31.12.2018

(8,894,839,656)

(4,244,094,522)

(349,032,152)

(451,991,857)

(520,000,000)

(520,000,000)

(5,216,086,379)

1,485,638

## **ADVERTISEMENT**





# कार्मे निकिउति रिनामी व्याश्क लिः

FIRST SECURITY ISLAMI BANK LTD. فارست سيكيوريتي اسلامي بنك ليميتد

#### **AUDITED** FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

31.12.2018

6,896,728,894

372,183,319,966

17,587,550,121

320,011,192,314

22,835,909,630

1,706,699,861

33,974,075,620

58,653,874,203

4,862,000,000

16,016,997,512

358,477,739,947

7,840,993,400

3,556,551,892

717,363,208

342,076,506

904,367,459

13,361,352,465

372,183,319,966

33,912,435,831 6,967,881,651

4,778,147,872

1,438,758,345

47,097,223,699

202,840,633,000

25,145,280



## To the Shareholders of First Security Islami Bank Limited

The Key Audit matter	1
The process of estimating the provision for	П
investment portfolio associated with credit risk	
is judgmental and complex. While estimating	1
such provision certain judgmental factors need	
to be considered. These are:	1
<ul> <li>Present and future business performance of the clients.</li> </ul>	
<ul> <li>Market value of collateral.</li> </ul>	Ι,
<ul> <li>Ability to repossess the collateral and recovery rates.</li> </ul>	
Estimates of exiting values and the timing	Ι.
of cash flows.	1
<ul> <li>Industry in which clients operate business.</li> </ul>	1
Furthermore, provision calculation and	
reporting are manually processed that deals	1
with voluminous databases involving	Ι.
assumptions, estimates by following	1
guidelines/instructions of Bangladesh Bank	1
(the central Bank of Bangladesh) issued from	1
time to time.	
	1
Due to high level of judgment involved and	1 3

Investments (See Note no. 6A.a)
The Key Audit matter
Investments are the

Recognition of investment income has significant and wide influence on financial statements

ed the appropriateness, presentation sure against relevant International g Standards (IAS) and Bangladesh How the matter was addressed in our audit

other information and we do not express any form of assurance conclusion thereon. Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls sidated and Separate Financial Statements and Internal Controls general in responsible for the preparation and fair presentation of the consolidated general in responsible for the preparation and fair presentation of the consolidated fance with IFRSs as explained in note 2, and comply with the Banking Companies of the preparation of the Companies (F18) 1034, the rules and good of the preparation of consolidated and separate financial statements that are free natural misstatement, whether due to fauld or error. The Banking Companies Accounting the preparation of consolidated and separate financial statements that are free natural misstatement, whether due to fauld or error. The Banking Companies Accounting the preparation of consolidated and separate financial statements that are free natural misstatement, whether due to fauld or error. The Banking Companies Accounting the preparation of consolidated and separate financial statements that are free natural misstatements are free to the preparation of the management of the preparation of the preparat o ename characters.... e Bank ent is also required to make a self-assessment on the effectiveness of anti-controls and report to Bangladesh Bank on instances of fraud and In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going applicable, matters related to going concern and using the going concern has a going applicable, matters related to going concern and using the going concern basis of each of the going concern has a going concern and using the going concern basis of the going concern has a considered to go the going concern basis of the going concern basis of

Obtain an understanding of internal control relevant to the audit in ord audit procedures that are appropriate in the circumstances. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation. rain aufficient appropriate audit evidence regarding the financial information of 2 entities or business activities within the Group and the bank to express an opinion the consolidated and separate financial statements. We are responsible for the part solely responsible for our audit opinion. 2 group's and the Bank's audit. Ve main solely responsible for our audit opinion.

e also provide those charged with governance with a statement that we have complied as a statement that we have complied the provide those charged with governance with a statement that we have complied as all relationships and other matters that may reasonably be thought to bear on our lependence, and where applicable, related safeguards.

In the matters communicated with those charged with governance, we determine see matters that were of most significance in the audit of the consolidated and separate seemed that the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the consolidated and separate seemed as the second of the

er Legal and Regulatory Requirements with the Companies Act (#18) 1994, the Securities and Exchange Rules 1987, the sanies Act, 1991, the rules and regulations issued by Bangladesh Bank, we also we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate; nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees for any other properties of the pro

financial statements];
financial statements for the year ended 31 December 2019 of Subsidiaries namely First Security Islami Capital & Investment Limited has been audited by Shafiq Basak & Co-Chartered Accountants and have been properly reflected in the consolidated financial formation of the consolidation of financial security Islamic Exchange Italy S.R.L and thus this has not been incorporated in the consolidation of Bank's financial statements under review; in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books; (vi) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the notes dealt with by the report are in agreement with the books of account and returns:

(xi) the information and explanations required by us have been received and found satisfactory;
(xii) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,000 person hours; and

Hoda Vasi Chowdhury & Co Chartered Accountants Signed by: Showkat Hossain, FCA Senior Partner Dhaka, 18 June 2020

#### **CONSOLIDATED BALANCE SHEET** AS AT 31 DECEMBER 2019

PROPERTY AND ASSETS 30,740,619,572 19,518,289,272 3 (a) In hand (including foreign currencies) 1,873,800,106 2,296,732,600 Balance with Bangladesh Bank and its Agent Bank(s) 28,443,886,972 17,644,489,166 (including foreign currencies) Balance with other Banks and Financial Institutions 1,084,074,067 In Bangladesh 163,998,415 Outside Bangladesh 920.075.652 Placement with Banks & Other Financial Institutions 13,603,700,000 13,603,700,000 17,767,314,848 16,203,979,897 Government 16,700,000,000 15,100,000,000 Others 364,029,962,729 311,416,514,513 310,801,266,944 363,321,552,186 Bills Purchased and Negotiated Fixed Assets Including Premises, Furniture & Fixtures 6,439,043,313 3,434,888,043 and Intangible Assets

4,432,300,081

437,831,586,420

13,290,694,832

376,609,700,186

26,499,440,873

2,500,692,222

38,622,550,795

221,730,763,524

11,500,000,000

20,677,472,777

8,625,092,740

4,339,990,406

1.133,290,220

332,015,432

983,438,840

15,413,827,638

437,831,586,420

39,186,031,752

7,097,043,865

6,755,906,782

1,767,740,201

54,806,722,600

422,077,867,795

13(a)

14.1

15

16

25,145,280

LIABILITIES AND CAPITAL

Other Assets

Total Assets

Non Banking Assets

Liabilities Placement from Banks & Other Financial Institutions

Deposits and Other Accounts Al-Wadia Current Deposits and Other Deposit Accounts Bills Payable Mudaraba Term Deposits Other Mudaraba Deposits

Mudaraba Subordinated Bond Other Liabilities **Total Liabilities** Capital/Shareholders' equity

Statutory Reserve Other Reserve Asset Revaluation Reserve Retained Earning Total Shareholders' Equity

Paid-up Capital

Total Liabilities and Shareholders' Equity

OFF- BALANCE SHEET ITEMS Contingent Liabilities

Letters of Guarantee Irrevocable Letters of Credit Bills for Collection

Other Contingent Liabilities

Managing Director

Dhaka, 18 June 2020

mentary Credits And Short Term Trade Related Transactions

Forward Assets Purchased And Forward Deposits Placed

Undrawn Note Issuance And Revolving Underwriting Facilities Undrawn Formal Standby Facilities, Credit Lines And Other Commitments

Total Off -Balance Sheet Items Including Contingent Liabilities The annexed notes (1 to 54) and Annexure A & B form an integral part of these financial statements.

Independent Auditors' Report

Notes 31.12.2019

21

As per annexed report of same date

Hoda Vacicty &

# Hoda Vasi Chowdhury & Co

54,806,722,600 47,097,223,699

Chartered Accountant Signed By : Showkat Hossain, FCA

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

	Notes	BDT	BDT
nvestments Income	23(a)	38,880,629,567	34,050,064,416
rofit Paid on Deposits	24	(28,887,423,967)	(24,746,465,350)
Net Investment Income	_	9,993,205,600	9,303,599,066
ncome from Investment in shares and securities	25(a)	783,363,553	429,599,915
Commission, Exchange and Brokerage	26(a)	896,077,462	807,014,026
Other Operating Income	27(a)	644,853,304	667,750,503
1 0	., _	2,324,294,319	1,904,364,444
otal Operating Income	_	12,317,499,919	11,207,963,510
ess: Operating Expenses			
alary and Allowances	28(a)	3,675,720,278	3,200,051,310
ent, Taxes, Insurances, Electricity etc.	29(a)	725,531,188	630,085,662
egal Expenses	30(a)	9,344,535	12,897,028
ostage, Stamps, Telecommunication etc.	31(a)	93,272,436	91,870,341
tationery, Printings, Advertisements etc.	32(a)	180,432,242	160,817,407
Sanaging Director's Salary and Fees	33(a)	15,985,009	16,292,036
Directors' Fees & Expenses	34(a)	2,037,800	2,576,984
hariah Supervisory Committee's Fees & Expenses	35	220,000	167,200
udit Fees	36	1,082,250	1,070,000
Depreciation & Repair of Bank's Assets	37(a)	585,895,259	489,494,482
akat Expenses		98,347,681	88,149,726
Other Expenses	38(a)	979,025,356	1,084,313,387
otal Operating Expenses	_	6,366,894,034	5,777,785,563
rofit before Provision and Tax	_	5,950,605,885	5,430,177,947
rovisions for Investments including off-B/S items	13.2(a)	1,893,080,857	2,260,614,688
rovisions for Diminution in Value of Investment in Shares		101,787,943	95,431,320
rovision for Other Assets	L	-	91,168
otal Provisions		1,994,868,800	2,356,137,176
otal Profit before Taxes		3,955,737,085	3,074,040,771
rovision for Current Tax		1,971,621,733	1,630,181,358
Deferred Tax Income	39	(96,390,755)	(150,795,071)
otal Provisions for Tax	_	1,875,230,978	1,479,386,287
Net Profit after Tax	_	2,080,506,106	1,594,654,484
let profit after tax attributable to:	_		
equity holders of FSIBL		2,068,982,598	1,590,609,137
Von-controlling Interest		11,523,508	4,045,347
	_	2,080,506,106	1,594,654,484
etained Earnings from Previous Year	_	904,367,459	823,468,503
	_	2,984,873,565	2,418,122,987
tatutory Reserve		783,438,514	606,097,530
Other Reserve		405,865,938	190,795,071
onus Share Issued		784,099,340	712,817,580
ash Dividend (Subsidiary)		16,507,425	- 12,017,500
Ion-controlling Interest		11,523,508	4,045,347
von-controlling interest	L	2,001,434,725	1,513,755,528
etained Earnings Carried Forward	_	983,438,840	904,367,459
-	40(a)		
Consolidated Earnings Per Share (EPS)	40(a)	2.40	1.84
The annexed notes (1 to 54) and Annexure A & B	form an integra	al part of these financial st	atements.

Independent Auditors' Report

As per annexed report of same date

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

BDT A. Cash Flows from Operating Activities Investment Income Receipt 39,458,616,202 33.579.534.419 Profit paid on Deposits (27,294,044,639) (23,874,743,758) 25,782,146 Dividend Receipts 15,840,587 896,077,462 807,014,026 Payment to Employees (3,691,705,287) (3,216,343,346) Payment to Suppliers (293,481,053 (256,055,295) (1,254,790,270) (1,263,896,601) Income Tax Paid Receipts from Other Operating Activities Payment for Other Operating Activities

Operating Profit before changes in Operating Assets & Liabilities 6,696,124,827 4,650,745,134 Increase/(Decrease) in Operating Assets & Liabilities (Increase)/decrease in Investments to Customers (50,635,493,199 (37,688,819,618) (Increase)/decrease of Other Assets 45 (a) (706,995,237 (859,147,834) (Increase)/decrease of Placement with Banks & other Financial Institution Increase/(decrease) of Deposits Received from Customers 55.005.128.544 20.393.735.592 Increase/(decrease) of Placement from Banks & other Financial Institution (4,296,855,289) 8,106,010,615 Increase/(decrease) of Other Liabilities 89,416,079

Cash Generated from Operating Assets & Liabilities Net Cash Inflow/(Outflow) from Operating Activities

B. Cash Flows from Investing Activities (Purchase)/ Sale of Shares and Securities Purchase of Property, Plant and Equipment Sale of Property, Plant and Equipment

Net Cash Inflow/(Outflow) from Investing Activities C. Cash Flows from Financing Activities Receipt/(Payment) for Issuance of Mudaraba Subordinated Bond Dividend Paid in Cash

Net Cash Inflow/(Outflow) from Financing Activities D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C) E. Effect of Exchange Rate Change on Cash & Cash Equivalents

F. Opening Cash & Cash Equivalents G. Closing Cash & Cash Equivalents (D+E+F) The above closing Cash and Cash Equivalents include:

Cash in Hand (Including Foreign Currencies) Balance with Bangladesh Bank and its Agent Bank(s) and Other

20,602,363,339 25,818,449,718 31,534,120,170 20,602,363,339 31,534,120,170 20,602,363,339

(544,799,103)

6,151,325,724

(283,639,447

(1,838,814,299)

6,622,139,925

10,934,651,350

8,160,099

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









#### **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Assets Reval. Reserve	Retained Earnings	Non-controlling Interest	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance as on 01 January 2019	7,840,993,400	3,556,551,892	717,363,208	342,076,506	904,367,459	344,227,554	13,705,580,01
Changes in Accounting Policy		-	-	-	-	_	
Restated Balance	7,840,993,400	3,556,551,892	717,363,208	342,076,506	904,367,459	344,227,554	13,705,580,01
Net Profit for the Year	-	-	-	-	2,080,506,106	-	2,080,506,1
Cash Dividend (Subsidiary)	-	-	-	-	(16,507,425)	(15,860,075)	(32,367,5
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 to Other Reserve	-	-	10,061,074	(10,061,074)	-	-	
Capital Increase in Subsidiary	-	-	-	-	-	-	
Non-controlling Interest	-	-	-	-	(11,523,508)	11,523,508	
Total Group Shareholders' Equity as on 31	0.000.000.000	4 220 000 404	4 422 200 220	222 045 422	002 420 040	220.000.000	45 550 540 44
December 2019	8,625,092,740	4,339,990,406	1,133,290,220	332,015,432	983,438,840	339,890,987	15,753,718,62
FOR THE YEAR ENDED 31 DECEMBER 2018	_,						
Balance as on 01 January 2018	7,128,175,820	2,950,454,362	516,507,063	352,137,580	823,468,503	340,182,207	12,110,925,53
Net Profit for the Year					1,594,654,484		1,594,654,4
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 to Other Reserve	-	-	10,061,074	(10,061,074)		-	
		-	-		(4,045,347)	4,045,347	
Non-controlling Interest							



PROPERTY AND ASSETS











1,083,755,432 163,679,780 920,075,652

13,603,700,000

15,981,691,023

311,684,988,928

881,691,023

615,247,569

3 428 644 625

6,009,577,745

371,335,783,344

320,021,798,490

1,706,699,861

33,974,075,620

58,653,874,203

4,862,000,000

15,656,211,843 358,077,708,537

7,840,993,400 3,556,551,892

717,363,208

342,076,506

6,967,881,651

1,438,758,345

13,258,074,806

371,335,783,344

202,840,633,000

25,145,280

#### **BALANCE SHEET** AS AT 31 DECEMBER 2019

Notes	31.12.2019 BDT	31.12.2018 BDT
3	30,740,604,444	19,518,280,311
3	-	
	2,296,717,472	1,873,791,145

793,301,325

679,594,644

827,652,622

708,410,543

25,145,280

437,178,834,150

376,621,662,451

2,500,692,222

38,622,550,795

221,730,763,524

20,533,726,345 421,863,770,600

8,625,092,740

1,133,290,220

15,315,063,550

437,178,834,150

332.015.432

7,097,043,865

1,767,740,201

13

14.1

13,603,700,000

364,484,142,678

In hand (including foreign currencies) Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies) Balance with other Banks and Financial Institutions

Outside Bangladesh Placement with Banks & Other Financial Institutions

Investments in Shares & Securities Others Investments General Investment etc. Bills Purchased and Negotiated

and Intangible Assets Other Assets

Non Banking Assets LIABILITIES AND CAPITAL Placement from Banks & Other Financial Institutions

Fixed Assets Including Premises, Furniture & Fixtures

Deposits and Other Accounts Al-Wadia Current Deposits and Other Deposit Accounts Bills Payable Mudaraba Savings Deposits Mudaraba Term Deposits Other Mudaraba Deposits

Other Liabilities Total Liabilities Capital/Shareholders' equity Paid-up Capital Other Reserve Assets Revaluation Reserve Retained Earnings Total Shareholders' Equity

Mudaraba Subordinated Bond

Total Liabilities and Shareholders' Equity OFF- BALANCE SHEET ITEMS

Irrevocable Letters of Credit Bills for Collection Other Contingent Liabilities

Letters of Guarantee

Documentary Credits And Short Term Trade Related Transactions Forward Assets Purchased And Forward Deposits Placed Undrawn Note Issuance And Revolving Underwriting Facilities

Total Off-Balance Sheet Items Including Contingent Liabilities

Undrawn Formal Standby Facilities, Credit Lines And Other Comm



Independent Auditors' Report As per annexed report of same date



Hoda vacicty & Hoda Vasi Chowdhury & Co Chartered Accountants

54,806,722,600 47,097,223,699

Dhaka, 18 June 2020

Managing Director

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

Hoda Kasi Chylas

## **ADVERTISEMENT**



# ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:

FIRST SECURITY ISLAMI BANK LTD. فارست سيكيوريتي اسلامي بنك ليميتد

#### **AUDITED** FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



#### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019 23 24 Profit Paid on Deposits Net Investment Income ,914,009,129 9,174,979,774 Commission, Exchange and Brokerage 884,760,657 2,294,343,584 12,208,352,713 Rent, Taxes, Insurances, Electricity etc. 719,248,395 623,875,410 9,217,035 12,417,028 Postage, Stamps, Telecommunication etc 93,055,597 180,082,183 12,887,342 1,562,800 Total Operating Expenses Profit before Provision and Tax 6,301,791,341 5,906,561,372 Provisions for Investments including off-B/S items 13.2 Provisions for Diminution in Value of Investment in Shares 101,787,943 63,140,37 Provision for Other Assets 1,989,368,800 Total Profit before Taxes Provision for Current Tax Deferred Tax Income Total Provisions for Tax Net Profit after Tax Retained Earnings from Previous Year 2,056,988,743 1,586,398,673 Other Reserve 405,865,938 190,795,071 Bonus Share Issued

Dhaka, 18 June 2020

Divider

Independent Auditors' Report

31.12.2019 31.12.2018

(730,960,977

55,006,484,633

## Hoola Vacichy Sho

Signed By: Showkat Hossain, FCA

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

33,450,915,127
(23,874,743,758)
11,032,249
777,337,268
(3,197,997,846)
(252,900,850)
(1,222,498,688)
654,164,412
(1,768,795,925)
4,576,511,989

Fees & Paymen Receipt Payment for Other Operating Activities

Operating Profit before changes in Operating Assets & Liabilities Increase/(Decrease) in Operating Assets & Liabilities (Increase)/decrease in Investments to Customers (Increase)/decrease of Other Assets crease)/decrease of Placement with Banks & other Financial Institut Increase/(decrease) of Deposits Received from Customers Increase/(decrease) of Placement from Banks & other Financial Institu

Increase/(decrease) of Other Liabilities Cash Generated from Operating Assets & Liabilities Net Cash Inflow/(Outflow) from Operating Activities

B. Cash Flows from Investing Activities (Purchase)/ Sale of Shares and Securities

Purchase of Property, Plant and Equipment Sale of Property, Plant and Equipment Net Cash Inflow/(Outflow) from Investing Activities C. Cash Flows from Financing Activities

Receipt/(Payment) for Issuance of Mudaraba Subordinated Bond Net Cash Inflow/(Outflow) from Financing Activities D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)

Effect of Exchange Rate Change on Cash & Ca E. Opening Cash & Cash Equivalents

F. Closing Cash & Cash Equivalents (D+E) The above closing Cash and Cash Equivalents include: Cash in Hand (Including Foreign Currencies)

Balance with Bangladesh Bank and its Agent Bank(s) and Other

	(4,329,316,400)	8,056,158,698
46	291,649,788	1,178,128,241
	(569,494,686)	(8,847,684,779)
	6,118,165,988	(4,271,172,790)
	(1,545,961,599)	(72,796,322)
	(283,599,943)	(348,910,777)
	8,160,099	1,485,638
	(1,821,401,443)	(420,221,461)
	6,638,000,000	(520,000,000)
	-	-
	6,638,000,000	(520,000,000)
	10,934,764,545	(5,211,394,251)
	(2,894,519)	-
	20,602,035,743	25,813,429,994
	31,533,905,769	20,602,035,743
	2,296,717,472	1,873,791,145
	29,237,188,297	18,728,244,598
	31,533,905,769	20,602,035,743

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









(755,539,396)

#### STATEMENT OF CHANGES IN EQUITY

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Assets Reval. Reserve	Retained Earnings	Total
	BDT	BDT	BDT	BDT	BDT	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
Changes in Accounting Policy		-	-			-
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)		-
Total Shareholders' Equity as on 31 December 2019	8,625,092,740	4,339,990,406	1,133,290,220	332,015,432	884,674,751	15,315,063,550
FOR THE YEAR ENDED 31 DECEMBER 2018						
Balance as on 01 January 2018	7,128,175,820	2,950,454,362	516,507,063	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)		-
Total Shareholders' Equity as on 31	7,840,993,400	3,556,551,892	717,363,208	342,076,506	801,089,800	13,258,074,806







LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)							
AS AT 31 DECEMBER 2019							
Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total 2019	Total 2018
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Assets							
Cash in Hand	2,296,717,472	-	-	-	-	2,296,717,472	1,873,791,145
Balance with Bangladesh Bank and its Agent Bank(s)	8,995,686,972				19,448,200,000	28,443,886,972	17,644,489,166
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	16,701,569,450	17,527,652,622	15,981,691,023
Investments	52,968,663,464	69,672,761,788	81,218,032,987	93,777,974,001	66,846,710,438	364,484,142,678	311,684,988,928
Fixed Assets including Premises, Furniture and Fixtures	-	-	-	4,760,073,130	1,675,100,000	6,435,173,130	3,428,644,625
Other Assets	-	139,551,606	-	1,509,563,066	1,920,000,000	3,569,114,671	6,009,577,745
Non-banking Assets	-	-	-	25,145,280	-	25,145,280	25,145,280
Total Assets	75,290,852,405	73,725,613,394	81,218,032,987	100,352,755,477	106,591,579,888	437,178,834,150	371,335,783,344
Liabilities							
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	70,051,451,487	64,835,200,000	78,683,800,000	86,108,600,000	76,942,610,964	376,621,662,451	320,021,798,490
Mudaraba Subordinated Bond	-	-	900,000,000	7,880,000,000	2,720,000,000	11,500,000,000	4,862,000,000
Other Liabilities	1,201,254,622	831,402,641	438,451,621	1,504,613,418	16,558,004,043	20,533,726,345	15,656,211,843
Total Liabilities	74,252,787,913	72,166,602,641	80,022,251,621	99,201,513,418	96,220,615,007	421,863,770,600	358,077,708,537
Net Liquidity Gap	1,038,064,492	1,559,010,753	1,195,781,366	1,151,242,059	10,370,964,881	15,315,063,550	13,258,074,806







#### **Notes to the Financial Statements**

As at and for the year ended 31 December 2019

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 absed on Islamic Shariyah 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 Shari'ah based banks in the country and its modus-operandi 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 Stoc Exchange (CSE) Ltd. Presently the Bank carries banking activities through its one hundred & eighty four (184) pranches 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.

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.

1.3.1 Commercial banking services

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. & Ceramics and Miscellaneous.

At a glance, the principal activities of the bank are:

(a) To facilitate and handle all kinds of commercial banking services to its customers authorized by Bangladesh

(c) To take part in international banking etc

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.

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.

t is a banking system exactly like a model branch which is located in the remote areas, where all kinds of branch banking facilities such as Account Opening, Cash Deposit/withdrawal, Fund Transfer, BEFTN, BACH & RTGS etc. in limited scale ( as per Bangladesh Bank guidelines) are provided to the underserved population through engaged agents under a valid agency agreement. Along with the general banking services, FSIBL Agent Banking is rendering the other banking services like BREB Bill Collection and Foreign Remittance Services to the underserved population of Bangladesh in the remote areas.

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

2.1 Basis of Presentation of Financial Statements The Financial Statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statements, Statements o

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. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC)

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 differ with those of IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. The financial statements of the Bank are made for the year ended 31 December, 2019 and are prepared unde

The bank Companies Acteriments of the Bank are made for the year ended 31 December, 2019 and are prepared under the historical cost convention on a going concern basis and 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
nvestments in Associates	28	Not Applicable
Financial Instruments: Presentation	32	Applied
Earnings Per Share	33	Applied
nterim 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
nsurance 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
loint 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

n order to comply with certain specific rules and regulations of the local Central Bank (Bangla different to IAS /IFRS, some of the requirements specified in these IAS / IFRSs are not applied the recognition and measurement differences that are most relevant and material to the Bank.

\*\* This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself. \*\*\* The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescrib the principles for recognition and measurement in complete or condensed financial statements for an interin

Standards issued but not yet effective A number of standards and amendments to standards are effective for annual periods beginning on or after 3 January 2020 and earlier application is permitted. However, the Bank has not early applied the follow standards in preparing these financial statements.

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant nformation that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS

As such the Bank has departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below

Difference between IAS / IFRS and Bangladesh Bank Regulation

the principles for recognition and measurement in complete or cor period and hence it is not applicable for annual financial statements.

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 such 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 adopted 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 and the Companies Act 1994. In case any requirement of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the ons and circulars issued by Bangladesh Bank shall requirements of the Bank Companies Act 1991 and provisi prevail. Material deviations from the requirements of IFRS are as follows: i) Presentation of financial statements

statement, changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) and certain disclosures therein an guided by the 'First Schedule' (section 38) of the Banking Company Act 1991 (amendment up to 2013) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in vulce of investment; otherwise

iii) Provision on investments and off-balance sheet exposure
IFRS: As per IAS 39 an entity should start the impairment assessment by considering whether objective evidence
of impairment exists for financial assets that are individually significant. For financial assets that are not
individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27
December 2012 and BRPD circular No. 05 dated 29 May 2014 a general provision at 0.25% to 5% under different
categories of unclassified loans (good/standard loans) has to be maintained regardses 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 Investments (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 IAS 39.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be foll by all banks. The templates of financial statements issued by Bangladesh Bank do not include to Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensine income (OCI) Statement.

vii) Financial guarantees

FIFRS: As per IAS 39, 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 recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. viii) Cash and cash equivalent

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

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there must exist a face items nathanking asset

banking asset.

X) Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the inc

presentation is selected to present these cash flows in a manner that is most appropriate f

industry. The method selected is applied consistently.

Bangladesh Bank: As per the specific format prescribed in BRPD circular no. 15 dated 09 No

flow statements has to be prepared.

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 IAS7. Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents

Bangiages nearms, parameters, and a specific season will present action of intangible asset

IFRS: An intangible asset must be identified and recognized, and the dis

Bangiagesh Bank: There is no regulation for intangible assets in BRPD c

2.2.2 Credit rating of the Bank

Entity rating 15 May 2018 to 14 May 2019 ST-2

Signincant, the assessment can be performed on an individual or collective (portfolio) basis.

However, provision for classified and unclassified investment is made on the basis of year and review by the management and of instructions contained in Bangladesh Bank BCD Circular No.34 dated 16 November 1989, BCD Circular No.20 dated 27 December 1994, BCD Circular No. 12 dated 04 September 1995, BRPD Circular No.16 dated 06 December 1998, BRPD Circular No.09 dated 14 May 2001, BRPD Circular Letter No.10 dated 18 September 2007, BRPD Circular No.05 dated 29 April 2008, BRPD Circular Letter No.32 dated 10 October 2010, BRPD Circular No.10 dated 18 September 2010, BRPD Circular No.10 forcular No.05 dated 29 April 2008, BRPD Circular No.14 dated 21 September 2012, BRPD Circular No.15 dated 27 Berember 2012, BRPD Circular No.05 dated 29 April 2015, BRPD Circular No.15 dated 27 September 2017, BRPD Circular No.10 dated 20 August 2015, BRPD Circular No.12 dated 20 August 2017, BRPD Circular No.15 dated 27 September 2017, BRPD Circular No.06 dated 18 October 2018, BRPD Circular No.03 dated 21 April 2019 and BRPD Circular No.06 dated 19 May 2019 at the following rates:

General Provision on:
Contingent Liability/ Non Funded Business
Unclassified Investment (All others Investme
Investment for Small and Medium Enterprise
Investment for Professionals
Investment for House Financing
Investment for Consumer Financing
Investment for Short Term Agriculture/Micro

As per BRPD Circular # 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 risk exposures. c) When an investment is deemed to be uncollectible, it is written off against the related provision for impairments. Subsequent recoveries of such investments are credited to the income statement.

d) Investment are normally written off, when there is no chance of recovery of these amounts in accordance with BRPD Circular no. 2 dated 13 January 2003, BRPD Circular no. 15 dated 23 September 2012 and BRPD circular no. 13 dated November 07, 2013. A separate Investment Monitoring and Recovery Division (IMRD) have been set up at the Head Office, which monitors investment recovery and legal action.

General Provision against all unclassified Credit Card loans under Consumer Financing: BRPD Circular No-12 dated 20 August, 2017. Provision for Short-term Agricultural and Micro-Credits: BRPD Circular No- 15 dated 27 September, 2017. Maintenance of general provision against the liabilities of LC(s) issued in favor of fast track power plant projects: BRPD Circular Letter No. 01 dated 01 January, 2018.

a) The bank investment in different securities has been valued on 31.12.2019 as under:
Quoted Shares
Un-Quoted Shares (CDBL Share)
Bangladesh Govt. Islamic Bond
at Cost

Investment.

As per BRPD Circular # 15 dated 09 November 2009, investment in quoted shares and un-quoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the company measures and recognizes investment in are higher than the cost. However as per requirements of international Accounting Standard (IAS)-39, investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively. FSIBL recognizes its investment in shares and securities and in the profit and loss account as per BRPD Circular # 15 dated 09 November 2009 issued by Bangladesh Bank. b) Revaluation gains/losses on Government Securities

FSIBL is a Bank running on Islamic Sharia'h Principal. Hence, we do not participate in buying interest bearing Government securities. 2.5 Recognition of Profit Suspense

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per BRPD Circular # 15, dated 09 November 2009 issued by the Bangladesh Bank. Moreover, income that are irregular (doubtful) as per Sharia'h are not included in the distributable income of the Bank.

ncome on unclassified overdue investment of Bai-Murabaha and Bai-Muazzal is charged under comper account instead of showing as income of the Bank.

As per IAS1: Presentation of Financial Statements, Other Comprehensive Income (OCI) or components of OCI, as a part of financial statements are to be included in a single Other Comprehensive Income statement. But as per BRPD Circular # 15, Dated 09 November 2009, there is no statement of OCI and we follow the template for reporting as per the Bangladesh Bank circular. If there is any component of OCI, it is shown in statement of changes in equity.

Financial instruments-presentation and disclosures are made in several cases as per guidelines and instr Bangladesh Bank in particular and respective cases.

2.8 Financial Guarantees and Commitments

Financial guarantees such as letter of credit, letter of guarantee etc. are treated as off-balance sheet items as per relevant BRPD Circular # 15, Dated November 09, 2009 whereas as per IAS 39, these should be treated as 'Other Liability'. No liability is recognized for the guarantee except the cash margin. We account for the financial guarantees as per BRPD Circular # 15, Dated November 09, 2009 and liability for financial guarantees are not recognized initially at their fair value and the fair value amortization of the same liability is not done either as per IAS 39. So that the financial guarantees are not also carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable.

present value of any expected payment when a payment under the guarantee has become probable. Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date. The outstanding balances for the same as at 31 December 2019 have been shown in the Balance Sheet under Off-Balance Sheet items. Exchange rates with major foreign currencies as 31 December 2019 were as:

Currency Name	Exchange hate (11)
US \$	84.9000
EURO	95.0625
ACU	84.9000
GBP	111.3294
SAR	22.6249
CAD	64.9579
JPY	0.7775

coins in hand, balances lying with ATM, unrestricted balance held with Bangladesh Bank and its agent bank balance with other Banks and financial Institutions. Cash flow statement is prepared principally in accord with IAS 7 "Cash Flow Statement" and prescribed by BRPD circular no. 15 dated November 2009. comparative operating cash flow has been rearranged through considering the placement to other banks financial institution and with other banks and financial institution as operating activities. 2.10 Balance with Bangladesh Bank (Cash Reserve Requirement- CRR)

IAS 7 requires balance with Bangladesh Bank to be treated as other assets. However, as per BRPD circular no 15, FSIBL treats balance with Bangladesh Bank as cash and cash equivalent though the amount is restricted for CRR purpose and cannot be used in our day to day operational requirement.

2.11 Presentation of Intangible Asset As per IAS 38: Intangible Assets, intangible assets are accounted for and amortized. Related necessary disclosures for the intangible asset; i.e. computer software is given in note 7.

2.12 Off-balance sheet items
Contingent Liabilities
Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognized because:

\* It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

\* The amount of the obligation cannot be measured with sufficient reliability.
As per IAS 37, Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated. Contingent assets are not recognized in the financial statements as this may results in the recognition of income which may never be realized. However, the amount of cash margin is recognized as liability. As per BRPD Circular # 15 dated 09 November 2009 contingent liabilities are disclosed as off balance sheet items. 2.13 Basis of Consolidation

The consolidated Financial Statements include the financial statements of First Security Islami Bank Limited and Its subsidiary company First Security Islami Capital & Investment Limited made up to the end of the December 31, 2019. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 10-"Consolidated Financial Statements". The Consolidated Financial Statements are prepared for the common financial year ended 31 December 2019. All intra-group transactions, balances, are eliminated at the time of consolidation. Profit and loss resulting from transactions is also eliminated from consolidated financial statements.

2.14 Use of Estimates and Judgments

In the preparation of the financial statements management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

31.12.2018

BDT

71,817,843

20,724,176

124,587,930

920,075,652

10,924,811

920,075,652

920,075,652

13,603,700,000

14,687,455,432

15,100,000,000

360,000,000

881,691,023

353,056

## **ADVERTISEMENT**



# ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:

FIRST SECURITY ISLAMI BANK LTD. فارست سيكيوريتي اسلامي بنك ليميتد

## **AUDITED** FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3.6 Held for Statutory Liquidity



31.12.2019

- Dividend income on shares is accounted for on actual basis when it is received.

  Gain on sale of shares and securities are recognized as income on actual basis except. Bai
  Mudaraba Bond.

  Profit on investment of Bangladesh Govt. Mudaraba Bond is recognized on accrual basis.

2.17.1 Functional and Presentation Currency

Nature of Assets	Rate of Depreciation	Method of Depreciation
Building	2.5%	Straight Line Method
Furniture and Fixtures	10%	Reducing Balance Method
Office Equipment	20%	Reducing Balance Method
Vehicles	20%	Straight Line Method
Books	20%	Reducing Balance Method

2.20.2 Paid up Capital

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 (as amended up to 2013) until such reserve equal to its paid up capital together with the share premium.

Provision for corporate current income tax has been made @ 37.50% for business income and other applicable rate for other operating income as prescribed in the Finance Act 2019 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws incompliance with IAS 12 Income Taxes. Provision of current income tax has been made on taxable income of the Bank as per following rates:

Type of Income	2019	2018
Business Income	37.5%	37.5%
Capital Gain	10%-15%	10%-15%
Other Income (Dividend income)	20%	20%

2.21.6 Gratuity

2.22 Deposits and Other Accounts

Zakat is paid by the bank at the rate of 2.58% (instead of 2.50% as the bank maintains its account following Gregorian year) on the closing balances of statutory reserve, other reserve and exchange equalization account. Payment of zakat on paid up capital and deposits is the responsibility of the shareholders and depositors respectively.

we statement of Cash Flow
w statement is to be prepared as it provides information about cash flows of the enterprise which is a gusers of financial statements with a basis to assess the ability of the enterprise to generate cash a ints and the needs of the enterprise to utilize those cash flows. Cash flow statement has been prepare ted method of direct and indirect for the period, classified by operating, investing and financing actince with the BRPD Circular No. 15, dated 09 November 2009 issued by Bangladesh Bank as nents of IAS 7.

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual as per the following basis.

he following basis.

Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their residual maturity term;
Investments are on the basis of their respective residual maturity;
General Investments are on the basis of their repayment schedule.
Fixed assets are on the basis of their useful life;
Other assets are on the basis of their realization / amortization;
Borrowing from other Banks, financial institutions and agents, etc. are as per their residual maturity /

repayment term; Deposits and other accounts are on the basis of their residual maturity term and past trend of withdrawal by

ute цероэксы»,

Provisions and other liabilities are on the basis of their payment / adjustments schedule.

2.27 Statement of Changes in Equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealtl

2.29.2 Diluted Earnings Per Share

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No diluted earnings per share is required to calculate for the period as there was no scope for dilution during the period under review.

2.30 Functional and presentation currency

2.31 Risk Management

Investment Risk is one of the major risks faced by the bank. This can be described a potential losses arising from the failure of counterparty to perform according to agreement with the bank. The failure may result from the unwillingness of the counterparty or decline in his/her economic condition, market situation etc. With each and every coin of investment, there is an involvement of risk. Investment Risk includes residual risk, concentration risk, interest rate risk, liquidity risk, reputational risk, strategic risk, settlement risk, environmental and climate change risk etc. In this context, to manage investment risk, the bank applies investment limits to its customers and obtains adequate collaterals. Investment risk in the First Security Islami Bank's portfolio is monitored, reviewed and analyzed by the investment Risk Management (IRM). Investment Risk Management (IRM) of the bank is entrusted with the duties of maintaining asset quality, assessing risk in investment to a particular customer, appraising, sanctioning investment, formulating policy/strategy for investment operations, sectoral assessment, salvaging sick units, nursing the running units, diversification of its investment portfolio, consideration of environment limpacts while financing etc. The investment Risk Management Committee is also entrusted to comply with the IRM Guidelines, monitoring & updating the bank's investment policy. Moreover, the committee analyzes the investment portfolio on the basis of Basel Guidelines and attempts to restructure the investment portfolio.

e Foreign Exchange Risk involves purchase and sale of any national currency against other national currency, thus ign Exchange Risk is the chance of loss due to unexpected movement of market price of the currencies ol rent countries or the price of the assets denominated by foreign currencies. The Foreign Exchange Risk of the is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange

Keeping pace with the modern advancement of financial service facilities, money laundering and financi terrorism are getting new dimensions day by day. As a responsible commercial bank, First Security Islami Banl (FSIBL) is always agile and vigilant against these types of money laundering and financing of terrorism activ Managing Director of the bank every year declares written clear commitment regarding Anti Money Launderi

Combating Financing of Terrorism for all the employees and ensures implementation of these activities. A Deput Managing Director (DMD) as Chief Anti Money Laundering Compliance Officer (CAMLCO) and a Senior Vice Presiden as Deputy Chief Anti Money Laundering Compliance Officer (D-CAMLCO) of the bank have been assigned for effective prevention of money laundering and terrorist financing in the bank. However, a powerful "Central Compliance Committee (CCC)" consisting of senior executives and divisional heads and chaired by the aforesaid DMD has been continuously supervising overall anti money laundering & combating financing of terrorism activities of the bank. As Money Laundering (AML) & Combating Financing of Terrorism (CFT) Division" headed by the D-CAMLCO has been working in the head office of the bank under the close supervision of CAMLCO. Circulars and circular letters issued by BFIU, Bangladesh Bank are instantly circulated to all the branches, divisions, zonal offices and training institutes of the bank. At the same time, bank issues necessary circulars in compliance with applicable laws, circulars, guidelines etc. of

The bank has its own "Anti Money Laundering & Combating Financing of Terrorism Policy" (updated in 2019), "Customer Acceptance Policy" (updated in 2019) and "Money Laundering and Terrorist Financing Risk Managemen Guidelines for FSIBL" approved by the Board of Directors which are prepared in the light of Money Launderin Prevention Act-2012 with amendments in 2015, Anti Terrorism Act-2009 with amendments in 2012, 2013 and circulars, guidelines issued by regulatory authorities. In accordance with the instruction of BFIU, a senior and experienced official or manager operation of every branch has been nominated as "Branch Anti Money Laundering Compliance Officer (BAMLCO)" by the CCC of the bank for preventing money laundering and terrorist financing at the branch level. Bank's AML & CFT Division inspects branches on a random basis in addition to Internal Control & Compliance Division's audit of the branches for overseeing the implementation of AML & CFT activities at the branch level. Moreover, AML & CFT Division checks & submits monthly Cash Transaction Report (CTR) in due time and submits Suspicious Transaction Report (STR)/Suspicious Activity Report (SAR) to BFIU, Bangladesh Bank accurately as

The bank conducts Customer Due Diligence (CDD) for every customer at the time of account opening and Enhanced Due Diligence (EDD) as & when required in compliance with the instruction of BFIU. Bangladesh Bank. The bank verifies every NID information of the customers by using election commission's database to ensure complete and accurate KYC of bank's new and existing customers. The bank has procured Politically Exposed Persons (PEPs) and nflutential Persons' (IPs) and necessary adverse media news data from Accuity Ltd.-a UK based internationa database provider for real time and automated identification of PEPs. IPs and suspicious persons involved with crimes by using its own Sanction Screening Software [S3]. In 2019, bank has sucessfully participated in Electronically Know Your Customer (e-KYC) pilot project supervised by Bangladesh Bank and bank is fully committed to use this type of modern technology in the near future for completing proper & accurate KYC.FSIBL's own Training Institute in collaboration with AML & CFT Division regularly organizes training & workshop to the employees of the bank on the subject of Anti Money Laundering and Combating Financing of Terrorism where prevention of trade based money aundering gets special emphasis. In 2019, a day long workshop for all the BAMLCOs named BAMLCO Conference has been held at Dhaka on the topic of Anti Money Laundering and Combating Financing of Terrorism. However, bank's officials & executives regularly get quality training on the topic of Anti Money Laundering and Combating Financing of Terrorism in home and abroad. The bank distributes adequate number of leaflets and hang posters on the topic of Anti Money Laundering and Combating Financing of Terrorism at every branch for building public awareness on these

#### 2.31.5 Internal Control and Compliance

Internal control and compliance (ICC) in Banks is a process for giving reasonable assurance of an organization's objectives in operational effectiveness and efficiency and compliance with laws, regulations and policies of Bangladesh Bank, BSEC and other regulatory authorities. IC&CD is identified with internal audit; but the scope is not limited to audit work only. It identifies the risks associated with the process and adopts measures to mitigate or eliminate these risks. On the other hand, ICC reinforces the control system through regular review of the

ICC is affected by a bank's BODs, management, organization and other mechanism. (1) BODs is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the company is appropriately and effectively managed and controlled. (2) Management actively manages and operates the company in a sound and prudent manner. (3) Organizational and procedural controls supported by effective management information system to soundly and prudently manage the company's exposure to risk. (4) Ar independent audit mechanism to monitor the effectiveness of the organizational and procedural controls

The Head of ICC will report his activities and findings to the Senior Management. However, the Head of Audit wil report directly to ACB and will be responsible to the ACB. Head of Compliance and Head of Monitoring will report to Head of IC&CD. The BODs approves the objectives, strategies and overall business plans of the bank and the ACB assists the BODs in fulfilling its oversight responsibilities. The ACB reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

information and Communication Technology (ICT) is increasingly becoming an invaluable and powerful tool for driving development, supporting growth, promoting innovation and enhancing competitiveness. Its introducing global environment which will bring all nations around the world to come together to form a global networked community. Banks are increasingly using sophisticated digital technology for banking activities with a view to achieve more customers' satisfaction with less cost. In addition, it increases the efficiency of the banking and payment system. benefiting customers and merchants leading to bridging additional risks.

information assets are critical to the services provided by the Bank to its customers. Protection and maintenance of these assets are vital to its sustainability. In order to ensure protection of critical IT assets from unauthorized access, modification, disclosure and destruction the Bank has already taken initiative, which safeguard the interest of customers. In this context Bank has implemented a core banking software ensuring adequate security. The Bank has a Data Center which is fault-tolerant, allowing us to upgrade, install patch, maintenance and any activity withou downtime. The establishment enables to satisfy valued clients with sharp & better service. To protect sensitive information of core banking in the event of any disaster, the Bank has implemented a disaster Recovery Site, ICI Division performed DR Live operation for 64 hours after implementation of upgraded Hardware, Software and Network and Security devices. The Bank has already developed its own ICT security policy for various operation and services which are closely in line with the ICT security policy guideline of Bangladesh Bank. Active Directory Domain Controller (ADC) is implemented in all branches and head office according to the Guideline of Bangladesh Bank. ICT Division has implemented the ICT Inventory Management System Software with the help of which all ICT assets are roperly monitored and secured with assigned custodians for all branches and divisions.

Training is the key component of ICT Risk Management. The Bank has been continuously conducting training sessions on sensitive ICT tasks (i.e. Operation Procedure, Business Continuity Planning, Disaster Recovery Planning, Certification Preparation Training, etc.) for relevant employees. ICT Division has also established an IT Lab for training arrangement of ICT and non-ICT background employees of FSIBL. The Bank has been maintaining adequate physical security inside its workplace to properly protect ICT resource. The bank is strictly following the Information security standard of Bangladesh bank covering Password Control, User ID Maintenance, Input Control, Network security, Data Encryption. Virus Protection and Access Control of Internet and Emailing. The Bank is regularly conducting internal ICT audit to all its branches and Head Office Divisions to ensure proper implementation of the ICT policy

#### 2.31.7 Environmental Risk Management (ERM)

Environmental Risk is a facilitating element of Investment risk arising from environmental issues and applicable across all financing transactions undertaken by the Bank. The responsibilities of Investment Risk Manage i) to be aware of environmental issues confronting the various sectors, ii) to review the company of the various sectors of the various sectors. the checklist and the environmental risk rating, iii) to integrate environmental risk considerations into the investment risk assessment and iv) to specify financing conditions/covenants, if any, are required.

Environmental risk is assessed by Environmental Due Diligence (EDD) Checklists. It is a set of questionnaire provided by Bangladesh Bank. There are eleven checklists, one for general purpose and ten others for ten specific sectors for environmental risk rating. For a specific sector both General EDD and Specific EDD checklists are applicable and for other than these specific sectors only General EDD checklist is applicable to determine the environmental risk rating (EnvRR). The EnvRR can be High, Moderate or Low depending on the borrower's business activity and the vulnerability of the location of the business activity.

To comply with the international best practice and to make the bank's capital more risk sensitive as well as to build the banking industry more shock absorbent and stable. Bangladesh Bank is aimed to implement Basel-III reporting from 2015. As per the directive of Bangladesh Bank, all schedule banks in Bangladesh are now required to report risk Based capital adequacy for banks under Basel-III. All scheduled banks are also required to disclose capital adequacy in both quantitative terms as per Bangladesh Bank BRPD Circular No. 18 Dated December 21, 2014.

Stress testing is one of the sophisticated risk management techniques that have been used to determine the reactions of different financial institution under a set of exceptional, but plausible assumptions through a series of test. At institutional level, stress testing techniques provide a way to quantify the impact of change in a number of risk factors on the assets and liabilities portfolio of the institution. Presently stress testing is being done by considering five different risk factors namely profit rate, sale value of collateral, non-performing Investment, stock price and foreign

FSIBL supplements their analysis of risk with stress testing. They perform stress tests because value-at-risk calculations are based on relatively recent historical data and only purport to estimate risk up to a defined confidence level. Therefore, they only reflect possible losses under relatively normal market conditions

In Foreign Currencies

ATM Balance

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged as per IAS 24 "Related Party Disclosures". Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC) guidelines. Details of Related party transactions have been disclosed in note # 47.

#### 2.35 General

Wherever considered necessary, previous year's phrases and figures have been rearranged to confirm to current year/periods presentation. All amounts in these financial statements have been recorded off to the nearest Taka

BDT BDT Cash in Hand

Balance with Bangladesh Bank and its Agent Bank Balance with Bangladesh Bank (Note-3.2.1 Balance with Sonali Bank Ltd. (Note-3.2.2)

3.2.1 Balance with Bangladesh Bank (Including Foreign Currencies) In Foreign Currencies

3.2.2 Balance with Sonali Bank Ltd. (as Agent of Bangladesh Bank) In Local Currency Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Companies Act. 1991 and subsequent BCD Circular No. 13 dated May 24, 1992; BRPD Circular No. 12 dated September 06, 1998, BRPD Circular No.12, dated September 20, 1999, BRPD Circular No. 22 dated November 06, 2003, BRPD Circular No. 03 dated 17 February, 2005 and BRPD Circular No. 11 & 12 dated 25 August 2005, Bangladesh Bank Letter #DOS (SR) 1153/120-A/2009-46 dated 22 March 2009, MPD circular #01 dated 04 May 2010, MPD circular # 04 & 05 dated 01 December 2010, DOS Circular# 01 dated 19/01/2014, MPD Circular# 01 dated 23/06/2014, MPD Circular# 01 dated 03 April 2018 and DOS Circular# 26 dated 19/08/2019.

Cash Reserve Ratio (CRR): 5.50% of Average Demand and Time Liabilities: Required Reserve 19,448,236,000 Actual Reserve maintained

Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities: Required Reserve Actual Reserve held Surplus/(Short)

Surplus/(Short)

19,448,236,000 16,463,551,000

8,873,084

314,845,330 28,443,886,972

314,845,330

11,233,821

233,214,000

1,873,791,145

17,644,489,166

17,071,549,843

260,251,175

16,463,551,000

17,071,374,000

3 (a)	CASH		
3.1(a)	Consolidated Cash in Hand		
	First Security Islami Bank Limited (Note-3.1)	2,296,717,472	1,873,791,145
	First Security Islami Capital & Investment Limited	15,128	8,961
		2,296,732,600	1,873,800,106
3.2(b)	Consolidated Balance with Bangladesh Bank and its Agent Bank		
	First Security Islami Bank Limited (Note-3.2)	28,443,886,972	17,644,489,166
	First Security Islami Capital & Investment Limited	-	-
	•	28,443,886,972	17,644,489,166
		30,740,619,572	19,518,289,272
4	BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUT	TONS AND PLACEM	ENT
4.1	Balance With Other Banks & Financial Institutions		
A.	Balance Inside Bangladesh		

Al-wadiah / Current Acco

Agrani Bank Limited

Surplus Balance with Bangladesh Bank and its Agent Bank Balance of Bangladesh Govt. Islamic Bond

Trust Bank Ltd. 72.048.446 Social Islami Bank Ltd. Dhaka Bank Ltd. (Islamic Banking Branch) 365,301 Southeast Bank Ltd. (Islamic Banking Branch) 4,421,227 70,348

161,96 AB Bank Ltd. (Islamic Banking Branch)
Islami Bank Bangladesh Ltd. 4,421,227 Pubali Bank Ltd. (Islamic Banking Branch) 83,958 1,727,464 5,484,418 NRB Global Bank Ltd 28,309,760 7,028,953 39,091,850 Total Inside Bangladesh 113,706,681 163,679,780 Balance Outside Bangladesh

In Deposit Account (non-profit bearing) with:

Curre ncy Mashreq Bank, PSC, London 111.329 Mashreq Bank, PSC, London EURO 95.0625 4,031,834 5,127,765.52 MCB Bank Ltd. Karachi ACU\$ 7,690.91 84.900 645,267 Commerz Bank AG, Frankfurt, EURO 252,754,78 95.063 24.027.501 16.892.656 5,581.14 473,839 927,548 Sonali Bank Ltd. , Kolkata, India AB Bank Ltd, Mumbai, India ACU\$ 357,674 19,214,807 4,212.88 84.900 352,622 226,322.82 22,271,252 ACU\$ ICICI Bank Ltd, Hongkong USD 76,011.80 84.900 6,453,402 16,396,627 ICICI Bank Ltd,Kolkata, India Habib Metropolitan Bank 47,275.72 ACU\$ 4,013,709 3,619,287 Limited, Karachi, Pakistan 43,833,833 88,966,236 Banca UBAE SPA, Rome, Italy USD 116,441.32 9,885,868 36,425,767 Banca UBAE SPA, Rome, Italy 95.063 72.811.812 314.153.995 Bank Al-Jazira, Jeddah Bank Al-Jazira, Jeddah SAR 453,005.79 10,249,211 8,293,919 Aktif Yatrim Bank Istambul 49,993.00 4.244.406 Aktif Yatrim Bank Istambul 217,258.04 24,187,185

4.1(a) CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS In Bangladesh:

679,594,644

12,161,538

679,594,644

13,603,700,000

14,397,001,325

16,700,000,000

827,652,622

First Security Islami Bank Limited (Note-4.1 (A)) First Security Islami Capital & Investment Limited Outside Bangladesh:

Reliance Finance Limited

First Security Islami Bank Limited (Note-4.1 (B))

First Security Islami Capital & Investment Limited

4.2 Placement with Banks & other Financial Institution

Total Balance with other Banks & Financial Institutions Placement (Note 4.1+4.2) Balance with other Banks & Financial Institutions Placement (according to remaining maturity grouping) Up to One Month Up to Three Months 7,404,163,034 Three Months to One Year One Year to Five Years

5 INVESTMENTS IN SHARES AND SECURITIES

ubordinated Bond Quoted/Unquoted Shares (Note - 5.1)

Bangladesh Govt. Islamic Bond

Quoted/Unquoted Shares Name of Companies (Taka) (Taka) MJL Bangladesh Ltd. 44,660,732 34,842,332 LafargeHolcim Bangladesh Limited CVO Petrochemical Refinery Limited 100,760,927 63,004,498 150.418.369 Bangladesh Submarine Cables Co. Ltd. 86,713,495 Padma Oil Company Ltd. Shahazibazar Power Comp 59,047,847 59,038,359 138,124,786 6,515,253 15,244,956 12,984,416 Mozaffar Hossain Spinning Mills Ltd. 14,959,379 14,005,609 Bashundhara Paper Mills Limited 30.311.635 1,871,358 155,811,801 21,327,666 4,024,648 546,083,172 520,121,573 Central Depository Bangladesh Ltd. 1,569,450 1,569,450 547,652,622 521,691,023 5.2 Market Value of Quoted Shares 366,771,725

Remaining Maturity Grouping of Investments in Shares and Securities

520,121,573 7,350,000,000 4,800,000,000 Within One Month
One Month to three Months
Three Months to One Year 2,950,000,000 One Year to Five Years 280,000,000 360,000,000 5(a) CONSOLIDATED INVESTMENTS IN SHARES AND SECURITIES

Government Securities
First Security Islami Bank Limited (Note-5) First Security Islami Capital & Investment Limited

First Security Islami Bank Limited (Note-5) First Security Islami Capital & Investment Limited

INVESTMENTS ent etc. (Note-6.A) Bills Purchased and Negotiated (Note - 6.B) General Investment etc

Inside Bangladesh (Mode wise) Bai-Murabaha Hire-Purchase Sirkatul Meelk Bai-Muajjal Bai-Salam Wajira Bill Okalah

Outside Bangladesh

Quard

6.B Bills Purchased and Negotiated Payable outside Bangladesh

6.1 Maturity Grouping of Investments Payable on Demand Up to Three Months Three Months to One Year One Year to Five Years Above Five Years

Investments to Industry

Investments to Directors of Other Banks Investments to Chief Executive and Other high Officials 16,700,000,000 15,100,000,000 222,288,874 1,103,979,897 17,767,314,848 33,364,558,961 35,435,164,912 4,829,402 109,457,625 354,211,556

15,100,000,000

20,277,590 1,238,608,785 **363,775,732,135** 311,069,741,359 311,069,741,359 44,254,006

69,672,761,788 57,841,995,079 81,218,032,987 84 584 233 496 74,837,423,415 93,777,974,001 66,846,710,438 46,743,870,744 364,484,142,678 311,684,988,928

26,476,454,013 22,108,627,689 311,684,988,928

\*\* The amount of Tk. 287.73 crore was paid for purchasing of FSIBL new premises in the previous years but that amount was included in prepayment under other assets because of not 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.

## **ADVERTISEMENT**



# कार्मे निकिउ ति देननामी न्यारक निः

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**AUDITED** 



Capital Surplus /(Deficiency) against MCR (A-G) H. Required Minimum Capital Plus Capital Conservation Buffer.

FIRST SECURITY ISLAMI BANK LTD. فارست سيكيوريتي اسلامي بنك ليميتد

L	ISLAMI BANK								
6.3	Investments to Customers for more than 10% of FSIBL's Total Eligible Capital	31.12.2019 BDT	31.12.2018 BDT	8.1 Advance, Deposits and Prepayment	31.12.2019 BDT	31.12.2018 BDT	13 OTHER LIABILITIES	31.12.2019 BDT	31.12.2018 BDT
	Number of Clients Amount of Outstanding Investments Funded Non-funded	45 74,774,700,000 27,115,700,000 101,890,400,000	78,941,600,000 32,207,700,000 111,149,300,000	Advance against Rent - Office* Advance against Rent - Godown Clearing Adjustment Account (under BACH) Remittance Settlement Account	365,426,661 - 12,178,698 788,397,099	419,475,615 12,000 27,163,636 400,712,944	Current Tax Liabilities (Note-13.1) Accumulated Provision against Investments(Note-13.3) Profit/Rent/Compensation Suspense Account (Note -13.4) Accrued Profit and Expenses Payable (Note-13.5)	1,977,627,178 11,193,653,438 635,151,065 6,038,503,846	1,240,490,186 9,326,969,361 538,878,926 4,133,339,850
6.4	Industry wise Investments Agriculture: Fishing Others Textile and Readymade Garments:	579,938,736 1,139,787,051	706,700,000 1,849,900,000	Prepayment Prepaid Insurance Advance Against Security Deposit Mobile Banking Receivable A/C	390,676,046 486,091 5,188,744 101,000	3,363,200,099 520,392 14,384,822 281,011	Provisions for diminution in value of Investments(Note-13.6) Provisions for Other Assets Provision for Zakat Provident Fund	255,137,792 30,727,389 98,347,680 19,465	153,349,849 30,727,389 88,149,726 12,980
	Readymade Garments - Export Textile and Textile Products- Import Others - Export Others - Import Contractor Finance	4,892,012,525 7,481,581,351 1,976,636,595 46,693,726,114 6,350,863,378	4,507,100,000 7,007,600,000 1,755,400,000 32,694,500,000 5,799,500,000	*According to the paragraph 47 of International Financial Reporti present in the statement of financial position, or disclose in the n	1,562,454,339 ing Standards (IFRS)-1 otes and according to t	4,225,750,519 6 a lessee shall either the paragraph 5 (b) a	Benevolent Fund Non-Resident Accounts Compensation Realized Others	6,720 209,893,636 31,452,522 63,205,614	4,550 19,461,557 28,964,817 95,862,653
	Transport Internal Trade Finance: Whole Sale Trading Retai Trading Others	1,929,107,163 1,929,107,163 163,646,480,611 7,202,502,560 6,286,925,894	133,192,600,000 6,687,000,000 8,250,300,000	lessee may elect not to apply the requirements leases for which amount of advance rent against rent agreement of various landlo IFRS-16 is not applicable for us for the year 2019.  8.2 Suspense Account			13.1 Current Tax Liabilities Provision for Tax Opening Balance	20,533,726,345 8,743,063,900	15,656,211,843 7,148,179,852
	House Building: Residential & Commercial Staff Special Program:	18,905,849,621 870,298,620	18,453,700,000 923,500,000	Sundry Debtors Advance against TA/DA Advance against petty cash	40,464,670 634,000 254,012 41,352,682	14,070,468 240,000 - 14,310,468	Add: Provision made during the year  Advance Income Tax  Opening Balance	1,956,594,583 10,699,658,483 7,502,573,714	1,594,884,048 8,743,063,900 6,280,075,026
6.5	Consumer Finance and Hire Purchase Scheme Others  Division/Geographical wise Investment* Urban	188,483,639 96,339,948,822 <b>364,484,142,678</b>	249,700,000 88,711,288,928 311,684,988,928	8.3 Deferred Tax Assets (net off liabilities) Deferred tax asset (8.3.1) Deferred tax liability (8.3.2)	868,849,727 370,835,877	599,502,226 197,879,131	Add: Tax paid during the year  Net Tax Liabilities	1,219,457,591 8,722,031,305 1,977,627,178	1,222,498,688 7,502,573,714 1,240,490,186
	Dhaka Chattogram Barishal Rajshahi	105,753,937,542 249,094,298,284 306,581,191 856,876,681	91,621,628,244 210,529,763,407 260,184,484 889,221,595	8.3.1 Deferred Tax Assets Temporary timing difference between charging Specific provision and w			Assessment for the year 1999, 2002, 2005, 2006, 2009 and 2012 h 2001, 2003, 2004, 2007, 2008 and 2010 are pending with High C with Appellate Tribunal, 2015 and 2016 are pending with Com for the year 2017 and 2018 have already been submitted and assessment	Court and 2011, 2013 as missioner of Taxes (App	nd 2014 are pending peal) and the return
	Khulna Rangpur Sylhet Mymensingh	1,382,286,209 403,817,950 793,402,051 159,636,380 358,750,836,288	1,347,644,201 441,332,017 813,884,951 150,803,270 <b>306,054,462,169</b>	Cumulative provision made against bad loss Investments Adjustment of corresponding provision on write off Deductible temporary difference Tax Rate	2,337,829,386 20,896,780 <b>2,316,932,606</b> 37.50%	1,598,672,606 - 1,598,672,606 37.50%	13.2 Provision for Investments during the year Specific Provision for Classified Investment General Provision	1,363,441,458 450,367,229	1,928,818,801 249,758,709
	Rural Dhaka Chattogram	1,176,827,453 2,911,292,951	1,233,436,760 2,616,447,310	Deferred Tax Assets Opening Deferred Tax Assets Deferred Tax Income during the year	868,849,727 599,502,226 269,347,501	599,502,226 447,307,443 152,194,784	Off -Balance Sheet exposure  13.2 (a) Consolidated Provision for Investments during the year First Security Islami Bank Limited	73,772,170 1,887,580,857 1,887,580,857	43,983,455 2,222,560,965 2,222,560,965
	Barishal Rajshahi Khulna Rangpur	113,983,643 115,324,684 993,958,011 2,885,284	101,455,189 179,594,073 1,070,145,721	8.3.2 Deferred Tax Liabilities Temporary timing difference in written down value of fixed Asset Carrying amount of Fixed Assets Tax base	6,432,836,195 5,443,940,525	3,426,782,477 2,899,104,798	First Security Islami Capital & Investment Limited  13.3 Accumulated Provision for Investments Specific Provision for Classified Investments (Note -13.3.1)	5,500,000 1,893,080,857 10,170,030,873	38,053,723 2,260,614,688 5,930,586,195
	Sylhet Mymensingh	83,966,863 335,067,501 5,733,306,390 364,484,142,678	86,136,487 343,311,219 5,630,526,759 311,684,988,928	Taxable temporary difference Tax Rate Deferred Tax Liabilities Opening Deferred Tax Liabilities	988,895,670 37.50% 370,835,877 197,879,131	527,677,679 37.50% 197,879,131 196,479,418	General Provision (Note -13.3.2)  Off -Balance Sheet exposure (Note -13.3.3)  13.3.1 Movement in Specific Provision for Classified Investments	493,232,741 530,389,824 11,193,653,438	2,939,765,512 456,617,654 <b>9,326,969,361</b>
6.6	* Division wise distribution was made on the basis of the location of the Classification of Investments as per Bangladesh Bank Circulars Unclassified: Standard	330.818.029.926	285.663.434.934	Deferred Tax Expenses during the year  As per International Accounting Standard (IAS)- 12 deferred Deferred tax assets have been arrived at Tk. 498.01 million as on Gircular No. 11 Dated 12 December 2011, the increased amoun	n December 31, 2019	According to BRPD	Provision held at the beginning of the year Less: Fully provided debts written off Add: Recoveries of amounts previously written off Add: Specific Provision during the year	5,930,586,195 (20,896,780) - 1,363,441,458 2,896,900,000	4,001,767,394 - - 1,928,818,801
	Special Mention Account  Classified: Sub-standard	15,652,074,507 346,470,104,433	15,600,153,708 301,263,588,642 127,299,288	Circular No. 11 Dated 12 December 2011, the increased amoun recognition of deferred tax will not be distributed as dividend. Del which are expected to recover in future.  8(a) CONSOLIDATED OTHER ASSETS			Add: Transferred from General Provision during the year  13.3.2 General Provision  Provision held at the beginning of the year	2,896,900,000 10,170,030,873 2,939,765,512	5,930,586,195 2,690,006,803
l	Doubtful Bad & Loss	4,210,462,461 12,047,789,293 18,014,038,245 364,484,142,678	598,023,951 9,696,077,046 10,421,400,286 311,684,988,928	First Security Islami Bank Limited (Note-8)  Less: Inter-company transaction (Investment in Subsidiary)	3,569,114,671 255,000,000 <b>3,314,114,671</b>	6,009,577,745 255,000,000 <b>5,754,577,745</b>	Add: Addition during the year  Less: Transferred to Specific Provision during the year	450,367,229 (2,896,900,000) <b>493,232,741</b>	249,758,709 - <b>2,939,765,512</b>
6.7	Sector-wise Classification of Investments  Unclassified:  Small Enterprise Financing (SEF)  Consumer Financing (Other than HF & LP)  Investments to BHs/MB/SDs against Share	33,364,528,436 180,491,668 642,336,374	30,562,733,678 243,791,991 451,345,114	First Security Islami Capital & Investment Limited	1,118,185,410 4,432,300,081	1,142,151,149 6,896,728,894	As per Bangladesh Bank instruction additional specific provisio maintained from General Provision during the year 2019 vide th 11 June, 2020.  13.3.3 Off-balance sheet exposure		
	Other than SMEF, CF, BHs/ MBs,/SDs Housing Finance (III) Investments for professionals to set up business (LP) Short Term Agri. Investments	248,955,302,428 16,320,960,868 478,469 1,607,161,158	208,651,067,031 18,149,547,010 6,507,303 2,470,943,633	9 NON-BANKING ASSETS  The Bank has been awarded ownership of the mortgage properties according to the verdict of the Honorable Court in accordance 2003". An amount of 'Tk. 25,145,280/- is reported in the fina	with section 33(7) of	" Artharin Adalat -	Provision held at the beginning of the year Addition/(transfer) during the year  13.4 Profit/Rent/Compensation Suspense Account	456,617,654 73,772,170 530,389,824	412,634,199 43,983,455 <b>456,617,654</b>
	Staff Investment Others  Classified: Small Enterprise Financing (SEF)	870,298,620 44,528,546,413 <b>346,470,104,433</b> 1,768,742,365	923,501,299 39,804,151,585 301,263,588,642	through the adjustment of outstanding investment against the cli Banking Assets has been determined on the basis of valuation report of  10 PLACEMENT FROM BANK & OTHER FINANCIAL INSTIT	ient as on 15/10/2015. of an Independent survey	The value of Non-	A) Profit Suspense (Old) Opening Balance Add: Transferred during the year	33,768,518 - 33,768,518	33,768,518 - 33,768,518
	Sman Enterprise 'mancing (Other than HF & LP) Investments to BHs/MBs/SDs against Share Other than SMEF, CF, BHs/ MBs,/SDs Housing Finance (HF) Investments for professionals to set up business (LP)	7,991,972 104,600,192 8,313,274,990 1,152,376,230 3,848,681	555,319,038 5,953,031 104,566,619 7,262,110,502 1,138,899,572 3,848,681	Inside Bangladesh Bangladesh Bank (IMM Wings & Refinance Scheme) Bangladesh Bank (EDF)	9,532,798,612 3,675,583,192 13,208,381,804	16,068,152,103 1,469,546,101 17,537,698,204	Less: Recovered during the year Less: Amount Written off/waived during the year Balance at the end of the year B) Compensation Suspense Account Opening Balance	92,482 - 33,676,036 505,110,408	33,768,518 337,879,190
6.8	Short Term Agri. Investments Others  Particulars of Required Provision for Investments as per CL	112,564,628 6,550,639,187 18,014,038,245 364,484,142,678	85,663,798 1,265,039,046 10,421,400,286 311,684,988,928	Outside Bangladesh  A. Security- wise grouping Secured Placement	13,208,381,804	17,537,698,204	Add: Addition during the year  Less: Recovered during the year  Less: Amount Written off/waived during the year	111,352,326 <b>616,462,734</b> 14,987,705	174,575,981 512,455,171 7,344,763
	Classification status.         Base for Provision         Rate           Unclassified         330,818,029,926         0,25-5%           Standard         330,818,029,926         0,25-5%	3,055,187,036	2,629,373,712	Unsecured Placement  B. Repayment Nature wise Grouping	13,208,381,804 13,208,381,804	17,537,698,204 17,537,698,204	Balance at the end of the year  Total (A+B)  13.5 Accrued Profit and Expenses Payable	601,475,029 635,151,065	505,110,408 538,878,926
	Special Mention Account         15,644,775,310         0.25-5%           Off -Balance Sheet Exposure         54,806,722,600         0-1%           Classified:             Sub - Standard         1,146,606,759         20%	305,146,993 530,389,824 3,890,723,853	309,391,801 456,617,654 3,395,383,167	Repayable on demand Others	13,208,381,804 13,208,381,804	17,537,698,204 17,537,698,204	Profit Payable on Deposit Accounts Power and Electricity Telephone Office Rent	5,071,250,615 2,327,926 198,939 10,805,377	3,477,871,287 2,421,780 264,906 6,226,584
	Doubtful 3,982,508,971 50% Bad and Loss 7,232,271,068 100%	1,991,254,486 7,232,271,068 9,452,846,906 13,343,570,759	169,727,299 5,754,306,000 5,930,586,194 9,325,969,361	C. Maturity Analysis  Repayable on Demand  Repayable within One Month  One Month to Six Months	3,000,081,804 6,500,000,000	5,000,098,204 2,000,000,000	Wages Insurance Audit Fees Online Clearing Parking Charges	883,737 124,485 920,000	1,295,888 12,749,011 920,000 1,004,950
	Total Required Provision against Investments as per CL Total Provision Maintained Deferred Provision for next 3 years has to be maintained	13,343,570,759 11,193,653,438 2,149,917,321	9,325,969,361 9,326,969,361 <b>1,000,000</b>	Six Month to One Year One Year to Five Years Five Years to Ten Years	3,708,300,000 - 13,208,381,804	9,000,000,000 1,537,600,000 - 17,537,698,204	Profit Payable on Mudaraba Subordinated Bond Profit Payable on Borrowing from Bangladesh Bank Others  13.6 Provisions for diminution in value of Investments in shares	471,064,983 205,178,083 275,749,700 6.038,503,846	192,071,686 222,753,425 215,760,333 4,133,339,850
	Bangladesh Bank Audit Team (DBI-4) has raised additional speci and this amount has to be maintained from general provision. provision of Tk. 289.69 crore against non- performing investm	Since the amount of nent has to be mainta	additional specific ained from general	10 (a) CONSOLIDATED PLACEMENT FROM BANK & OTHER FIFTERST Security Islami Bank Limited     First Security Islami Capital & Investment Limited	13,208,381,804 82,313,028	17,537,698,204 49,851,917	Opening Balance Add: Addition during the year Less: Adjustment for realized loss during the year	153,349,849 101,787,943 - 255,137,792	90,209,472 63,140,377 - 153,349,849
l	provision , the general provision will be reduced to Tk. 102 crore amount of Tk. 289.69 crore has to be maintained for next three in the year 2020, Tk. 100.00 Crore in the year 2021 and Tk. 89.69 DBI-04/42(5)/2020-319 dated 11 June, 2020.	(03) years by amount of	of Tk. 100.00 Crore	11 DEPOSITS AND OTHER ACCOUNTS A. Deposits Received from Banks (Note A-1)	13,290,694,832	23,516,200,000	13(a) CONSOLIDATED OTHER LIABILITIES First Security Islami Bank Limited (Note-13) First Security Islami Capital & Investment Limited	20,533,726,345 143,746,432	15,656,211,843 360,785,668
i) ii)	Particulars of Investments Investments considered good in respect of which the Bank Company is fully secured. Investments considered good for which the bank holds no	70,134,000,000 148,089,900,000	64,620,400,000 120,929,300,000	B. Other than Bank Payable on Demand (Note B-1) Other Deposits (Note B-2)	13,333,716,671 346,726,828,780 <b>360,060,545,451</b>	12,385,843,910 284,119,754,580 <b>296,505,598,490</b>	14 CAPITAL AUTHORISED CAPITAL	20,677,472,777	16,016,997,512
iii)	Security other than the debtors personal security.  Investment 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	C. Maturity wise Grouping of Deposits and Other Accounts Re-payable within 1 month Over 1 month but within 6 months	70,051,451,487 64,835,200,000	320,021,798,490 55,636,435,421 63,781,654,268	1,000,000,000 Ordinary shares of Taka 10 each.  14.1 Issued, Subscribed and Paid-Up Capital  862,509,274 Ordinary Shares of Taka 10 each issued	8,625,092,740 8,625,092,740	7,840,993,400 7,840,993,400
iv)	Investments adversely classified; provision not maintained there against.  Investments due by directors or executives of the banking	364,484,142,678	311,684,988,928	Over 6 months but not more than 1 year Over 1 year but not more than 5 years Over 5 years but within for 10 years	78,683,800,000 86,108,600,000 76,942,400,000	77,456,248,252 69,676,521,542 53,470,504,245	14.2 History of paid-up capital Given below the history of raising share capital of First Security Islam  Particulars  Allotment Year	Amount of Share Capital	Total Paid up Capital (Cumulative)
vi)	company or any of them taken either separately or jointly with any other person.  Investments due by companies or firms in which the directors of	28,065,087,000	33,519,333,000	Unclaimed Deposits For 10 years or more  A-1 Deposits Received from Banks Islami Bank Bangladesh Ltd.	210,964 376,621,662,451 15,986,800,000	434,762 320,021,798,490 14,937,700,000	First (Subscription to the Memorandum & Articles of Association) at the time of Incorporation Paid up capital increase 2003	200,000,000 120,000,000	200,000,000
vii)	the bank company are interested as directors partners or managing agents or in case of private companies, as members.  Maximum total amount of investments, including temporary			Exim Bank Ltd. Union Bank Ltd. NRB Global Bank Ltd. Rupali Bank Ltd.	6,600,000 75,700,000 23,300,000	7,200,000 36,500,000 34,800,000 2,000,000,000	Paid up capital increase         2005           Paid up capital increase         2006           Paid up capital increase         2007	280,000,000 300,000,000 100,000,000	600,000,000 900,000,000 1,000,000,000
viii)	advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person. Maximum total amount of investments, including temporary advances granted during the year to the companies or firms in			Uttara Bank Ltd. Al Arafah Islami Bank Ltd. Agrani Bank Ltd. Sonali Bank Ltd.	452,117,000	1,000,000,000 1,000,000,000 2,000,000,000 2,000,000,000	Paid up capital increase         2008           10% Bonus Share         2010           20% Right Share         2010           12% Bonus Share         2011	1,300,000,000 230,000,000 506,000,000 364,320,000	2,300,000,000 2,530,000,000 3,036,000,000 3,400,320,000
l	which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.			Janata Bank Ltd. AB Bank Ltd. Social Islami Bank Ltd.	400,000 16,200,000 16,561,117,000	500,000,000	10% Bonus Share         2012           10% Bonus Share         2013           10% Bonus Share         2015           50% Right Share         2015	340,032,000 374,035,200 617,158,080 2,057,193,600	3,740,352,000 4,114,387,200 4,731,545,280 6,788,738,880
ix) x) a.	Investment due from other banking companies  Total amount of classified Investments on which profit is not credited to income  Movement of classified Investments	18,014,038,245	10,421,400,286	Maturity wise Grouping of Deposits Received from Banks Repayable on Demand Repayable within One Month	8,609,000,000	7,516,200,000	5% Bonus Share 2017 10% Bonus Share 2018 10% Bonus Share 2019 Total	339,436,940 712,817,580 784,099,340	7,128,175,820 7,840,993,400 8,625,092,740
ь.	Opening balance Increase/ (Decrease) during the year Amount of provision kept against classified investment as on the	10,421,400,286 7,592,637,960 <b>18,014,038,245</b>	8,397,744,459 2,023,655,827 <b>10,421,400,286</b>	Repayable over One Month but within Six Months Repayable over Six Months but within one Year Repayable over One Year but within Five Years Repayable over Five Years but within Ten Years	7,952,117,000 - - -	16,000,000,000 - - -	14.3 Category of shareholding as at 31 December 2019 Name of Category Sponsors/Directors	8,625,092,740  Percentage(%) 35.34	Percentage(%) 37.60
c. xi)	reporting date of Balance Sheet Profit credited to the profit/Rent/Compensation Suspense Account Amount of written off Investment:	10,170,030,873 635,151,065	5,930,586,195 538,878,926	Unclaimed Deposits for Ten Years and above  B-1 Payable on Demand	16,561,117,000	23,516,200,000	Institutes Non-Resident Bangladeshi General Public Foreign Investors	16.60 - 43.82 - 4.24	14.53 0.15 43.34 4.38
a. b. c.	Cumulative amount Amount written off during the year Total amount of written off (a+b) Amount recovered against such written- off up to this year	20,896,780	-	Al-wadiah Current Deposits Mudaraba Saving Deposits (9%) Security Deposit Receipt Sundry Deposits	7,858,272,642 2,712,217,572 28,364,856 2,734,861,601	6,666,580,847 2,388,273,806 26,043,460 3,304,945,797	Classification of Shareholders by holding position as at 31 Decer     Shareholding Range.	No. of Shares	No. of Shares
6.10	Amount of investment written- off against which suit has been filled to recover the same.  Write off Investment	-	-	B- 2 Other Deposits  Mudaraba Saving Deposits (91%)	13,333,716,671 27,423,533,223	12,385,843,910 24,148,101,814 186.840,633,000	Up to 500 Shares 501 to 5000 Shares 5001 to 10,000 Shares 10,001 to 20,000 Shares	2,862,061 40,370,912 19,596,371 25,927,497	3,030,014 40,811,619 18,862,482 24,092,498
	Balance at the beginning of the year Add: Write off during the year Less: Recovery of Write off Investment Balance at the end of the year	20,896,780		Mudaraba Term Deposits Mudaraba Short Notice Deposits Bills Payable (Note-11.2) Bearer Certificates of Deposits	213,778,646,522 15,425,629,912 2,500,692,222	12,348,478,680 1,706,699,861	20,001 to 30,000 Shares 30,001 to 40,000 Shares 40,001 to 50,000 Shares 50,001 to 100,000 Shares	16,679,471 12,574,000 8,757,154 27,777,804	15,331,648 9,641,276 6,507,670 23,812,113
	Investments are written-off in line with Bangladesh Bank's BRPE DOS Gircular No. 01 dated 29 December 2004, BRPD Gircular N Circular No. 01 dated 02 February 2019 when prospect of rec	O Circular No. 02 date to. 13 dated 07 November covery of such Investr	ber 2013 and BRPD ments become non-	Mudaraba Deposit under Schemes (Note-11.5) Foreign Currency Deposits  11.1 Al-Wadiah Current Accounts & Other Deposit Accounts	87,256,252,772 342,074,129 346,726,828,780	58,653,874,203 421,967,022 284,119,754,580	100,001 to 1,000,000 Shares Over 1,000,000 Shares  14.5 Capital to Risk Weighted Assets Ratio (CRAR) Under Basel-III.	87,988,489 619,975,515 862,509,274 (Solo Basis)	79,377,544 562,632,476 <b>784,099,340</b>
	existent .However, such write-off does not reduce the claim again for all write-off accounts are separately maintained by the Bank t amount of written-off bad debts by banks was BDT 2.09 Crore at end	o continue the recover		Al-wadiah Current Deposits Al-wadiah Current Deposits Mudaraba Short Notice Deposits Sundry Deposits Security Deposit Receipt	7,858,272,640 15,547,829,912 2,734,861,601 28,364,856	6,666,580,847 12,426,978,680 3,304,945,797 26,043,460	Tier-I Capital: Common Equity Tier-1 Capital (CET-1): Paid up Capital Statutory Reserve	8,625,092,740 4,339,990,406	7,840,993,400 3,556,551,892
6.11	Security against Investments including bills purchased & negotial Collateral of movable/immovable assets	17,473,337,098	19,288,446,582	Foreign Currency Deposits  11.1(a) Consolidated Al-Wadiah Current Accounts & Other Deposit Accounts	342,074,129 <b>26,511,403,138</b>	421,967,022 22,846,515,806	Other Reserve Retained Earnings Adjustment for Deferred Tax Assets	4,339,390,406 1,133,290,220 884,674,751 (498,013,850) 24,900,693	3,336,331,892 717,363,208 801,089,800 (401,623,095) 20,081,155
	Local banks & financial institutions guarantee Export documents Own MTDR MTDR of other Banks Government Bonds	1,976,636,595 70,134,000,000	1,452,454,788 64,620,400,000	II.1(a) Consolutated Al-Wadian Current Accounts & Other Deposit According to the First Security Islami Bank Limited (Note-11.1) First Security Islami Capital & Investment Limited Less: Inter-company transaction	26,511,403,138 - (11,962,265) 26,499,440,873	22,846,515,806 - (10,606,176) 22,835,909,630	Others (5% of Deferred Tax Assets)  Additional Tier-1 Capital (AT-1)  Tier -2 Capital:	24,900,693 14,509,934,960 - 14,509,934,960	20,081,155 12,534,456,360 - 12,534,456,360
	Government Bonds Personal guarantee Other security Unsecured	60,598,700,988 642,336,374 213,659,131,624 364,484,142,678	50,208,936,431 451,345,114 175,663,406,014 311,684,988,928	11.2 Bills Payable Pay Order Issued Demand Draft Payable	2,498,821,634 1,717,797	1,704,730,927 1,810,693	General Provision Assets Revaluation Reserves Subordinated Debt	1,023,622,565 191,160,401 11,500,000,000 (191,160,401)	3,396,383,166 191,160,401 4,862,000,000 (152,928,321)
6.12	Maturity Grouping of Bills Purchased and Negotiated Payable within one month Over one month but less than three months Over three months but less than six months	5,748,024 1,534,582 246,936,315	4,992,102 1,332,769 214,461,754	Pay Slips Issued  11.3 Mudaraba Savings Deposits  As per BRPD Circular No. 06, dated 24 June 07, total saving deposits amo	152,791 <b>2,500,692,222</b>	158,241 1,706,699,861	Adjustment (Assets Revaluation Reserves @ 100%)  Maximum Limit of Tier-2 Capital (Tier-2 Capital can be maximum up to 4.00% of the Total RWA or 88.89% of CET-1		(152,928,321) 8,296,615,246 8,590,357,410
6.A(a)	Six Months and Above  CONSOLIDATED GENERAL INVESTMENT ETC. (All Inside	454,191,622 708,410,543 le Bangladesh)	394,460,944 615,247,569	9 % of total Mudaraba Savings Deposits 91% of total Mudaraba Savings Deposits	3,476,029,572 35,146,521,223 38,622,550,795	3,057,666,806 30,916,408,814 <b>33,974,075,620</b>	whichever is higher)  A. Total Regulatory Capital  B. Total Risk Weighted Assets C. Capital to Risk Weighted Assets Ratio (CRAR) (A/B)*100	27,033,557,525 239,986,274,181	20,831,071,606 204,685,888,372
7	First Security Islami Bank Limited (Note-6.A) Less: Inter-company transaction (Investment in Subsidiary)  Fixed Assets including premises, Furniture & Intangible	363,775,732,135 (454,179,949) 363,321,552,186	311,069,741,359 (268,474,415) 310,801,266,944	11.4 Mudaraba Term Deposits including other Banks - Maturity wise Payable on Demand Up to Three Months From Three Months to Six Months	3,269,659,303 89,283,121,990 45,249,887,784	3,858,799,722 98,415,099,856 26,751,867,941	C. Capital to Risk Weighted Assets Ratio (CRAR) (A/B)*100 D. Common Equity Tier-1 To RWA (A -CET/B)*100 Requirement of Minimum CET-1 plus Capital Conservation Buffer E. Tier-1 Capital to RWA (A -CET/B)*100 Requirement of Minimum Tier-1 Capital Ratio	11.26 6.05% 7.00% 6.05% 6.00%	10.18 6.12% 6.38% 6.12% 6.00%
	Assets at cost less accumulated depreciation (Annexure-A)  Land  Building  Furniture & Fixtures	334,631,624 4,068,443,511 2,120,213,154	96,546,000 1,429,210,470 2,002,280,494	Above Six Months to One Year Above One Year to Two Years Above Two Years	82,133,522,360 66,077,593 1,728,494,494 221,730,763,524	73,680,695,024 57,201,982 76,968,475 <b>202,840,633,000</b>	Requirement of Minimum Tier-1 Capital Ratio F. Tier-2 Capital to RWA (A. AT/B) #100 G. Minimum Capital Requirement (MCR) Capital Surplus /(Deficiency) against MCR (A-G)	5.22% 5.22% 23,998,627,418 3,034,930,107	6.00% 4.05% 20,468,588,837 362,482,769
	Office Equipment Vehicles Books	2,116,473,510 194,409,508 619,849 8,834,791,156	1,676,208,292 200,392,321 619,111 5,405,256,688	11.5 Other Mudaraba Deposits Mudaraba Deposit under Schemes: Mudaraba Monthly Savings Scheme Mudaraba Double Benefit Deposits Scheme	11,863,118,651 26,660,649,085	11,543,222,117 15,668,541,432	H.Required Minimum Capital Plus Capital Conservation Buffer  14.5(a) Capital to Risk Weighted Assets Ratio (CRAR) Under Basel-III	29,998,284,273 (Consolidated Basis)	24,306,449,244
	Less: Accumulated Depreciation  Intangible Assets  Software -Core banking Less: Accumulated Amortization	2,525,492,050 6,309,299,106 269,836,338 143,962,314	2,115,503,475 3,289,753,213 253,637,195 114,745,783	Mudaraba Double Benefit Deposits Scheme Mudaraba Monthly Benefit Scheme Mudaraba Hajj Scheme Mudaraba Marriage Scheme Mudaraba Health Care Scheme	26,660,649,085 6,481,578,239 197,541,341 3,604,636,661 15,529,913,725	5,668,541,432 5,282,646,835 171,755,349 2,811,534,495 11,809,053,428	Tier-1 Capital: Common Equity Tier-1 Capital (CET-1): Paid up Capital Statutory Reserve	8,625,092,740 4,339,990,406	7,840,993,400 3,556,551,892
	Property, Plant and Equipment has been increased during the year	125,874,024 6,435,173,130 r 2019 by the amount	138,891,412 3,428,644,625 of Tk. 300.61 crore.	Mudaraba Health Care Scheme Mudaraba Education Deposit Scheme Mudaraba Pension Deposit Scheme Mudaraba Millionaire Deposit Scheme Mudaraba Kroropoti Deposit Scheme	15,529,913,725 2,627,448,037 1,136,836,150 2,246,383,772 1,724,144,697	11,809,053,428 2,172,452,622 1,095,218,300 1,788,926,366 1,400,451,787	Other Reserve Retained Earnings Non-controlling Interest Adjustment for Deferred Tax Assets	1,133,290,220 983,438,840 339,890,987 (498,013,850)	717,363,208 904,367,459 344,227,554 (401,623,095)
	The amount of Tk. 287.73 crore was paid for purchasing of FSIE that amount was included in prepayment under other assets becoming the year -2019 the building is ready to use.	BL new premises in the	e previous years but	Mudaraba Kroropoti Deposit Scheme Mudaraba Triple Times Deposit Scheme Mudaraba Four Times Deposit Scheme Mudaraba Probashi Deposit Scheme Mudaraba Money Plant Deposit Scheme	1,724,144,697 611,021,259 2,282,646,958 277,043,692 825,000	1,400,451,787 551,719,463 2,053,837,397 258,977,398 1,028,025	Others (5% of Deferred Tax Assets)  Additional Tier-1 Capital (AT-1)	24,900,693 14,948,590,036	20,081,155 12,981,961,573 - 12,981,961,573
7(a)	Consolidated Fixed Assets including premises, Furniture & Intangible Assets at cost less accumulated depreciation First Security Islami Bank Limited (Note-7) First Security Islami Capital & Investment Limited	6,435,173,130 3,870,183	3,428,644,625 6,243,418	Mudaraba Money Plant Deposit Scheme Mudaraba Gift Cheque Mudaraba Griheni Deposit Scheme Mudaraba New Generation Deposit Scheme Mudaraba Cash Waqf. Deposit Scheme	825,000 11,203,744 314,122,162 74,234,023 1,059,363	1,028,025 10,063,244 280,009,463 71,708,288 977,375	Tier –2 Capital: General Provision Assets Revaluation Reserves	1,023,622,565 191,160,401	3,396,383,166 191,160,401
8	First Security Islami Capital & Investment Limited  OTHER ASSETS  Inter - branch Transaction Account *	6,439,043,313 14,394,408	<b>3,434,888,043</b> 79,353,085	Mudaraba Cash Waqf. Deposit Scheme Mudarabah Monthly Profit Scheme -1 Year Mudarabah Monthly Profit Scheme -2 Years Mudarabah Others Deposit Scheme	1,059,363 6,041,398,918 759,639,907 4,810,807,388 <b>87,256,252,772</b>	977,375 1,271,450,878 410,299,941 - 58,653,874,203	Subordinated Debt Adjustment (Assets Revaluation Reserves @ 100%)  Maximum Limit of Tier-2 Capital (Tier-2 Capital can be	11,500,000,000 (191,160,401) 12,523,622,565	4,862,000,000 (152,928,321) <b>8,296,615,246</b>
	Accrued Income Advances, Deposits and Prepayment (Note -8.1)** Stock of Stationery Suspense Account (Note- 8.2)	1,024,182,980 1,562,454,339 39,726,911 41,352,682	860,516,476 4,225,750,519 39,911,240 14,310,468	12 MUDARABA SUBORDINATED BOND  The Bank has already been fully redeemed non-convertible FSIBL	11,500,000,000 . 1st Mudaraba Subordi	4,862,000,000 nated Bond amount	Maximum Limit of Tier-2 Capital (Tier-2 Capital can be maximum up to 4.00% of the Total RWA or 88.89% of CET-1 whichever is higher)  A. Total Regulatory Capital		8,296,615,246 21,278,576,819
	Advance Deposits Stamps on Hand Protested Bills Investment in FSI Capital & Investment Ltd.(Note-1.2.1) Investment in FSIEL Italy S.R.L. (Note-1.2.2)	6,032,865 4,161,800 61,454,778 255,000,000 62,340,058	5,669,441 3,648,585 61,454,778 255,000,000 62,340,058	of Tk. 213.80 crore up to 31 December 2018 and remaining balar on 03/01/2019 as principal redemption.  The bank issued FSIBL 2nd Mudaraba Subordinated Bond (Priva (Four hundred fifty) crore only through private placement with 7	ate Placement) amount	Tk. 36.20 crore paid ting to BDT 450.00	B. Total Risk Weighted Assets C. Capital to Risk Weighted Assets Ratio (CRAR) (A/B)*100 D. Common Equity Tier-1 To RWA (A -CET/B)*100	240,730,407,532 11.41% 6.21%	205,717,117,982 10.34% 6.31%
	Deferred Tax Assets (Note- 8.3)  * Inter-branch transaction account represents net outstanding balance.	498,013,850 3,569,114,671 nce between Inter-bran	401,623,095 6,009,577,745 ach and Head Office	capital as per requirement of Basel III. The semi-annual pro 31/12/2019.  The Bangladesh Securities and Exchange Commission vide their I	ofit has already been letter No. BSEC/CI/E	paid based up to OS-21/2014/96 dated	Requirement of Minimum CET-1 plus Capital Conservation Buffer E. Tier-1 Capital to RWA (A -CET/B)*100 Requirement of Minimum Tier-1 Capital Ratio F. Tier-2 Capital to RWA (A- AT/B)*100	7.00% 6.21% 6.00% 5.20%	6.38% 6.31% 6.00% 4.03%
	transaction(net) originated but yet to be responded at the balance respondent 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 that amount was included in prepayment under other assets because of During the control of the buildies in the control of the control	). new premises in the prev	vious years but	February 05, 2019 and Bangladesh Bank vide their letter no. February 18, 2019 have given their consent for raising regulatory hundred ) croe only through issuance of FSIB. 3rd Mudaraba Su 7 years maturity for enhancement of Tier-II capital as per re-	capital by amount of abordinated Bond (Priv	BDT 700.00 (Seven ate Placement) with	G. Minimum Capital Requirement (MCR)  Capital Surplus / (Deficiency) against MCR (A-G)	24,073,040,753 3,399,171,848	20,571,711,798

31/12/2019.

The Bangladesh Securities and Exchange Commission vide their letter No. BSEC/CI/DS-21/2014/96 dated February 05, 2019 and Bangladesh Bank vide their letter no. BRPD (BPIS)661/14B(P)/2098-1542 dated February 18, 2019 have given their consent for raising regulatory capital by amount of BDT 700.00 (Seven hundred ) erore only through issuance of FSIBL 3rd Mudaraba Subordinated Bond (Private Placement) with 7 years maturity for enhancement of Tier-II capital as per requirement of Basel –III. The FSIBL 3rd Mudaraba Subordinated Bond has been fully subscribed by BDT 700.00 crore on 3rd July 2019. The semi-annual profit has already been paid up to 31/12/2019.

# **ADVERTISEMENT**





# ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি: FIRST SECURITY ISLAMI BANK LTD.

## **AUDITED** FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER **2019** 



	ISLAMI DANK							
15	STATUTORY RESERVE	31.12.2019 BDT	31.12.2018 BDT		31.12.2019 BDT	31.12.2018 BDT	34 (a) CONSOLIDATED DIRECTORS' FEES & EXPENSES	31.12.2019 BDT
	Opening Balance Add: Addition during the year	3,556,551,892 783,438,514	2,950,454,362 606,097,530 <b>3,556,551,892</b>	25 INCOME FROM INVESTMENT IN SHARE Bangladesh Govt. Islamic Investment Bond Dividend on Shares	682,041,070	336,216,984 11,032,249	First Security Islami Bank Limited (Note-34) First Security Islami Capital & Investment Limited	1,562,800 475,000
	This has been done at least @ 20% or more of the net profit Companies Act, 1991 Amendment 2013 and shall be maintained until		to Sec. 24 of Bank	Profit on Sale of Shares Profit Received on MSB	25,782,146 26,012,069 33,600,000	12,819,495 40,950,000	35 SHARIAH SUPERVISORY COMMITTEE'S FEES & EX	2,037,800
(	OTHER RESERVE Opening Balance	717,363,208	516,507,063	25(a) CONSOLIDATED INCOME FROM INVEST	767,435,285 TMENT IN SHARES & SECURITIES	401,018,728	Shariah Council Meeting Expenses	220,000 <b>220,000</b>
	Add: Addition during the year Add: Transferred from Asset Revaluation Reserve	405,865,938 10,061,074 <b>1,133,290,220</b>	190,795,071 10,061,074 <b>717,363,208</b>	First Security Islami Bank Limited (Note-25) First Security Islami Capital & Investment Lim	767,435,285 nited 15,928,268	401,018,728 28,581,187	36 CONSOLIDATED AUDIT FEES First Security Islami Bank Limited	920,000
	ASSETS REVALUATION RESERVE				783,363,553	429,599,915	First Security Islami Capital & Investment Limited	162,250
	Opening Balance Less: Transfer to Other Reserve	342,076,506 10,061,074 332,015,432	352,137,580 10,061,074 342,076,506	26 COMMISSION, EXCHANGE AND BROKER Commission	691,371,967	621,839,564	37 DEPRECIATION AND REPAIRS OF BANK'S ASSETS	1,082,250
	The Bank revalued the entire land and building during the yea according to paragraph 36 of IAS-16 as per approval of the meetin	ar 2012 by an indepen	ndent valuation firm	Exchange Gain Exchange Earning	193,388,690 246,108,765	<b>155,497,704</b> 215,970,397	Depreciation on Fixed Assets (Annexure - A)  Repairs:	472,496,389 110,738,451
	As per IAS-16, Revaluation reserve is transferred to Other Reservassets.			Less: Exchange Loss	52,720,075 884,760,657	60,472,693 <b>777,337,268</b>	Office equipment Renovation and Repair of Office Premises	20,525,305 13,383,558
l .	RETAINED EARNINGS Opening Balance	801,089,800	724,401,308	26(a) CONSOLIDATED COMMISSION, EXCHAN First Security Islami Bank Limited (Note-26)	884,760,657	777,337,268	Furniture and Fixtures  Maintenance and Services of SWIFT	2,165,146 1,140,247
1	Add: Post tax profit for the period Less: Transfer to Statutory Reserve Less: Transfer to Other Reserve	2,056,988,743 783,438,514 405,865,938	1,586,398,673 606,097,530 190,795,071	First Security Islami Capital & Investment Lim		29,676,758	Maintenance of Routers Elect. Fitt. Rep. & Replacement	1,914,688 8,443,207
l .	Less: Capitalized during the period	784,099,340 <b>884,674,751</b>	712,817,580 <b>801,089,800</b>	27 OTHER OPERATING INCOME	896,077,462	807,014,026	Reimbursement of Facility Management Charges Office Maintenance Expenses	5,644,397 14,576,224
` '	CONSOLIDATED RETAINED EARNINGS First Security Islami Bank Limited (Note-18)	884,674,751	801,089,800	Charges on Account Closing	12,582,247	10,745,985	Maintenance of Software Maintenance Expenses of ATM Machine	36,310,862 5,136,092
	First Security Islami Capital & Investment Limited	98,764,089 <b>983,438,840</b>	103,277,659 <b>904,367,459</b>	Standing Instruction Charges Gain/(Loss) on Sale of Fixed Assets	4,081,420 2,039,949	5,084,213 10,552,612	Maintenance of Disaster Recovery Site	1,498,725 <b>583,234,840</b>
	NON-CONTROLLING INTEREST Opening Balance	344,227,554	340,182,207	Service Charge on Quard Other Income ( Note-27.1)	1,554,996 621,889,030	2,573,628 635,760,586	37 (a) CONSOLIDATED DEPRECIATION AND REPAIRS OF	F FIXED ASSETS
	Add: Capital Increase in Subsidiary Add: Transfer during the year	11,523,508	4,045,347	27.1 Other Income	642,147,642	664,717,024	First Security Islami Bank Limited (Note-37) First Security Islami Capital & Investment Limited	583,234,840 2,660,419
l .	Less: Cash Dividend paid during the period	15,860,075 <b>339,890,987</b>	344,227,554	Postage Recoveries - Local	107,590	116,949		585,895,259
	LETTER OF GUARANTEES			Tel/Fax/E-mail Chg. Recoveries Incidental Charge on Al-Wadiah CD A/C	20,076,897 27,728,305	19,133,284 34,257,753	38 OTHER EXPENSES  Training, Seminar and Workshop	8,634,455
1	Money for which the Bank is contingently liable in respect of guarantee Letters of Guarantee - Local	7,087,826,765	6,955,807,871	Incidental Charge on Mudaraba SB A/C Incidental Charge on Mudaraba SND A/C	126,282,630 10,156,292	174,851,124 5,283,399	Entertainment Traveling	65,576,823 39,408,340
1	Letter of Guarantee - Foreign	9,217,100 <b>7,097,043,865</b>	12,073,780 <b>6,967,881,651</b>	Income from Online Investment Processing Fee	38,513,120 44,504,705	25,089,109 45,250,700	Donation Subscription Newspaper and Periodicals	164,785,107 23,458,445 953,168
l .	Money for Which the Bank is Contingently Liable in respect of G Directors	duarantees:	- 1	Income from ATM Income from SMS Banking Services	43,367,242 164,995,047	38,629,067 165,062,648	Wages Conveyance	416,275,117 16,485,361
1	Government Banks and Other Financial Institutions	-		Income from Internet Banking Services Miscellaneous Earnings	1,152,400 145,004,802	759,800 127,326,753	Business Development Plantation	85,787,168 1,772,061
·	Others	7,097,043,865 <b>7,097,043,865</b>	6,967,881,651 <b>6,967,881,651</b>	27(a) CONSOLIDATED OTHER OPERATING IN	621,889,030	635,760,586	Liveries and Uniform Photocopying	3,076,317 5,824,800
1	IRREVOCABLE LETTERS OF CREDIT  Letters of Credit - Cash	6,114,465,508	4,171,637,189	First Security Islami Bank Limited (Note-27)	642,147,642	664,717,024	Generator Fuel Car Expense	7,509,136 11,163,104
1	Letter of Credit - Cash Inland Back to Back letters of Credit - Local Back to Back letters of Credit - Foreign	- 432,998,889 208,442,385	419,757,968 186,752,715	First Security Islami Capital & Investment Lim	aited 2,705,662	3,033,479	Cash Carrying Washing and Cleaning	20,329,171 3,917,160
,	Back to Back letters of Credit - Foreign	6,755,906,782	4,778,147,872	28 SALARY & ALLOWANCES	644,853,304	667,750,503	Cartage and Freight Fire Extinguisher Refill ATM Expenses	123,620 610,360 35,745,016
	BILLS FOR COLLECTION ISSUED BY THE BANK Foreign Documentary Bills	366,862,904	387,682,406	Basic Salary	1,187,810,013	932,749,586	Meeting Expenses Mobile Financial Service Expense	13,362,941 6,450,537
	Outward Bills Inland Documentary Bills	3,415,188 1,397,462,109	3,300,000 1,047,775,939	Bonus Allowances	449,970,167 1,599,642,656	433,371,558 1,603,087,431	Bank Charges Agent Banking Expenses	2,076,861 1,938,193
23	INVESTMENT INCOME	1,767,740,201	1,438,758,345	Bank's Contribution to Staff Provident Fund Gratuity	109,000,932 308,964,808	82,496,259 133,934,270	Sundry Expenses	7,693,441 <b>942,956,702</b>
l	Profit Received from: Bai Murabaha - General	1,953,190,412	1,777,609,078	Employees' Insurance	4,670,190 <b>3,660,058,766</b>	3,185,639,104	38 (a) CONSOLIDATED OTHER EXPENSES First Security Islami Bank Limited (Note-38)	942,956,702
l	Bai Murabaha Hypothecation Bai Murabaha against MTD	20,851,357,561 2,883,675,865	18,717,337,205 2,507,693,090	28(a) CONSOLIDATED SALARY & ALLOWANCE	es		First Security Islami Capital & Investment Limited	36,068,654
l	Bai Murabaha Post Import (LTR) Bai Murabaha Post Import (Pledge)	422,376,624 1,179	474,477,868 14,025,272	First Security Islami Bank Limited (Note-28) First Security Islami Capital & Investment Lim	3,660,058,766 sited 15,661,512	3,185,639,104 14,412,206	'	979,025,356
l	Bai Murabaha Real Estate Bai Murabaha Import Bill Investment in Placements	73,020 1,871,082,337 1,382,073,210	190,373 1,701,010,176 1,396,550,529	Pirst Security Islami Capital & Investment Lim	3,675,720,278	3,200,051,310	39 DEFERRED TAX INCOME/(EXPENSE) Closing balance of Deferred Tax Assets (Note-8.3)	498,013,850
l	Bai Murabaha Import Bai Murabaha Export	466,449,460 58,150,464	351,891,759 130,416,949	29 RENT, TAXES, INSURANCE, ELECTRICIT	Y ETC.		Less: Opening balance of Deferred Tax Assets  Deferred Tax Income during the year	(401,623,095) <b>96,390,755</b>
l	Bai Murabaha SME Investment Bai-Murabaha (EMI) Investment	2,313,890,522 141,511,123	1,012,563,484 215,311,331	Rent Insurance	419,356,443 148,783,552	369,066,158 159,255,358	40 EARNINGS PER SHARE	
l	Bai-Murabaha(General) Under SME Invest Bai-Murabaha Post Import(TR)-Under SME	66,826,931 141,456,393	62,928,828 59,777,286	Rates and Taxes Water Charges	55,233,918 3,457,196	6,357,322 3,480,750	Profit after taxation Less: Preference dividend	2,056,988,743
l	Bai-Murabaha (EQI) Investment Mudaraba Foreign Currency Investment (EDF) Inland Documentary Bills Purchased (Foreign	1,624,755,483 120,445,342	1,740,531,410 43,364,544	Gas Charges Electric Bills	1,850,425 90,566,861	1,796,893 83,918,929	Profit attributable to ordinary shareholders Weighted average number of shares outstanding	<b>2,056,988,743</b> 862,509,274
l	Currency Bille) Bai Muajjal General	86,946,930	84,273,381 123,264		719,248,395	623,875,410	Earnings Per Share (EPS) (Restated) 40 (a) CONSOLIDATED EARNINGS PER SHARE	2.38
	Pre-shipment Investment HPSM Transport HPSM Real Estate	2,241,963 98,677,725 771,264,567	23,320,650 145,210,426 875,170,160	29(a) CONSOLIDATED RENT, TAXES, INSURAN First Security Islami Bank Limited (Note-29)	NCE,ELECTRICITY ETC. 719,248,395	623,875,410	Profit after taxation	2,080,506,106
	HPSM Consumer HPSM Agriculture	51,651,562 14,480,334	72,019,999 6,681,177	First Security Islami Capital & Investment Lim		6,210,252 630,085,662	Less: Preference dividend Less: Profit attributable to Minority	11,523,508
	HPSM SME HPSM HBL Commercial	55,794,379 1,171,762,773	18,002,697 1,289,539,993	30 LEGAL EXPENSES			Profit attributable to ordinary shareholders of parent Weighted average number of shares outstanding	<b>2,068,982,598</b> 862,509,274
	HPSM Industrial Rent on HPSM Scheme	818,366,177 6,145,081	786,360,995 113,781,883	Legal fee & charges Other legal expenses	151,910 9,065,125	253,848 12,163,180	Earnings Per Share (EPS) (Restated)  Earnings Per Share (EPS) has been calculated as per IAS-	2.40
l	HPSM House Building - Staff Bai Muajjal	28,305,213 19,541	31,228,794 89,404 263,597,204	30(a) CONSOLIDATED LEGAL EXPENSES	9,217,035	12,417,028	As per IAS-33 "Earnings Per Share", has been comput	ted by dividing the
l	Agriculture Investment Investment against Provident Fund (Staff) Investment against Car Lease Scheme	158,697,560 2,323,483 32,843	1,289,249 102,984	First Security Islami Bank Limited (Note-30)	9,217,035	12,417,028	by the weighted average number of ordinary share ou earnings per share was not required to calculate as the	
l	Quard against MTDR Wajira Bill Okalah	323,756 20,625	129,785 4,843,897	First Security Islami Capital & Investment Lim	nited 127,500	480,000	The total operating income specially investment inc	
	SME Investment (Others) Bai-Murabaha Import Non-AD	1,231,295,504 5,767,154		31 POSTAGE, STAMP AND TELECOMMUNIC	9,344,535	12,897,028	483.06 crore for the year ended 31 December 2019 con But, the total profit paid on deposits are increased or December 2019. As a result EPS has been increased	nly Tk. 414.10 crore
23(a)	CONSOLIDATED INVESTMENT INCOME	38,801,433,096	33,921,445,124	Postage	8,508,999	8,554,880	December 2019.	to 2.40 Hom 1.04
	First Security Islami Bank Limited (Note-23)	38,801,433,096	33,921,445,124	Stamp Telephone - Office	102,172 9,938,476	55,096 9,860,365	41 NET ASSET VALUE PER SHARE (NAV) Net Asset Value	15,315,063,550
l	First Security Islami Capital & Investment Limited	79,196,471	128,619,292	Telex, Fax and Email Telephone - Residence	10,488,506 25,410	8,645,182 10,877	Weighted average number of shares outstanding	862,509,274 17.76
24	PROFIT PAID ON DEPOSITS	38,880,629,567	34,050,064,416	Data Communication	63,992,034 <b>93,055,597</b>	64,474,258 <b>91,600,658</b>	41 (a) CONSOLIDATED NET ASSET VALUE PER SHARE (N	NAV)
	Profit Paid on: Mudaraba Term Deposit	17,459,328,521	15,854,378,450	31 (a) CONSOLIDATED POSTAGE, STAMP AND		01 (00 (59	Net Asset Value Weighted average number of shares outstanding	15,413,827,638 862,509,274
l	Mudaraba Double Benefit Deposits Scheme Mudaraba Monthly Savings Scheme Mudaraba Monthly Benefit Savings Scheme	2,397,314,989 1,185,596,221 518,943,824	1,857,969,285 1,179,413,941 449,459,207	First Security Islami Bank Limited (Note-31) First Security Islami Capital & Investment Lim	93,055,597 216,839 <b>93,272,436</b>	91,600,658 269,683 <b>91,870,341</b>	42 NET OPERATING CASH FLOWS PER SHARE (NOCF)	17.87 PS)
l	Mudaraba Savings Deposits Mudaraba Short Notice Deposits	1,475,320,459 621,185,890	1,002,710,559 713,905,147	32 STATIONERY, PRINTING AND ADVERTIS		71,070,041	Net Cash Inflow/(Outflow) from Operating Activities	6,118,165,988
l	MSB & Placement from Other Banks Mudaraba Hajj Deposit Scheme Mudaraba Student SB AC	1,932,850,632 17,826,769 7,151,542	1,429,715,928 15,959,326 6,957,746	Publicity and Advertisement Printing and Stationery	121,319,691 54,971,538	104,517,300 51,994,770	Weighted average number of shares outstanding	862,509,274 <b>7.09</b>
	Mudaraba Salary A/C Mudaraba Senior Citizen AC	15,935,012 7,504,511	12,196,473 5,634,669	Computer Stationery	3,790,954 180,082,183	3,919,530 <b>160,431,600</b>	42 (a) CONSOLIDATED NET OPERATING CASH FLOWS PI	ER SHARE (NOCFPS
	Mudaraba Marriage Scheme Mudaraba Health Care Scheme Mudaraba Education Deposit Scheme	306,626,532 1,273,145,322 233,164,554	236,753,832 987,314,959 194,526,815	32 (a) CONSOLIDATED STATIONERY, PRINTIN			Net Cash Inflow/(Outflow) from Operating Activities Weighted average number of shares outstanding	6,151,325,724 862,509,274
	Mudaraba Pension Deposit Scheme Mudaraba Millionaire Deposit Scheme	116,502,962 199,395,551	110,287,743 167,000,513	First Security Islami Bank Limited (Note-32) First Security Islami Capital & Investment Lim		160,431,600 385,807	* Note no. 40 to 42(a) weighted average number of shares	7.13 soutstanding as on 31
	Mudaraba Kroropoti Deposit Scheme Mudaraba Triple Times Deposit Scheme Mudaraba Four Times Deposit Scheme	156,538,025 69,662,169 242,910,818	125,463,221 63,240,737 221,193,824	33 MANAGING DIRECTOR'S SALARY AND FI	180,432,242	160,817,407	has been restated.  Due to increase of Deposits Received from Custome	
	Mudaraba Probashi Deposit Scheme Mudaraba Money Plant Deposit Scheme	28,352,624 84,375	26,744,765 217,152	Basic Pay	4,927,742	4,445,322	compare to the previous year. The net operating cash outform on 31 December 2019 compare to (4.92) on 31 December	flow per share has bee
	Mudaraba Griheni Deposit Scheme Mudaraba Gift Cheque Agent Savings A/C-Mobile Bank	28,617,045 213,319 1,977,754	25,903,255 309,329 1,853,153	House Rent Allowances Leave Fare Allowances	1,680,000 1,380,000	1,633,549 1,345,161	43 RECEIPTS FROM OTHER OPERATING ACTIVITIES	
	Mudaraba New Generation Savings Scheme Mudaraba New Generation Deposit Scheme	8,241,246 7,101,221	7,347,677 6,866,700	Bonus House Maintenance Allowances	1,719,600 1,740,000	1,836,000 1,693,549	Charges on Account Closing Standing Instruction Charges	12,582,247 4,081,420
	Mudaraba Shramajibi Savings Mudaraba Cash Waqf.Deposit Scheme Agent Banking Saving A/C	8,612,165 108,142 3,002,370	6,622,363 221,773 1,218,095	Other Allowances	1,440,000   12,887,342	1,405,161 12,358,742	Standing Instruction Charges Gain/(Loss) on Sale of Fixed Assets Service Charge on Quard	4,081,420 2,039,949 1,554,996
	Agent Banking Float A/C Mudaraba Monthly Profit 1 Year	8,325,577 409,788,758	3,518,957 16,769,718	33 (a) CONSOLIDATED MANAGING DIRECTOR	'S SALARY AND FEES 12,887,342	12,358,742	Other Income ( Note-27.1)	621,889,030 642,147,642
	Mudaraba Monthly Profit 2 Years Mudaraba Specialized Saving Account (10 Taka) Mudaraba Monthly Deposit Scheme GOLD	56,164,129 12,730	14,790,038	First Security Islami Bank Limited (Note-33) First Security Islami Capital & Investment Lim		3,933,294 16,292,036	43 (a) CONSOLIDATED RECEIPTS FROM OTHER OPERAT	
	Mudaraba Mushafir Deposit Scheme Mudaraba Monthly Profit Scheme (Morobbi) 1 Year	524,723 706,276 37,282,680	- - -	34 DIRECTORS' FEES & EXPENSES		, ,	First Security Islami Bank Limited (Note-43)	642,147,642
	Mudaraba Sanchay Scheme 3 Years Mudaraba Monthly Profit Scheme (Mahiyasi)	41,738,925 9,665,605 <b>28,887,423,967</b>	24,746,465,350	Directors Fees Meeting Expenses	1,562,800 - 1,562,800	1,140,800 936,184 <b>2,076,984</b>	First Security Islami Capital & Investment Limited	18,633,930 <b>660,781,572</b>
	<del></del>	-,,T#J9/U/	<b>∠ 197 TO3TOJJJJU</b>	: I	1,304,800	4,010,704	1	.,,-,-,-

		BDT	BDT
34 (a)	CONSOLIDATED DIRECTORS' FEES & EXPENSES		
	First Security Islami Bank Limited (Note-34)	1,562,800	2,076,984
	First Security Islami Capital & Investment Limited	475,000	500,000
		2,037,800	2,576,984
35	SHARIAH SUPERVISORY COMMITTEE'S FEES & EX	PENSES	
	Shariah Council Meeting Expenses	220,000	167,200
	8 1	220,000	167,200
36	CONSOLIDATED AUDIT FEES		
	First Security Islami Bank Limited	920,000	920,000
	First Security Islami Capital & Investment Limited	162,250	150,000
		1,082,250	1,070,000
37	DEPRECIATION AND REPAIRS OF BANK'S ASSETS		
	Depreciation on Fixed Assets (Annexure - A)	472,496,389	393,870,787
	Repairs:	110,738,451	92,469,250
	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	5,890,846
	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
		583,234,840	486,340,037

	First Security Islami Capital & Investment Limited	2,660,419	3,154,445
		585,895,259	489,494,482
38	OTHER EXPENSES		
	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

583,234,840

486,340,037

1,586,398,673

862,509,274 15.37

17.76

	979.025.356	1.084.313.387
First Security Islami Capital & Investment Limited	36,068,654	46,517,242
First Security Islami Bank Limited (Note-38)	942,956,702	1,037,796,145
a) CONSOLIDATED OTHER EXPENSES		
	942,956,702	1,037,796,145
Sundry Expenses	7,693,441	18,717,269
Agent Banking Expenses	1,938,193	18,020,452
Bank Charges	2,076,861	654,159
Mobile Financial Service Expense	6,450,537	13,843,997
Meeting Expenses	13,362,941	8,733,866
ATM Expenses	35,745,016	24,863,652
Fire Extinguisher Refill	610,360	509,876
Cartage and Freight	123,620	64,655

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)
Deferred Tax Income during the year	96,390,755	150,795,071
40 EARNINGS PER SHARE		
Profit after taxation	2,056,988,743	1,586,398,673

Earnings Per Share (EPS) (Restated)	2.38	1.84
0 (a) CONSOLIDATED EARNINGS PER SHARE		
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	2,068,982,598	1,590,609,137
Weighted average number of shares outstanding	862,509,274	862,509,274
Earnings Per Share (EPS) (Restated)	2.40	1.84

omputed by dividing the profit After Tax (PAT) are outstanding as on 31 December 2019. Diluted as there were no dilution possibilities during the

nt income is increased by the amount of Tk. 19 compare to the year ended 31 December 2018. sed only Tk. 414.10 crore for the year ended 31

		December 2019. As a result December 2019.	1	,		,		
I	41	NET ASSET VALUE PER SHA	ARE (NAV)					
ı		Net Asset Value		15	315 063 550	13.2	58 074 806	

(a) CONSOLIDATED NET ASSET VALUE PER SHARE	(NAV)	
Net Asset Value	15,413,827,638	13,361,352,465
Weighted average number of shares outstanding	862,509,274	862,509,274
	17.87	15.49
2 NET OPERATING CASH FLOWS PER SHARE (NOC	CFPS)	

Net Cash Inflow/(Outflow) from Operating Activities	6,118,165,988	(4,271,172,790)
Weighted average number of shares outstanding	862,509,274	862,509,274
	7.09	(4.95)
(a) CONSOLIDATED NET OPERATING CASH FLOWS PI	ER SHARE (NOCFPS)	

0.42 500 274	
862,509,274	862,509,274
7.13	(4.92)
	<del></del>

ustomers by the amount of Tk. 3,461.68 crore sh outflow per share has been increased 7.13 as ember 2018.

	642,147,642	654,164,412
Other Income (Note-27.1)	621,889,030	635,760,586
Service Charge on Quard	1,554,996	2,573,628
Gain/(Loss) on Sale of Fixed Assets	2,039,949	-
Standing Instruction Charges	4,081,420	5,084,213
Charges on Account Closing	12,582,247	10,745,985

3 (a) CONSOLIDATED RECEIPTS FROM OTHER OPERAT	TING ACTIVITIES

First Security Islami Bank Limited (Note-43)	642,147,642	654,164,412
First Security Islami Capital & Investment Limited	18,633,930	31,614,666
	660,781,572	685,779,078

## **ADVERTISEMENT**



# ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিঃ FIRST SECURITY ISLAMI BANK LTD. فارست سيكيوريتي اسلامي بنك ليميتد

#### **AUDITED** FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



	24.40.2040	24.42.2040
	31.12.2019 BDT	31.12.2018 BDT
44 PAYMENT FOR OTHER OPERATING ACTIVITIES		
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
	1,767,180,529	1,768,795,925
44 (a) CONSOLIDATED PAYMENT FOR OTHER OPERATION	ING ACTIVITIES	
44 (a) CONSOLIDATED TATMENT FOR OTHER OFERALL	ING 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
, .	1,811,111,306	1,826,383,976
45 INCREASE /DECREASE OF OTHER ASSETS		
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
	2,739,366,355	2,008,405,378
(Increase)/Decrease during the year	(730,960,977)	(755,539,396)
<ul> <li>* Amount of BD Tk. 287.73 crore Land and Buildi Equipment have been transferred from Prepayment the year 2019.</li> <li>45 (a) CONSOLIDATED INCREASE / DECREASE OF OTHER</li> </ul>	of the year 2018 to Fix	
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)
That beculty Islam Capital & Investment Palinted	(706,995,237)	(859,147,834)
	(100,550,201)	(663)21136613
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
I	1,215,478,722	923,828,935
Increase /(Decrease) during the year	291,649,788	1,178,128,241
46 (a) CONSOLIDATED INCREASE / DECREASE OF OTHE	ER 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)
	89,416,079	1,153,381,589
GENERAL DISCLOSURE: 47 RELATED PARTY TRANSACTIONS		
During the year, the Bank carried out some transactions wit	h related party in the nort	mal course of business
and on an arm's length basis. The name of this related part been set out in accordance with provisions of International	y, nature of this transaction Accounting Standard 24 (I	on and total value has IAS: 24) Related Party
disclosure and as defined in the BRPD Circular no. 14 issued	l by the Bangladesh Bank	on June 25, 2003. The

significant related party transactions during the year were as follows:

Name of the Party

Northern General

Insurance Company Ltd. Northern General

Insurance Company Ltd. Reliance Finance Ltd.

Reliance Finance Ltd.

Reliance Finance Ltd

First Security Islami

Capital & Investment First Security Islami

Capital & Investment First Security Islami

Capital & Investment ii) Related Party Transactions

27 (1) of the Bank Companies Act, 1991.

MANAGING DIRECTOR'S SALARY AND FEES

House Rent Allowances

Leave Fare Allowances

Other Allowances

House Maintenance Allowances

Nature of

Transaction

Insurance

Deposit

Deposit

Balance with

NBFI(MTDR) Subordinated

Bond

Deposit

Capital

Investment

iii) Shares issued to Directors and Executives without consideration or

iv) Lending to Related Parties is effected as per requirements of Section

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

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

COMPENSATION OF KEY MANAGEMENT PERSONNEL:

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

Nature of

Relationship

Common Director

4,927,742

1,680,000

1,380,000

1,719,600

1,740,000

1,440,000

12,887,342

167,200		
1,037,796,145 1,768,795,925		
1,768,795,925		
57,588,051		
1,826,383,976		
860,516,476		
1,022,894,390		
39,911,240		
14,310,468 5,669,441		
3,648,585		
61,454,778		
2,008,405,378		
(755,539,396)		
re Data Centre Assetsted during	2	Mohar
isseisted during		
(755,539,396)		
(103,608,438)		
(859,147,834)		
538,878,926	3	Ms. Fa
240,643,452		
12,980 4,550		
19,461,557		
28,964,817		
95,862,653 <b>923,828,935</b>		
1,178,128,241		
1,178,128,241		
(24,746,652)		
1,153,381,589		
course of business		
nd total value has 24) Related Party	4	Ms. Ra
ne 25, 2003. The		
	5	Ms. At
d Value (in Tk.)		
9,056,449		
74,304,064	6	Ahmed
4,145,295	7	Khand
13,603,700,000		
280,000,000	8	Dr. Mo
11,962,265	9	Badrui
255,000,000	10	Jamal :
454,179,949		
Nil		
Nil		
Nil	11	Mollah

Nil

Nil

Nil

4,445,322 1,633,549

1,345,161

1,836,000

1,693,549

1,405,161

12,358,742

. [	OIRI	ECTORS' INTEREST IN DIFFERENT I	BUSINESSES OR F	ENTITIES:
Г	S1.	Name of the Directors	Status with the	Names of firms/companies in which interested as proprietor, partner, director,
_	1	Mohammed Saiful Alam	Bank	managing agent, guarantor, employee, etc.  Chairman/Board of Director: 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.  Managing Director: S. Alam Steels Ltd. S. Alam Cement Ltd.
				S. Alam Brothers Ltd. S. Alam Hatchery Ltd. S. Alam Hatchery Ltd. S. Alam Bag Manufacturing Mills Ltd. S. Alam Soyaseed Extraction Plant Ltd. S. Alam Refined Sugar Industries Ltd. S. Alam Refined Sugar Industries Ltd. S. Alam Luxury Chair Coach Services Ltd. S. Alam Power Generation Ltd. S. Alam Properties Ltd. S. Alam Properties Ltd. Sonali Cargo Logistics (Pvt.) Ltd. Fatchabad 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. Director: S. Alam Cold Rolled Steels Ltd. Northern General Insurance Co. Ltd. Sponsor Shareholder: Al-Arafah Islami Bank Ltd. S. Alam Super Edible Oil Ltd. S. Alam Vegetable Oil Ltd. Shareholder: Padma Islami Life Insurance Ltd.
	2	Mohammed Abdul Maleque	Vice-Chairman	S. Alam & Co.  Chairman:  ABM Tower Ltd.  Chairman & Managing Director:
				Kharana Fish & Poultry Ltd.  Managing Director: Chittagong Board and Paper Mills Ltd.  Director: First Security Islami Capital & Investment Ltd.  Ex-Director: Chittagong Chamber of Commerce & Industry  Proprietor: M/S. Bengal Corporation  M/S. Bengal Trading
	3	Ms. Farzana Parveen	Director	M/S. Lucky Electronics  Chairman/Board of Director  Rangdhanu Media Limited  Managing Director:  Dewan Assets Ltd.  Director:
				First Security Islami Capital & Investment Ltd. Reliance Brokerage Services Ltd. S. Alam Vegetable Oil Ltd. Prasad 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. Shareholder: S. Alam Steels Ltd. Union Bank Ltd. Union Bank Ltd. Reliance Finance Ltd. Ekushey Television Ltd. Padma Islami Life Insurance Ltd. Proprietor: Fairy Trade International
	4	Ms. Rahima Begum	Director	Chairman: Marsa Aviation Ltd. M/s. Mortoza Assets Ltd. Marsa Transport Ltd. Managing Director: Marsa Fishing Ltd. Director:
	5	Ms. Atikur Nessa	Director	Marsa Food & Beverage Ltd. Parkview Hospital Limited Proprietor: Atikur Nisa Enterprise Partner: Rafe Enterprise Khorshed Paribahan Sangstha Shareholder: Reliance Finance Ltd.
	6	Ahmed Muktadir Arif	Independent Director	Brigadier General (Retired) Bangladesh Army.
	7	Khandkar Iftekhar Ahmad	Nominated Director (Pusti Vegetable Ghee Ltd.)	Air Commodore ( Retired) Bangladesh Air Force.
	8	Dr. Momtaz Uddin Ahmed	Independent Director	Former Professor Dhaka University
	9	Badrun Nessa	Nominated Director (Padma Export Import & Trading Co. Ltd.)	Director: Excel Dyeing & Printing Ltd. Proprietor: M/s. Moni Traders
	10	Jamal Mostafa Chowdhury	Nominated Director (Honeywell Securities Corporation Limited)	Chairman: J.M.C. Builders (Pvt.) Ltd. J.M.C. Shipping Lines (Pvt.) Ltd. Managing Director: Mostafa Salt Industries (Pvt.) Ltd., Moon Express (Pvt.) Ltd. Proprietor: 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)	Managing Director: Hasan Abasan (Pvt.) Limited Modern Property Limited Director: First Security Islami Capital & Investment Ltd. S. Alam Cement Ltd. S. Alam Brothers Ltd. Portman Cements Ltd. S. Alam Brothers Ltd. S. Alam Brothers 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 Fatchabad Farm Ltd. Share Modern S. Alam Vegetable Oil Ltd. S. Alam Steels Ltd. S. Alam Super Edible Oil Ltd. Proprietor: Mrs. Abdullah Hasan
	13	Syed Waseque Md. Ali	Managing Director	M/s. Abdullah Hasan M/s. Bering Sea Lines

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.

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 a ffect the values stated.

#### 51 AUDIT COMMITTEE

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 Muktadir Arif	Independent Director	Chairman
Dr. Momtaz 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

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.

2,946	3,189
619	709
3,565	3,898
	619

#### 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. 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).



Figure in Taka

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

		COST			DEPRECIATION				
Particulars	Balance as on 01 January 2019	Addition during the Year	Sales/Transfe r 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	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	2,000,418,346	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	222,772,268	5,642,605	1,156,385,305	960,088,205
Vehicles	200,392,321	17,745,000	23,727,813	194,409,508	134,975,574	28,862,113	23,727,807	140,109,880	54,299,628
Books	619,111	738	-	619,849	481,457	26,936	-	508,393	111,456
Total	5,403,394,540	3,470,256,928	38,860,312	8,834,791,156	2,115,503,475	443,279,858	33,291,283	2,525,492,050	6,309,299,106
Software Amortization									

Software -Core Banking	253,637,195	16,199,143	-	269,836,338	114,745,783	29,216,531	-	143,962,314	125,874,024
Total December 2019	5,657,031,735	3,486,456,071	38,860,312	9,104,627,494	2,230,249,258	472,496,389	33,291,283	2,669,454,364	6,435,173,130
Total December 2018	5,371,613,362	350,772,925	63,492,404	5,658,893,883	1,886,021,091	393,870,787	49,642,620	2,230,249,258	3,428,644,625

# Financial Highlights (Solo)

	As at and for the year ended 31 December 2019								
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 po	er Bangladesh Bank guidel	line.						