







# ফার্স্ট সিকিউরিটি ইসলামিক ব্যাংক লিমিটেড

## ফার্স্ট সিকিউরিটি ইসলামی بنک لمیٹید

FIRST SECURITY ISLAMIC BANK LTD.

# ADVERTISEMENTS

# AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2019

স্বাক্ষরিত

স্বাক্ষরিত

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

Notes	31.12.2019 BDT	31.12.2018 BDT
Investments Income	23 38,801,433,096	33,921,445,124
Profit Paid on Deposits	24 (28,887,423,967)	(24,746,465,350)
<b>Net Investment Income</b>	<b>9,914,009,129</b>	<b>9,174,979,774</b>
Income from Investment in Shares and Securities	25 767,435,285	401,018,728
Commission, Exchange and Brokerage	26 984,760,657	1,073,272,668
Other Operating Income	27 642,147,642	664,717,024
<b>Total Operating Income</b>	<b>2,294,343,584</b>	<b>1,843,073,104</b>
<b>Less: Operating Expenses</b>	<b>12,208,352,713</b>	<b>11,018,052,794</b>
Salary and Allowances	28 3,660,058,766	3,185,639,104
Rent, Taxes, Insurances, Electricity etc.	29 719,248,395	623,875,410
Legal Expenses	30 9,217,035	12,417,028
Postage, Stamps, Telecommunication etc.	31 93,055,597	91,600,658
Stationery, Printings, Advertisements etc.	32 180,082,183	160,431,600
Managing Director's Salary and Fees	33 12,887,342	12,358,742
Directors' Fees & Expenses	34 1,562,800	2,076,984
Shariah Supervisory Committee's Fees & Expenses	35 220,000	167,200
Audit Fees	36 920,000	920,000
Depreciation & Repair of Bank's Assets	37 583,234,840	486,340,037
Zakat Expenses	38 98,347,681	88,149,726
Other Expenses	39 942,956,702	1,037,796,145
<b>Total Operating Expenses</b>	<b>6,301,791,341</b>	<b>5,701,772,634</b>
<b>Profit before Provision and Tax</b>	<b>5,906,561,372</b>	<b>5,316,280,160</b>
Provisions for Investments including off-B/S items	13.2 1,187,580,857	2,222,504,065
Provision for Other Assets	101,787,943	63,140,377
<b>Total Provisions</b>	<b>1,989,368,800</b>	<b>2,285,792,510</b>
<b>Total Profit before Taxes</b>	<b>3,917,192,572</b>	<b>3,030,487,650</b>
Provision for Investments including off-B/S items	39 1,956,045,391	1,594,894,048
Deferred Tax Income	(96,309,755)	(150,795,071)
<b>Total Provisions for Tax</b>	<b>1,860,205,828</b>	<b>1,444,088,977</b>
<b>Net Profit after Tax</b>	<b>2,056,986,743</b>	<b>1,586,398,673</b>
Retained Earnings from Previous Year	801,089,800	724,401,308
	<b>2,858,076,543</b>	<b>2,310,799,981</b>
	783,438,514	606,097,530
	405,865,938	190,795,071
	784,099,340	712,817,580
	1,973,403,792	1,599,710,181
	884,674,751	801,089,800
	2.36	1.84

The annexed notes (1 to 54) and Annexure A & B form an integral part of these financial statements.

Managing Director Director Director Chairman

Independent Auditors' Report  
As per annexed report of same date

Dhaka, 18 June 2020

Hoda Vasi Chowdhury & Co  
Chartered Accountants  
Signed By : Showkat Hossain, FCA  
Senior Partner

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Notes	31.12.2019 BDT	31.12.2018 BDT
<b>A. Cash Flows from Operating Activities</b>		
Investment Income Receipt	39,379,419,731	33,450,915,127
Profit paid on Deposits	(27,294,044,639)	(23,874,743,758)
Dividend Receipts	25,782,146	11,032,249
Fees & Commission Receipt	884,760,657	777,337,268
Payment to Employees	(3,672,946,108)	(3,197,997,846)
Payment to Suppliers	(290,820,634)	(252,900,850)
Income Tax Paid	(1,219,457,592)	(1,222,498,688)
Receipts from Other Operating Activities	43 (642,147,642)	(642,147,642)
Operating Profit before changes in Operating Assets & Liabilities	44 6,687,660,674	4,576,511,989
<b>Increase/(Decrease) in Operating Assets &amp; Liabilities</b>		
(Increase)/decrease in Investments to Customers	45 (730,960,977)	(755,539,390)
(Increase)/decrease of Other Assets	-	-
(Increase)/decrease of Placement with Banks & other Financial Institutions	-	-
Increase/(decrease) of Deposits Received from Customers	46 55,006,484,633	20,389,590,608
(Increase)/decrease of Placement from Banks & other Financial Institutions	(4,329,316,400)	8,056,158,698
(Increase)/decrease of Other Liabilities	291,649,788	1,178,128,241
<b>Cash Generated from Operating Assets &amp; Liabilities</b>	<b>(569,494,686)</b>	<b>(8,847,684,779)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>6,118,165,988</b>	<b>(4,271,172,790)</b>
<b>B. Cash Flows from Investing Activities</b>		
(Purchase)/ Sale of Shares and Securities	(1,545,961,599)	(72,796,322)
Purchase of Property, Plant and Equipment	(283,599,943)	(348,910,777)
Sale of Property, Plant and Equipment	8,160,099	1,485,638
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(1,821,401,443)</b>	<b>(420,221,461)</b>
<b>C. Cash Flows from Financing Activities</b>		
Receipt/(Payment) for Issuance of Mudaraba Subordinated Bond	6,638,000,000	(520,000,000)
Dividend Paid in Cash	-	-
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>6,638,000,000</b>	<b>(520,000,000)</b>
<b>D. Net Increase/(Decrease) of Cash &amp; Cash Equivalents (A+B+C)</b>	<b>10,934,764,545</b>	<b>(5,211,394,251)</b>
Effect of Exchange Rate Change on Cash & Cash Equivalents	(2,894,519)	-
<b>E. Opening Cash &amp; Cash Equivalents</b>	<b>20,602,035,743</b>	<b>25,813,429,994</b>
<b>F. Closing Cash &amp; Cash Equivalents (D+E)</b>	<b>31,533,905,769</b>	<b>20,602,035,743</b>
The above closing Cash and Cash Equivalents include:		
Cash in Hand (Including Foreign Currencies)	2,296,717,472	1,873,791,145
Balance with Bangladesh Bank and its Agent Bank(s) and Other Banks	29,237,188,297	18,728,244,598
	<b>31,533,905,769</b>	<b>20,602,035,743</b>

The annexed notes (1 to 54) and Annexure A & B form an integral part of these financial statements.

Managing Director Director Director Chairman

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019							
Particulars	Paid-up Capital BDT	Statutory Reserve BDT	Other Reserve BDT	Assets Reval. Reserve BDT	Retained Earnings BDT	Total BDT	
Balance as on 01 January 2019	7,840,993,400	3,556,551,892	717,363,208	342,076,506	801,089,800	13,258,074,806	
Restated Balance	7,840,993,400	3,556,551,892	717,363,208	342,076,506	801,089,800	13,258,074,806	
Net Profit for the Year	-	-	-	-	2,056,988,743	2,056,988,743	
Cash Dividend	-	-	-	-	-	-	
Bonus Share Issued	784,099,340	-	-	-	(784,099,340)	-	
Transfer to Statutory Reserve	-	783,438,514	-	-	(783,438,514)	-	
Transfer to Other Reserve	-	-	-	405,865,938	(405,865,938)	-	
Revaluation Reserve transfer to Other Reserve	-	-	10,061,074	(10,061,074)	-	-	
<b>Total Shareholders' Equity as on 31 December 2019</b>	<b>8,625,092,740</b>	<b>4,339,990,406</b>	<b>1,133,290,220</b>	<b>332,015,432</b>	<b>884,674,751</b>	<b>15,315,063,550</b>	

FOR THE YEAR ENDED 31 DECEMBER 2018							
Particulars	Paid-up Capital BDT	Statutory Reserve BDT	Other Reserve BDT	Assets Reval. Reserve BDT	Retained Earnings BDT	Total BDT	
Balance as on 01 January 2018	7,128,175,820	2,950,454,362	516,507,863	352,137,580	724,401,308	11,671,676,133	
Restated Balance	7,128,175,820	2,950,454,362	516,507,863	352,137,580	724,401,308	11,671,676,133	
Net Profit for the Year	-	-	-	-	1,586,398,673	1,586,398,673	
Cash Dividend	-	-	-	-	-	-	
Bonus Share Issued	712,817,580	-	-	-	(712,817,580)	-	
Transfer to Statutory Reserve	-	606,097,530	-	-	(606,097,530)	-	
Transfer to Other Reserve	-	-	-	190,795,071	(190,795,071)	-	
Revaluation Reserve transfer to Other Reserve	-	-	10,061,074	(10,061,074)	-	-	
<b>Total Shareholders' Equity as on 31 December 2018</b>	<b>7,840,993,400</b>	<b>3,556,551,892</b>	<b>717,363,208</b>	<b>342,076,506</b>	<b>801,089,800</b>	<b>13,258,074,806</b>	

The annexed notes (1 to 54) and Annexure A & B form an integral part of these financial statements.

Managing Director Director Director Chairman

### LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS) AS AT 31 DECEMBER 2019

Particulars	Up to 1 Month BDT	01-03 Months BDT	03-12 Months BDT	01-05 Years BDT	More than 05 years BDT	Total 2019 BDT	Total 2018 BDT
<b>Assets</b>							
Cash in Hand	2,296,717,472	-	-	-	2,296,717,472	1,873,791,145	-
Balance with Bangladesh Bank and its Agent Bank(s)	8,995,669,972	-	-	19,448,200,000	28,448,886,972	18,749,489,166	-
Balance with other Banks & FIs and Placement	10,483,701,325	3,913,300,000	-	-	14,397,001,325	14,687,455,432	-
Investments in Shares and Securities	546,083,172	-	280,000,000	16,701,560,450	17,527,652,622	15,981,091,023	-
Investments	32,968,663,646	69,672,761,788	81,218,032,987	93,777,740,081	66,846,710,438	364,484,142,678	31,684,988,928
Fixed-borne including Premises, Furniture and Fixtures	-	-	-	4,769,731,330	1,675,100,000	6,435,171,330	3,428,644,625
Other Assets	-	139,551,606	-	1,509,363,606	3,569,114,671	6,009,577,745	-
Non-banking Assets	-	-	-	25,145,280	-	25,145,280	-
<b>Total Assets</b>	<b>75,290,852,486</b>	<b>73,725,613,394</b>	<b>81,218,032,987</b>	<b>86,352,755,477</b>	<b>86,591,579,888</b>	<b>371,078,834,158</b>	<b>371,335,788,344</b>
<b>Liabilities</b>							
Placement from Banks & Other Financial Institutions	3,000,081,804	6,500,000,000	-	3,708,300,000	-	13,208,381,804	17,537,698,204
Deposits and Other Accounts	70,651,451,487	64,835,200,000	78,683,800,000	86,108,000,000	76,942,610,064	376,831,662,451	320,021,798,490
Mudaraba Subordinated Bond	-	-	-	7,880,000,000	2,720,000,000	11,590,000,000	4,862,000,000
Other Liabilities	1,200,254,622	831,402,641	478,451,621	1,864,134,118	16,559,004,003	20,333,736,345	15,682,211,885
	74,232,791,913	72,166,602,641	80,002,252,621	99,201,513,118	96,220,615,067	420,833,779,646	388,977,708,537
<b>Net Liquidity Gap</b>	<b>1,058,060,472</b>	<b>1,559,010,753</b>	<b>1,195,780,366</b>	<b>1,151,242,089</b>	<b>10,370,964,821</b>	<b>15,115,063,504</b>	<b>13,258,074,806</b>

Managing Director Director Director Chairman

Dhaka, 18 June 2020

### Notes to the Financial Statements As at and for the year ended 31 December 2019

**1. Corporate Information:**  
**1.1 Status of the Bank**  
The Bank was incorporated as a Public Limited Company in Bangladesh on 29 August 1999 under Companies Act 1994 to carry on banking business. The Bank converted its banking operation into Islamic Banking based on Islamic Shariah from traditional banking operation on 01 January 2009 after obtaining approval from honorable High Court, Ministry of Finance and Bangladesh Bank. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business. The Bank is one of the interest-free Shar'ah based banks in the country and its mode-operational are substantially different from other conventional banks. The Bank went for public issue on 20 July 2008 and its shares are listed with Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. Presently the Bank carries banking activities through its one hundred & eighty four (184) branches in the country. The Bank had no overseas branches as at December 31, 2019. The registered office of the Bank is located at 23, Dilkusha C/A, Dhaka-1000.  
**1.2 Subsidiaries:**  
**1.2.1 First Security Islami Capital & Investment Limited**  
First Security Islami Capital & Investment Limited, a private company limited by shares has been formed and registered under the Companies Act, 1994 with the Registrar of Joint Stock Companies (RJSC), Dhaka vide certificate of incorporation No. C-88567/10 dated 02 December 2010. The Bangladesh Securities and Exchange Commission (BSEC) vide its certificate No. MB-65/2011 dated 27 March 2011 has accorded approval to the bank for a full-fledged Merchant Banking operation under the Bangladesh Securities and Exchange Commission Act, 1993. First Security Islami Bank Ltd. holds 51% shares and 49% shares are held by other individuals. The company's reporting period is January to December.  
**1.2.2 First Security Islami Exchange Italy S.R.L**  
First Security Islami Exchange Italy S.R.L has been formed as per approval of Bangladesh Bank vide their Letter No. BRPD (M) 204/17/2009-95 dated 08 September 2009 for opening an owned exchange house. The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions activities and operations commonly carried on or undertaken by remittance and exchange houses.  
**1.3 Principal Activities**  
**1.3.1 Commercial banking services**  
All kinds of commercial banking services are provided by the Bank to the customers following the principles of Islamic Shar'ah, the provisions of the Banking Company Act 1991 and Bangladesh Bank's directives. The bank renders commercial banking services to all types of customers. The range of services offered by the bank includes accepting deposit, making investment, purchasing bills, conducting domestic and international money transfer, carrying out foreign exchange transactions in addition to international money transfers, and offering other customer services such as safe keeping, collections and issuing guarantees, acceptances and letters of credit. Core business of the bank includes deposit mobilization and investing activities comprising short-term, long-term, import and export financing. Investment activities are extended to different sectors of the economy that could be grouped into several sectors including Rural & agriculture, Garments & Textiles, Jute, Cement & Bricks, Tannery, Steel & Engineering, Food & Beverage, Chemical & Pharmaceuticals, Printing & Packaging, Glass & Ceramics and Miscellaneous.  
At a glance, the principal activities of the bank are:

- To facilitate and handle all kinds of commercial banking services to its customers authorized by Bangladesh Bank.
- To handle the export and import trade of Bangladesh
- To take part in international banking etc.

**1.3.2 Mobile financial services- "First Pay Sure Cash"**  
FSIBL has launched mobile banking services from 2012 under the name of "First Pay Sure Cash". First Security Islami Bank offers different services through the Mobile banking services that include free and quick opening of customer account, 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.  
**1.3.3 FSIBL Agent Banking**  
First Security Islami Bank Ltd. launched its Agent Banking Operation under the brand name "FSIBL Agent Banking" on May 29, 2016 upon receiving permission from Bangladesh Bank on September 01, 2015. The Agent Banking outlet is running under the ABS system integrated with CBS. The bank renders commercial banking services to all types of customers. The range of services offered by the bank includes accepting deposit, making investment, purchasing bills, conducting domestic and international money transfer, carrying out foreign exchange transactions in addition to international money transfers, and offering other customer services such as safe keeping, collections and issuing guarantees, acceptances and letters of credit. Core business of the bank includes deposit mobilization and investing activities comprising short-term, long-term, import and export financing. Investment activities are extended to different sectors of the economy that could be grouped into several sectors including Rural & agriculture, Garments & Textiles, Jute, Cement & Bricks, Tannery, Steel & Engineering, Food & Beverage, Chemical & Pharmaceuticals, Printing & Packaging, Glass & Ceramics and Miscellaneous.  
At a glance, the principal activities of the bank are:

**2. Significant Accounting Policies**  
**2.1 Basis of Presentation of Financial Statements**  
The Financial Statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statements, Statements of changes in Equity, Statement of Liquidity Analysis and relevant notes to the financial statements and disclosures thereto, of the Bank are prepared under historical cost convention on a going concern basis.  
**2.2 Statements of Compliance**  
The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under the financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence international financial reporting standards (IFRS) as issued 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 Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank and the provisions of the FRA and hence international financial reporting standards (IFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

As per Agent Banking Model, the Agent Banking Outlets are being tagged with FSIBL Branches, considering the distance in terms of the nearest location from the Agent Outlet. The tagging branch manager will provide all sorts of supports to the concerned outlets as all the businesses, coming from the concerned outlets, are reflected in their affairs i.e. tagged branch, is the ultimate beneficiary of the Agent Banking Business.  
**2.2.1 Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)**  
The Financial Statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statements, Statements of changes in Equity, Statement of Liquidity Analysis and relevant notes to the financial statements and disclosures thereto, of the Bank are prepared under historical cost convention on a going concern basis. In accordance with the "First Schedule Section 38(4) of the Bank Companies Act, 1991 and Amendment 2013, BRPD Circular # 14 dated 25 June 2003, BRPD Circular # 15 dated 09 November 2009, Other Bangladesh Bank Circulars, International Accounting Standards and International Financial Reporting Standards, The Companies Act 1994, The Bangladesh Security and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges listing regulations, Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh.

2.2.1 Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)		
In compliance with	IAS/IFRS No.	Status
Presentation of Financial Statements	1	Applied to the context of compliance with BRPD Circular # 15, Dated November 09, 2009
Inventories	2	Not Applicable
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Not Applicable
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates	28	Not Applicable
Financial Instruments: Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied to the context of compliance with BRPD Circular # 5, Dated June 05, 2006 and BRPD Circular # 14 Dated September 14, 2012
Intangible Assets	38	Applied
Investment Property	40	Not Applicable
Agriculture	41	Not Applicable
First-time Adoption of International Financial Reporting Standards	1	Not Applicable
Share-based Payment	2	Not Applicable
Business Combinations	3	Applied
Insurance Contracts	4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
Exploration for and Evaluation of Mineral Assets	6	Not Applicable
Financial Instruments: Disclosures	7	Applied to the context of compliance with core risk management guideline of Bangladesh Bank
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	Not Applicable
Disclosure of Interests in Other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	Not Applicable
Revenue from Contracts with Customers	15	Applied
Leases	16	Narrated in note 8.1



# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	364,484,142,678	311,684,988,928
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# ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিমিটেড

## FIRST SECURITY ISLAMIC BANK LTD.

# AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2019

# স্বাবর জবাব

## বাবসময়

	31.12.2019 BDT	31.12.2018 BDT
<b>6.3 Investments to Customers for more than 10% of FSIBL's Total Eligible Capital</b>		
Number of Clients	45	56
Amount of Outstanding Investments	74,774,700,000	78,941,690,000
Funded	27,115,740,000	28,700,000,000
Non-funded	101,850,000,000	111,149,390,000
<b>6.4 Industry wise Investments</b>		
<b>Agriculture:</b>		
Fishing	579,938,736	706,700,000
Others	1,139,787,051	1,849,200,000
<b>Textile and Readymade Garments:</b>		
Readymade Garments - Export	4,892,012,525	4,307,100,000
Textile and Textile Products-Import	7,481,381,351	7,007,600,000
Others - Export	1,976,636,595	1,755,400,000
Others - Import	46,093,726,114	32,694,000,000
Contractor Finance	6,350,863,378	5,799,500,000
Transport	1,929,107,163	896,200,000
<b>Internal Trade Finance:</b>		
Whole Sale Trading	163,646,480,611	133,192,600,000
Retail Trading	7,202,502,560	6,687,000,000
Others	6,286,925,894	8,250,300,000
<b>House Building:</b>		
Residential & Commercial	18,905,849,621	18,453,700,000
Staff	870,298,620	923,500,000
<b>Special Program:</b>		
Consumer Finance and Hire Purchase Scheme	188,483,639	240,700,000
Others	96,339,948,892	88,711,288,928
	<b>364,484,142,678</b>	<b>311,684,988,928</b>
<b>6.5 Division/Geographical wise Investment*</b>		
<b>Urban:</b>		
Dhaka	105,753,937,542	91,621,628,244
Chattogram	249,094,298,284	210,529,763,407
Barisal	260,181,484	260,181,484
Rajshahi	856,876,681	880,221,595
Khulna	1,382,286,209	1,347,644,201
Rangpur	403,817,940	441,330,017
Sylhet	793,402,051	811,884,951
Mymensingh	139,636,380	130,863,270
	<b>358,730,436,288</b>	<b>306,054,462,169</b>
<b>Rural:</b>		
Dhaka	1,176,827,453	1,233,436,760
Chattogram	2,911,292,951	2,616,447,310
Barisal	115,983,648	101,453,189
Rajshahi	115,324,684	179,594,073
Khulna	993,958,011	1,070,145,721
Rangpur	2,885,284	-
Sylhet	83,866,463	86,136,487
Sylhet	335,067,501	343,311,201
	<b>6,733,306,390</b>	<b>5,630,826,759</b>
	<b>364,484,142,678</b>	<b>311,684,988,928</b>
* Division wise distribution was made on the basis of the location of the respective branches.		
<b>6.6 Classification of Investments as per Bangladesh Bank Circulars</b>		
<b>Unclassified:</b>		
Standard	330,818,029,926	285,663,434,934
Special Mention Account	15,684,775,310	15,684,775,310
	<b>346,470,104,433</b>	<b>301,263,588,642</b>
<b>Classified:</b>		
Sub-standard	1,755,786,491	127,299,288
Doubtful	4,210,462,461	598,023,951
Bad & Loss	12,487,780,296	456,617,654
	<b>18,014,038,248</b>	<b>10,421,008,286</b>
	<b>364,484,142,678</b>	<b>311,684,988,928</b>
<b>6.7 Sector-wise Classification of Investments</b>		
<b>Unclassified:</b>		
Small Enterprise Financing (SEF)	33,364,528,436	30,562,733,678
Consumer Financing (Other than HF & LP)	180,491,668	243,791,991
Investments to BfEs/MfEs/SDs against Share	451,345,114	451,345,114
Other than SMEs, CF, BfEs/MfEs/SDs	248,955,302,428	208,651,067,031
Housing Finance (HF)	16,320,960,860	18,149,547,010
Investments for professionals to set up business (LP)	478,469	6,807,703
Short Term Agt. Investments	1,607,161,158	2,470,943,633
Staff Investment	870,298,620	923,501,299
Others	44,528,546,413	39,804,151,585
	<b>346,470,104,433</b>	<b>301,263,588,642</b>
<b>Classified:</b>		
Small Enterprise Financing (SEF)	1,768,472,365	555,319,038
Consumer Financing (Other than HF & LP)	7,991,977	129,531,031
Investments to BfEs/MfEs/SDs against Share	104,566,152	104,566,152
Other than SMEs, CF, BfEs/MfEs/SDs	8,313,274,990	7,262,110,502
Housing Finance (HF)	1,130,213,530	1,130,213,530
Investments for professionals to set up business (LP)	3,848,681	3,848,681
Short Term Agt. Investments	112,564,628	1,138,663,708
Others	6,530,639,167	1,365,070,016
	<b>18,014,038,248</b>	<b>10,421,008,286</b>
	<b>364,484,142,678</b>	<b>311,684,988,928</b>
<b>6.8 Particulars of Required Provision for Investments as per CL</b>		
<b>Unclassified:</b>		
Standard	330,818,029,926	285,663,434,934
Special Mention Account	15,684,775,310	15,684,775,310
Off-Balance Sheet Exposure	54,806,722,690	0
	<b>3,890,723,853</b>	<b>3,395,383,167</b>
<b>Classified:</b>		
Sub - Standard	1,46,606,759	20%
Doubtful	3,982,508,971	50%
Bad and Loss	7,232,271,068	100%
	<b>9,452,846,906</b>	<b>5,930,586,194</b>
	<b>13,343,570,759</b>	<b>9,325,969,361</b>
Total Required Provision against Investments as per CL	13,343,570,759	9,325,969,361
Total Provision Maintained	11,193,653,438	9,326,969,361
Deferred Provision for next 3 years has to be maintained	<b>2,149,917,321</b>	<b>1,000,000</b>
Bangladesh Bank Audit Team (DBI-4) has raised additional specific provision amount of Tk. 289.69 crore and this amount has to be maintained from general provision. Since the amount of additional specific provision of Tk. 289.69 crore against non performing investment has to be maintained from general provision, the general provision will be reduced to Tk. 102 crore. However the deferred general provision amount of Tk. 289.69 crore has to be maintained. For next three (03) years by amount of Tk. 100.00 Crore in the year 2020, Tk. 100.00 Crore in the year 2021 and Tk. 89.69 Crore in the year 2022 vide their letter no. DBI-04/42(5)/2020-319 dated 11 June, 2020.		
<b>6.9 Particulars of Investments</b>		
i) Investments considered good in respect of which the Bank Company is fully secured.	70,134,000,000	64,620,400,000
ii) Investments considered good for which the bank holds no security other than the debtors personal security.	148,089,000,000	120,929,300,000
iii) Investments considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	146,260,242,678	126,135,288,928
iv) Investments adversely classified; provision not maintained there against.	-	-
v) Investments due by directors or executives of the banking company or any of them taken either separately or jointly with any other person.	<b>28,065,087,000</b>	<b>33,519,333,000</b>
vi) Investments due by companies or firms in which the directors of the bank company are interested as directors partners or managing agents or in case of private companies, as members.	-	-
vii) Maximum total amount of investments, including temporary advances made at any time during the year by directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	-	-
viii) Maximum amount of investments, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
ix) Investment due from other banking companies	-	-
x) Total amount of classified Investments on which profit is not credited to income	<b>18,014,038,248</b>	<b>10,421,008,286</b>
<b>a. Movement of classified Investments</b>		
Opening balance	10,421,008,286	8,397,744,459
Increase/(Decrease) during the year	7,592,637,960	2,023,655,827
	<b>18,014,038,248</b>	<b>10,421,008,286</b>
b. Amount of provision kept against classified investment as on the reporting date of Balance Sheet	<b>10,170,030,873</b>	<b>5,230,586,195</b>
c. Profit credited to the profit/Rent/Compensation Suspense Account	<b>635,151,065</b>	<b>338,878,926</b>
sd) Amount of written off Investment:		
a. Cumulative amount	-	-
b. Amount written off during the year	20,896,780	-
c. Total amount of written off during the year	20,896,780	-
d. Amount recovered against such written-off up to this year	-	-
e. Amount of investment written-off against which suit has been filed to recover the same.	-	-
<b>6.10 Write off Investment</b>		
Balance at the beginning of the year	-	-
Add: Write off during the year	20,896,780	-
Less: Recovery of Write off Investment	-	-
<b>Balance at the end of the year</b>	<b>20,896,780</b>	<b>-</b>
Investments are written-off in line with Bangladesh Bank's BRPD Circular No. 02 dated 13 January 2003, DOS Circular No. 01 dated 29 December 2004, BRPD Circular No. 13 dated 07 November 2013 and BRPD Circular No. 01 dated 02 February 2019 when prospect of recovery of such investments become non-existent. However, such write-off does not reduce the claim against the Investment Client. Detailed records for all write-off accounts are separately maintained by the Bank to continue the recovery efforts. The total amount of written-off bad debts by banks was BDT 2.09 Crore at end of the year 2019.		
<b>6.11 Security against Investments including bills purchased &amp; negotiated:</b>		
Collateral of movable/immovable assets	17,473,337,098	19,288,446,582
Local banks & financial institutions guarantee	-	-
Export documents	1,976,636,595	1,452,544,000
Oven MTDR	70,134,000,000	64,620,400,000
MTDR of other Banks	-	-
Government Bonds	-	-
Personal guarantee	60,598,700,988	50,208,936,431
Other security	642,336,374	451,345,114
Unsecured	213,650,131,624	175,663,406,014
	<b>364,484,142,678</b>	<b>311,684,988,928</b>
<b>6.12 Maturity Grouping of Bills Purchased and Negotiated</b>		
Payable within One Month	5,748,024	4,992,102
Over one month but less than three months	1,534,582	1,332,769
Over three months but less than six months	2,946,315	214,467,564
Six Months and Above	454,191,622	454,191,622
	<b>708,410,543</b>	<b>615,247,759</b>
<b>6.A(a) CONSOLIDATED GENERAL INVESTMENT ETC. (All Inside Bangladesh)</b>		
First Security Islami Bank Limited (Note-6.A)	363,775,732,135	311,069,741,359
Less: Inter-company transaction (Investment in Subsidiary)	(454,179,949)	(266,474,415)
	<b>363,321,552,186</b>	<b>310,801,266,944</b>
<b>7 Fixed Assets including premises, Furniture &amp; Intangible Assets at cost less accumulated depreciation (Annexure-A)</b>		
Land	334,631,624	96,546,000
Building	4,068,443,511	1,429,210,470
Furniture & Fixtures	2,130,213,154	2,002,280,494
Office Equipment	2,116,473,510	1,676,208,292
Vehicles	194,499,508	200,392,321
Books	619,849	619,849
Less: Accumulated Depreciation	<b>8,834,791,156</b>	<b>5,405,256,688</b>
<b>Intangible Assets</b>		
Software - Core banking	269,836,338	253,637,195
Less: Accumulated Amortization	143,962,314	114,745,783
	<b>125,874,024</b>	<b>138,891,412</b>
	<b>6,435,173,130</b>	<b>3,428,644,625</b>
Property, Plant and Equipment has been increased during the year 2019 by the amount of Tk. 306.61 crore. The amount of Tk. 287.73 crore was paid for purchasing of FSIBL new premises in the previous years in which that amount was included in prepayment under other assets because of non completion of new building. During the year -2019 the building is ready to use.		
<b>7(a) Consolidated Fixed Assets including premises, Furniture &amp; Intangible Assets at cost less accumulated depreciation</b>		
First Security Islami Bank Limited (Note-7)	6,435,173,130	3,428,644,625
First Security Islami Capital & Investment Limited	3,870,183	2,234,518
	<b>6,439,043,313</b>	<b>3,434,889,143</b>
<b>8 OTHER ASSETS</b>		
Inter - branch Transaction Account *	14,394,408	79,353,085
Accrued Income	1,024,182,980	860,516,476
Advances, Deposits and Prepayment (Note -8.1)**	1,562,454,339	4,225,750,519
Stock of Stationery	39,726,911	39,726,911
Suspense Account (Note -8.2)	41,352,682	41,352,682
Advance Deposits	6,032,865	6,032,865
Stamps on Hand	4,161,800	3,648,585
Pretested Bills	61,454,778	61,454,778
Investment in FSBI Capital & Investment Ltd.(Note-1.2.1)	255,000,000	255,000,000
Investment in FSIE, Italy S.R.L.(Note-1.2.2)	62,340,058	62,340,058
Deferred Tax Assets (Note-8.3)	198,013,850	401,623,095
	<b>3,569,147,671</b>	<b>6,009,477,445</b>
* Inter-branch transaction account represents net outstanding balance between Inter-branch and Office transaction(s) originated but yet to be responded at the balance sheet date. However, the status of non-responded entries on 31.12.2019 have been reconciled on 09/02/2020.		
** The amount of Tk. 287.73 crore was paid for purchasing of FSIBL new premises in the previous years in which that amount was included in prepayment under other assets because of non completion of new building. During the year -2019 the building is ready to use. As a result the amount of Tk. 287.73 crore is transferred to property, plant and equipment from other assets.		

	31.12.2019 BDT	31.12.2018 BDT
<b>8.1 Advance, Deposits and Prepayment</b>		
Advance against Rent - Office*	365,426,661	419,475,615
Advance against Rent - Godown	-	12,000
Clearing Adjustment Account (under BACIF)	12,178,698	27,535,636
Remittance Settlement Account	788,397,099	400,712,944
Prepayment	390,676,046	3,363,200,000
Prepaid Insurance	486,091	520,392
Advance Against Security Deposit	5,188,744	14,384,822
Mobile Banking Receivable A/C	101,000	281,011
	<b>1,562,454,339</b>	<b>4,225,750,519</b>
*According to the paragraph 47 of International Financial Reporting Standards (IFRS)-16 a lessee shall either present in the statement of financial position, or disclose in the notes and according to the paragraph 5 (b) a lessee may elect not to apply the requirements unless for which the underlying asset is of low value. The amount of advance rent against rent agreement of various landlord is immaterial of total assets as a result of IFRS-16 is not applicable for us for the year 2019.		
<b>8.2 Suspense Account</b>		
Sundry Debtors	40,464,670	14,070,468
Advance against Tax/DA	634,000	240,000
Advance against petty cash	254,012	-
	<b>41,352,682</b>	<b>14,310,468</b>
<b>8.3 Deferred Tax Assets (net of liabilities)</b>		
Deferred tax asset (8.3.1)	868,849,727	599,502,226
Deferred tax liability (8.3.2)	370,835,877	197,879,131
	<b>498,013,850</b>	<b>401,623,095</b>
<b>8.3.1 Deferred Tax Assets</b>		
Temporary timing difference between charging Specific provision and written off B/L Investments	2,337,829,386	1,598,672,606
Cumulative provision made against bad loss Investments	4,896,380	-
Adjustment of corresponding provision on write off	<b>2,316,932,696</b>	<b>1,598,672,606</b>
Debtors temporary difference	37.50%	37.50%
Tax Rate	<b>868,849,727</b>	<b>599,502,226</b>
Opening Deferred Tax Assets	443,236	443,236
Deferred Tax Income during the year	<b>269,347,501</b>	<b>152,194,784</b>
<b>8.3.2 Deferred Tax Liabilities</b>		
Temporary timing difference in written down value of fixed Assets	6,432,836,195	3,426,782,477
Carrying amount of Fixed Assets	5,143,940,325	2,899,100,798
Tax base	<b>988,895,670</b>	<b>527,677,679</b>
Tax Rate	37.50%	37.50%
Deferred Tax Liabilities	<b>370,835,877</b>	<b>197,879,131</b>
Opening Deferred Tax Liabilities	172,956,747	139,713
Deferred Tax Expenses during the year	<b>172,956,747</b>	<b>1,399,713</b>
As per International Accounting Standard (IAS)-12 deferred tax is recognized since December 2007. Deferred tax assets have been arrived at Tk. 498.01 million as on December 31, 2019. According to BRPD Circular No. 11 Dated 12 December 2011, the increased amount of the net income after tax due to the recognition of deferred tax will not be distributed as dividend. Deferred tax asset is recognized to the extent which are expected to recover in future.		
<b>8(a) CONSOLIDATED OTHER ASSETS</b>		
First Security Islami Bank Limited (Note-8)	3,569,144,671	6,009,577,745
Less: Inter-company transaction (Investment in Subsidiary)	255,000,000	255,000,000
	<b>3,314,144,671</b>	<b>5,754,577,745</b>
	1,118,185,410	1,142,151,149
	<b>4,432,330,081</b>	<b>6,896,728,894</b>
First Security Islami Capital & Investment Limited		
	<b>25,145,280</b>	<b>25,145,280</b>
<b>9 NON-BANKING ASSETS</b>		
The Bank has been awarded ownership of the mortgage properties of M/s. Banuka Knit Fashion (BD) Ltd. according to the verdict of the Honorable Court in accordance with section 33(7) of "Arthiban Adalat - 2003". An amount of Tk. 251,45,280/- is reported in the financial Statements as Non-Banking Assets through the adjustment of outstanding investment against the client as on 15/10/2015. The value of Non-Banking Assets has been determined on the basis of valuation report of an Independent surveyor Company.		
<b>10 PLACEMENT FROM BANK &amp; OTHER FINANCIAL INSTITUTION</b>		
<b>Inside Bangladesh</b>		
Bangladesh Bank (FDM Wings & Refinance Scheme)	9,532,798,612	16,068,152,103
Bangladesh Bank (EDF)	3,675,583,192	1,469,346,011
	<b>13,208,381,804</b>	<b>17,537,698,204</b>
<b>Outside Bangladesh</b>		
	<b>13,208,381,804</b>	<b>17,537,698,204</b>
<b>A. Security wise grouping</b>		
Secured Placement	13,208,381,804	17,537,698,204
Unsecured Placement	<b>13,208,381,804</b>	<





**ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:**  
**FIRST SECURITY ISLAMI BANK LTD.** فارسٲٲ سٲكوريٲم اسلامى بنك لميٲٲد

**FIRST SECURITY ISLAMI BANK LTD. فارست سيڪيورٽي اسلامي بنڪ لميٽيڊ**

# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

অবার জন্মে  
অবসময়



		31.12.2019	31.12.2018
		BDT	BDT
15	<b>STATUTORY RESERVE</b>		
	Opening Balance	3,556,551,892	2,950,454,362
	Add: Addition during the year	786,438,514	606,097,530
		<b>4,339,990,406</b>	<b>3,556,551,892</b>
This has been done at least @ 20% or more of the net profit before tax according to Sec. 24 of Bank Companies Act, 1991 Amendment 2013 and shall be maintained until & unless it equals to Paid-up Capital.			
16	<b>OTHER RESERVE</b>		
	Opening Balance	717,363,208	516,507,063
	Add: Addition during the year	405,865,938	190,795,071
	Add: Transferred from Asset Revaluation Reserve	10,061,074	10,061,074
		<b>1,133,290,220</b>	<b>717,363,208</b>
17	<b>ASSETS REVALUATION RESERVE</b>		
	Opening Balance	342,076,506	352,137,580
	Less: Transfer to Other Reserve	10,061,074	10,061,074
		<b>332,015,432</b>	<b>342,076,506</b>
The Bank revalued the entire land and building during the year 2012 by an independent valuation firm according to paragraph 36 of IAS-16 as per approval of the meeting of 129th Board of Directors of the Bank. As per IAS-16, Revaluation reserve is transferred to Other Reserve in each year during the lifetime of those assets.			
18	<b>RETAINED EARNINGS</b>		
	Opening Balance	801,089,800	724,401,308
	Add: Post tax profit for the period	2,056,988,743	1,586,398,673
	Less: Transfer to Statutory Reserve	783,438,514	606,097,530
	Less: Transfer to Other Reserve	405,865,938	190,795,071
Less: Capitalized during the period	784,099,340	712,817,580	
		<b>884,674,751</b>	<b>801,089,800</b>
18(a)	<b>CONSOLIDATED RETAINED EARNINGS</b>		
	First Security Islami Bank Limited (Note-18)	884,674,751	801,089,800
	First Security Islami Capital & Investment Limited	98,764,089	103,277,659
		<b>983,438,840</b>	<b>904,367,459</b>
19	<b>NON-CONTROLLING INTEREST</b>		
	Opening Balance	344,227,554	340,182,207
	Add: Capital Increase in Subsidiary	-	-
	Add: Transfer during the year	11,523,508	4,045,347
	Less: Cash Dividend paid during the period	15,860,075	-
		<b>339,890,987</b>	<b>344,227,554</b>
20	<b>LETTER OF GUARANTEES</b>		
	Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
	Letters of Guarantee - Local	7,087,826,765	6,955,807,871
	Letter of Guarantee - Foreign	9,217,100	12,073,780
		<b>7,097,043,865</b>	<b>6,967,881,651</b>
20.1	<b>Money for Which the Bank is Contingently Liable in respect of Guarantees:</b>		
	Directors	-	-
	Government	-	-
	Banks and Other Financial Institutions	-	-
	Others	7,097,043,865	6,967,881,651
		<b>7,097,043,865</b>	<b>6,967,881,651</b>
21	<b>IRREVOCABLE LETTERS OF CREDIT</b>		
	Letters of Credit - Cash	6,114,465,508	4,171,637,189
	Letter of Credit - Cash Inland	-	-
	Back to Back letters of Credit - Local	432,998,889	419,757,968
Back to Back letters of Credit - Foreign	208,442,385	186,752,715	
		<b>6,755,906,782</b>	<b>4,778,147,872</b>
22	<b>BILLS FOR COLLECTION ISSUED BY THE BANK</b>		
	Foreign Documentary Bills	366,862,904	387,682,406
	Outward Bills	3,415,188	3,300,000
	Inland Documentary Bills	1,397,462,109	1,047,775,939
		<b>1,767,740,201</b>	<b>1,438,758,345</b>
23	<b>INVESTMENT INCOME</b>		
	<b>Profit Received from:</b>		
	Bai Murabaha - General	1,953,190,412	1,777,609,078
	Bai Murabaha Hypothecation	20,851,357,561	18,717,337,205
Bai Murabaha against MTD	2,883,675,865	2,507,693,090	
Bai Murabaha Post Import (LTR)	422,376,624	474,477,688	
Bai Murabaha Post Import (Pledge)	1,179	14,025,272	
Bai Murabaha Real Estate	73,020	190,377	
Bai Murabaha Import Bill	1,871,082,337	1,701,010,176	
Investment in Placements	1,382,073,210	1,306,550,529	
Bai Murabaha Import	466,449,460	351,891,759	
Bai Murabaha Export	58,150,464	130,416,949	
Bai Murabaha SME Investment	2,313,890,522	1,012,563,484	
Bai-Murabaha (EM) Investment	141,511,123	215,311,331	
Bai-Murabaha(General) Under SME Invest	66,826,931	62,928,828	
Bai-Murabaha Post Import(ITR)-Under SME:	141,456,393	59,777,286	
Bai-Murabaha (EQ) Investment	1,624,755,483	1,740,531,410	
Mudaraba Foreign Currency Investment (EDIF)	120,445,342	43,364,544	
Inland Documentary Bills Purchased (Foreign Currency Bills)	86,946,930	84,273,381	
Bai Muajjal General	-	123,264	
Pre-shipment Investment	2,241,963	23,320,650	
HPSM Transport	98,677,725	145,210,620	
HPSM Real Estate	771,264,567	875,170,160	
HPSM Consumer	51,651,562	72,019,999	
HPSM Agriculture	14,480,334	6,681,177	
HPSM SME:	55,794,379	18,002,697	
HPSM HBL Commercial	1,171,762,773	1,289,539,993	
HPSM Industrial	818,366,177	786,360,995	
Rent on HPSM Scheme	6,145,081	113,781,883	
HPSM House Building - Staff	28,305,213	31,228,794	
Bai Muajjal	19,541	89,404	
Agriculture Investment	158,697,560	263,597,204	
Investment against Provident Fund (Staff)	2,323,483	1,289,249	
Investment against Car Lease Scheme	32,843	102,984	
Quard against MTDTR	323,756	129,785	
Wajira Bill Okalah	20,625	4,843,897	
SME Investment (Others)	1,231,295,504	-	
Bai-Murabaha Import Non-AD	5,767,154	-	
		<b>38,801,433,096</b>	<b>33,921,445,124</b>
23(a)	<b>CONSOLIDATED INVESTMENT INCOME</b>		
	First Security Islami Bank Limited (Note-23)	38,801,433,096	33,921,445,124
	First Security Islami Capital & Investment Limited	79,196,471	128,619,292
		<b>38,880,629,567</b>	<b>34,050,064,416</b>
24	<b>PROFIT PAID ON DEPOSITS</b>		
	<b>Profit Paid on:</b>		
	Mudaraba Term Deposit	17,459,328,521	15,854,378,450
	Mudaraba Double Benefit Deposits Scheme	2,397,314,989	1,857,960,285
Mudaraba Monthly Savings Scheme	1,185,596,221	1,179,413,941	
Mudaraba Monthly Benefit Savings Scheme	518,943,824	49,459,207	
Mudaraba Savings Deposits	1,475,320,459	1,002,710,559	
Mudaraba Short Notice Deposits	621,185,890	173,905,147	
MSB & Placement from Other Banks	1,932,850,632	1,429,715,928	
Mudaraba Hajj Deposit Scheme	17,826,769	15,959,326	
Mudaraba Student SB A/C	7,151,542	6,957,746	
Mudaraba Salary A/C	15,935,012	12,196,473	
Mudaraba Senior Citizen A/C	7,504,511	5,634,669	
Mudaraba Marriage Scheme	306,626,532	236,753,832	
Mudaraba Health Care Scheme	1,273,145,322	987,314,959	
Mudaraba Education Deposit Scheme	233,164,554	194,526,815	
Mudaraba Pension Deposit Scheme	116,502,562	110,287,743	
Mudaraba Millionaire Deposit Scheme	199,395,551	167,000,513	
Mudaraba Kroropori Deposit Scheme	156,538,025	125,463,221	
Mudaraba Triple Times Deposit Scheme	69,662,169	63,240,737	
Mudaraba Four Times Deposit Scheme	242,910,818	221,193,824	
Mudaraba Probashi Deposit Scheme	28,352,624	26,744,765	
Mudaraba Money Plant Deposit Scheme	84,375	217,152	
Mudaraba Grihini Deposit Scheme	28,617,045	25,903,255	
Mudaraba Gift Cheque	213,319	309,329	
Agent Savings A/C-Mobile Bank	1,977,754	1,853,153	
Mudaraba New Generation Savings Scheme	8,241,246	7,347,677	
Mudaraba New Generation Deposit Scheme	7,101,221	6,866,700	
Mudaraba Shramojiti Savings	8,612,165	6,622,363	
Mudaraba Cash Waqf Deposit Scheme	108,142	221,773	
Agent Banking Saving A/C	3,002,370	1,218,095	
Agent Banking Float A/C	8,325,577	3,518,957	
Mudaraba Monthly Profit 1 Year	409,788,758	16,769,718	
Mudaraba Monthly Profit 2 Years	56,164,129	14,790,038	
Mudaraba Specialized Saving Account (10 Taka)	12,730	-	
Mudaraba Monthly Deposit Scheme GOLD	524,723	-	
Mudaraba Mushafir Deposit Scheme	706,276	-	
Mudaraba Monthly Profit Scheme (Morobbi) 1 Year	37,282,680	-	
Mudaraba Sanchay Scheme 3 Years	41,738,925	-	
Mudaraba Monthly Profit Scheme (Mahiyasi)	9,665,005	-	
		<b>28,887,423,967</b>	<b>24,746,465,350</b>

	31.12.2019	31.12.2018
	BDT	BDT
25 INCOME FROM INVESTMENT IN SHARES & SECURITIES		
Bangladesh Govt. Islamic Investment Bond	682,041,070	336,216,984
Dividend on Shares	25,782,146	11,032,249
Profit on Sale of Shares	26,012,069	12,819,495
Profit Received on MSB	33,600,000	40,950,000
	767,435,285	401,018,728
25(a) CONSOLIDATED INCOME FROM INVESTMENT IN SHARES & SECURITIES		
First Security Islami Bank Limited (Note-25)	767,435,285	401,018,728
First Security Islami Capital & Investment Limited	15,928,268	28,581,187
	783,363,553	429,599,915
26 COMMISSION, EXCHANGE AND BROKERAGE		
Commission	691,371,967	621,839,564
Exchange Gain	193,388,690	155,497,704
Exchange Earning	246,108,765	215,970,397
Less: Exchange Loss	52,720,075	60,472,693
	884,760,657	777,337,268
26(a) CONSOLIDATED COMMISSION, EXCHANGE AND BROKERAGE		
First Security Islami Bank Limited (Note-26)	884,760,657	777,337,268
First Security Islami Capital & Investment Limited	11,316,805	29,676,755
	896,077,462	807,014,026
27 OTHER OPERATING INCOME		
Charges on Account Closing	12,582,247	10,745,985
Standing Instruction Charges	4,081,420	5,084,213
Gain/(Loss) on Sale of Fixed Assets	2,039,949	10,552,612
Service Charge on Quard	1,554,996	2,573,628
Other Income (Note-27.1)	621,889,030	635,760,586
	642,147,642	664,717,024
27.1 Other Income		
Postage Recoveries - Local	107,590	116,949
Tel/Fax/E-mail Chg. Recoveries	20,076,897	19,133,284
Incidental Charge on Al-Wadiah CD A/C	27,728,305	34,257,753
Incidental Charge on Mudaraba SB A/C	126,282,630	174,851,124
Incidental Charge on Mudaraba SND A/C	10,156,292	5,283,399
Income from Online	38,513,120	25,089,109
Investment Processing Fee	44,304,705	45,250,700
Income from ATM	43,367,242	38,629,607
Income from SMS Banking Services	164,995,047	165,062,648
Income from Internet Banking Services	1,152,400	759,800
Miscellaneous Earnings	145,004,802	127,326,753
	621,889,030	635,760,586
27(a) CONSOLIDATED OTHER OPERATING INCOME		
First Security Islami Bank Limited (Note-27)	642,147,642	664,717,024
First Security Islami Capital & Investment Limited	2,705,662	3,033,479
	644,853,304	667,750,503
28 SALARY & ALLOWANCES		
Basic Salary	1,187,810,013	932,749,586
Bonus	449,970,167	433,371,558
Allowances	1,599,642,656	1,603,087,431
Bank's Contribution to Staff Provident Fund	109,000,932	82,496,259
Gratuity	308,964,808	133,934,270
Employees' Insurance	4,670,190	-
	3,660,058,766	3,185,639,104
28(a) CONSOLIDATED SALARY & ALLOWANCES		
First Security Islami Bank Limited (Note-28)	3,660,058,766	3,185,639,104
First Security Islami Capital & Investment Limited	15,661,512	14,412,206
	3,675,720,278	3,200,051,310
29 RENT, TAXES, INSURANCE, ELECTRICITY ETC.		
Rent	419,356,443	369,066,158
Insurance	148,783,552	159,255,358
Rates and Taxes	55,233,918	6,357,322
Water Charges	3,457,196	3,480,750
Gas Charges	1,850,425	1,796,893
Electric Bills	90,566,861	83,918,929
	719,248,395	623,875,410
29(a) CONSOLIDATED RENT, TAXES, INSURANCE,ELECTRICITY ETC.		
First Security Islami Bank Limited (Note-29)	719,248,395	623,875,410
First Security Islami Capital & Investment Limited	6,282,793	6,210,252
	725,531,188	630,085,662
30 LEGAL EXPENSES		
Legal fee & charges	151,910	253,848
Other legal expenses	9,065,125	12,163,180
	9,217,035	12,417,028
30(a) CONSOLIDATED LEGAL EXPENSES		
First Security Islami Bank Limited (Note-30)	9,217,035	12,417,028
First Security Islami Capital & Investment Limited	127,500	480,000
	9,344,535	12,897,028
31 POSTAGE, STAMP AND TELECOMMUNICATION ETC.		
Postage	8,508,999	8,554,880
Stamp	102,172	55,096
Telephone - Office	9,938,476	9,860,365
Telex, Fax and Email	10,488,506	8,645,182
Telephone - Residence	25,410	10,877
Data Communication	63,992,034	64,474,258
	93,055,597	91,600,658
31 (a) CONSOLIDATED POSTAGE, STAMP AND TELECOMMUNICATION ETC.		
First Security Islami Bank Limited (Note-31)	93,055,597	91,600,658
First Security Islami Capital & Investment Limited	216,839	269,683
	93,272,436	91,870,341
32 STATIONERY, PRINTING AND ADVERTISEMENT ETC.		
Publicity and Advertisement	121,319,691	104,517,300
Printing and Stationery	54,971,538	51,994,770
Computer Stationery	3,790,954	3,919,530
	180,082,183	160,431,600
32 (a) CONSOLIDATED STATIONERY, PRINTING AND ADVERTISEMENT ETC.		
First Security Islami Bank Limited (Note-32)	180,082,183	160,431,600
First Security Islami Capital & Investment Limited	350,059	385,807
	180,432,242	160,817,407
33 MANAGING DIRECTOR'S SALARY AND FEES		
Basic Pay	4,927,742	4,445,322
House Rent Allowances	1,680,000	1,633,549
Leave Fare Allowances	1,380,000	1,345,161
Bonus	1,719,600	1,836,000
House Maintenance Allowances	1,740,000	1,693,549
Other Allowances	1,440,000	1,405,161
	12,887,342	12,358,742
33 (a) CONSOLIDATED MANAGING DIRECTOR'S SALARY AND FEES		
First Security Islami Bank Limited (Note-33)	12,887,342	12,358,742
First Security Islami Capital & Investment Limited	3,097,667	3,933,294
	15,985,009	16,292,036
34 DIRECTORS' FEES & EXPENSES		
Directors Fees	1,562,800	1,140,800
Meeting Expenses	-	936,184
	1,562,800	2,076,984

	31.12.2019 BDT	31.12.2018 BDT
<b>34 (a) CONSOLIDATED DIRECTORS' FEES &amp; EXPENSES</b>		
First Security Islami Bank Limited (Note-34)	1,562,800	2,076,984
First Security Islami Capital & Investment Limited	475,000	500,000
	<b>2,037,800</b>	<b>2,576,984</b>
<b>35 SHARIAH SUPERVISORY COMMITTEE'S FEES &amp; EXPENSES</b>		
Shariah Council Meeting Expenses	220,000	167,200
	<b>220,000</b>	<b>167,200</b>
<b>36 CONSOLIDATED AUDIT FEES</b>		
First Security Islami Bank Limited	920,000	920,000
First Security Islami Capital & Investment Limited	162,250	150,000
	<b>1,082,250</b>	<b>1,070,000</b>
<b>37 DEPRECIATION AND REPAIRS OF BANK'S ASSETS</b>		
Depreciation on Fixed Assets (Annexure - A)	472,496,389	393,870,787
<b>Repairs:</b>	<b>110,738,451</b>	<b>92,469,250</b>
Office equipment	20,525,305	20,184,438
Renovation and Repair of Office Premises	13,383,558	13,534,989
Furniture and Fixtures	2,165,146	1,620,393
Maintenance and Services of SWIFT	1,140,247	779,199
Maintenance of Routers	1,914,688	1,891,615
Elect. Fitt. Rep. & Replacement	8,443,207	5,890,845
Reimbursement of Facility Management Charges	5,644,397	-
Office Maintenance Expenses	14,576,224	12,530,676
Maintenance of Software	36,310,862	28,045,284
Maintenance Expenses of ATM Machine	5,136,092	6,116,810
Maintenance of Disaster Recovery Site	1,498,725	1,875,000
	<b>583,234,840</b>	<b>486,340,037</b>
<b>37 (a) CONSOLIDATED DEPRECIATION AND REPAIRS OF FIXED ASSETS</b>		
First Security Islami Bank Limited (Note-37)	583,234,840	486,340,037
First Security Islami Capital & Investment Limited	2,660,419	3,154,445
	<b>585,895,259</b>	<b>489,494,482</b>
<b>38 OTHER EXPENSES</b>		
Training, Seminar and Workshop	8,634,455	12,399,725
Entertainment	65,576,823	57,584,271
Traveling	39,408,340	32,089,930
Donation	164,785,107	330,179,681
Subscription	23,458,445	12,438,658
Newspaper and Periodicals	953,168	823,236
Wages	416,275,117	378,625,296
Conveyance	16,485,361	14,229,405
Business Development	85,787,168	58,552,462
Plantation	1,772,061	1,907,255
Liveries and Uniform	3,076,317	3,122,040
Photocopying	5,824,800	5,349,595
Generator Fuel	7,509,136	8,452,331
Car Expense	11,163,104	14,003,832
Cash Carrying	20,329,171	19,202,377
Washing and Cleaning	3,917,160	3,428,125
Cartage and Freight	123,620	64,655
Fire Extinguisher Refill	610,360	509,876
ATM Expenses	35,745,016	24,863,652
Meeting Expenses	13,362,941	8,733,866
Mobile Financial Service Expense	6,450,537	13,843,997
Bank Charges	2,076,861	654,159
Agent Banking Expenses	1,938,193	18,020,452
Sundry Expenses	7,693,441	18,717,269
	<b>942,956,702</b>	<b>1,037,796,145</b>
<b>38 (a) CONSOLIDATED OTHER EXPENSES</b>		
First Security Islami Bank Limited (Note-38)	942,956,702	1,037,796,145
First Security Islami Capital & Investment Limited	36,068,654	46,517,242
	<b>979,025,356</b>	<b>1,084,313,387</b>
<b>39 DEFERRED TAX INCOME/(EXPENSE)</b>		
Closing balance of Deferred Tax Assets (Note-8.3)	498,013,850	401,623,095
Less: Opening balance of Deferred Tax Assets	(401,623,095)	(250,828,024)
<b>Deferred Tax Income during the year</b>	<b>96,390,755</b>	<b>150,795,071</b>
<b>40 EARNINGS PER SHARE</b>		
Profit after taxation	2,056,988,743	1,586,398,673
Less: Preference dividend	-	-
Profit attributable to ordinary shareholders	<b>2,056,988,743</b>	<b>1,586,398,673</b>
Weighted average number of shares outstanding	862,509,274	862,509,274
Earnings Per Share (EPS) (Restated)	<b>2.38</b>	<b>1.84</b>
<b>40 (a) CONSOLIDATED EARNINGS PER SHARE</b>		
Profit after taxation	2,080,506,106	1,594,654,484
Less: Preference dividend	-	-
Less: Profit attributable to Minority	11,523,508	4,045,347
Profit attributable to ordinary shareholders of parent	<b>2,068,982,598</b>	<b>1,590,609,137</b>
Weighted average number of shares outstanding	862,509,274	862,509,274
Earnings Per Share (EPS) (Restated)	<b>2.40</b>	<b>1.84</b>
Earnings Per Share (EPS) has been calculated as per IAS-33 "Earnings Per Share".		
As per IAS-33 "Earnings Per Share", has been computed by dividing the profit After Tax (PAT) by the weighted average number of ordinary share outstanding as on 31 December 2019. Diluted earnings per share was not required to calculate as there were no dilution possibilities during the year.		
The total operating income specially investment income is increased by the amount of Tk. 483.06 crore for the year ended 31 December 2019 compare to the year ended 31 December 2018. But, the total profit paid on deposits are increased only Tk. 414.10 crore for the year ended 31 December 2019. As a result EPS has been increased to 2.40 from 1.84 for the year ended 31 December 2019.		
<b>41 NET ASSET VALUE PER SHARE (NAV)</b>		
Net Asset Value	15,315,063,550	13,258,074,806
Weighted average number of shares outstanding	862,509,274	862,509,274
	<b>17.76</b>	<b>15.37</b>
<b>41 (a) CONSOLIDATED NET ASSET VALUE PER SHARE (NAV)</b>		
Net Asset Value	15,413,827,638	13,361,352,465
Weighted average number of shares outstanding	862,509,274	862,





# ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিঃ

## فارسٹ سیکیوریتی اسلامی بنک لمیٹڈ FIRST SECURITY ISLAMIC BANK LTD.

### AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

স্বাধীন জাতীয়  
স্বপ্নময়

**44 PAYMENT FOR OTHER OPERATING ACTIVITIES**

	31.12.2019 BDT	31.12.2018 BDT
Rent, Taxes, Insurances, Electricity etc.	719,248,395	623,875,410
Legal Expenses	9,217,035	12,417,028
Postage, Stamps, Telecommunications etc.	93,055,597	91,600,658
Auditors' Fees & Expenses	920,000	862,500
Directors' fees	1,562,800	2,076,984
Shariah Supervisory Committee's Fees & Expenses	220,000	167,200
Other Expenses	942,956,702	1,037,796,145
	<b>1,767,180,529</b>	<b>1,768,795,925</b>

**44 (a) CONSOLIDATED PAYMENT FOR OTHER OPERATING ACTIVITIES**

First Security Islami Bank Limited (Note-44)	1,767,180,529	1,768,795,925
First Security Islami Capital & Investment Limited	43,930,777	57,588,051
	<b>1,811,111,306</b>	<b>1,826,383,976</b>

**45 INCREASE /DECREASE OF OTHER ASSETS**

Accrued Income	1,024,182,980	860,516,476
Advances, Deposits and Prepayment *	1,562,454,339	1,022,894,390
Stock of Stationery	39,726,911	39,911,240
Suspense Account	41,352,682	14,310,468
Advance Deposits	6,032,865	5,669,441
Stamps on Hand	4,161,800	3,648,585
Protested Bills	61,454,778	61,454,778
	<b>2,739,366,355</b>	<b>2,008,405,378</b>
(Increase)/Decrease during the year	<b>(730,960,977)</b>	<b>(755,539,396)</b>

\* Amount of BD Tk. 287.73 crore Land and Building and BD Tk. 32.54 crore Data Centre Equipment have been transferred from Prepayment of the year 2018 to Fixed Assetted during the year 2019.

**45 (a) CONSOLIDATED INCREASE /DECREASE OF OTHER ASSETS**

First Security Islami Bank Limited (Note-45)	(730,960,977)	(755,539,396)
First Security Islami Capital & Investment Limited	23,965,740	(103,608,438)
	<b>(706,995,237)</b>	<b>(859,147,834)</b>

**46 INCREASE /DECREASE OF OTHER LIABILITIES**

Profit/Rent/Compensation Suspense Account	635,151,065	538,878,926
Accrued profit and Expenses Payable	275,749,700	240,643,452
Provident Fund	19,465	12,980
Benevolent Fund	6,720	4,550
Non-Resident Accounts	209,893,636	19,461,557
Compensation Realized	31,452,522	28,964,817
Others	63,205,614	95,862,653
	<b>1,215,478,722</b>	<b>923,828,935</b>
Increase /(Decrease) during the year	<b>291,649,788</b>	<b>1,178,128,241</b>

**46 (a) CONSOLIDATED INCREASE /DECREASE OF OTHER LIABILITIES**

First Security Islami Bank Limited (Note-46)	291,649,788	1,178,128,241
First Security Islami Capital & Investment Limited	(202,233,709)	(24,746,652)
	<b>89,416,079</b>	<b>1,153,381,589</b>

**GENERAL DISCLOSURE:****47 RELATED PARTY TRANSACTIONS**

During the year, the Bank carried out some transactions with related party in the normal course of business and on an arm's length basis. The name of this related party, nature of this transaction and total value has been set out in accordance with provisions of International Accounting Standard 24 (IAS: 24) Related Party disclosure and as defined in the BRPD Circular no. 14 issued by the Bangladesh Bank on June 25, 2003. The significant related party transactions during the year were as follows:

**i) Significant Contracts where Bank is a Party and wherein Directors have Interest**

Name of the Party	Nature of Transaction	Nature of Relationship	Total Value (in Tk.)
Northern General Insurance Company Ltd.	Insurance Premium	Common Director	9,056,449
Northern General Insurance Company Ltd.	Deposit	Common Director	74,304,064
Reliance Finance Ltd.	Deposit	Common Director	4,145,295
Reliance Finance Ltd.	Balance with NBF(MTDR)	Common Director	13,603,700,000
Reliance Finance Ltd.	Subordinated Bond	Common Director	280,000,000
First Security Islami Capital & Investment	Deposit	Common Director	11,962,265
First Security Islami Capital & Investment	Capital	Common Director	255,000,000
First Security Islami Capital & Investment	Investment	Common Director	454,179,949

**ii) Related Party Transactions**

Nil

**iii) Shares issued to Directors and Executives without consideration or exercisable at discount**

Nil

**iv) Lending to Related Parties is effected as per requirements of Section 27 (1) of the Bank Companies Act, 1991.**

Nil

**v) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act, 1991 (as amended 2013)**

Nil

**vi) Investment in the Securities of Directors and their related concern.**

Nil

**48 COMPENSATION OF KEY MANAGEMENT PERSONNEL:****MANAGING DIRECTOR'S SALARY AND FEES**

	2019	2018
Basic Pay	4,927,742	4,445,322
House Rent Allowances	1,680,000	1,633,549
Leave Fare Allowances	1,380,000	1,345,161
Bonus	1,719,600	1,836,000
House Maintenance Allowances	1,740,000	1,693,549
Other Allowances	1,440,000	1,405,161
	<b>12,887,342</b>	<b>12,358,742</b>

**49 DIRECTORS' INTEREST IN DIFFERENT BUSINESSES OR ENTITIES:**

Sl. No.	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
1	Mohammed Saiful Alam	Chairman	<b>Chairman/Board of Director:</b> First Security Islami Capital & Investment Ltd. Reliance Finance Ltd. S. S. Power I Limited Norinco Engineering Ltd. C&H Power Management Company Ltd. Reliance Brokerage Services Ltd. Ekushey Television Ltd. Karnaphuli Prakritik Gas Ltd. <b>Managing Director:</b> S. Alam Steels Ltd. S. Alam Cement Ltd. S. Alam Brothers Ltd. S. Alam Hatchery Ltd. S. Alam Trading Company (Pvt.) Ltd. S. Alam Bag Manufacturing Mills Ltd. S. Alam Soyaseed Extraction Plant Ltd. S. Alam Refined Sugar Industries Ltd. S. Alam Luxury Chair Coach Services Ltd. S. Alam Power Generation Ltd. S. Alam Tank Terminal Ltd. S. Alam Properties Ltd. Sonali Cargo Logistics (Pvt.) Ltd. Fatehabad Farm Ltd. Portman Cements Ltd. Rangdhanu Media Limited Pavilion International Ltd. Crest Holdings Ltd. Virgin Assets Ltd. Noor Islamic Holdings Ltd. Disney Business Solution Ltd. <b>Director:</b> S. Alam Cold Rolled Steels Ltd. Northern General Insurance Co. Ltd. <b>Sponsor Shareholder:</b> Al-Arafah Islami Bank Ltd. S. Alam Super Edible Oil Ltd. S. Alam Vegetable Oil Ltd. <b>Shareholder:</b> Padma Islami Life Insurance Ltd. <b>Prioritor:</b> S. Alam & Co.
2	Mohammed Abdul Maleque	Vice-Chairman	<b>Chairman:</b> ABM Tower Ltd. <b>Chairman &amp; Managing Director:</b> Kharana Fish & Poultry Ltd. <b>Managing Director:</b> Chittagong Board and Paper Mills Ltd. <b>Director:</b> First Security Islami Capital & Investment Ltd. <b>Ex-Director:</b> Chittagong Chamber of Commerce & Industry <b>Prioritor:</b> M/S. Bengal Corporation M/S. Bengal Trading M/S. Lucky Electronics <b>Chairman/Board of Director:</b> Rangdhanu Media Limited <b>Managing Director:</b> Dewan Assets Ltd. <b>Director:</b> First Security Islami Capital & Investment Ltd. Reliance Brokerage Services Ltd. S. Alam Vegetable Oil Ltd. Peasad Paradise Resorts Ltd. S. Alam Power Plant Ltd. S. Alam Properties Ltd. Sonali Cargo Logistics (Pvt.) Ltd. Norinco Engineering Ltd. Affinity Assets Ltd. Wesco Limited Noor Islamic Holdings Ltd. <b>Shareholder:</b> S. Alam Steels Ltd. S. Alam Cold Rolled Steels Ltd. Union Bank Ltd. Reliance Finance Ltd. Ekushey Television Ltd. Padma Islami Life Insurance Ltd. <b>Prioritor:</b> Fairy Trade International
3	Ms. Farzana Parveen	Director	<b>Chairman/Board of Director:</b> Rangdhanu Media Limited <b>Managing Director:</b> Dewan Assets Ltd. <b>Director:</b> First Security Islami Capital & Investment Ltd. Reliance Brokerage Services Ltd. S. Alam Vegetable Oil Ltd. Peasad Paradise Resorts Ltd. S. Alam Power Plant Ltd. S. Alam Properties Ltd. Sonali Cargo Logistics (Pvt.) Ltd. Norinco Engineering Ltd. Affinity Assets Ltd. Wesco Limited Noor Islamic Holdings Ltd. <b>Shareholder:</b> S. Alam Steels Ltd. S. Alam Cold Rolled Steels Ltd. Union Bank Ltd. Reliance Finance Ltd. Ekushey Television Ltd. Padma Islami Life Insurance Ltd. <b>Prioritor:</b> Fairy Trade International
4	Ms. Rahima Begum	Director	<b>Chairman:</b> Marsa Aviation Ltd. M/s. Mortoza Asses Ltd. Marsa Transport Ltd. <b>Managing Director:</b> Marsa Fishing Ltd. <b>Director:</b> Marsa Food & Beverage Ltd. Parkview Hospital Limited <b>Prioritor:</b> Atikur Nisa Enterprise <b>Partner:</b> Rafe Enterprise Khorshed Paribahan Sangstha <b>Shareholder:</b> Reliance Finance Ltd.
5	Ms. Atikur Nessa	Director	<b>Director:</b> Excel Dyeing & Printing Ltd. <b>Prioritor:</b> M/s. Moni Traders <b>Chairman:</b> J.M.C. Builders (Pvt.) Ltd. J.M.C. Shipping Lines (Pvt.) Ltd. <b>Managing Director:</b> Mostafa Salt Industries (Pvt.) Ltd., Moon Express (Pvt.) Ltd. <b>Prioritor:</b> M/s. Mostafa Brothers, M/s. J.M. Chowdhury Complex, M/s. J.M.C. Trading.
6	Ahmed Muktar Arif	Independent Director	Brigadier General (Retired) Bangladesh Army.
7	Khandkar Iftekhar Ahmad	Nominated Director (Pust) Vegetable Ghee Ltd.)	Air Commodore (Retired) Bangladesh Air Force.
8	Dr. Montaz Uddin Ahmed	Independent Director	Former Professor Dhaka University
9	Badrun Nessa	Nominated Director (Padma Export Import & Trading Co. Ltd.)	<b>Director:</b> Marsa Food & Beverage Ltd. Parkview Hospital Limited <b>Prioritor:</b> Atikur Nisa Enterprise <b>Partner:</b> Rafe Enterprise Khorshed Paribahan Sangstha <b>Shareholder:</b> Reliance Finance Ltd.
10	Jamal Mostafa Chowdhury	Nominated Director (Honeywell Securities Corporation Limited)	<b>Director:</b> Excel Dyeing & Printing Ltd. <b>Prioritor:</b> M/s. Moni Traders <b>Chairman:</b> J.M.C. Builders (Pvt.) Ltd. J.M.C. Shipping Lines (Pvt.) Ltd. <b>Managing Director:</b> Mostafa Salt Industries (Pvt.) Ltd., Moon Express (Pvt.) Ltd. <b>Prioritor:</b> M/s. Mostafa Brothers, M/s. J.M. Chowdhury Complex, M/s. J.M.C. Trading.
11	Mollah Fazle Akbar	Nominated Director (Victor Trade & Business Ltd.)	Lieutenant General (Retired),ndc,psc,Phd. Bangladesh Army.
12	Mohammad Abdullah Hassan	Nominated Director (Nowshin Steels Limited)	<b>Managing Director:</b> Hasan Abasan (Pvt.) Limited Modern Property Limited <b>Director:</b> First Security Islami Capital & Investment Ltd. S. Alam Cement Ltd. S. Alam Luxury Chair Coach Services Ltd. S. Alam Brothers Ltd. Portman Cements Ltd. S. Alam Soyaseed Extraction Plant Ltd. S. Alam Refined Sugar Industries Ltd. Sonali Cargo Logistics (Pvt.) Ltd. S. Alam Tank Terminal Ltd. Marine Empire Limited Fatehabad Farm Ltd. <b>Shareholder:</b> S. Alam Steels Ltd. S. Alam Vegetable Oil Ltd. S. Alam Super Edible Oil Ltd. <b>Prioritor:</b> M/s. Abdullah Hasan M/s. Bering Sea Lines
13	Syed Waseque Md. Ali	Managing Director	

**50 APPROVAL OF FINANCIAL STATEMENTS AND EVENTS AFTER THE BALANCE SHEET DATE****A. COVID 19**

Subsequent to year end 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 lockdown, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the Group and the Bank as well. Management has considered COVID 19 as subsequent event and in accordance with IAS 10 has concluded that this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition that arose after the end of the reporting period) because the significant changes in business activities and economic conditions as a result of COVID19 events took place well after the reporting date of 31 December 2019. Although the business operation and profitability of the Group and the Bank are impacted due to COVID19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID19 related matters on the Group's operation and financial results cannot be reasonably assessed.

**B. Dividend**

The financial statements were approved by the Board of Directors in its 222nd meeting held on 18 June 2020. The Board of Directors in its 222nd meeting held on 18 June 2020 recommended 10% (Ten percent) stock dividend for eligible shareholders for the year 2019 to be approved in the Annual General Meeting. Stock dividend has been declared to strengthen the capital base of the Bank. The amount of Stock dividend will be utilized to invest in the potential business sectors.

Other than the mentioned above issue, no material events which have occurred after the reporting period which could affect the values stated.

**51 AUDIT COMMITTEE****a) Constitution:**

The Bank has constituted an Audit Committee of the Board of Directors pursuant to the BRPD circular no. 11 dated 27 October 2013 with a view to act as a bridge among the Board of Directors, Executive Authority, Depositors, Shareholders etc so that the Committee can make an effective role in establishing an efficient, strong and secured banking system. Our Audit Committee has been formed comprising three members of the Board of Directors as follows:

Name	Status with the Bank	Status with the Committee
Ahmed Muktar Arif	Independent Director	Chairman
Dr. Montaz Uddin Ahmed	Independent Director	Member
Jamal Mostafa Chowdhury	Nominated Director	Member

b) During the year under review, the Audit Committee of the Board conducted 05 (Five) meetings.

c) The following steps have been taken for implementation of an effective Internal Control Procedure of the Bank:

A strong powerful division formed for internal audit and inspection as well as compliance thereof.

The division is divided into three separate units i.e. Audit & Inspection, compliance and Monitoring to implement effective internal control and compliances headed by highly experienced bankers.

Audit and Inspection unit is established with a view to carrying out comprehensive internal audit in the branch level and ensure the transparency and accountability in the banking operations in light of the guidelines of the regulatory authorities and policies set by the bank with regular intervals.

Monitoring Unit is established with a view to implementing proper banking practices in the branches. Day to day operations is the focusing area to implement the rules and procedures of the regulatory bodies, bank's policies and other prudential guidelines.

Compliance unit is established to take effective measures for collection and timely submission of compliances of internal, external and Bangladesh Bank Inspection Reports.

The committee is placing its report regularly to the Board of Directors of the bank mentioning its review and recommendations on internal system, compliance of rules and regulations and establishment of good governance within the organization.

The board has given the responsibility to implement internal control system in the bank as per requirement of core risk management and framework provided by the Bangladesh Bank.

**52 Number of Employees**

The number of employees including contractual engaged for the whole year or part.

	2019	2018
Executives and Officers	2,946	3,189
Members of Staff (Contractual)	619	709
	<b>3,565</b>	<b>3,898</b>

**53 Coverage of External Audit:**

The external auditor of the Bank, M/s Hoda Vasi Chowdhury & Co., Chartered Accountants worked about in excess of 4,000 man hours. During their audit, they audited above 80% of the Bank's risk weighted assets as on the Balance Sheet date.

**54 Share Trading**

The bank traded its ordinary shares in Central Depository Bangladesh Limited (CDBL) through Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The closing market price on 31 December 2019 was Tk. 9.70 at Dhaka Stock Exchange (DSE) and Tk. 9.80 at Chittagong Stock Exchange (CSE).

Managing Director  
Dhaka, 18 June 2020

Director

Director

Chairman

### STATEMENT OF FIXED ASSETS AS AT 31 DECEMBER 2019

Annexure - A

Particulars	C O S T				D E P R E C I A T I O N				Figure in Taka
	Balance as on 01 January 2019	Addition during the Year	Sales/Transfer during the Year	Balance as on 31 December 2019	Balance as on 01 January 2019	Charge during the year	Adjustment on sale/transfer during the year	Balance as on 31 December 2019	Written down value as at 31 December 2019
Land	96,546,000	238,085,624	-	334,631,624	-	-	-	-	334,631,624
Building	1,429,210,470	2,639,233,041	-	4,068,443,511	202,413,128	68,720,674	-	271,133,802	3,797,309,709
Furniture & Fixtures	2,004,418,346	127,144,175	7,349,367	2,120,213,154	838,377,674	122,897,867	3,920,871	957,354,670	1,162,858,484
Office Equipment	1,676,208,292	448,048,350	7,783,132	2,116,473,510	939,255,642	222,772,208	5,642,605	1,156,385,305	960,088,205
Vehicles	200,392,321	17,745,000	23,727,813	194,869,508	134,975,374	28,862,113	23,727,807	140,109,880	54,299,628
Books	619,111	738	619,849	481,457	26,974	26,974	-	508,393	111,456
Total	5,403,994,540	3,476,256,928	38,860,312	8,834,791,136	2,115,863,475	443,279,858	33,291,283	2,525,492,608	6,309,299,006

**Software-Amortization**

	Software	Cost	Accumulated Amortization	Balance as on 31 December 2019
Total December 2019	5,657,093,735	5,486,456,071	38,860,312	9,104,627,494
Total December 2018	5,371,613,362	350,772,925	63,492,404	5,658,893,883

### Financial Highlights (Solo) As at and for the year ended 31 December 2019

Annexure - B

SL #	Particulars	31.12.2019	31.12.2018
1	Paid-up Capital	8,625,092,740	7,840,993,400
2	Total Capital Fund	27,033,557,525	20,831,071,606
3	Capital Surplus/(deficit) against Minimum Capital Requirement	3,034,930,107	362,482,769
4	Total Assets	437,178,834,150	371,335,783,344
5	Total Deposits	376,621,662,451	320,021,798,490
6	Total Investments	364,484,142,678	311,684,988,928
7	Total Contingent Liabilities and Commitments	54,806,722,600	47,097,223,699
8	Investment Deposit Ratio (in %) *	90.47%	93.15%
9	Percentage of Classified Investments against total Investments(in %)	4.94%	3.34%
10	Profit after tax & provision	2,056,988,743	1,586,398,673
11	Amount of Classified Investments	18,014,038,245	10,421,400,286
12	Provision kept against Classified Investments	10,170,030,873	5,930,586,195
13	Provision Surplus/(deficit) against Classified Investments	-	1,000,000
14	Cost of Fund	9.62%	9.66%
15	Profit Earning Assets	396,408,796,625	342,354,135,383
16	Non-profit Earning Assets	40,770,037,525	28,981,647,961
17	Return on Investment in Shares & securities(ROI)(in %)	4.58%	2.51%
18	Return on Assets (ROA)(in %)	0.51%	0.45%
19	Income from Investment in Shares and Securities	767,435,285	401,018,728
20	Earnings Per Share (EPS)-Restated	2.38	1.84
21	Net Income Per Share (Tk.)	2.38	1.84
22	Price Earnings Ratio (Times)	4.07	5.39

\* Investment Deposit ratio has been computed as per Bangladesh Bank guideline.