886,889	1,673,907,192	2,086,653,395	(3,094,856,033)	15,326,331,207

There are 19 operating segments including subsidiaries as on 31 December 2019. Out of which only 9 are reportable as per IFRS 8 "Operating Segments". Hence other non-reportable segments have been shown as under 'Common'.

For the year ended 31 December 2019

Particulars	Amount in Taka										
	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	25,004,860,000	10,491,230,000	1,694,490,000	3,096,310,000	3,030,890,000	1,770,580,000	3,586,750,000	1,110,680,000	1,488,020,000	26,225,216,664	77,421,746,664
Profit paid on murabah deposits	(3,762,668,413)	(3,507,392,291)	(1,760,266,545)	(2,815,577,030)	(2,039,058,735)	(3,544,671,337)	(1,764,273,995)	(2,687,677,624)	(3,095,253,574)	(19,723,434,973)	(44,927,564,177)
Profit received/(paid) on IB General Account	(14,816,550,000)	(2,619,300,000)	1,799,820,000	2,540,840,000	1,018,400,000	4,744,230,000	(590,520,000)	3,670,190,000	3,991,290,000	261,100,000	-
Net investment income	6,424,641,587	4,274,637,709	1,634,043,455	2,821,572,970	1,990,231,265	2,970,638,663	1,321,956,005	1,893,242,376	2,294,056,726	6,666,881,741	32,494,182,487
Commission, exchange & other income	2,451,400,000	1,315,050,000	260,140,000	354,990,000	305,070,000	229,570,000	401,150,000	217,490,000	238,250,000	5,534,075,637	11,297,115,637
Total operating income	8,876,041,587	5,889,687,709	1,894,243,455	3,176,562,970	2,295,301,265	3,200,208,663	1,723,106,005	2,110,442,376	2,532,306,726	12,400,957,378	43,791,298,124
Total operating expenses	(1,105,702,023)	(1,218,570,764)	(781,846,990)	(1,041,397,755)	(861,715,346)	(863,026,112)	(907,718,739)	(763,206,376)	(776,054,899)	(13,009,039,469)	(21,238,379,572)
Operating Profit	7,770,339,565	4,371,116,945	1,112,396,465	2,135,165,215	1,433,585,919	2,337,182,551	815,387,266	1,347,236,000	1,756,251,827	(688,082,091)	32,462,918,552

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.

Khandoker Raiban Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited



Mohammed Monirul Molla
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J Q M Habibullah, FCS
 J Q M Habibullah, FCS
 DMD & Company Secretary
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 Head Office, Dhaka.




Md. Ashraf Haque, FCA
 Md. Ashraf Haque, FCA
 EVP, Head of FAD & CFO
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka.

Islami Bank Bangladesh Limited
Reconciliation of Net Profit with Cash Flows from Operating activities
For the year ended 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
Profit before tax as per profit and loss accounts		10,689,091,172	14,099,752,501
Adjustment for non cash items			
Provision for investments & off- balance sheet exposures		4,407,811,852	7,335,195,972
Provision for diminution in value of investments in shares		(664,550,012)	415,085,114
Other provisions		365,868,381	63,580,044
Depreciation of property plant & equipment		1,341,212,111	820,661,162
Foreign exchange gain/(Loss)		11,746,496	(4,153,635)
Profit on sale of the fixed assets		14,240,748	12,954,440
		5,476,329,575	8,643,323,097
Increase/decrease in operating assets & liabilities			
Investments to customers		(136,274,676,085)	(93,253,230,032)
Placement from other banks		15,620,298,312	(8,965,340,564)
Other assets		(4,240,611,730)	(791,900,171)
Deposits from other banks		33,580,303	84,269,990
Deposits received from customers		233,225,930,085	123,634,130,708
Other liabilities		14,654,750,236	10,025,399,666
Income tax paid		(6,519,324,018)	(7,078,331,739)
		116,499,947,103	23,654,997,858
Cash flows from operating activities as per cash flow statement		132,665,367,850	46,398,073,456

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 Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Tanzim Alamgir
 Chief Executive Officer
 UICJ Investment Limited



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 EVP, Head of FAD & CFO
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 FAD, Head Office, Dhaka


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 Head Office, Dhaka



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 Managing Director & CEO
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 Head Office, Dhaka

Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

Islami Bank Bangladesh Limited
Financial Highlights of the Bank
As at and for the year ended 31 December 2020

Amount in Million Taka except %


Sl. No.	Particulars	2020	2019
1	Paid-up Capital	16,099.91	16,099.91
2	Total Capital (Equity)	87,252.72	79,079.70
3	Capital Surplus/(Deficit)	6,740.89	2,740.65
4	Total Assets (Excluding contra)	1,416,828.50	1,141,492.97
5	Total Deposits	1,179,476.48	946,291.53
6	Total Investments (excluding Investment in shares/securities)	1,035,287.88	899,013.21
7	Total Contingent Liabilities and Commitments	208,088.16	174,676.26
8	Investment Deposit Ratio (IDR)	80.42%	89.39%
9	Percentage of classified investment against total general investments	3.41%	3.82%
10	Profit after Tax & Provision	4,521.01	5,328.39
11	Amount of classified investment during current year	874.56	1,215.25
12	Provision kept against classified investments	36,297.93	34,739.33
13	Provision surplus/ (deficit)	2.50	2.50
14	Cost of Fund	7.03%	8.31%
15	Profit Earning Assets	988,228.54	868,620.70
16	Non-profit Earning Assets	428,599.96	272,872.27
17	Return on Investments	7.40%	8.59%
18	Return on Assets	0.35%	0.50%
19	Income from Investments	76,297.94	77,375.67
20	Earnings Per Share (EPS) in Taka	2.81	3.31
21	Net Income per share (Taka)	2.81	3.31
22	Price Earning Ratio (Times)	7.01	7.05
23	Net Asset Value (NAV)	61,612.88	58,651.67
24	Net Asset Value (NAV) per share (Taka)	38.27	36.43
25	Net Operating Cash Flow per share (NOCFPS) (Taka)	82.40	28.82
26	Dividend Yield (Per share)	3.73%	5.24%
27	Dividend Pay Out Ratio (Per share)	35.61%	30.22%
28	Dividend Cover Ratio (Times)	2.81	3.31


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Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission


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 Prime Bank Investment Limited


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 DMD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, 66/67


Mohammed Monir
 Managing Director &
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.


Md. Ashraful Haque, FCA
 EVP, Head of FAD & CFO
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka

Tanzim Alamgir
 Chief Executive Officer
 Prime Bank Investment Limited

Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Balance Sheet

As at 31 December 2020

Particulars	Notes	31.12.2020		31.12.2019	
		USD	BDT	USD	BDT
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		1,799,061.89	152,561,168	9,706,094.74	824,047,444
In Bangladesh	2.0	1,799,061.89	152,561,168	9,706,094.74	824,047,444
Outside Bangladesh		-	-	-	-
Placement with banks & other financial institutions	3.0	37,946,140.98	3,217,847,934	52,954,226.78	4,495,813,854
Investments in shares & securities					
Government		-	-	-	-
Others		-	-	-	-
Investments	4.0	684,135,855.05	58,014,994,162	396,807,883.88	33,688,989,341
General investments etc.		-	-	-	-
Bills purchased & discounted	4.1	684,135,855.05	58,014,994,162	396,807,883.88	33,688,989,341
Fixed assets		-	-	-	-
Other assets	5.0	349,999.29	29,680,080	371,230.75	31,517,491
Non - banking assets		-	-	-	-
Total property and assets		724,231,057.21	61,415,083,344	459,839,436.15	39,040,368,130
Liabilities and Capital					
Liabilities					
Placement from banks & other financial institutions	6.0	707,828,219.52	60,024,116,147	444,681,197.48	37,753,433,666
Deposits & other accounts					
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al- Waqeah Current and other deposit accounts		-	-	-	-
Bills payable		-	-	-	-
Other liabilities	7.0	16,402,837.69	1,390,967,197	15,158,238.67	1,286,934,464
Deferred tax liabilities /(assets)		-	-	-	-
Total liabilities		724,231,057.21	61,415,083,344	459,839,436.15	39,040,368,130
Capital/ share-holders' equity					
Paid - up capital		-	-	-	-
Statutory reserve		-	-	-	-
Translation reserves	8.0	-	18,376,319	-	6,629,823
Retained earnings	17.0	-	(18,376,319)	-	(6,629,823)
Total liabilities & shareholders' equity		724,231,057.21	61,415,083,344	459,839,436.15	39,040,368,130
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.

Md. Ashreful Haque, FCA
EVP, Head of FAD & CFO
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FAD, Head Office, Dhaka

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Prime Bank Investment Limited

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission



Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Profit & Loss Account

For the year ended 31 December 2020

Particulars	Notes	2020		2019	
		USD	BDT	USD	BDT
Operating income					
Investment income	9.0	31,491,259.22	2,640,330,998	26,088,999.58	2,179,995,012
Profit paid on mudaraba deposits/placement	10.0	(15,129,317.44)	(1,270,862,656)	(23,724,947.75)	(1,981,508,214)
Net investment income		16,361,941.78	1,369,468,342	2,364,051.83	198,486,798
Income from investments in shares & securities		-	-	-	-
Commission, exchange & brokerage income		-	-	-	-
Other operating income	11.0	2,729,033.89	229,276,920	5,375,325.94	449,038,877
Total operating income		19,090,975.67	1,598,745,262	7,739,377.77	647,525,675
Operating expenses					
Salary & allowances	12.0	56,266.66	4,726,398	117,777.28	9,834,224
Rent, taxes, insurances, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamps and telecommunication etc.	13.0	5.95	500	71.86	6,000
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	1,804,330.75	151,252,219	1,845,463.88	153,927,377
Total operating expenses		1,860,603.36	155,979,117	1,963,313.02	163,767,601
Profit/ (loss) before provision		17,230,372.31	1,442,766,145	5,776,064.75	483,758,074
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		17,230,372.31	1,442,766,145	5,776,064.75	483,758,074
Provision for taxation for the period					
Current tax	16.0	-	-	-	-
Deferred tax	16.0	-	-	-	-
Net profit/ (loss) after tax		17,230,372.31	1,442,766,145	5,776,064.75	483,758,074
Retained earnings from previous year		-	-	-	-
Less: Interim dividend paid		-	-	-	-
Add: Net profit after tax		17,230,372.31	1,442,766,145	5,776,064.75	483,758,074
Profit available for appropriation		17,230,372.31	1,442,766,145	5,776,064.75	483,758,074
Less: Appropriation					
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Retained earnings (Transferred to main operation)	17.0	17,230,372.31	1,461,142,464	5,776,064.75	490,387,897
Translation reserve movement		-	(18,376,319)	-	(6,629,823)

The annexed notes form an integral part of these financial statements.

Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited

Mohammed Monir
Managing Director
Islami Bank Bangladesh Limited
Head Office, Dhaka

Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

Tanzim Alamgir
Chief Executive Officer
UCS Investment Limited

Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2020

Particulars	2020		2019	
	USD	BDT	USD	BDT
Cash flows from operating activities				
Investment income	31,491,259.22	2,640,330,998	26,088,999.58	2,179,995,012
Profit paid on mudaraba deposits/placement	(15,129,317.44)	(1,270,862,656)	(23,724,947.75)	(1,981,508,214)
Income/ dividend receipt from investments in shares & securities	-	-	-	-
Fees & commission receipt in cash	-	-	-	-
Recovery from written off investments	-	-	-	-
Payments to employees	(56,266.66)	(4,726,398)	(117,777.28)	(9,834,224)
Cash payments to suppliers	-	-	-	-
Income tax paid	-	-	-	-
Receipts from other operating activities	2,729,033.89	229,276,920	5,375,325.94	449,038,877
Payments for other operating activities	(1,804,336.70)	(151,252,719)	(1,845,535.74)	(153,933,377)
i) Operating profit before changes in operating assets & liabilities	17,230,372.31	1,442,766,145	5,776,064.75	483,758,074
Changes in operating assets and liabilities				
Increase/(decrease) of statutory deposits	-	-	-	-
(Increase)/decrease of net trading securities	-	-	-	-
(Increase)/decrease of placement to other banks	15,008,085.80	1,277,965,920	1,206,764.00	48,293,272
(Increase)/decrease of investments to customers	(287,327,971.17)	(24,326,004,821)	116,823,722.59	9,404,702,442
(Increase)/decrease of other assets	21,231.46	1,837,411	(180,672.75)	(15,529,675)
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	1,244,599.02	140,785,371	1,702,583.41	160,481,175
(ii) Cash flows from operating assets and liabilities	(271,054,054.89)	(22,905,416,119)	119,551,397.25	9,597,947,214
Net cash flows from operating activities (A)-(i+ii)	(253,823,682.58)	(21,462,649,974)	125,328,462.00	10,081,705,288
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	263,147,022.04	22,270,682,481	(113,707,654.07)	(9,095,390,979)
Profit transferred to main operation	(17,230,372.31)	(1,461,142,464)	(5,776,064.75)	(490,387,897)
Net cash flows from financing activities (C)	245,916,649.73	20,809,540,017	(119,483,718.82)	(9,585,778,876)
Net increase/(decrease) in cash (A+B+C)	(7,907,032.85)	(653,109,957)	5,844,743.18	495,926,412
Add/(less) effects of exchange rate changes on cash & cash equivalents	-	(18,376,319)	-	(6,629,823)
Add: cash & cash equivalents at beginning of the year	9,706,094.74	824,047,444	3,861,351.56	334,750,855
Cash & cash equivalents at the end of the year	1,799,061.89	152,561,169	9,706,094.74	824,047,444

22 SEP 2021

Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

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DMD & Company Secretary
Islami Bank Bangladesh Limited

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Managing Director & CEO
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Chief Executive Officer
Prime Bank Investment Limited

Md. Asrarul Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

Islami Bank Bangladesh Limited (Off-Shore Banking Unit)

Notes to the Financial Statements

As at and for the year ended 31 December 2020

1.0 Status of the Units

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, Chottoogram 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, Chattoogram 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, International Financial Reporting Standards (IFRSs) and other applicable directives issued by Bangladesh Bank. All the financial statements relating to 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 (BD Taka/BDT) 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 IAS-21 "The Effects of changes in Foreign Exchange Rates". Foreign currency balances held in US Dollars (USD) 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 its different functional currency other than the non-OBU operation of the Bank. As per IAS - 21, items of balance sheet of OBU has been 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 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 statement.

1.2.8 Reporting period

The financial statements cover from 01 January 2020 to 31 December 2020.

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.

22 SEP 2021

Vetted

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Deputy Director
Bangladesh Securities and Exchange Commission

Mohammed M
Managing Director
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Head Office, Dhaka.

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Head Office, Dhaka



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.

2.0 Balance with other banks & financial institutions

In Bangladesh (balance with Treasury Division)
Outside Bangladesh
Total

31.12.2020		31.12.2019	
USD	BDT	USD	BDT
1,799,061.89	152,561,168	4,609,219.74	391,322,756
-	-	5,096,875.00	432,724,688.00
1,799,061.89	152,561,168	9,706,094.74	824,047,444

3.0 Placement with banks & other financial institutions

Fund provided to AD Branches for MDB in FC (*)

37,946,140.98	3,217,847,934	52,954,226.78	4,495,813,854
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(*) 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

General investments etc.
Bills purchased & discounted (Note-4.1)
Total

-	-	-	-
684,135,855.05	58,014,994,162	396,807,883.88	33,688,989,341
684,135,855.05	58,014,994,162	396,807,883.88	33,688,989,341

4.1 Bills purchased & discounted

Mudaraba Documentary Import Bills (MDIB-UPAS) (*)
Hire-Purchase under Shirkatul Meelek (HPSM in FC)
Total

551,832,975.07	46,795,657,019	255,890,151.06	21,725,073,825
132,302,879.98	11,219,337,143	140,917,732.82	11,963,915,516
684,135,855.05	58,014,994,162	396,807,883.88	33,688,989,341

(*) 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
Total

349,999.29	29,680,080	371,230.75	31,517,491
349,999.29	29,680,080	371,230.75	31,517,491

6.0 Placement from banks & other financial institutions

IBBL -main operation (Treasury Division)
Banks in BD (OBU)
Banks (abroad)
Total

183,428,354.52	15,554,797,835	104,881,197.48	8,904,413,666
363,999,865.00	30,867,334,152	40,000,000.00	3,396,000,000
160,400,000.00	13,601,984,160	299,800,000.00	25,453,020,000
707,828,219.52	60,024,116,147	444,681,197.48	37,753,433,666

7.0 Other liabilities

Profit payable
Unearned Income
Profit Receivable UPAS
Profit during the year
Total

2,672,235.54	226,606,643	4,942,963.58	419,657,608
4,959,216.14	420,543,512	5,191,161.15	440,729,582
8,771,386.01	743,817,042	5,024,113.94	426,547,274
-	-	-	-
16,402,837.69	1,390,967,197	15,158,238.67	1,286,934,464

8.0 Translation reserve

Balance as on 01 January
Addition/(adjustment) during the year
Balance as at 31 December

-	6,629,823	-	10,783,458
-	11,746,496	-	(4,153,635)
-	18,376,319	-	6,629,823

Tanzim Al Amin
 Chief Executive Officer
 UCD Investment Limited
 Khanoker Raibhan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

22 SEP 2021

Vetted

Syed Muhammad Golam Mowla
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 FAD, Head Office, Dhaka

J Q M Habibullah, FSS
 DMD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, Dhaka

Mohammed Monirul Hossain
 Managing Director
 Islami Bank Bangladesh Limited
 Head Office, Dhaka



9.0 Investment income

	2020		2019	
	USD	BDT	USD	BDT
Mudaraba documentary import bills (MDIB-UPAS)	22,864,890.67	1,917,426,265	15,802,770.33	1,319,743,009
Hire-Purchase under Shirkatul Meelk (HPSM in FC)	6,698,557.23	561,004,168	8,209,658.26	686,777,894
Placement to AD branches (MDB-FC)	1,927,811.32	161,900,565	2,076,570.99	173,474,109
Total	31,491,259.22	2,640,330,998	26,088,999.58	2,179,995,012

10.0 Profit paid on mudaraba deposits/placement

Profit paid on Placement from Banks (abroad)	6,223,687.57	522,789,752	19,098,104.78	1,595,774,840
Profit paid on Placement from Banks in BD (OBU)	8,905,629.87	748,072,904	4,626,842.97	385,733,374
Total	15,129,317.44	1,270,862,656	23,724,947.75	1,981,508,214

11.0 Other Income

Service charge realized (MDIB-UPAS)	2,729,033.89	229,276,920	5,375,293.59	449,036,182
Service charge realized (Placement to AD branches)	-	-	32.35	2,695
Total	2,729,033.89	229,276,920	5,375,325.94	449,038,877

12.0 Salary & allowances

Basic pay	56,266.66	4,726,398	117,777.28	9,834,224
Allowances	-	-	-	-
Bonus	-	-	-	-
Contribution to Provident Fund	-	-	-	-
Total	56,266.66	4,726,398	117,777.28	9,834,224

13.0 Postage, stamps and telecommunication etc.

Telephone Bill	5.95	500	71.86	6,000
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14.0 Other expenses

Expenditure A/c: 10% profit paid to ADs UPAS	1,803,973.46	151,222,207	1,843,727.35	153,782,377
Entertainment	357.29	30,012	1,736.53	145,000
Total	1,804,330.75	151,252,219	1,845,463.88	153,927,377

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

Balance as at 01 January	-	(6,629,823)	-	(10,783,458)
Addition during the year	17,230,372.31	1,442,766,145	5,776,064.75	483,758,074
Effect of translation reserve	-	6,629,823	-	10,783,458
Transferred to main operation	17,230,372.31	1,461,142,464	5,776,064.75	490,387,897
Balance as at 31 December	-	(18,376,319)	-	(6,629,823)

Vetted 22 SEP 2021

Syed Muhammad Golam Mowla
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Prime Bank Investment Limited

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Annexure – 03
(Credit Rating Report of the Issue)

22 SEP 2021
Vetted


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Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

AlphaRating

IBBL 2nd Perpetual Mudaraba Bond


Issued By: Islami Bank Bangladesh Limited

(Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh)

22 SEP 2021

Vetted



Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Khandoker Raibhan Ali FCA
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Prime Bank Investment Limited

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J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited


Mohammed Monirul Mousa
Managing Director & CEO
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Head Office, Dhaka.

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AlphaRating

29 July, 2021

Janab Farid VP, Pis.
Please take n/a.

Managing Director & CEO
Islami Bank Bangladesh Limited

FVP & CFO

Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh

Subject: Credit Rating of IBBL 2nd Perpetual Mudaraba Bond issued by Islami Bank Bangladesh Limited

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to IBBL 2nd Perpetual Mudaraba Bond issued by Islami Bank Bangladesh Limited:

Date of Declaration	Valid Till	Rating Action	Bond Rating	Outlook
29 July, 2021	28 July, 2022	Surveillance	AA+	Stable

The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to IBBL 2nd Perpetual Mudaraba Bond issued by Islami Bank Bangladesh Limited, hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

22 SEP 2021

We hope the rating will serve the intended purpose of your organization.

With Kind Regards,

Riyadh M. Hossain MBA (USA)
Chief Risk Officer

Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

This letter forms an integral part of the credit rating report.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited

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Mohammed Monirul Mousa
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

FAD, Head Office, Dhaka

Tanzim Alamgir
Chief Executive Officer
UCI Investment Limited

IBBL 2nd Perpetual Mudaraba Bond

AA+ Bond Rating

Stable Outlook

Surveillance Rating Action

Date of Declaration 29 July, 2021

Valid Till 28 July, 2022

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Business Risk	Solvency Score	Asset Quality	Profitability	Management Quality	Capital Adequacy	Industry Group
Low	Good	Good	Moderate	High	Adequate	Financial Institution

As an Islamic Shariah based Bank, Islami Bank Bangladesh Limited has been growing smoothly with a positive attitude to compete with other Banks and FI

Contact Analysts

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Rafi Al Kavi

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Date of Incorporation:

13 March, 1983

Chairman:

Professor Md. Nazmul Hassan, Ph.D.

Managing Director & CEO:

Mohammed Monirul Mowla

Issue:

IBBL 2nd Perpetual Mudaraba Bond

Issue Size:

BDT 8,000 million

Lead Arranger for private Placement:

UCB Investment Limited

Joint Co-Arrangers for private Placement:

Prime Bank Investment Limited and
Islami Bank Capital Management
Limited

Trustee:

SBL Capital Management Limited

Issue Manager for Public Offer:

Prime Bank Investment Limited and
UCB Investment Limited

Rationale


AlphaRating affirms bond rating of "AA+" (pronounced as 'Double A Plus') in favor of IBBL 2nd Perpetual Mudaraba Bond. For instrument rating of Islami Bank Bangladesh Limited (herein after referred as 'the Bank or IBBL') AlphaRating mainly emphasizes on issue specific risk and Transaction Dimension which covers priority, security & covenants of the bond. Moreover, audited financial statements of FY 2018-2020, for the year ended 31st December, related business risks and management quality of the entity have also been considered for the rating.


Due to having perpetual status of the "IBBL 2nd Perpetual Mudaraba Bond", bondholders will be ranked under all senior secured and unsecured debt but will have the priority over issued share capital and perpetual non-cumulative preference shares.

The issuer will pay to the Bondholders coupon on each perpetual Bond at the Coupon Rate provided. However all payment of Coupon Rate shall be subject to having distributable profit after making payments to creditors senior to the Bondholders. Coupon Range shall be, subject to the Coupon Ceiling, proportionately adjusted based on such available distributable profits of the Issuer; provided further that obligation of the Issuer for making payment of coupon shall be subject to loss absorption obligation of the Bondholders.


Financial analysis of IBBL revealed that the organization has positive asset growth, increasing investments and deposits, well diversified investment portfolio, increased investment in share & securities, decline in gross NPL ratio, surplus provision, sufficient capital adequacy, improved average earning asset, IDR within the regulatory requirement, decrease in rescheduled investment both in terms of account & amount, quality of management team and advanced automation process of overall banking system. AlphaRating observed strengthening of IBBL's contribution towards HR development, good Corporate Governance practice, CSR activities and Environmental Risk Management which have impacted the rating positively. Along with this, good internal control, improvement in investment as well as import, export, remittance positively impacted the rating. Moreover, Positive attitude towards compliance maintenance has been observed through sufficient CRR, SLR, LCR and NSFR maintained by the bank compared to the requirement.

Despite having this good contributor there are some issues that restrained the rating process. Such as lower earning & profitability, ROA below industry average, higher exposure to large investment, liquidity shortfall in 2 bucket etc. Nevertheless, IBBL still has scope to improve its performance in future. Taking into account all the above factors, all the situational change which took place since the last rating assessment, AlphaRating affirms rating of AA+ (one notch lower from its model driven entity rating) in favor of IBBL 2nd Perpetual Mudaraba Bond.

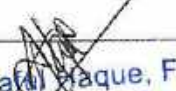

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Riyadh M. Hossain MBA (USA)
Chief Risk Officer
Alpha Credit Rating Limited


Khandoker Raihan Ali FCA
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Islami Bank Bangladesh Limited


Md. Ashraf Raque, FCA
EVP, Head of IBBL 2nd Perpetual Mudaraba Bond
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Company Profile

Islami Bank Bangladesh Limited, the first Shariah based bank in South & South East Asia has been incorporated on 13 March, 1983 and started its business operation with 70% foreign shareholding & 30% local sponsorship. The core activities of the Bank are to provide 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. The Bank offers all kinds of corporate, institutional and retail banking services covering all segments of society within the framework of Banking Company Act and rules and regulations imposed by central bank and other regulatory authorities. IBBL, the highest tax payer & largest private sector bank in Bangladesh has been enlisted among top thousand banks of the world since 2012, positioning 904th latest by 2020. As on 24th April, 2021 total market capitalization of IBBL stood at BDT 45,723.735 million. According to DSE, market share of IBBL is categorized as "A".

Products and Services

Islami Bank Bangladesh Limited offers different types of product & services to its customers. They have planned to expand the area of services day by day. From the very beginning, they gave more emphasis on satisfaction of customers. Existing products & services of IBBL are given below:

Deposits

- Al-Wadeah Current Account
- Mudaraba Savings Account
- Mudaraba Term Deposit Account
- Mudaraba Foreign Currency Account & So on

Investment

- Bai-Murabaha
- Bai-Muajjal
- Mudaraba, Musharaka,
- Bai-Salam & So on

Welfare-Oriented Investment Scheme

- Household Durable Scheme
- Housing Investment Scheme
- Micro Enterprise Investment Scheme & So on

Offshore Banking Unit Products

- Remittance Services
- Treasury Activities
- Technology Based Services
- SME Banking Services
- Cards
- Internet Banking
- Locker Services & so on

Ownership Pattern



Branch Network

The registered office of IBBL is located at Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh. At present IBBL has their banking service in 373 branches including 30 SME/Agriculture Branch, 61 AD Branch, 3 Offshore Banking Unit & 2273 agent banking outlet in different important place of Bangladesh.

Subsidiaries of the Bank

Company Name	Nature Of Business
Islami Bank Securities Limited	One of the largest & leading stock broker & stock dealer, fully owned subsidiary of Islami Bank Bangladesh Limited incorporated on March 22, 2010. The company was established with initial paid up capital of BDT 2,700 million.
Islami Bank Capital Management Limited	It is another subsidiary company of Islami Bank Bangladesh Limited that incorporated on April 01, 2010. The company is a merchant company established with initial paid up capital of BDT 300 million
IBBL Exchange Singapore Pte. Limited	IBBL Exchange Singapore Pte. Limited has been incorporated in Singapore as a subsidiary of Islami Bank Bangladesh Limited for remittance service and things incidental thereto under the Company Act, CAP.50 of the Republic of Singapore.

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Bating Report - IBBL 20 Perpetual Mudaraba Bond

Industry Analysis

The financial system of Bangladesh consists of scheduled and non-scheduled banks, non-bank financial institutions, microfinance institutions, insurance companies, co-operative banks, credit rating companies, merchant banks, brokerage houses and stock exchanges. Broadly, the Bangladesh financial system is bank-based financed via financial intermediaries and remains dominated by the banking sector. At the end of 2020, the total number of scheduled banks increased to 60 due to opening of new domestic private commercial banks (PCBs) during the year. Bangladesh Bank (BB) implemented a number of policy measures to emphasize risk management and corporate governance in the banks, periodic review of stability of the individual bank as well as the whole banking system, stress testing, monitoring of large borrowers, fraud-forgeries and strengthening internal control and compliance through self-assessment of anti-fraud internal controls etc. Throughout the period the balance sheet size grew to a notable extent. All of the portions of asset composition has increased other than Govt. Bill and Bond. Total assets of the banking industry increased by 11.84% and stood at BDT 16,298.40 billion. During the same period, the banking sector indicators showed some improvements compared to that of the preceding year led by the good performance of Private Commercial Banks (PCBs). Asset quality, measured by non-performing investments to aggregate investment portfolio, & NPL/NPI to regulatory capital showed mixed performance over the preceding year. The ratio of gross NPL/NPI to the total outstanding investments of the banking sector has been decreased to 9.20% in Q2FY2020 compared to 9.30% at the end of December 2019. Moreover, the ratio of net NPL/NPI to the total outstanding investments of the banking sector reduced to 0.20 percent from 1.00 percent during the same period. Capital to Risk Weighted Assets Ratio (CRAR) remained same as that of December 2019 & stood at 11.60 percent in Q2FY2020. The provision shortfall shortened moderately. Decreased in NPL/NPI, shortened shortfall in provision and stable CRAR shows that position of the banking sector has improved in Q2FY2020.

The provision maintenance ratio at end of Q2FY2020, reached 93.10% as opposed to 89.20% recorded at end December 2019.

Key profitability indicators i.e. ROA & ROE decreased moderately in last quarter. Return on Asset (ROA) fallen up at 0.42 percent at the end of Q2FY2020 from 0.43 percent at the end of December 2019. In addition, Return on Equity (ROE) also decreased to 6.68 percent at the end of Q2FY2020 from 6.83 percent at the end of December 2019. In June 2020, banking sector has been able to maintain a significant leverage ratio compared to the maintained satisfactory liquidity position throughout the year. In Q2FY2020, banking sector as a whole has been able to maintain a leverage ratio of 4.58% on solo basis; 49 out of 60 banks have successfully maintained leverage ratio of 3.00%. At the end of December 2019, the growth rate (year-on-year) of deposits was higher than that of advances (less than 1 percentage point). The Advance-Deposit Ratio (ADR) stood at 76.20 percent at the end-Q2FY2020. The prudential limits of ADR for Conventional and Islamic Shariah based banks were 87.0 percent and 92.0 percent respectively. The liquidity position in the banking sector as a whole was comfortable at the end of Q2FY2020; leading to a further easing of money market conditions. Net Interest/profit Margin of the banking industry stood at 2.70 percent in Q2FY2020, which was 3.12 percent in FY 2019. The NIM for the PCBs remained stable whereas for other sectors, it decreased in Q2FY2020 compared to FY 2019. Analysis of the indicator reveals that NIM for PCBs and PCBs was higher than the industry average. Furthermore, banking sector, as a whole, had no shortfall in Cash Reserve Ratio (CRR). Along with this, the banking sector was found to be fairly resilient in the face of various market risk shocks. Moreover, the individual banks & the banking system as a whole were found to be well resilient against various liquidity stress scenarios as of end Q2FY2020.

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According to Bangladesh Bank's quarterly stability reports State-owned commercial banks are facing difficulty to continue business. The problems are poor capitalization, weak asset quality and substandard management quality etc. However, government has taken several steps to reform the sector, according to a recent analysis. The report (Source BMI Research a London based research firm) said Bangladesh's banking sector is one of the weakest in emerging Asia, as factors, such as low capital adequacy and poor asset and management quality, continue to challenge solvency and profitability. But in recent days this situation is changing. Under the Basel III framework, Bangladeshi banks are legally required to maintain a capital to risk-weighted asset ratio (CRAR) of at least 10 percent and a tier 1 capital ratio of at least 5.5 percent. The banking sector as a whole was able to maintain its CRAR above the minimum requisite. However, it is observed that the CRAR of SCBs, PCBs and FCBs were 6.93, 13.31 and 24.35 percent respectively as on 30 June 2020. Both the SBs failed to maintain MCR on risk weighted assets basis. Besides, 4 SCBs and 3 PCBs could not maintain the minimum required CRAR. The CRAR of the banking industry as a whole was 11.63 percent at the end of June 2020.

(In percent)

Bank types	2011	2012	2013	2014	2015	2016	2017	2018	2019	End June 2020
SCBs	11.7	8.1	10.8	8.3	6.4	6.9	7.0	10.3	5.0	6.9
SBs	-4.5	-7.8	-9.7	-17.0	-32.0	-33.7	-32.8	-31.7	-32.0	-36.5
PCBs	11.5	11.4	12.6	12.5	12.4	12.4	12.2	12.8	13.6	13.3
FCBs	21.0	20.6	20.2	22.6	25.6	25.4	23.3	25.9	24.5	24.4
Total	11.4	10.5	11.5	11.3	10.8	10.8	10.8	12.1	11.6	11.6

Source: DOS, BB

Fig: Capital to Risk Weighted Assets Ratio by Type of Banks


However, Bangladesh Bank has taken a number of initiatives throughout 2020 having implications for financial stability. For instance Bangladesh bank has amended guidelines on internal control & compliance risk management, credit risk management etc. Besides Bangladesh Bank has issued integrated risk management guidelines for financial institutions to strengthen the overall risk management framework & introduces techniques of managing all possible risk under formal organizational set up with standard policies & procedure.

Risk management by banks in post-Covid-19 situation

Banks in Bangladesh are facing huge uncertainties about repayments of investments by their clients when their business are in disarray during this Covid-19 situation. The current situation might bring huge burden of non-performing investments for the banking industry if the growing credit risk in this Covid-19 environment is not addressed effectively. There are claims that some banks in different countries are identifying spurious discrepancies in the LCs to escape payment liabilities which might be the source of fraud and reputational risks for banks. If not handled properly, back-to-back LC might be a source of credit risk for the country's banks in the coming months. With the advent of the defaulted investment in the post-covid-19 stage, banks with inadequate capital might be in huge trouble. (Source: FE 29.04.2020)

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Company Profile

Industry Overview

Issue Overview

Business Risk Analysis

Financial Risk Analysis

Management & Other Qualitative Factor

Company Information

Issue Overview

Issue Objective

The objective of issuing this perpetual mudaraba bond is for augmenting Additional Tier 1 Capital (As per the terms defined in Basel III Regulations/Guidelines/Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Issuer (i.e. Bank) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.

Sponsors' Status

Investors of the issue will be banks, insurance companies, financial institutions, mutual funds, provident funds, pension funds, corporate bodies, primary dealers, Non-Resident Bangladeshis and individuals etc. Face value/Issue Price of per bond is BDT 5,000 only. The bond is unsecured & Contingent Convertible on pre-specified trigger point (as fixed/ to be fixed by the Bangladesh Bank/regulator(s) from time to time).

Profit Rate

The total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin as described in below mechanism:

Rate of return will be calculated based on the latest available published deposit rate in Bangladesh Bank website. The average of yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st Generation, 2nd Generation and 3rd Generation banks only) will be considered excluding foreign Islamic banks and any Z-category Islamic Banks enlisted in capital market. Furthermore, if any Islamic bank goes into OTC Market/ delisted, that will be excluded from rate of return calculation as well.

The Benchmark rate will be calculated/fixed by the Trustee on every "Profit/Coupon Reset Date" or "Profit Rate/Coupon Rate Determination Date" and notified to the Issuer (i.e. the Bank) and all Investors/Bondholders on every Profit Reset Date.

Additional Profit/Coupon Rate with Benchmark Profit/Coupon Rate is 2.50% per annum.

Profit/Coupon Range (i.e. floor rate & ceiling rate) will be as fixed by Bangladesh Bank (if any, but subject to having available distributable profit of the issuer/Bank).

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DMD & Company Secretary
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Mohammed Monirul Haque
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

Feature of the Bond

Particulars	Details
Issuer	Islami Bank Bangladesh Limited
Name of the Instrument	IBBL 2 nd Perpetual Mudaraba Bond
Issue Type	Unsecured, Subordinated, Contingent-Convertible (CoCo), Fully paid up, Non-Cumulative, BASEL III compliant Perpetual Debt Instrument (i.e. Bond) for inclusion in Additional Tier1 Capital as regulatory capital.
Trustee	SBL Capital Management Limited
Lead Arranger (for Private Placement/Offer)	UCB Investment Limited
Joint Co-Arrangers (for Private Placement/Offer)	Prime Bank Investment Limited and Islami Bank Capital Management Limited
Issue Manager(s) for Public Offer/Issue	Prime Bank Investment Limited and UCB Investment Limited
Underwriter(s)	AIBL Capital Management Limited
Issue Size	BDT 8,000 million only
Face Value/Issue Price	BDT 5,000 only per Bond
Number of Issuing Unit	1,440,000 units/bonds in private placement/offer and 160,000 units/bonds for public issue/offer in aggregate 16,00,000 units/bonds
Market Lot	01(one) unit/bond and in multiple of 01 unit/bond thereafter
Mode of Issue	BDT 7,200 million only (90% of total Issue size) for private placement/offer and BDT 800 million only (10% of total Issue size) for public issue/offer.
Maturity Period/Tenor	The bond is perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Nature of Instrument and status of the Bond	Unsecured debt instrument. The Bonds are neither secured nor covered by a guarantee of the Issuer (i.e. the Bank) nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bondholders vis-à-vis other creditors of the Issuer (i.e. the Bank). Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.
Deemed Date of Allotment	For private placement/offer on the subscription closing date and for public offer/issue on such date to be decided/fixed later based on regulatory approvals.
Listing Status	The Bonds shall be listed with stock exchange(s) after deemed date of allotment and or after subscription closing date, (on main board and/or ATB- Alternative Trading Board as per instructions of the regulators).
Transferability	Transfer and transmission of the Bonds shall be subject to the Depositories Act, 1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.
Convertibility	Contingent Convertible on pre-specified trigger point (as fixed/ to be fixed by the Bangladesh Bank/regulator(s) from time to time).
Governing Law and Jurisdiction	The instrument/Bond is governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh.

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MD & CEO (CC)
Prime Bank Investment Limited

Particulars	Details
Benchmark Profit/Coupon Rate	<p>The total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin as described in below mechanism:</p> <p>Rate of return will be calculated based on the latest available published deposit rate in Bangladesh Bank website. The average of yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st Generation, 2nd Generation and 3rd Generation banks only) will be considered excluding foreign Islamic banks and any Z-category Islamic Banks enlisted in capital market. Furthermore, if any Islamic bank goes into OTC Market/ delisted, that will be excluded from rate of return calculation as well.</p> <p>The Benchmark rate will be calculated/fixed by the Trustee on every "Profit/Coupon Reset Date" or "Profit Rate/Coupon Rate Determination Date" and notified to the Issuer (i.e. the Bank) and all Investors/Bondholders on every Profit Reset Date.</p>
Additional Profit/Coupon Rate with Benchmark Profit/Coupon Rate Profit/Coupon Range (i.e. floor rate & ceiling rate)	<p>2.50% p.a.</p> <p>As fixed by Bangladesh Bank (if any, but subject to having available distributable profit of the Issuer/Bank)</p>
Profit/Coupon Payment Frequency	<p>Profit will be paid to the bondholders annually within 60 days after due date and shall not be cumulative. However, the first profit/coupon payment period will be from the issue date/subscription closing date/deemed date of allotment up to the ensuing 31 December of the respective year of issue date/subscription closing date/deemed date of allotment. Thereafter, annual profit/coupon payment will be made as per Gregorian calendar year (i.e. Profit period/Coupon Period will be from 01 January to 31 December or up to Issuer Call date, or regulatory call date, if exercised).</p>
Penalty rate on delay repayment (as fixed by the Regulator)/ Events of Default	<p>In case of a default in payment of profit/coupon and/or principal redemption on the respective due dates (except in circumstances as mentioned in the Bangladesh Bank issued Basel III Guidelines), 2% p.a. (two percent per annum) as an extra above the usual documented Coupon Rate/profit rate of the bond will be paid to the bond holders as per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021. However, it is clarified that any non-payment of Coupon/Profit /Return and or principal on account Bangladesh Bank Guidelines on Basel III capital regulation, Coupon/Profit Rate/Rate of Return Discretion and other events of this term sheet, shall not be deemed to be an event of default and no such default penalty.</p>
Loss Absorption Feature	<p>The AT-1 Capital qualifying Perpetual bond has a "Loss Absorption Feature" that will activate a loss absorption mechanism through "conversion of the bonds into common shares" at an objective per-specified "Trigger Point". Unless the Trigger Point takes place, this mechanism will never be activated. If the Trigger-Point or Trigger-Date is reached, the shortfall amount to maintain minimum required consolidated CET-1 Capital of Total Risk-Weighted Assets will be converted into Common Shares as per Bangladesh Bank requirement from time to time (Currently of 4.50%).</p>
Loss Absorption Methodology	<p>CET-1 on Trigger Point Condition Date will be considered to identify the shortfall percentage, which would be required to bring the consolidated Common Equity Tier 1 (CET-1) ratio to 4.50% of RAW and it will be converted into common shares at the Conversion Strike Price (CET-1 ratio always to be fixed as per Bangladesh Bank requirement from time to time).</p> <p>If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.</p>

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 Prime Bank Investment Limited

Particulars	Details
Payment Suspension Methodology	<p>In case of the event of exercise of Loss Absorption feature of the Bond, any coupon payment in between the Trigger Point and publication date of audited financials will be suspended. The bondholder will not be eligible for the coupon payment if the same situation prevails (Bank's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of conversion on Trigger Point Condition, the portion that will be required to be converted into equity shares, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio remaining reaching 4.50% or above, and coupon will be paid along with previous coupon for this portion.</p> <p>No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payments are suspended.</p>
Trigger Point for Loss Absorption	<p>If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters it would be the Trigger Point Condition and the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.</p>
Issuer Call Option	<p>Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank</p> <p>The Call Option may be exercised subject to following conditions:</p> <p>(a) To exercise the Call Option, the Bank (i.e. the Issuer) must receive prior approval of Bangladesh Bank; and</p> <p>(b) The Bank (i.e. the Issuer) shall not exercise Call Option unless:</p> <ul style="list-style-type: none"> (i) The Bond is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank (i.e. the Issuer); or (ii) The Bank (i.e. the Issuer) demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.
Call Option Eligibility	<p>Dividend Stopper Clause will be applicable to this instruments (i.e. Bonds) and will stop common equity holders' dividend payments on common shares in the event the holders of additional Tier 1 instruments (i.e. Bonds) are not paid profit/coupon either due to exercise of Issuer's Coupon Discretion or otherwise. For avoidance of doubt, the dividend stopper will not:</p> <ul style="list-style-type: none"> (i) Stop payment on another instrument/Bond(s) where the payments on such this other instrument /Bond(s) are not fully discretionary; (ii) Prevent distribution to shareholders for a period that extends beyond the point in time at which dividends/profit /coupon on the Additional Tier 1 instrument/Bond are resumed; (iii) Impede the normal operation of the Bank (i.e. Issuer or any restructuring activity (including acquisitions/disposals/ amalgamation/ re-constitution etc.); or (iv) Impede the full discretion that the bank has, at all times, to cancel the distributions or payments on the bonds nor act in a way that could hinder the re-capitalization of the Bank.
Common Equity Holders Dividend Stopper Clause	

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Sponsor's Status of Mudaraba Floating Rate Non-convertible Subordinated Bond I

IBBL issued 7 years Fully Redeemable Non-convertible Unsecured Subordinate Bond in 26 September, 2017 to raise capital up to BDT 5,000 million. The bond was issued in registered form in a minimum denomination of BDT 10.00 million. Name and status of investors of this bond is presented below:

Name of Bond Holder	No of Bonds Purchased	Issue Price Per Bond (BDT in millions)	Total Purchased Price (BDT in millions)
Agrani Bank Limited	100	10.00	1,000.00
EXIM Bank Limited	200	10.00	2,000.00
Pubali Bank Limited	100	10.00	1,000.00
Shahjalal Islami Bank Limited	100	10.00	1,000.00
Total			5,000.00

Profit Payment

Profit payment For BDT 5,000 Million Fully Redeemable Non-convertible Unsecured Subordinate Bond for the 7th half yearly provisional profit (at the end of 42th month) for the period from 26.09.2020 to 25.03.2021 is presented below:

Name of the Bondholder	Bond Subscription Amount	No. of Days	Benchmark Mudaraba Profit @ 5.50%	Additional Profit @ 2%	Total Provisional Profit	TDS @ 5%	Net Payable after AIT/TDS
Agrani Bank Limited	1,000,000,000	184	27,726,027	10,082,192	37,808,219	1,890,411	35,917,808
EXIM Bank Limited	2,000,000,000	184	55,452,055	20,164,384	75,616,439	3,780,822	71,835,617
Pubali Bank Limited	1,000,000,000	184	27,726,027	10,082,192	37,808,219	1,890,411	35,917,808
Shahjalal Islami Bank Limited	1,000,000,000	184	27,726,027	10,082,192	37,808,219	1,890,411	35,917,808
Total	5,000,000,000		138,630,136	50,410,960	189,041,096	9,452,055	179,589,041

Redemption

7 years redeemable bond to be redeemed in 5 equal annual installments amounting 20% of total bond value starting from 26 September, 2020 and each 12 months from thereafter

Name of the Bondholder	Bond Subscription Amount	1 st Redemption date	20% of aggregate principal amount to be redeemed	Principal outstanding after 1 st redemption
Agrani Bank Limited	1,000,000,000	26.09.2020	200,000,000	800,000,000
EXIM Bank Limited	2,000,000,000	26.09.2020	400,000,000	1,600,000,000
Pubali Bank Limited	1,000,000,000	26.09.2020	200,000,000	800,000,000
Shahjalal Islami Bank Limited	1,000,000,000	26.09.2020	200,000,000	800,000,000
Total	5,000,000,000		1,000,000,000	4,000,000,000

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EVP, Head of FAD & CFO
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DMD & Company Secretary
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Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

Chandoker Raihan Ali FCA
MD & CEO (CC)
Princ Bank Investment Limited

Syed Muhammad Golem Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Sponsor's Status of Mudaraba Floating Rate Non-convertible Subordinated Bond II

IBBL issued 7 years Fully Redeemable Non-convertible Unsecured Subordinate Bond in 24 December, 2018 to raise capital up to BDT 7,000 million. The bond was issued in registered form in a minimum denomination of BDT 10.00 million. Name and status of investors of this bond is presented below:

Name of Bond Holder	No of Bonds Purchased	Issue Price Per Bond (BDT in millions)	Total Purchased Price (BDT in millions)
Agrani Bank Limited	300	10.00	3,000.00
EXIM Bank Limited	100	10.00	1,000.00
Dhaka Bank Limited	50	10.00	500.00
Rupali Bank Limited	100	10.00	1,000.00
Sonali Bank Limited	100	10.00	1,000.00
Southeast Bank Limited	50	10.00	500.00
Total			7,000.00

Profit Payment

Profit payment for BDT 7,000 Million Fully Redeemable Non-convertible Unsecured Subordinate Bond for the 4th half yearly profit (at the end of 24th month) for the period from 24.06.2020 to 23.12.2020 is presented below:

Name of the Bondholder	Bond Subscription Amount	No. of Days	Benchmark Mudaraba Profit @ 5.50%	Additional Profit @ 2%	Total Provisional Profit	TDS @ 5%	Net Payable after AIT/TDS
Agrani Bank Limited	3,000,000,000	183	82,726,027	30,082,192	112,808,219	5,640,411	107,167,808
EXIM Bank Limited	1,000,000,000	183	27,575,342	10,027,397	37,602,739	1,880,137	35,722,602
Dhaka Bank Limited	500,000,000	183	13,787,671	5,013,699	18,801,370	940,069	17,861,301
Rupali Bank Limited	1,000,000,000	183	27,575,342	10,027,397	37,602,739	1,880,137	35,722,602
Sonali Bank Limited	1,000,000,000	183	27,575,342	10,027,397	37,602,739	1,880,137	35,722,602
Southeast Bank Limited	500,000,000	183	13,787,671	5,013,699	18,801,370	940,069	17,861,301
Total	7,000,000,000		193,027,395	70,191,781	263,219,176	13,160,960	250,058,216

Redemption

7 years redeemable bond to be redeemed in 5 equal annual instalments starting from 24 December, 2021 and each 12 months from thereafter.

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 Head Office, Dhaka

Mohammed Monirul Mouta
 Managing Director & CEO
 Islami Bank Bangladesh Limited
 Head Office, Dhaka

Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

Uzair Investment Limited
 Tayyib Al-Masrifi
 Chief Executive Officer

Company Profile	Industry Overview	Issue Overview	Business Risk Analysis
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Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Sponsor's Status of 1st Tranche Issue of IBBL 3rd Mudaraba Redeemable Unsecured Non-Convertible Floating Rate Subordinated Bond

IBBL issued 7 years Non-convertible Floating Rate Subordinated Bond in 10 December, 2019 to raise capital up to BDT 6,000 million. The bond was issued in registered form in a minimum denomination of BDT 10.00 million. Name and status of investors of this bond is presented below:

Name of Bond Holder	No of Bonds Purchased	Issue Price Per Bond (BDT in millions)	Total Purchased Price (BDT in millions)
Agrani Bank Limited	200	10.00	2,000.00
EXIM Bank Limited	200	10.00	2,000.00
Shahjalal Islami Bank Limited	60	10.00	600.00
Sonali Bank Limited	140	10.00	1,400.00
Total			6,000.00

Profit Payment


Profit payment For 1st Tranche Issue of BDT 6,000 Million of IBBL 3rd Mudaraba Redeemable Unsecured Non-Convertible Floating Rate Subordinated Bond for the 2nd half yearly profit (at the end of 12th month) for the period from 10.06.2020 to 09.12.2020 is presented below:

Name of the Bondholder	Bond Subscription Amount	No. of Days	Benchmark Mudaraba Profit @ 6.50%	Additional Profit @ 1.75%	Total Provisional Profit	TDS @ 5%	Net Payable after AIT/TDS
Agrani Bank Limited	2,000,000,000	183	65,178,082	17,547,945	82,726,027	4,136,301	78,589,726
EXIM Bank Limited	2,000,000,000	183	65,178,082	17,547,945	82,726,027	4,136,301	78,589,726
Shahjalal Islami Bank Limited	600,000,000	183	19,553,425	5,264,384	24,817,809	1,240,890	23,576,919
Sonali Bank Limited	1,400,000,000	183	45,624,658	12,283,562	57,908,220	2,895,411	55,012,809
Total	6,000,000,000		195,534,247	52,643,836	248,178,083	12,408,903	235,769,180

Redemption

7 years redeemable bond to be redeemed in 5 equal annual installments starting from 10 December, 2022 and each 12 months from thereafter.

Tanzeem Alamgir
 Chief Executive Officer
 UCB Investment Limited


Md. Ashrafur Haque, FCA
 EVP, Head of FAD & CFO
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka


J Q M Habibullah, FCA
 MD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, Dhaka


Mohammed Monirul Mowla
 Managing Director & CEO
 Islami Bank Bangladesh Limited
 Head Office, Dhaka

Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

Sponsor's Status of 2nd Tranche Issue of IBBL 3rd Mudaraba Redeemable Unsecured Non-Convertible Floating Rate Subordinated Bond

IBBL issued 7 years Non-convertible Floating Rate Subordinated Bond in 15 December, 2020 to raise capital up to BDT 6,000 million. The bond was issued in registered form in a minimum denomination of BDT 10.00 million. Name and status of investors of this bond is presented below:

Name of Bond Holder	No of Bonds Purchased	Issue Price Per Bond (BDT in millions)	Total Purchased Price (BDT in millions)
Agrani Bank Limited	150	10.00	1,500.00
Dutch-Bangla Bank Limited	100	10.00	1,000.00
Eastern Bank Limited	100	10.00	1,000.00
Shahjalal Islami Bank Limited	100	10.00	1,000.00
Rupali Bank Limited	100	10.00	1,000.00
Square Pharmaceuticals Limited	50	10.00	500.00
Total			6,000.00

Profit


Benchmark Mudaraba profit rate which is equivalent to the average of most recent month's published highest profit rate of Mudaraba Term Deposit in 6 months tenor of all Islami Banks plus an additional profit rate of 2.00% p.a. from pre-tax profit/operating income of the Issuer.

Redemption

7 years redeemable bond to be redeemed in 5 equal annual installments starting from 15 December, 2023 and each 12 months from thereafter.

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Company Profile

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Company Information

Issue Specific Risk

Profit Rate Risk

Profit rate risk concerned with borrowed funds of short term and long-term maturity. Profit rate risk is the risk that the Bank faces due to unfavorable movements in the profit rates. Volatility in money market and increased demand for investment funds raise the rate of profit. The Bank's financing in different sectors is generally structured at fixed and variable rates for specified terms. A change in the Government's monetary policy also tends to increase the rates. Increase in profit rates of borrowing could narrow or eliminate the spread or result in a negative spread, and hence, may have material adverse effect on the Bank's business, financial condition and/or results of operations.

The Bank adopted traditional Gap analysis for assessing impact on profit perspective (earnings perspective) and Duration Analysis for assessing the impact on the Economic Value of Equity (Economic Value Perspective).

Liquidity Risk

Liquidity Risk is the risk that the bank cannot promptly fulfill its payment obligations due to unforeseen factors or be forced to placement funds on unfavorable terms. Bank might face liquidity risk due to adverse mismatch of maturities of assets and liabilities and might encounter difficulty in meeting Obligation from its financial liabilities at a point of time.

Islami Bank Bangladesh Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of managing the liquidity risk of the bank lies with Treasury Division. Different key ratios including LCR and NSFR are regularly discussed in monthly meeting of ALCO of the Bank. The committee meets at least once in every month to review LCR, NSFR report and overall liquidity position of the bank. Treasury Division maintains liquidity based on current liquidity position anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

Management Risk

The risk associated with ineffective, unprofessional, non-discreet or underperforming management, that impedes the growth of the organization as well as hurts the shareholders and the company, fund of which being managed.

IBBL is one of the leading Islamic banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. IBBL has a sound management system that is not only efficient but also dynamic in taking appropriate decision to make the organization more effective, vibrant and result oriented. Therefore, with the strong leaderships and structured corporate set-up the management risk is not a matter of concern at all for the steady and sustainable growth of IBBL.

Prepayment, Call or Refunding Risks

The risk associated with the early unscheduled return of principal on a fixed-income security. This bond is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria.

Exchange Rate Risk

Foreign Exchange Risk is the current or prospective risk for earning and capital arising from adverse movements in currency exchange rates. Foreign Exchange risk may also arise as a result of exposures of banks to profit rate risk arising from the maturity mismatches of foreign currency positions.

IBBL has established Risk Tolerance limits for foreign exchange exposure with the directives of Bangladesh Bank in order to ensure that any adverse exchange rate movements on the results of the Bank due to unhedged foreign exchange positions are managed within acceptable parameters. Investment Risk arises when the counterparty fails to meet its obligations in accordance with agreed terms and conditions of an investment related contract. The failure may arise due to unwillingness of the counterparty or declining trend of overall economic condition, unanticipated legal or political constrains etc.

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Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

Bond Transaction Dimension

Priority

The Bonds shall constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank paripassu and without any preference or priority among themselves. The payment obligations of the Issuer in respect of the Bonds (on account of profit or otherwise) will be subordinated to all unsubordinated payment obligations of the Issuer in the manner described below but will rank paripassu with all other subordinated payment obligations of the Issuer which do not rank or are not expressed by their terms to rank junior to the payment obligations of the Issuer under the Bonds and in priority to all claims of shareholders of the Issuer.

The Bonds shall be distributed to Eligible Investors comprising of financial institutions, corporates and high net worth individuals via private placement and public offering and may only be transferred to another Eligible Investor. The rights of the holders of Bonds against the Issuer (including any profit) are subordinated and junior in right of payment to its obligations (i) to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bond (MPB) of BDT 3,000 million (i.e. 1st mudaraba perpetual Bond of the Issuer); and (iv) neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. However, shall remain superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the Issuer whether currently outstanding or issued at any time in the future. In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank paripassu with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer, the unpaid profit before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Issuer ranking junior to the Bonds.

Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to pay the profit on the Bonds according to these Conditions. For this purpose, "Senior Creditors" shall mean creditors of the Issuer (including depositors) other than creditors in respect of indebtedness where, by the terms of such indebtedness, the claims of the holders of that indebtedness rank or are expressed to rank paripassu with, or junior to, the claims of the Bondholders.

Security


Security can be in the form of specific collateral or a lien on all assets. For an issue secured with specific collateral to be rated above the "nature" or "stand alone". If the security is separated from the estate of the company in the event of bankruptcy and the security will maintain value regardless of the company's fortunes, then the risk of the bond might be minimized.

The issuance of IBBL 2nd Perpetual Mudaraba Bond is unsecured bond hence no charge on Assets to be created. No collateral is or will be given for the payment obligations under the Bonds and any collateral that may have been or may in the future be given in connection with other indebtedness of the issuer shall not secure the payment obligations under the Bonds. 22 SEP 2021

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Deputy Director
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J Q M Habibullah, FCA
DMD & Company Secretary
Islamic Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.


Covenants

The Issuer covenants with the Trustee that it will, as and when the profit payment under the Bonds become due for payment, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in immediately available freely transferable funds; the profit payments of the Bonds becoming due for payment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions profit on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:


- (i) every payment of profit in respect of the Bonds or any of them made to the Bondholders shall satisfy, to the extent of such payment;
- (ii) if any payment of profit in respect of the Bonds is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee; and
- (iii) in case of the Issuer exercising the call option, where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused penalty shall accrue at applicable rate of 2.00 % p.a. for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date on which such principal amount due is paid to the Bondholders.

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 Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Tanzim Alamgir
 Chief Executive Officer
 BOI Investment Limited


 Md. Ashraf Haque, FCA
 EVP, Head of F&A & CEO's Perpetual Mudarabah
 Islamic Bank Bangladesh Limited
 FAD, Head Office, Dhaka


 J Q M Habibullah, FCS
 Company Secretary
 Islamic Bank Bangladesh Limited
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 Mohammed Monirul Molla
 Managing Director & CEO
 Islamic Bank Bangladesh Limited
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 MD & CEO (CC)
 Prime Bank Investment Limited

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Business Risk Analysis

Internal Control and Compliance Risk

Banks should have proper internal control systems that integrate compliance risk management into their overall risk management process. The audit of compliance risk management should be incorporated into the annual plan of the Internal Audit function. To assess and mitigate the risks related to compliance with regulatory requirements, set rules of the Bank, internal checking system, lapses, fraud, forgeries, misappropriation, defalcation, violations of the set rules etc. 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. The Board of Directors time to time reviews the Internal Control System of the Bank and necessary guidance's are provided to improve the system.

Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earning due to change in exchange rate. The foreign exchange risks of IBBL are identified, measured, monitored and controlled by treasury division through treasury front office i.e. dealing room, treasury mid office, treasury back office and ALM desk. The foreign exchange risks are mitigated through proper market analysis, adherence to 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 fixed by the Bangladesh Bank. As a result it is evident that the bank can mitigate if any risk arise related to foreign exchange.

Credit/Investment Risk

Credit risk refers to the risk that a borrower may not repay an investment and that the lender may lose the principal of the investment or the profit associated with it. The risk is primarily that of the lender and includes loss of principal and profit, disruption of cash flows and increased collection costs. Credit risk management, meanwhile, is the practice of mitigating those losses by understanding the adequacy of both an institution's capital and investment loss reserves at any given time – a process that has long been a challenge for the Bank. In order to manage this risk, IBBL has a standard and structural credit approval policy which includes a well-established procedure of comprehensive credit approval. Bank has framed Investment Policy, Investment (Credit) Assessment & Risk Grading, Approval Authority, Internal Audit Approval Process, Investment (Credit) Administration, Investment (Credit) Monitoring, and 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. So, it can be said that credit risk of the bank well maintained & reduced to lower percentage.

Asset Liability Management

Asset Liability Management (ALM) focuses on risk management by covering the widest range of day-to-day banking operation. IBBL has formed an Asset Liability Management Committee (ALCO) in accordance with the guideline of Bangladesh Bank. The bank has its own guideline for asset liability management, which is approved by IBBL's board of directors. The 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. The bank has put its Asset Liability Management policy by setting various risk limits for effective management of market risk and ensuring that the operations are in line with bank's expectation of return to market risk through proper Asset Liability Management. The effectiveness of approved policies is monitored on an on-going basis which strengthens the risk management quality of IBBL.

Syed Muhammad Golam Mowla
Deputy Director

Responsible Securities and Custody Controller

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FAO, Head Office, Dhaka.

J Q M Habibullah, FCS
Company Secretary
Islamic Bank Bangladesh Limited
Head Office Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

Khondokar Raithan Ali FCA
MD & CEO (CC)
Prime Bank Investment & Finance Ltd.

Tajirun Alamgir
Chief Executive Officer
IBBL Investment Limited

Company Profile	Industry Overview	Issue Overview	Business Risk Analysis
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 Deputy Director
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Risk of Being Money Laundered

Money Laundering & Terrorist financing risks arise from non-compliance of the related instructions/guidelines stipulated by the regulatory authorities of the country. To mitigate/avoid these risks, IBBL has a Board approved AML Policy & Guideline, Designated Compliance Officer known as Chief Anti Money Laundering Compliance Officer (CAMLCO), An on-going Training for all category of executives and officers for developing their awareness and skill for identifying suspicious activities, and Independent Auditing.

For mitigating the risks, IBBL has formed Central Compliance Committee (CCC) headed by the CAMLCO at Head Office comprising of the various Wings/Divisional Heads who are performing supervisory and monitoring activities for the event of the AML & CFT compliance programs of the Bank.

A separate Division namely Money Laundering & Terrorist Financing Prevention Division has been functioning at Head Office headed by a Senior Vice President & D-CAMLCO of the Bank to provide all sorts of secretarial assistance to the CCC.

AML & CFT compliance programs of IBBL cover among others the automated central on-boarding process, automated KYC remediation system, real time automated Sanction/Negative media list screening, automated central transaction monitoring including Cash Transaction Reporting (CTR), Suspicious Transactions Reporting (STR), electronic KYC data preserving, on-site & off-site branch supervisions, compliance to the regulatory authorities, conducting need based trainings for all the employees, etc.

Information Technology Risk

Information technology risk, or IT risk, IT-related risk is any risk related to information technology. IT risk management is the application of risk management methods to information technology in order to manage IT risk, i.e. The business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise or organization. Financial information of Banks are mostly processed and delivered through technological platform. Continuity of company's operation and service completely depends on strong, reliable and secured technology.

The bank invests heavily in IT infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid system failure. From 2001, IBBL started providing ATM service to its customers from 55 branches through a consortium of 9 financial organizations using a 3rd party ATM service provider and from 2009 the Bank is operating its own ATM network with 420 ATM booths and now IBBL has 1752 ATM booths all over the country.

Environmental Risk


Over last few decades Environment Risk has become an alarming issue across all industry and Bank/FIs was also not out of this. Adoption of Environmental Risk Management (ERM) techniques has become an important area for all banks. Environmental Risks mainly arises from the probability of non-compliance to national environmental and social regulation or unexpected changes in environmental and social condition. To limit this risk at a certain level the bank implemented and ERM policy which includes initiating In-House Environment Management, Disclosure and Reporting on Green Banking, Provide Training to employees on Green Banking and so on.

Operational Risk


Operational risk arises due to failure in internal process, people and system or from external events. Due to rising customer expectations, increasing regulatory requirements, uprising technological innovation and mounting competition, banks and financial institutions are undergoing changes. This has increased the probability of failure or mistakes from the operational point of view that can result in increased focus on managing operational risks. Due to rising customer expectations, increasing regulatory requirements, proliferating financial engineering, uprising technological innovation and mounting competition, banks and financial institutions are undergoing changes. To mitigate the operational risk the bank followed Basic Indicator Approach. IBBL has also established a cross-functional body to actively manage operational risk as part of its governance structure. The bank has its own Operational Risk Management Framework which encompasses clearly defined organizational structure, with defined roles and responsibilities for all aspects of operational risk management.

Tanzim Alamgir
 MD & CEO (CC)
 Prime Bank Investment Limited

Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited


Md. Ashraful Haque, FCA
 EVP, Head of Report & CFT
 Islamic Bank Bangladesh Limited
 FAD, Head Office, Dhaka.


J Q M Habibullah, FCS
 OMB & Company Secretary
 Islamic Bank Bangladesh Limited
 Head Office, Dhaka


Mohammed Monirul Mowla
 Managing Director & CEO
 Islamic Bank Bangladesh Limited
 Head Office, Dhaka.

Financial Risk Analysis


Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

The financial analysis are done based on IBBL's asset quality, composition and trend, fund management, capital adequacy, liquidity management, risk management and ultimate financial goals of the firms based on both quantitative and qualitative aspects of the institution. Detailed analysis is presented below:

Asset Composition

IBBL's asset base is reported to rise from BDT 1,141,492.97 million in FY 2019 to BDT 1,416,828.50 million in FY 2020, which is 24.12% higher from previous year. IBBL's asset base was comprised of 15.08% cash, 4.34% balance with other banks and FIs, 5.23% investment in share & securities, 73.07% investment, 1.26% fixed assets and 1.02% other assets.

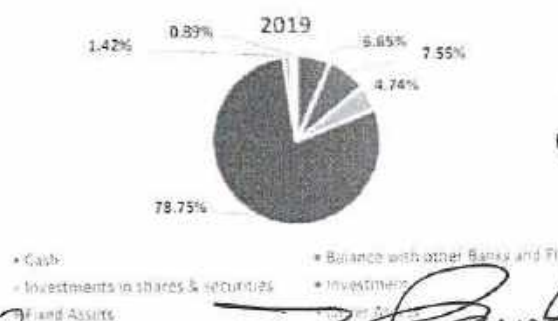
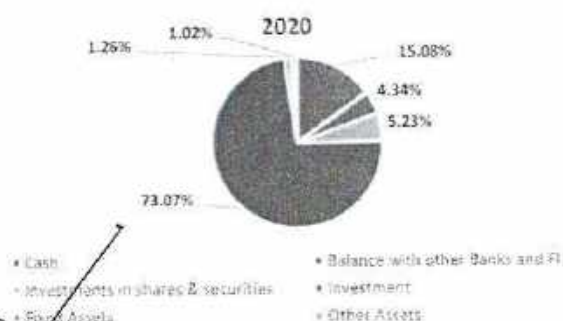
While analyzing the asset composition of IBBL, it was revealed that investment has increased by 15.16% in FY 2020 from that of FY 2019, which represents the most significant portion of total asset base. On the other hand, other than balance with other banks and FIs each items of total assets base has increased from that of the previous year.

Conversely, IBBL funded its asset base by placement from other banks & FIs, deposits & other accounts, mudaraba bonds, capital/shareholders equity and other liabilities. Further analysis reveals that, IBBL experienced positive growth both in deposit & other accounts and investment, which hold the largest proportion of total fund as well as total assets.

Moreover, deposit & other accounts was the source of 83.25% of the total asset base. Deposits & other accounts of IBBL comprised of mudaraba saving deposits of 33.30%, mudaraba term deposits of 36.61%, other mudaraba deposits of 20.85%, Al-wadeeah current & other deposit account of 8.82% and bills payable of 0.42%. Among the deposits, 9.52% will be repayable on demand, 57.28% will be matured within one year (including intra bank deposits) and rest 33.20% will be matured after one year.

FYE 31 December	2020	2019	2018
Total Asset (Million)	1,416,828.50	1,141,492.97	997,429.60
Asset Growth (%)	24.12	14.44	10.83
Gross Investments (Million)	1,035,287.88	899,013.21	805,759.97
Investment Growth (%)	15.16	11.57	13.37
Gross NPI (Million)	35,259.09	34,384.54	33,169.29
Gross NPI Ratio (%)	3.41	3.82	4.12
Net NPI (Million) (Considering General Provision)	(42,467.02)	(31,674.82)	(17,461.35)
Net NPI Ratio (%) (Considering General Provision)	(4.10)	(3.52)	(2.17)
Net NPI (Million) (Without Considering General Provision)	(30,646.37)	(22,816.42)	(9,524.50)
Net NPI Ratio (%) (Without Considering General Provision)	(2.96)	(2.54)	(1.19)
Investment Loss reserves/Gross NPIS (%)	136.47	126.79	109.09
Specific Reserves/Gross NPIS (%)	102.95	101.03	85.16
Investment in Shares & Securities at cost (Millions)	74,107.43	54,137.64	41,610.65
Investment in Shares & Securities at MV (Millions)	74,514.34	53,418.93	41,369.28

Data obtained from audited financial statements of FY 2018-2020



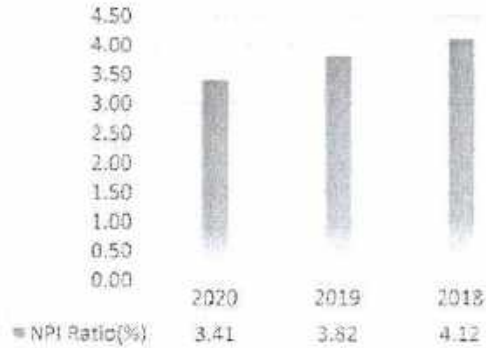
Asset Quality

One of the most critical areas determining the overall condition of the bank is the quality of its asset. As investments typically comprises majority of a bank's assets, it carries the greatest amount of risk to the capital. Hence the primary factor affecting overall asset quality is the quality of investment portfolio.

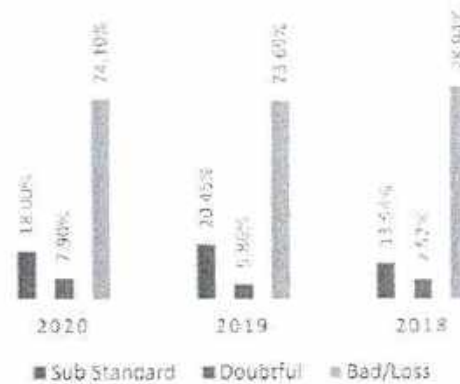
Investments of IBBL amount to BDT 1,035,287.88 million in FY 2020, which is 73.07% of the total asset base. While high dependency on investments increases the vulnerability of assets to credit risk, it may not likely be too risky, if managed properly. However, compared to increased investments, gross non-performing investments (NPI) has also increased by BDT 874.55 million and stood at 35,259.09 million. As per industry trend, it is very usual that NPI increases with the growth of investments. However, in respect of IBBL, gross NPI have increased at a lower rate than total investments reflecting a superior investment policy and credit risk management. Consequently, NPI ratio decreased by 0.41 percentile points from FY 2019 and stood at 3.41% in FY 2020.

In FY 2020, 18.00% of total NPI composed of Sub Standard, 7.90% was doubtful and rest 74.10% was Bad or Loss. However, Sub Standard investments has decreased by 9.72% whereas Doubtful & Bad or Loss has increased by 38.38% & 3.10% respectively. Despite having decreasing trend in NPI ratio, IBBL should remain cautious while extending investment facilities in order to avoid exposure to higher investment risk. In addition, to comply with Central Bank's regulation, IBBL was required to maintain BDT 48,116.07 million of provision against total investment (including provision for Off balance sheet item). It has been observed that, IBBL has maintained total provision of BDT 48,118.57 million giving the surplus provision of BDT 2.50 million in FY 2020.

In its investment portfolio, 96.12% investments are fully secured, 3.82% investments are secured by personal security of one or more persons in addition to personal security of debtors and rest of the investments are secured by debtor's personal security which indicate that its investment portfolio was in invincible situation.



NPI COMPOSITION



IBBL has significant investment on government security i.e. Bangladesh Government Islamic Investment Bond (Islamic Bond). A total of BDT 56,103.36 million (cost price) has been invested in government security in FY 2020, which bears low risk as well as low return than any other corporate bonds in the market. Other than this, the bank has also invested BDT 18,004.07 million (cost price) on quoted and unquoted share, market value of which is above the cost price during FY 2020.

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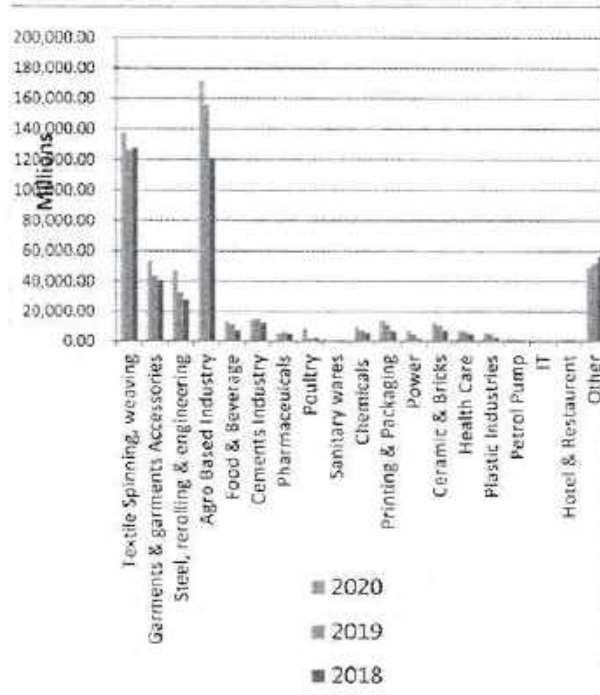
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Investment Diversification & Concentration



To reduce the level of unsystematic risk, every bank and financial institute must diversify its investment portfolio. Usually banks diversified its investment portfolio sector wise, division wise, industry wise, nature wise etc.

Investment portfolio of IBBL has stood at BDT 1,035,287.88 million at the end of FY 2020 (all the financing was in private sector and no investment were found in public sector). Since diversification of asset allocation is important to reduce the level of unsystematic risk, IBBL has maintained well diversified investment portfolio through the years and covers funding to a wide spectrum of business and industries; thus unsystematic risk related to industry seems lower.

AlphaRating observed sector specific concentration in the investment portfolio of IBBL. Almost 83.77% of the total investment is comprised of trade & commerce and industrial sectors which is distributed in different area of business. In industrial sector, the investment is heavily concentrated on garments & textile industry and agro based industry. The aggregated investment in garments & textile is 18.54% and in agro based industry is 16.60% of the total investment portfolio.

During the course of analysis it has been observed that trade & commerce, garments and textile are most saturated sector in Bangladesh & all private commercial bank & FIs invested maximum of portfolio in those sector and IBBL is nothing different of this trend.

Other than these, IBBL has invested in steel, food, cement, pharmaceuticals, chemicals, plastic, IT, hotel & restaurant and other industries. Moreover, IBBL has increased its investment on real state sector by BDT 5,512.03 million, transport sector by BDT 959.73 million, agricultural sector (including fertilizer & agriculture implements) by BDT 4,022.93 million and other sector by BDT 15,347.48 million in FY 2020 compared to prior year.

The Region Wise investment Concentration of the bank reflects that, the bank spread its concentration almost in all regions of the country i.e. Dhaka, Chittagong, Khulna, Rajshahi, Barisal, Sylhet, Rangpur & Mymensingh. However, Dhaka region grabbed 51.29% and Chittagong region grabbed 28.06% of total investment portfolio, as both the regions are recognized as most industrially developed areas. Further analysis reflects that, the bank mainly concentrated in urban areas, which grabbed 92.62% of total investments.

Performance of Rescheduled Investment

IBBL has rescheduled 1,826 accounts in FY 2019 and the total amount of the rescheduled investment was 85,104.87 million, which is 9.47% of the bank's total investment. During FY 2020, both the number and amount of rescheduled investment have been decreased, where BDT 19,457.00 million investment have been rescheduled against 307 accounts, which is 1.88% of bank's total investment.

Further analysis revealed that, if the rescheduled investment which are classified as SMA, SS and Doubtful are not being recovered within the scheduled time then BL will increase which will affect the bank's profitability negatively and tarnish their existence. It is to mention that, as on 31 December, 2020 IBBL has BDT 11,708.00 million as rescheduled investment against the top 50 rescheduled accounts and recovered BDT 190.00 million during the period. Moreover, among the top 50 reschedule accounts, all of the accounts were rescheduled for the 1st time and also categorized as unclassified.

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Islamic Bank Bangladesh Limited
 Chief Executive Office

Large Investment Exposure

According to the Bangladesh Bank circular BRPD 4 dated 29th January 2015, large investment is defined as the investment to any individual, enterprise or any organization of a group exceeding 10% of the particular commercial bank's total capital. According to management representation, IBBL has total 23 accounts categorized as large investment in FY 2020. IBBL reported a total large investment of BDT 292,819.00 million which represents 28.28% of total investment.

In FY 2019 amount of large investment was BDT 185,058.80 million against 17 accounts, which represented 20.58% of total investment at that time. In FY 2020 the total funded outstanding against large investment accounts is BDT 177,306.00 million and non-funded outstanding liability is BDT 115,513.00 million. The breakdown of funded outstanding showed that S. Alam Steels & Refined Sugar Ind. Limited, S. Alam Super Edible Oil Limited, S. Alam Vegetable Oil Limited, S. Alam Cold Rolled Steels limited, Infinite CR Strips Ind. Limited, Nassa Group etc. held the major portion of total funded outstanding. The breakdown of Non-funded outstanding showed that S. Alam Vegetable Oil Limited, Bashundhara Multifood Group, Nabil Group etc. held the major portion of total non-funded outstanding. All large investment accounts are regular indicating efficient investment risk management of the bank against large investment.

Restructured Large Investment

Under the purview of BRPD circular no-04 dated 29 January, 2015, investment amounting to BDT 4,874.00 million (outstanding BDT 2,531.20 million as on 31.12.2020) of Abdul Monem Sugar Refinery Limited, Local office Branch, Dhaka and Jamuna Electronics Limited, Gulshan Branch, Dhaka have been restructured by extension of validity of term investment for 06 years with no gestation period for Abdul Monem Sugar Refinery Limited and 12 years including 01 year gestation period for Jamuna Electronics Limited. The status of the investments are unclassified and reported as SMA as per BB's Guideline.

Capital Adequacy

Overall shareholders' equity of IBBL was BDT 61,612.88 million in FY 2020, which has been increased by 5.05% from that of previous year. This increase in equity is mainly attributable to increase in statutory reserve and other reserve.

Details of Capital Adequacy

(BDT in Millions)	2020	2019	2018
Total Capital	87,252.72	79,079.70	69,618.58
Total Risk Weighted Assets	644,094.71	610,712.38	581,444.97
Minimum Capital Required	64,409.47	76,339.05	58,144.50
Surplus / (Deficiency)	22,843.25	2,740.65	11,474.08

Capital Requirement	2020	2019	2018
Required CRAR (%)	12.50	12.50	11.88
CRAR (%)	13.55	12.95	11.97
Tier-I ratio (%)	8.57	8.55	8.35
Tier-II ratio (%)	4.98	4.40	3.63

Every commercial bank needs to comply the requirement of Basel-III guidelines regarding risk based capital adequacy. IBBL has maintained its capital adequacy above the required level each year under consideration. Tier-I capital of IBBL in FY 2020 was BDT 55,181.93 million, which includes paid up capital, statutory reserve, mudaraba perpetual bond, retained earnings and general reserve. On the other hand, the bank has considered BDT 32,070.80 million as Tier-II or supplementary capital, which is consisted of general provision (unclassified investment and off balance sheet exposure) and mudaraba redeemable subordinated bond.

In FY 2020, IBBL reported surplus capital of BDT 22,843.25 million. Capital to Risk Weighted Asset Ratio (CRAR) of IBBL in FY 2020 is 13.55%, which is higher than the regulatory requirement of 12.50% prescribe by Bangladesh Bank under Basel-III implantation plan. Therefore, in the context of capital adequacy IBBL has fulfilled the statutory requirement of CRAR which is very impressive.

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Capital Adequacy of IBBL has been projected to be as follows:


Sl. No	Particulars	Projected as on December 31 (BDT in Million)				
		2021	2022	2023	2024	2025
1	Paid Up Capital	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00
2	Statutory Reserve	20,735.00	21,745.00	22,745.00	23,745.00	24,745.00
3	Share Premium	2.00	2.00	2.00	2.00	2.00
4	General Reserve	21,376.00	25,280.00	29,234.00	33,214.00	38,214.00
5	Retained Earnings	1,610.00	1,610.00	1,610.00	1,610.00	1,610.00
6	Dividend Equalization Fund	32.00	32.00	32.00	32.00	32.00
7	Common Equity Tier-1	59,856.00	64,769.00	69,723.00	74,703.00	80,703.00
8	Deductions: Intangible Assets	230.00	250.00	270.00	300.00	300.00
9	CET-1	59,626.00	64,519.00	69,453.00	74,403.00	80,403.00
10	Mudaraba Perpetual Bond	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
11	Tier-1 Capital	70,626.00	75,519.00	80,453.00	85,403.00	91,403.00
12	General Provision	11,050.00	11,116.00	13,647.00	16,988.00	19,000.00
13	Assets & Equity Revaluation Reserve	-	-	-	-	-
14	Subordinated Bond	24,006.00	25,000.00	20,200.00	13,800.00	8,400.00
15	Total Tier-2 Capital	35,056.00	36,116.00	33,847.00	30,788.00	27,400.00
16	Total Regulatory Capital	105,682.00	111,635.00	114,300.00	116,191.00	118,803.00
17	Total Risk Weighted Assets	807,503.00	833,665.00	881,379.00	918,534.00	938,634.00
18	CRAR (%)	13.09%	13.39%	12.97%	12.65%	12.66%
19	CET-1 Ratio (%)	7.38%	7.74%	7.88%	8.10%	8.57%
20	Tier-1 Ratio (%)	8.75%	9.06%	9.13%	9.30%	9.74%
21	Tier-2 Ratio (%)	4.34%	4.33%	3.84%	3.35%	2.92%
22	Total Required Capital	100,938.00	104,208.00	110,172.00	114,829.00	117,329.00
23	Capital Surplus/(Shortfall)	4,744.00	7,427.00	4,128.00	1,362.00	1,474.00


IBBL's Capital Adequacy Projection reflects that IBBL has a long term plan to strength its capital base through issuing Bonds IBBL issued first subordinated bond in the year of 2017, second subordinated bond in the year of 2018, 1st tranche of third subordinated bond in the year of 2019 and 2nd tranche of third subordinated bond in the year of 2020 to enrich its supplementary capital base further and these bond will be matured in 3rd year from the date of issue. Repayment of the bonds will have negative impact on the capital gap scenario. Therefore, it will not be possible to reduce the capital shortfall in longer term without issuing more bond instrument. The projection will only come in to reality if IBBL can properly manage the implementation timetable.

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Impact of Bond

Policy of IBBL is to move forward with initiatives to enhance the level of risk based capital requirement of the Bank. The Capital Projection reflects that, by introducing this bond, IBBL maintains a sufficient level of capital that allows it to operate over its strategic horizon with an agreed risk appetite in pursuit of its business strategy, taking into account regulatory requirements and support for customers and to provide confidence to stakeholders. The Bank issued Basel III compliant Tier 2 Subordinated bond-1 of BDT 5,000 million in FY 2017, bond-2 of BDT 7,000 million in FY 2018, 1st tranche of bond-3 of BDT 6,000 million in FY 2019 and 2nd tranche of bond-3 of BDT 6,000 million in FY 2020. It has also improved its capital mix with a Basel III compliant subordinated capital instrument. Besides, the Bank is able to accumulate additional capital through the increase in Risk Weighted Assets, accumulation of profits over time, by raising new equity via, for example, a rights issue or Tier 2 capital.

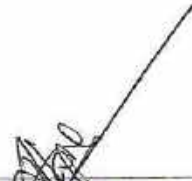
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Funding & Liquidity

Fund Management

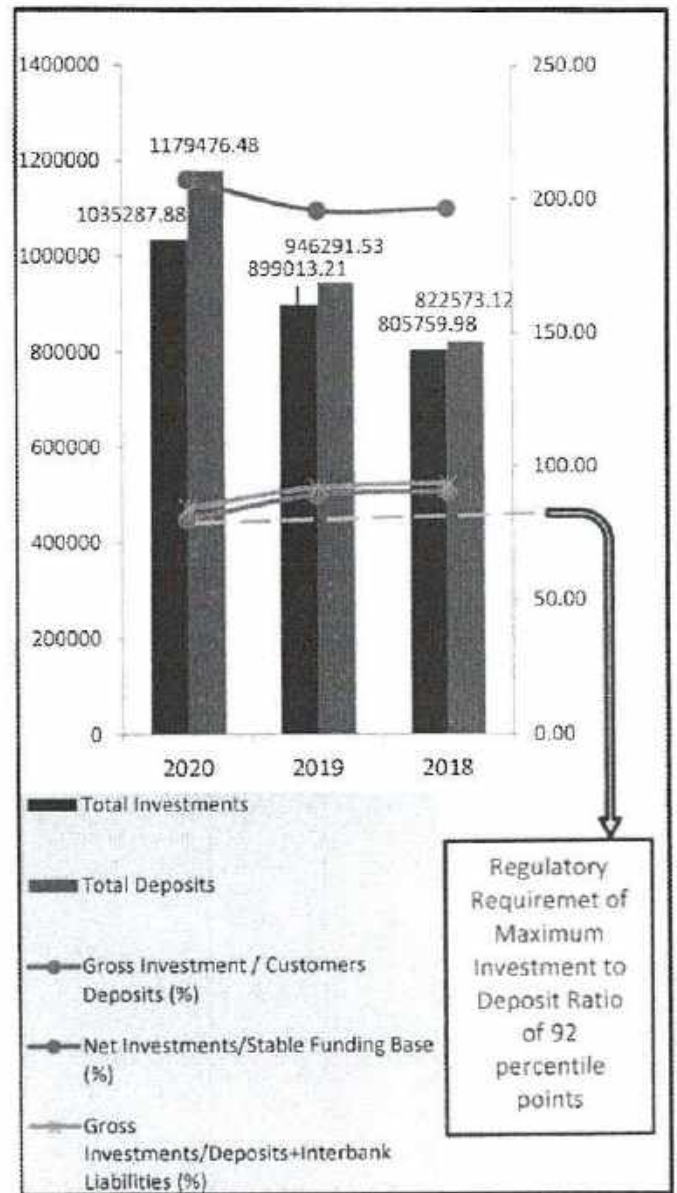
FYE 31 December	2020	2019	2018
Investments / Deposits (%)	80.42	89.39	90.80
Total Deposit (Million)	1,179,476.48	946,291.53	822,573.12
Total Deposit Growth (%)	24.64	15.04	8.95
Net Investment / Stable Funding Base (%)	207.08	195.69	196.54
Deposit / Total Liability & Equity (%)	83.25	82.90	82.47
Interbank Liabilities/Total Funding Base (%)	3.39	2.74	4.06
Gross Investment / Deposit+Interbank Liabilities	84.59	92.19	93.65

Data obtained from audited financial statements of FY 2018-2020

The analysis of Fund Management of the bank has revealed significant dependency of IBBL on Deposit for funding purpose substantiated by 83.25% Deposit to Total Asset Ratio. At the end of 2020, IBBL reported total customer deposit of BDT 1,179,476.48 million, which was 24.65% higher than that of prior years. The total Deposit figure is mainly composed of mudaraba saving deposits, mudaraba term deposits, other mudaraba deposits, Al-wadeeah current & other deposit account and bills payable. Liquidity wise analysis reveals that, 9.52% deposits will be repayable on demand and 57.28% deposits will be matured within one year (including intra bank deposits), which indicates that the bank is likely to face funding crisis if it fails to ensure substantial amount of new deposit in upcoming year. IBBL's total deposit to total liabilities ratio has been increased slightly in FY 2020 as deposit has increased by 24.65%. As the balance with other banks & FI's had increased significantly, Interbank Liabilities/Total Funding Base has risen at 3.39%.

Investment to Deposit ratio of the bank has decreased and stood at 80.42% in FY 2020. It has been observed that, IBBL maintained lower investment to Deposit ratio than the maximum requirement of 92.00% to be maintained as per BB circular in last three years of operation suggesting a conservative investment policy is being followed by the bank, which states that IBBL is exposed to minimum liquidity risk. Though, the strategy to keep the Investment to Deposit ratio under 92.00% exposes minimal risk to the organization but hinder the profitability as opportunity cost.

Net investments to Stable Funding base of the bank has been raised and reached to 207.08% in FY 2020 as the amount of investment has been raised at a higher rate than that of stable funding base. The ratio suggests that the bank is more reliant on short term funding than stable funding base. So IBBL should concentrate more on constant monitoring & effective management to improve this ratio.



Regulatory Requirement of Maximum Investment to Deposit Ratio of 92 percentile points

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Liquidity Management

Liquidity Profile of 2020

(BDT in Million)	Up to 1 Month	Up to 1-3 Months	Up to 3-12 Months	1-5 Years	Above 5 Years	Total
Assets	359,658.30	269,172.53	298,829.18	267,731.19	221,437.30	1,416,828.50
Liabilities	222,858.03	261,592.00	371,280.94	282,120.02	217,424.63	1,355,215.62
Net Excess/ (Shortage)	136,800.27	7,640.53	(72,451.77)	(14,388.82)	4,012.67	61,612.88

Data obtained from Audited Financial Statement of FY 2020

Liquidity Profile of 2019

(BDT in Million)	Up to 1 Month	Up to 1-3 Months	Up to 3-12 Months	1-5 Years	Above 5 Years	Total
Assets	239,163.13	224,927.05	243,775.79	176,037.19	254,589.82	1,141,492.97
Liabilities	212,470.43	207,689.13	235,926.63	173,834.53	252,920.59	1,082,841.29
Net Excess/ (Shortage)	26,692.70	17,237.92	10,849.16	2,202.66	1,669.23	58,651.67

Data obtained from Audited Financial Statement of FY 2019

To stand against liquidity pressure banks hold liquid assets as buffer. The liquidity management of FY 2020 has been increased with Positive Liquidity gap of BDT 61,612.88 million, which has been increased compared to prior year by 5.05%. Liquidity Statement of IBBL reflects that, the bank maintained 3 positive buckets and 2 negative buckets in FY 2020, whereas there was no negative bucket in FY 2019. The analysis reflects that, due to having high Deposit Balance compared to investment IBBL was unable to maintain a positive balance in up to 3-12 month bucket and 1-5 years bucket. In maximum cases the deposit in short term gets renewed further at maturity. Most of the deposit of IBBL will be matured within 1 year. If IBBL, is unable to realize the expected assets on time then the liquidity shortage will increase further making it more difficult for IBBL to realize the assets. Assets such as investments in Banks and other FI's can be realized on time upon maturity; however investment and bills are risky assets which need to be followed up on a regular basis despite the maturity time.

As per DOS Circular No 1, all commercial banks are required to report Liquidity Coverage Ratio (LCR) of 100% or more on monthly basis to comply Basel III implementation. IBBL was able to maintain the LCR of 253.79% as on FY 2020. Moreover the bank has also maintained adequate stable funding. As on FY 2020, Net Stable Funding Ratio (NSFR) was reported to 105.75%.

The bank is required to maintain CRR of 4.00% on average total demand and time liabilities on BI-weekly basis with a provision of minimum 3.50% on daily basis and SLR of 5.50% of average total demand and time liabilities as per Central Bank's guideline. It has observed that, IBBL had cash well in excess of regulatory requirement in every case. In FY 2020, the bank has kept sufficient cash and liquidity against the statutory requirement. Its CRR and SLR show adequate reserve with a surplus of BDT 144,995.57 million and BDT 160,866.52 million respectively.

Analysis of the asset-liability maturity statement of IBBL states that the liquidity position of the bank is weakening for both short-term & long-term in FY 2020.

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Earning Trend & Profitability

Net Investment Income of IBBL was growing with positive growth over the years, however, in FY 2020 the trend has gone slightly downward. In FY 2020, the bank has reported BDT 29,518.33 million as Net Investment Income, while in FY 2019 it was BDT 30,807.51 million that represents 4.18% fall in current financial year. The reason behind this adverse situation was lower income from general investment as well as lower profit on deposits with other banks & FIs mainly due to COVID-19 impact. At the same time, non-investment income has been decreased by 17.72% in current financial year, which is mainly attributable to lower commission, exchange & brokerage income and other operating income.

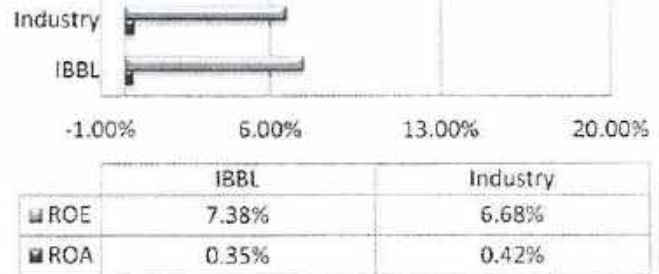
The bank has incurred BDT 24,908.16 million operating expenses, which is BDT 3,631.99 million higher than that of FY 2019. Scrutiny reveals that operating expense increased due to mainly increase in salaries & allowances, depreciation & repair to bank's assets and other expenses. Higher operating expense and decreased operating income has influenced the cost to income ratio to increase in FY 2020 from that of FY 2019. The ratio has increased to 62.73% in FY 2020 compared to 49.26% in FY 2019 but still reported below than industry average of 84.10% as of June, 2020.

Return on assets is a measure used for evaluating the ability of an entity to generate profit by utilizing its assets whereas return on equity measures profitability as a percentage of the organization's total equity base. It has been observed that both ROA & ROE of IBBL has slightly decreased in FY 2020 than that of FY 2019, as total asset base & equity base of the bank has increased compared to decline in post-tax profit. However, ROA was shown to be lower than industry average of 0.42%, whereas ROE stands on higher level than the industry average of 6.68% as of June, 2020

Net Investment margin (NIM) is a measure of the difference between the investment income generated by banks and the amount of profit paid out to their lenders (for example, depositors), relative to the amount of their (profit-earning) assets. In FY 2020, IBBL has experienced slightly lower net investment margin as net investment income has decreased, whereas average earning asset has increased.

FYE 31 December	2020	2019	2018
Net Investment Income (BDT Million)	29,518.33	30,807.51	29,166.93
Non-Investment Income (BDT Million)	10,188.05	12,382.28	10,429.88
Pre-Tax Profit (BDT Million)	10,689.09	14,099.75	13,701.05
Post Tax ROA (%)	0.35	0.50	0.64
Post Tax ROE (%)	7.38	9.08	11.07
Net Investment Margin (%)	3.25	3.81	3.99
Cost Income Ratio (%)	62.73	49.26	48.89
Average Earning Asset (BDT in Millions)	908,798.62	809,080.70	731,736.24
Cost of Fund (%)	7.03	8.31	8.02
Profit Spread (%)	2.63	2.93	3.80

Data obtained from audited financial statements of FY 2018-2020



The cost of fund is regarded as the profit paid to the depositors added with administrative cost on the financial products offered by IBBL. The cost of fund has decreased which marks as a positive movement as it refers that the bank is incurring lower costs to gather the fund. On the other hand, in FY 2020, IBBL reported Profit Spread of 2.63%, which was lower than the industry average of 3.14% for private Banks. This means that IBBL is offering competitive profit rate than the rate in industry as the bank is not concentrating merely on short term profitability.

Instead of having decreased net investment income and reduced ROA & ROE in FY 2020, considering the way of asset quality management the financial performance of the bank is quite satisfactory. The overall situation represents that, IBBL is concentrating more on long-term profitability rather than short term, which would be beneficial to earn the same or better profit in the coming years.

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Tanzim Alamgir
Chief Executive Officer
DCS Investment Limited

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Management & Other Qualitative Factors


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Corporate Governance

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders. Corporate governance practices are affected by attempts to align the interests of stakeholders. IBBL operates with the legal framework of the Companies Act-1994 and as a Banking Company, complies with the provisions of the Bank Company Act, 1991 (amended up to 2018). It also complies with the directives and guidelines issued from time to time by Bangladesh Bank and Bangladesh Securities and Exchange Commission. Corporate Governance principles of the bank serves the goal of strengthening and consolidating company position with sustained growth objectives in materializing the trust placed in the company by shareholders, clients, employees and the general public. Fair practice, accountability, transparency, compliance, value creation and corporate social responsibility are the pillars of the corporate governance of the Bank. However, IBBL has attained compliance certificate on corporate governance from K. M. Hasan & Co., Chartered Accountants.

Board of Directors

The board consists of 20 (twenty) members including 04 (four) independent Directors and the Managing Director & CEO as ex-officio. The number of Board members is within the limit set by Bank Company Act 1991 (amended up to 2018) and BSEC notification on Corporate Governance. The Chairman of the Board and the Managing Director are different individuals. Appointment of new director is made with the decision of the Board of Directors of the Bank and approval of the competent authorities. The Board handles bank's affairs and helps ensuring smooth operation. Three Statutory Committees namely Executive Committee, Audit Committee and Risk Management Committee of the Board extend co-operation and help the Board to discharge its responsibility. During FY 2020, 11 board meetings were held.

Independent Director

To comply with the circular of Bangladesh Bank and Corporate Governance code of Bangladesh Securities and Exchange Commission, IBBL's board of directors appointed 04 (Four) independent directors.

Management

Mohammed Monirul Mowla is the Managing Director & CEO of the bank. The management of the Bank is headed by Managing Director and CEO who is assisted by other senior members of the team in running day-to-day operation & formulates line of action towards increasing profitability of the Bank. The management functions through several committees to assist the management in running different affairs of the company. The committees are Management Committee (MANCOM), Asset Liability Management Committee (ALCO) etc.

Executive Committee


Executive Committee is comprised of 7 (seven) members and is headed by the Professor Dr. Md. Salim Uddin, FCA, FCMA. The Executive Committee exercises all the powers of the board including formulating policy, planning strategies and taking important decisions excluding those specifically given to the Board by the Bank Company Act, 1991 (amended up to 2018) and other laws and regulations. During FY 2020, the committee meets for 29 times.

Audit Committee

The Audit Committee of IBBL is consisted of 5 (five) members. The Committee is headed by Mohammad Solaiman, FCA, Independent Director. The committee is responsible to assist the board in fulfilling its oversight responsibilities including scrutinizing the information to be disclosed, and to ensure accuracy, adequacy, transparency and completeness of the disclosed information set by the Board of Directors for effective functioning of the board. Along with this, Audit Committee assists the Board in fulfilling oversight responsibilities. The Audit Committee also assists the Board in ensuring the financial statements reflect true affairs and ensures a good oversight of internal control practices within the bank. The Audit Committee is responsible to the Board of Directors. During FY 2020, the committee meets for 09 times.

Tanyiriy Alamgir
 Chief Executive Officer
 Prime Bank Investment Limited
 Khandaker Raihan Ali FCA
 MD & CEO (CG)
 Prime Bank Investment Limited

Islamic Investment Limited


 Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

Risk Management Committee

The Risk Management Committee is comprised of 5 (five) members and is headed by Major General (Retd.) Engr. Abdul Matin. The committee is playing an effective role to cover the core risk areas of banking such as Credit Risk, Liquidity Risk and Market Risk to mitigate exposure in all banking operational areas. The prime objective of the Risk Management Committee is to formulate and implement appropriate strategies. Other roles of the committee are as follows 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.
- During FY 2020, the committee meets for 06 times

Asset Liability Committee (ALCO)

The Assets Liability Committee (ALCO) evaluates and approves various aspects relating to the risk due to imbalances in the capital structure. 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. The committee evaluates the current position of the Bank and gives directions to mitigate the market risk exposure to a minimum level. ALCO also assesses 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.

Management Committee (MANCOM)

This highest level policy making Committee of the senior members of the management team is headed by the Managing Director & CEO. Management Committee (MANCOM), the apex management body of the Bank, is comprised of 16 (sixteen) top-level executives having long experiences and sound knowledge in banking.

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.

The Shariah Supervisory Committee


As per Islamic Banking Guidelines issued by Bangladesh Bank, IBBL formed an independent Shariah Supervisory Committee consisting of 12 (twelve) members including experienced and knowledgeable persons in Islamic Jurisprudence. The committee is headed by Professor Dr. Mohammad Gias Uddin Talukder. The Shariah Supervisory Committee of IBBL gives opinions and guidelines to ensure Shariah compliance in all activities of the Bank particularly in investment portfolio. The Committee is governed by a by-laws approved by the Board of Directors. The representatives of the Shariah Supervisory Committee attend different meetings of the Bank, like Board of Directors, Executive Committee, Audit Committee and shariah Annual Business Development Meetings and Conferences to give opinions and oversee the activities of the Bank from Shariah perspective. The Committee also evaluates performance of the officials in terms of their Shariah compliance.

Human Resources Management

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. IBBL has taken several initiatives to enhance the level of employee motivation, commitment and productivity. IBBL has been arranged various training programs under different institutions. Total number of executive & officers of IBBL is 18,621 at the end of FY 2020.


 Md. Ashraf Haque, FCA
 EVP, Head of Risk & Compliance
 2nd Perpetual Mudaraba Board
 Islamic Bank Bangladesh Limited
 FAD, Head Office, Dhaka.


 J. M. Habibullah, FCA
 BMD & Company Secretary
 Islamic Bank Bangladesh Limited
 Head Office, Dhaka.


 Mohammed Monirul Mowla
 Managing Director & CEO
 Islamic Bank Bangladesh Limited
 Head Office, Dhaka.

Corporate Social Responsibility

Sustainable development is a state of development that meets the needs of the present without compromising the ability of future generation to meet their own need. Corporate social Responsibility (CSR) is an integral part of IBBL culture. IBBL through its various CSR programs is contributing significantly to develop socio-economic condition of Bangladesh. The Bank spent Tk. 855.24 million as CSR expenditure in various sectors such as disaster management, education, health, sports, art & culture and environment etc. in FY 2020. 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.

Information Technology

Now a days IT service is the heart of next generation banking industry. IBBL has always been a front runner in using new technology and innovative services to make banking easier & simpler. It has a separate wing named Information & Communication Technology Wing (ICTW) to make the bank totally IT driven and targeted to achieve full automation. IBBL has established online connectivity to its all branches having dual connectivity, which is the largest network amongst all banks in Bangladesh. IBBL's data center is the largest in the banking sector of the country

ICT Wing consists of eight division and one department under direct supervision of secretariat, ICT Wing. For the smooth operation and uninterrupted service, ICT Wing is providing numerous services i.e. Core Banking System (CBS) – eIBS, Any ranch Banking, Internet Banking (iBanking), Mobile Apps (IBBL iSmart), Payment Gateway (iPaysafe), Agent Banking Module, SMS Banking, Mobile Banking (mCash), IBBL Online Money Transfer, CellFin etc.

Information Security & Risk Management Division of IBBL is working on to manage all the information security related threats, vulnerabilities & risks. This division also analyze & assesses the requirement of the current & future security arrangements/controls of ICT systems & stays vigilant to ensure more security for the bank. IBBL implemented several state of the art security products to protect the ICT infrastructure & mitigate risk of the bank. IBBL successfully implemented tools like Next Generation Firewall (NGFW), Patch Management tool, Advance Antimalware solution with EDR & Sandbox, Two-Factor Authentication Solution, Vulnerability Assessment Tool etc.

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.

In 2020, IBBL undertook numerous green banking initiatives demonstrating its commitment to environmental protection, social justice and human welfare. However, in FY 2020 IBBL has disbursed BDT 21,966.06 million in different sectors of green investment i.e. renewable energy, energy efficiency, waste management, recycling & recycling products, environment friendly brick kiln and others. Moreover, IBBL has taken initiatives to migrate in compliance with full-fledged Green banking operation. To achieve the milestone of green banking, the bank has started the re-engineering process of the system and mode of operation.


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 Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission


 Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

END OF REPORT


 J Q M Habibullah, FCA
 DMD & Company Secretary,
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.


 Mohammed Monirul Morla
 Managing Director & CEO
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.


 Md. Ashraful Haque, FCA
 EVPR Head of FAD & CFO,
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka

Tanvir Alamgir
 Chief Executive Officer
 UCB Investment Limited

Company Profile

Industry Overview

Issue Overview

Business Risk Analysis

Financial Risk Analysis

Management & Other Qualitative Factors

Company Information

Company Information:

Board of Directors

Professor Md. Nazmul Hassan, Ph.D. (Representative of Armada Spinning Mills Limited)	Chairman
Yousif Abdullah A AlRajhi	Vice Chairman
Md. Shahabuddin (Representative of JMC Builders Limited)	Vice Chairman
Professor Dr. Md. Salim Uddin, FCA, FCMA (Representative of Mortaza Assets Limited)	Director
Major General (Retd.) Engr. Abdul Matin (Representative of Marsa Food & Beverage Limited)	Director
Dr. Areef Suleman (Representative of Islamic Development Bank, Jeddah, KSA)	Director
Professor Dr. Md. Sirajul Karim (Representative of Excel Dyeing & Printing Limited)	Director
Md. Joynal Abedin (Representative of ABC Ventures Limited)	Director
Professor Dr. Qazi Shahidul Alam (Representative of Platinum Endeavors Limited)	Director
Musaid Abdullah A AlRajhi (Representative of Arabsas Travel & Tourist Agency, KSA)	Director
Syed Abu Asad (Representative of Excelsior Impex Company Limited)	Director
Dr. Tanveer Ahmad (Representative of Paradise International Limited)	Director
Md. Quamrul Hasan (Representative of Grand Business Limited)	Director
Khurshid-Ul-Alam (Representative of Lionhead Business Resources Limited)	Director
Mohammed Nasir Uddin, FCMA (Representative of BLU International Limited)	Director
Mohammad Solaiman, FCA	Independent Director
Professor Md. Kamal Uddin, Ph.D.	Independent Director
Professor Dr. Mohammad Saleh Jahur	Independent Director
Professor Dr. Md. Fashiul Alam	Independent Director
Mohammed Monirul Moula (Ex-Officio Director)	Managing Director & CEO

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Syed Muhammad Goram Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islamic Rating Agency (IRA) Perpetual Mudarabah
FAD, Head Office, Dhaka

J Q M Habibullah, FCA
Company Secretary
Islamic Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Moula
Managing Director & CEO
Islamic Bank Bangladesh Limited
Head Office, Dhaka.

Company Profile Industry Overview Issue Overview Business Risk Analysis
 Financial Risk Analysis Management & Other Qualitative Factor Company Information

Shareholders

Sponsors/ Promoters	51.32%
General Public	48.68%

Auditors

Hoda Vasi Chowdhury & Co.
 Chartered Accountants
 BTMC Bhaban (Level 7 & 8), 7-9 Kawran Bazar C/A, Dhaka-1215


A. Qasem & Co.
 Chartered Accountants
 Gulshan Pink City, Suites# 1-3, Level #7, Plot #15, Road #103, Gulshan Avenue, Dhaka-1212

Head Office


Islami Bank Tower,
 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh
 Phone: PABX (88-02) 9563040, 9560099, 9567161, 9567162
 Mobile: 88-01711 435638-9
 FAX: 88-02-9564532, 9568634
 SWIFT: IBBLBDDH
 e-mail: info@islamibankbd.com
 Website: www.islamibankbd.com
 Contact Center: 88-02-8331090 or 16259


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Syed Muhammad Golam Mowla
 Deputy Director
 Bangladesh Securities and Exchange Commission

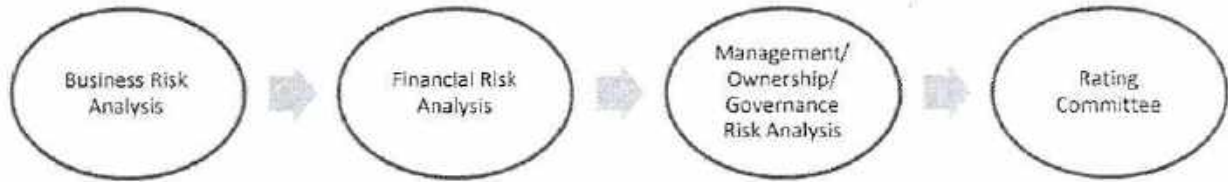

Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited


Md. Ashraful Haque, FCA
 EVP, Head of EAD & CEO
 Islamic Report & ISSU 2nd Perpetual Mudarabah Fund
 Islami Bank Bangladesh Limited
 FAD, Head Office, Dhaka.


J. Q. M. Habibullah, FCS
 CMD & Company Secretary
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.


Mohammed Monirul Mowla
 Managing Director & CEO
 Islami Bank Bangladesh Limited
 Head Office, Dhaka.

AlphaRating's Research Methodology for Determining Rating of Financial Institution



Analysis is segmented into two or three sub sectors:

- ▶ Industry Outlook
- ▶ Competitive Position
- ▶ Operational Analysis

Analysis is segmented into four sub sectors:

- ▶ Earnings
- ▶ Cash Flow Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- ▶ Review Modeling Assumption
- ▶ Approve Company-Specific Adjustments



POSITIVE Rating may be raised

NEGATIVE Rating may be lowered

STABLE Rating is likely to remain unchanged

DEVELOPING Rating may be raised, lowered or remain unchanged.

ST-1 Superior Capacity

ST-2 Strong Capacity

ST-3 Adequate Capacity

ST-4 Inadequate Capacity

ST-5 High Likelihood of Default, with little Capacity to Address Further Adverse Changes in Financial Circumstances

ST-6 Payment in Default

AAA Exceptionally Strong Capacity

AA Very Strong Capacity

A Strong Capacity

BBB Adequate Capacity

BB Some Obvious Weakness in Operating Practices & Key Financial Indicators

B Fundamental Weakness in Operating Practices & Key Financial Indicators

C Several Immediate Problems of a Serious Nature

D Requires Sustained External Support without which its Continued Viability is in Doubt

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Q M Habibullah, FCA
Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Notes: Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories.

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
Alpha Rating Ltd

Khandoker Rauban Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashraful Haque, FCA
EVP, Head of FAB & CFO
Islamic Bank Bangladesh Limited
FAB, Head Office, Dhaka

J Q M Habibullah, FCA
DMD & Company Secretary
Islamic Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director
Islamic Bank Bangladesh Limited
Head Office, Dhaka

Annexure – I

(Declaration about the responsibility of the CEO of the issuer)


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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Khandoker Raibhan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
102/2, Daffodil, Dhaka


Mohammed Monirul Molla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.



ইসলামী ব্যাংক বাংলাদেশ লিমিটেড
Islami Bank Bangladesh Limited
Managing Director's Secretariat

Annexure- I

Declaration about the responsibility of the CEO of the issuer or originator in respect of the information memorandum

[Rule 4(2)(a)]

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Mohammed Monirul Moula
Managing Director & CEO

22 SEP 2021

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limiter

Date: 29 July, 2021

Mohammed Monirul Moula
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited

Md. Ashraful Haque FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.

Head Office : Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.
Phone : 880-2-9569416, 880-2-223387173. FAX : 880-2-9568304, 9560099 Fax : 880-2-9568634, 9564532
E-mail : md@islamibankbd.com Website : www.islamibankbd.com


G.M. Habiburrahman, FCS
MD & Company Secretary
Islami Bank Bangladesh Limited

Annexure – II
(Due Diligence Certificate of the Trustee)


22 SEP 2021

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Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Tanzim Alamgir
Chief Executive Officer
UCB Investment Limited


Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka



SBL Capital Management Limited

(A subsidiary of Standard Bank Limited)

2 D.I.T Avenue (Extension), 3rd Floor
Motijheel C/A, Dhaka-1000, Bangladesh
Tel : +88-02-9585984, Fax : +88-02-9585985
E-mail : capitalmgt@standardbankbd.com
scmi2009@yahoo.com
Web : www.standardbankbd.com
Tel: +8802-223355960, Fax:+8802-223355985

Schedule "D"

[See Rule: 3(1) (m), 4 (1) (c) and 4 (2) (a)]

Due Diligence Certificate of the Trustee

Chairman
Bangladesh Securities and Exchange Commission

Sub: Issuance of 16,00,000 units/bonds BASEL III compliant, Floating rate Unsecured, Contingent Convertible on pre-specified trigger point, Coupon/Profit Discretion, Subordinated, Non-Cumulative, IBBL 2nd Perpetual Mudaraba Bond of Taka 5,000 (five thousand) face value each and total value of Bond Taka 800 crore to be issued by Islami Bank Bangladesh Limited on private placement/offer basis for Taka 720 crore and the rest amount of Taka 80 crore on public offer/issue basis

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the investors, have examined the draft information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussion with the issuer; its directors and officers, and other agencies' Independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer;

WE CONFIRM THAT:

- (a) All information and documents as are relevant to the issue have been received and examines by us and the draft IM, draft DEED of Trust and draft Subscription Agreement forwarded to the commission has been approved by us;
- (b) We have also examined all document of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) While examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities), Rules, 2021 have been complied with;
- (d) We shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) We shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and **22 SEP 2021**
- (f) The above declarations are unequivocal and irrevocable.

For Trustee

Abu Nayem Md. Ibrahim
Chief Executive Officer
SBL Capital Management Limited

Vetted

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

Q M Habibullah, FCA
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka,

Tanzim Alamgir
Chief Executive Officer
IBBL Investment Limited

Annexure – III
(Due Diligence Certificate of the Issue Manager/s)

22 SEP 2021

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Syed Muhammad Gotam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission



Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited


Tanzim Alamgir
Chief Executive Officer
UCIS Investment Limited



Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka



J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka



Mohammed Monirul Moul
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

**Due diligence certificate by Issue Manager
Prime Bank Investment Limited
[Rule 4(2)(a)]**

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of 160,000 Number of Unsecured, Contingent-Convertible and Floating Rate Perpetual Mudaraba Bond Islami Bank Bangladesh Limited of BDT 5,000 each Totaling BDT 800,000,000/- of Islami Bank Bangladesh Limited.

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

- The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;
- The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;
- Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;
- We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;
- The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other

Tanzina Alamgir
Chief Executive Officer
ICG Investment Limited


Md. Ashraf Haque, FCA
EVP, Prime Bank Investment Limited
Islami Bank Bangladesh Limited
Head Office, Dhaka
Phone: +8802-48810315-16, Fax: +8802-48810314, Email: info@pbi.com.bd


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;


- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;
- (k) We also declare that we have managed the following issue of securities of the following issuers including originators in the last 05 (five) years:


SL. No.	Name of the Issue	Issue Date	Issue Price	Dividend Payment History (Year Wise)					Category, if listed
				2016	2017	2018	2019	2020	
01.	Sea Pearl Beach Resort & Spa Ltd.	March 28, 2019	10.00	0%	0%	0%	5% B	1% C	B
02.	Fortune Shoes Limited	July 24, 2016	10.00	0%	12% B	15% B	18% B 2% C	5% B 5% C	A

22 SEP 2021

Vetted

Place: Dhaka, Bangladesh
Date: July 26, 2021



Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited



Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka
Prime Bank Investment Limited
(A Subsidiary of Prime Bank Limited)


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Road Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

22 SEP 2021
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Due diligence certificate by issue manager
UCB Investment Limited
[Rule 4(2)(a)]


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of 160,000 units/bonds unsecured, contingent- convertible, floating rate mudaraba perpetual bond of Islami Bank Bangladesh Limited of BDT 5000 each totaling BDT 800,000,000 of Islami Bank Bangladesh Limited.

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:


- (1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

- (a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;
- (c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

UCB Investment Limited
Tanzim Alamgir
Chief Executive Officer


Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka.


J Q M Habibullah, FCS
Joint Company Secretary
Islami Bank Bangladesh Limited
Road Office


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.


Annexure – IV
(Due Diligence Certificate of the Underwriter)

22 SEP 2021

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Syed Muhammad Golan Mowla
Deputy Director,
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCIS Investment Limited


Md. Ashraful Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Annexure – IV

Due diligence certificate by the underwriter(s)
AIBL CAPITAL MANAGEMENT LIMITED
[See rule 4(2) (a)]



22 SEP 2021

Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 160,000 Number of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond Tk. 5,000 each of Islami Bank Bangladesh Limited

Dear Sir,

We, the under-noted underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer or originator, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk 500,000,000.00 (Fifty Crore Only) and we have the capacity to underwrite a total amount of Tk 2,500,000,000.00 (Two Hundred Fifty Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk 160,000,000.00 (Sixteen Crore Only) For the upcoming Issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of the Issue	Amount Underwritten (in BDT)
1	Ratanpur Steel Re-Rolling Mills Lts	10.50 Mn
2	Three Angel Marine Ltd.	30.00 Mn
3	Infinity Technology International Ltd	10.00Mn
4	Union Bank	250.00 Mn
5	BEXIMCO-SUKUK	250.00 Mn
Total		500.50 Mn

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Fax : +88-02-9575379, Direct : +02-9551962, 02-9646071 E-mail : cml@al-arafahbank.com

মনে রেখো তোমাদের সকল কাজের প্রতি আমরা দৃষ্টি রাখব। Level-19 Al-Arafah Tower, 53, Purana Paltan, Dhaka-1000, Tel: 44850065 Fax: +88-02-44850065

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Md. Ashrafur Raque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka

J Q M Habibullah, FCA
DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office, Dhaka

Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

- (c) All information as are relevant to our underwriting decision have been received by us and the draft IM forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer or originator; and
- (e) This underwriting commitment is unequivocal and irrevocable.


For the Underwriter:


Md. Riyadh Hossain Mahmud
Chief Executive Officer
AIBL Capital Management Limited


Date: July 27, 2021

22 SEP 2021

Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission


Tanzim Alamgir
Chief Executive Officer
IC Investment Limited


Khandoker Raiban Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

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মনে রেশো তোমাদের সকল কাজের প্রতি আস্থা দৃষ্টি রাখছেন। Level-15, Al-Arafah Tower, 63, Purana Paltan, Dhaka-1000, Tel: 44850005 Fax: +88-02-44950085 www.al-arafahbank.com


Md. Ashraf Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka


J Q M Habibullah, FCS
DMD & Company Secretary
Islami Bank Bangladesh Limited
Road Office Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.

DECLARATION BY THE AIBL CAPITAL MANAGEMENT LIMITED THAT WE HAVE SUFFICIENT RESOURCES AS PER THE REGULATORY REQUIREMENTS TO DISCHARGE OUR RESPECTIVE OBLIGATIONS

We are one of the underwriters of the Initial Public Offering (IPO) of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond Of Islami Bank Bangladesh Limited. We will underwrite Tk.1,600,000.00 (Sixteen Crore) only of total public offer of BDT 800,000,000.00/- for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For the Underwriter:


Md. Riyadh Hossain Mahmud
Chief Executive Officer
Aibl Capital Management Limited

Place: Dhaka
Date: July 27, 2021

22 SEP 2021
Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
UCI Investment Limited


Khandoker Raihan Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Head Office : 36 Dilkusha Commercial Area, Dhaka-1000, Bangladesh. Tel: PABX 9567885, 9567819, 7123255-7
Fax: +88-02-9675379, Direct: +02-9551962, 02-9545974 E-mail : cml@al-arafahbank.com

মনে রেখো ভোমাদের সকল কাজের প্রতি আন্তরিক দৃষ্টি রাখছেন। 1479/15 Al-Arafah Tower, 53, Fuzana Pallan, Dhaka-1000, Tel: 44350005 Fax: +88-02-44351065

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Md. Ashrafur Haque, FCA
EVP, Head of FAD & CFO
Islami Bank Bangladesh Limited
FAD, Head Office, Dhaka


J. Q. M. Habibullah, FCA
DMD & Company Secretary,
Islami Bank Bangladesh Limited
Head Office, Dhaka


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka

PARTICULARS OF CONTACT PERSON FOR AVAILABILITY OF INFORMATION
MEMORANDUM OF UNSECURED, CONTINGENT-CONVERTIBLE AND FLOATING RATE
PERPETUAL BOND OF ISLAMI BANK BANGLADESH LIMITED.

Dear Sir,

As one of the underwriters for the forthcoming Public Issue of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of Islami Bank Bangladesh Limited, we are pleased to submit the particulars of contact person for representing our organization in respect of availability of Printed Information Memorandum, which may be incorporated in the Information as follows:

Name : Md. Riyadh Hossain Mahmud
Designation : Chief Executive Officer
Phone Number : +88-02 44850100, 44850005 Ext.-505
Fax Number : +88-02-44850065
E-mail : cml@aibl.com.bd
Address : Al-Arafah Tower, Level-15, 63 Purana Paltan , Dhaka-1000.
Web : www.aibl.com.bd

22 SEP 2021

Vetted


Syed Muhammad Golam Mowla
Deputy Director
Bangladesh Securities and Exchange Commission

Tanzim Alamgir
Chief Executive Officer
OCS Investment Limited



Khandoker Raiban Ali FCA
MD & CEO (CC)
Prime Bank Investment Limited

Head Office : 36 Dilkusha Commercial Area, Dhaka-1000, Bangladesh. Tel : PABX 9567885, 9567849, 7123255-7


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মনে রেখো আমাদের সকল কাজের প্রতি আশ্রয় দৃষ্টি রাখছেন। Al-Arafah Tower, 63, Purana Paltan, Dhaka-1000, Tel: 44850005 Fax: +88-02-44850065

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DMD & Company Secretary
Islami Bank Bangladesh Limited
Head Office Dhaka.


Mohammed Monirul Mowla
Managing Director & CEO
Islami Bank Bangladesh Limited
Head Office, Dhaka.