

ICB Islamic Bank Limited

**Financial Statements
for the Period ended 31 March 2019"
(Un-audited)**


ICB Islamic Bank Limited
Balance Sheet
as at 31 March 2018 (Un-audited)

| | <u>31-Mar-19</u> | <u>31-Dec-18</u> |
|--|-------------------------|-------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| PROPERTY AND ASSETS | | |
| Cash in hand | | |
| Cash In hand (including foreign currencies) | 221,733,872 | 226,691,032 |
| Balance with Bangladesh Bank and its agent banks (including foreign currencies) | 756,271,221 | 637,081,785 |
| | 978,005,093 | 863,772,817 |
| Balance with other banks and financial institutions | | |
| In Bangladesh | 33,495,600 | 21,879,047 |
| Outside Bangladesh | 6,208,975 | 2,694,843 |
| | 39,704,575 | 24,573,890 |
| Placement with banks & other financial institutions | 415,500,000 | 415,500,000 |
| Investments in shares and securities | | |
| Government | - | - |
| Others | 110,569,450 | 110,569,450 |
| | 110,569,450 | 110,569,450 |
| Investments | | |
| General Investments etc. | 8,556,447,373 | 8,630,721,685 |
| Bills purchased and discounted | 2,923,965 | 2,923,965 |
| | 8,559,371,338 | 8,633,645,650 |
| Fixed assets including premises | 37,828,087 | 40,769,393 |
| Other assets | 361,738,011 | 364,414,186 |
| Non - banking assets | 976,451,486 | 976,451,486 |
| Total assets | 11,479,168,040 | 11,429,696,872 |
| LIABILITIES AND CAPITAL | | |
| Liabilities | | |
| Borrowing from banks & other financial institutions | 4,859,869,861 | 4,859,869,861 |
| Deposits and other accounts | | |
| Al-wadeeah current and other deposits accounts | 631,587,092 | 555,515,375 |
| Bills payable | 77,079,051 | 69,545,483 |
| Mudaraba savings deposits | 1,379,964,898 | 1,413,446,208 |
| Mudaraba term deposits | 9,645,371,006 | 9,480,252,746 |
| Bearer certificate of deposit | - | - |
| Other mudaraba deposits | - | - |
| | 11,734,002,046 | 11,518,759,812 |
| Other liabilities | 5,940,723,475 | 6,001,687,767 |
| Total liabilities | 22,534,595,382 | 22,380,317,440 |
| Capital / Shareholders' equity | | |
| Paid up capital | 6,647,023,000 | 6,647,023,000 |
| Statutory reserve | 78,810,975 | 78,810,975 |
| Other reserve | 553,950,908 | 553,950,908 |
| Revaluation Gain on Investment in HTM Securities | - | - |
| Surplus in profit and loss account / Retained earnings | (18,335,212,226) | (18,230,405,451) |
| Total Shareholders' equity | (11,055,427,343) | (10,950,620,568) |
| Total liabilities and Shareholders' equity | 11,479,168,040 | 11,429,696,872 |

Net Asset Value (NAV) Per Share

(16.63)

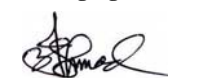
(16.47)


Chairman


Director


Managing Director

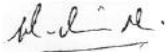

Chief Financial Officer


Company Secretary

April 30, 2019.
Dhaka

ICB Islamic Bank Limited
Balance Sheet
as at 31 March 2018 (Un-audited)

| | <u>31-Mar-19</u> | <u>31-Dec-18</u> |
|--|---------------------------|---------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| OFF- BALANCE SHEET ITEMS | | |
| Contingent liabilities | | |
| Acceptances and endorsements | 23,357,000 | 23,357,000 |
| Letters of guarantee | 129,868,929 | 143,720,338 |
| Irrevocable letters of credit | 15,458,865 | 15,084,820 |
| Bills for collection | 42,370,437 | 41,530,538 |
| Other contingent liabilities | - | - |
| | 211,055,231 | 223,692,696 |
| Other commitments | | |
| Documentary credits and short term trade -related transactions | - | - |
| Forward assets purchased and forward deposits placed | - | - |
| Undrawn note issuance and revolving underwriting facilities | - | - |
| Undrawn formal standby facilities , credit lines and other commitments | - | - |
| Liabilities against forward purchase and sale | - | - |
| Others | - | - |
| | - | - |
| Total Off-Balance Sheet items including contingent liabilities | <u>211,055,231</u> | <u>223,692,696</u> |



Chairman



Director



Managing Director



Chief Financial Officer



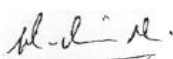
Company Secretary

April 30, 2019.

Dhaka

ICB Islamic Bank Limited
Profit and Loss Account
for the period ended 31 March 2019 (Un-audited)

| | 1st January 19 to 31 March 19 | 1st January 18 to 31 March 18 |
|--|--|--|
| | Taka(YTD) | Taka(YTD) |
| Investment Income | 84,899,217 | 100,414,664 |
| Profit paid on deposits | (118,507,027) | (106,839,559) |
| Net investment income | (33,607,810) | (6,424,895) |
| Income from investments in shares and securities | 2,790,730 | 1,577,953 |
| Commission, Exchange and Brokerage | 2,210,631 | 1,827,459 |
| Other operating income | 14,585,048 | 17,431,542 |
| Total operating income (A) | (14,021,401) | 14,412,059 |
| Less: Operating Expenditure | | |
| Salaries and Allowances | 47,291,497 | 50,403,097 |
| Rent, Taxes, Insurance and Electricity | 35,994,368 | 33,908,469 |
| Legal expenses | 3,253,200 | 3,011,816 |
| Postage, Stamp and Telecommunication | 1,926,450 | 2,582,098 |
| Stationery, Printing and Advertisements | 1,495,501 | 1,541,716 |
| Managing Director's salary and fees | 3,144,600 | 3,144,600 |
| Directors' fees & expenses | 283,080 | 138,897 |
| Shariah Supervisory Committee's fees & expenses | 24,000 | - |
| Auditors' fees | 150,000 | 150,000 |
| Charges on investment losses | - | - |
| Depreciation and repair of Bank's assets | 9,415,388 | 9,923,630 |
| Zakat expenses | - | - |
| Other expenses | 10,180,375 | 13,123,828 |
| Total operating expenses (B) | 113,158,460 | 117,928,152 |
| Profit / (loss) before provision (C=A-B) | (127,179,861) | (103,516,092) |
| Less: Provision for investments | | |
| Specific provision | (23,000,000) | (16,702,875) |
| General provision | - | - |
| Provision for off-balance sheet items | - | - |
| | (23,000,000) | (16,702,875) |
| Provision for diminution in value of investments | - | - |
| Provision for contingency | - | - |
| Other provisions | - | - |
| Total provision (D) | (23,000,000) | (16,702,875) |
| Total profit / (loss) before taxes (C-D) | (104,179,861) | (86,813,217) |
| Less: Provision for taxation | | |
| Current tax | 626,914 | - |
| Deferred tax | - | - |
| | 626,914 | - |
| Net profit/(loss) after taxation | (104,806,775) | (86,813,217) |
| Appropriations | | |
| Statutory reserve | - | - |
| General reserve | - | - |
| | - | - |
| Retained earnings carried forward | (104,806,775) | (86,813,217) |
| Earnings per share (EPS) | (0.16) | (0.13) |



Chairman



Director



Managing Director



Chief Financial Officer



Company Secretary

April 30, 2019.
Dhaka

ICB Islamic Bank Limited
Statement of Changes in Equity
for the period ended 31 March 2018 (Un-audited)

| Particulars | Paid-up capital | Statutory reserve | Share premium | General/ Other reserves | Assets revaluation reserve | Revaluation surplus on Investment | Retained earnings | Total |
|--|-----------------|-------------------|---------------|-------------------------|----------------------------|-----------------------------------|-------------------|------------------|
| Balance as at 1 January 2019 | 6,647,023,000 | 78,810,975 | - | 1,065,676 | 552,885,232 | - | (18,230,405,451) | (10,950,620,568) |
| Prior year adjustments | - | - | - | - | - | - | - | - |
| Balance as at 1 January 2018 | 6,647,023,000 | 78,810,975 | - | 1,065,676 | 552,885,232 | - | (18,230,405,451) | (10,950,620,568) |
| Surplus / (deficit) on account of revaluation of properties | - | - | - | - | - | - | - | - |
| Surplus / (deficit) on account of revaluation of investments | - | - | - | - | - | - | - | - |
| Currency translation differences | - | - | - | - | - | - | - | - |
| Net gains and losses not recognized in the income statement | - | - | - | - | - | - | - | - |
| Net profit for the period | - | - | - | - | - | - | (104,806,775) | (104,806,775) |
| Dividends (Bonus shares) | - | - | - | - | - | - | - | - |
| Issue of share capital | - | - | - | - | - | - | - | - |
| Appropriation made during the period | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2019 | 6,647,023,000 | 78,810,975 | - | 1,065,676 | 552,885,232 | - | (18,335,212,226) | (11,055,427,343) |
| Balance as at 31 March 2018 | 6,647,023,000 | 78,810,975 | - | 1,065,676 | 552,885,232 | - | (17,818,184,881) | (10,538,399,998) |


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

April 30, 2019.

ICB Islamic Bank Limited
Cash Flow Statement
for the period ended 31 March 2018 (Un-audited)

| | <u>31-Mar-19</u> | <u>31-Mar-18</u> |
|--|----------------------|----------------------|
| | <u>Taka</u> | <u>Taka</u> |
| Particulars | | |
| A) Cash flows from operating activities | | |
| Investment income receipts in cash | 85,222,057 | 96,721,331 |
| Profit paid on deposits | (72,416,595) | (88,720,082) |
| Dividend receipts | 1,427,953 | 1,577,953 |
| Fees and commission receipts in cash | 2,210,631 | 1,827,459 |
| Recoveries of Investments previously written off | 1,970,761 | 2,085,870 |
| Cash payments to employees | (50,436,097) | (53,547,697) |
| Cash payments to suppliers | (1,022,851) | (1,136,455) |
| Income taxes paid | (1,646,949) | (1,100,243) |
| Receipts from other operating activities | 12,072,595 | 15,345,672 |
| Payments for other operating activities | (60,804,193) | (55,481,657) |
| Cash generated from operating activities before changes in operating assets and liabilities | (83,422,689) | (82,427,849) |
| Increase / (decrease) in operating assets and liabilities | | |
| Statutory deposits | - | - |
| (Purchase)/Maturity of trading securities (Treasury bills) | - | - |
| Investments to other banks | - | - |
| Investments to customers | 74,274,312 | 65,124,449 |
| Placement from banks & other financial institutions | - | - |
| Other assets | 2,676,175 | 2,175,320 |
| Deposits from other banks / borrowings | - | - |
| Deposits received from customers | 196,347,258 | (174,244,977) |
| Other liabilities account of customers | - | - |
| Trading liabilities | - | - |
| Other liabilities | (60,964,294) | (8,996,221) |
| | 212,333,451 | (115,941,429) |
| Net cash used in operating activities | 128,910,762 | (198,369,278) |
| B) Cash flows from investing activities | | |
| Debentures | - | - |
| Proceeds from sale of securities | - | - |
| Payments for purchases of securities | - | - |
| Purchase of property, plant and equipment | - | (924,331) |
| Payment against lease obligation | - | - |
| Proceeds from sale of property, plant and equipment | 452,198 | - |
| Net cash used in investing activities | 452,198 | (924,331) |
| C) Cash flows from financing activities | | |
| Increase in paid-up capital | - | - |
| Dividend paid | - | - |
| Net Cash from financing activities | - | - |
| D) Net increase / (decrease) in cash and cash equivalents (A+ B + C) | 129,362,960 | (199,293,609) |
| E) Effects of exchange rate changes on cash and cash equivalents | - | - |
| F) Cash and cash equivalents at beginning of the period (1st Jan 2019) | 1,303,846,707 | 1,471,655,437 |
| G) Cash and cash equivalents at end of the period (D+E+F) | 1,433,209,667 | 1,272,361,828 |
| Cash and cash equivalents at end of the period | | |
| Cash in hand (including foreign currencies) | 221,733,872 | 205,907,933 |
| Balance with Bangladesh Bank and its agent bank (s)(including foreign currencies) | 756,271,221 | 610,317,390 |
| Balance with other banks and financial institutions | 39,704,575 | 21,136,505 |
| Placement with banks & other financial institutions | 415,500,000 | 435,000,000 |
| Reverse repo | - | - |
| Prize bonds | - | - |
| | 1,433,209,667 | 1,272,361,828 |
| Net Operating Cash Flows per share (Taka) | 0.19 | (0.30) |



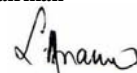
Chairman



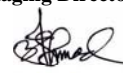
Director



Managing Director



Chief Financial Officer



Company Secretary

Selective Notes to the Financial Statements as on March 31, 2019.

The financial statements of the Bank has been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Banking Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Banking Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Banking Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IFRS 9, financial assets generally fall either under at amortized cost, or at fair value through profit and loss account, fair value through other comprehensive income where any change in the fair value at the year-end is taken to profit and loss account or other comprehensive income respectively.

ii) Revaluation gains/ losses on Government securities

IFRS: As per requirement of IFRS 9, an entity shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis both of the following criteria:

- a). the entity's business model for managing the financial assets and
- b). the contractual cash flow characteristics of the financial asset.

Bangladesh Bank: HFT securities are revalued on the basis of marked to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii) Provision on investments

IFRS: as per IFRS 9 an entity shall recognize a loss allowance for expected credit losses on a financial asset through amortised cost or fair value through other comprehensive income to which impairment requirements apply.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision @ 0.25% to 5% under different categories of unclassified investments (good and special mentioned accounts) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

iv) Recognition of profit in suspense

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once an investment is classified, profit on such investments is not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

v) Other comprehensive income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements through BRPD Circular no.14 dated 25 June 2003 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 statements of changes in equity.

vi) 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 cannot be made in the financial statements.

vii) Financial guarantees

IFRS: 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 minus the cost that are directly attributable to issue of the financial guarantee. After initial recognition, an issuer of such a guarantee shall subsequently measure it at higher of:

- i. the amount of the loss allowance and
- ii. the amount initially recognised less, when appropriate, the cumulative amount of the income recognised.

Bangladesh Bank: As per BRPD 14, dated 23 September 2012 financial guarantees such as letter of credit, letter of guarantees will be treated as off-balance sheet items. No liability is recognised for the guarantees except the cash margin.

viii) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bonds are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

ix) 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 there must exist a face item named Non-banking asset.

x) Cash flow statement

Cash flow statement has been prepared in accordance with IAS-7, "Statement of Cash Flows" and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated June 25, 2003. The cash flow statement shows the structure of changes in cash and cash equivalents during the financial year. It is segregated into operating activities, investing activities and financial activities.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

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

xii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiii) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xiv) Investments net of provision

IFRS: Investments should be presented net off provision.

Bangladesh Bank: As per BRPD 14, provision on investments is presented separately as a liability and can not be netted off against loans and advances.

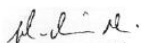
Investments have been shown under two broad categories viz Government Securities and Other Investments.

Investments have been considered as follows:

| Particulars | Valuation Method |
|----------------------------------|------------------|
| Government Securities: | |
| Government Treasury Bills | Market Value |
| Other Investments: | |
| Shares of CDBL | Cost Price |
| Bangladesh Commerce Bank Limited | Cost Price |

The company has no reportable operating segments as per IFRS-8, Disclosure of Interests in Other Entities as per IFRS-12 and Revenue from Contracts with Customers-as per IFRS-15.

There are no events to report which had an influence on the balance sheet or the profit and loss account for the period ended 31 March 2019.


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Dhaka
April 30, 2019.