ICB ISLAMIC BANK LIMITED

FINANCIAL STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2019
(UN-AUDITED)

Balance Sheet
as at 30 June 2019 (Un-audited)

	30-Jun-19 Taka	31-Dec-18 Taka
PROPERTY AND ASSETS		
Cash in hand		
Cash In hand (including foreign currencies)	248,774,996	226,691,032
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	894,010,533	637,081,785
	1,142,785,529	**863,772,817**
Balance with other banks and financial institutions		
In Bangladesh	32,985,091	21,879,047
Outside Bangladesh	8,321,357	2,694,843
	41,306,448	**24,573,890**
Placement with banks & other financial institutions	**415,500,000**	**415,500,000**
Investments in shares and securities		
Government	-	-
Others	110,569,450	110,569,450
	110,569,450	**110,569,450**
Investments		
General Investments etc	8,558,411,165	8,630,721,685
Bills purchased and discounted	2,923,965	2,923,965
	8,561,335,131	**8,633,645,650**
Fixed assets including premises	**34,085,313**	**40,769,393**
Other assets	**355,259,097**	**364,414,186**
Non - banking assets	**976,451,486**	**976,451,486**
Total assets	**11,637,292,453**	**11,429,696,872**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from banks & other financial institutions	**4,857,869,861**	**4,859,869,861**
Deposits and other accounts		
Al-wadeeah current and other deposits accounts	716,772,289	555,515,375
Bills payable	90,630,031	69,545,483
Mudaraba savings deposits	1,445,486,851	1,413,446,208
Mudaraba term deposits	9,774,091,253	9,480,252,746
Bearer certificate of deposit	-	-
Other mudaraba deposits	-	-
	12,026,980,425	**11,518,759,812**
Other liabilities	**5,897,436,393**	**6,001,687,767**
Total liabilities	**22,782,286,679**	**22,380,317,440**
Capital / Shareholders' equity		
Paid up capital	6,647,023,000	6,647,023,000
Statutory reserve	78,810,975	78,810,975
Other reserve	553,950,908	553,950,908
Revaluation Gain on Investment in HTM Securities	-	-
Surplus in profit and loss account / Retained earnings	(18,424,779,108)	(18,230,405,451)
Total Shareholders' equity	**(11,144,994,225)**	**(10,950,620,568)**
Total liabilities and Shareholders' equity	**11,637,292,453**	**11,429,696,872**
Net Asset Value (NAV) Per Share	**(16.77)**	**(16.47)**

Balance Sheet
as at 30 June 2019 (Un-audited)

	30-Jun-18 Taka	31-Dec-17 Taka
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	6,374,000	23,357,000
Letters of guarantee	127,769,469	143,720,338
Irrevocable letters of credit	23,385,462	15,084,820
Bills for collection	46,147,588	41,530,538
Other contingent liabilities	-	-
	203,676,520	**223,692,696**
Other commitments		
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities , credit lines and other commitments	-	-
Liabilities against forward purchase and sale	-	-
Others	-	-
	-	-
Total Off-Balance Sheet items including contingent liabilities	**203,676,520**	**223,692,696**

Profit and Loss Account
for the period ended 30 June 2019 (Un-audited)

	1st January 19 to 30 June 19 Taka(YTD)	1st January 18 to 30 June 18 Taka(YTD)	1st April 19 to 30 June 19 Taka(YTD)	1st April 18 to 30 June 18 Taka(YTD)
Investment Income	207,361,170	189,049,955	122,461,952	88,635,291
Profit paid on deposits	(237,376,886)	(220,292,661)	(118,869,859)	(113,453,103)
Net investment income	**(30,015,716)**	**(31,242,707)**	**3,592,094**	**(24,817,811)**
Income from investments in shares and securities	3,090,731	1,727,953	300,000	150,000
Commission, Exchange and Brokerage	2,811,666	2,477,462	601,035	650,003
Other operating income	30,953,154	41,190,876	16,368,106	23,759,334
Total operating income (A)	**6,839,834**	**14,153,584**	**20,861,235**	**(258,474)**
			-	
Less: Operating Expenditure			-	
Salaries and Allowances	95,545,112	101,047,456	48,253,615	50,644,360
Rent, Taxes, Insurance and Electricity	70,409,404	68,562,449	34,415,036	34,653,980
Legal expenses	4,649,317	4,161,106	1,396,117	1,149,290
Postage, Stamp and Telecommunication	3,941,342	5,382,894	2,014,892	2,800,796
Stationery, Printing and Advertisements	2,603,814	3,011,597	1,108,313	1,469,881
Managing Director's salary and fees	6,991,200	6,991,200	3,846,600	3,846,600
Directors' fees & expenses	299,080	624,509	16,000	485,612
Shariah Supervisory Committee's fees & expenses	48,000	30,000	24,000	30,000
Auditors' fees	320,000	311,000	170,000	161,000
Charges on investment losses	-	-	-	-
Depreciation and repair of Bank's assets	17,969,530	19,118,896	8,554,143	9,195,266
Zakat expenses	-	-	-	-
Other expenses	29,971,391	26,098,233	19,791,015	12,974,405
Total operating expenses (B)	**232,748,191**	**235,339,341**	**119,589,731**	**117,411,189**
Profit / (loss) before provision (C=A-B)	**(225,908,357)**	**(221,185,755)**	**(98,728,496)**	**(117,669,663)**
Provision for investments			-	
Specific provision (Written back)	33,000,000	15,394,721	10,000,000	(1,308,154)
General provision	-	-	-	-
Provision for off-balance sheet items	-	-	-	-
	33,000,000	**15,394,721**	**10,000,000**	**(1,308,154)**
Provision for diminution in value of investments	-	-	-	-
Provision for contingency	-	-	-	-
Other provisions	-	-	-	-
Total provision (D)	**33,000,000**	**15,394,721**	**10,000,000**	**(1,308,154)**
Total profit / (loss) before taxes (C-D)	**(192,908,357)**	**(205,791,034)**	**(88,728,496)**	**(118,977,817)**
Less: Provision for taxation				
Current tax	1,465,300	-	838,386	-
Deferred tax	-	-	-	-
	1,465,300	-	838,386	-
Net profit/(loss) after taxation	**(194,373,657)**	**(205,791,034)**	**(99,566,882)**	**(118,977,817)**
Appropriations				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
	-		-	
Retained earnings carried forward	**(194,373,657)**	**(205,791,034)**	**(99,566,882)**	**(118,977,817)**
			-	
Earnings per share (EPS)	(0.29)	(0.31)	(0.15)	(0.18)

Cash Flow Statement
for the period ended 30 June 2019 (Un-audited)

Particulars	30-Jun-19 Taka	30-Jun-18 Taka
A) Cash flows from operating activities		
Investment income receipts in cash	197,711,031	188,749,955
Profit paid on deposits	(184,659,684)	(173,214,687)
Dividend receipts	1,427,953	1,727,953
Fees and commission receipts in cash	2,811,666	2,477,462
Recoveries of investments previously written off	3,365,761	11,264,935
Cash payments to employees	(102,536,312)	(108,038,656)
Cash payments to suppliers	(1,969,349)	(2,354,876)
Income taxes paid	(3,255,283)	(1,690,747)
Receipts from other operating activities	31,918,519	29,925,941
Payments for other operating activities	(116,102,239)	(98,181,788)
Cash generated from operating activities before changes in operating assets and liabilities	**(171,287,938)**	**(149,334,508)**
Increase / (decrease) in operating assets and liabilities		
Statutory deposits	-	-
(Purchase)/Maturity of trading securities (Treasury bills)	-	-
Investments to other banks	-	-
Investments to customers	72,310,519	75,371,476
Placement from banks & other financial institutions	-	50,000,000
Other assets	9,155,089	128,886
Deposits from other banks / borrowings	(2,000,000)	-
Deposits received from customers	450,110,754	(160,850,259)
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	(62,089,760)	(58,975,478)
	467,486,602	(94,325,375)
Net cash used in operating activities	**296,198,663**	**(243,659,883)**
B) Cash flows from investing activities		
Debentures	-	-
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(453,393)	(2,114,099)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	**(453,393)**	**(2,114,099)**
C) Cash flows from financing activities		
Increase in paid-up capital	-	-
Dividend paid	-	-
Net Cash from financing activities	-	-
D) Net increase / (decrease) in cash and cash equivalents(A+ B + C)	295,745,270	(245,773,982)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period (1st Jan 2019)	1,303,846,707	1,471,655,437
G) Cash and cash equivalents at end of the period (D+E+F)	**1,599,591,977**	**1,225,881,455**
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	248,774,996	200,196,565
Balance with Bangladesh Bank and its agent bank (s)(including foreign currencies)	894,010,533	522,738,153
Balance with other banks and financial institutions	41,306,448	79,446,736
Placement with banks & other financial institutions	415,500,000	423,500,000
Reverse repo	-	-
Prize bonds	-	-
	1,599,591,977	**1,225,881,455**
Net Operating Cash Flows per share (Taka)	**0.45**	**(0.37)**

Statement of Changes in Equity
for the period ended 30 June 2019 (Un-audited)

Particulars	Paid-up capital	Statutory reserve	Share premium	General/ Other reserves	Assets revaluation reserve	Revaluation surplus on Investment	Retained earnings	Total
Balance as at 1 January 2019	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(18,230,405,451)	(10,950,620,568)
Prior year adjustments	-	-	-	-	-	-	-	-
Balance as at 1 January 2019	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(18,230,405,451)	(10,950,620,568)
Surplus / (deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus / (deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	(194,373,657)	(194,373,657)
Dividends (Bonus shares)	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(18,424,779,108)	(11,144,994,225)
Balance as at 30 June 2018	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(17,950,524,734)	(10,670,739,852)

Selective Notes to the Financial Statements as on June 30, 2019.

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

i) Investment in shares and securities

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

ii) Revaluation gains/ losses on Government securities

IFRS: As per requirement of IFRS 9, an entity shall classify financial assets as subsequently measured at amortised cost, at fair value through other comprehensive income or fair value through profit or loss on the basis both of the following criteria:
a). the entity's business model for managing the financial assets and
b). the contractual cash follow characteristics of the financial asset.

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

iii) Provision on investments

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

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

iv) Recognition of profit in suspense

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

v) Other comprehensive income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements through BRPD Circular no.14 dated 25 June 2003 which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) Financial instruments – presentation and disclosure

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

vii) Financial guarantees

IFRS: Financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value minus the cost that are directly attributable to issue of the financial guarantee. After initial recognition, an issuer of such a guarantee shall subsequently measure it at higher of:
i. the amount of the loss allowance and
ii. the amount initially recognised less, when appropriate, the cumulative amount of the income recognised.

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

viii) Cash and cash equivalent

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

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

ix) Non-banking asset

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

Bangladesh Bank: As per BRPD 14, dated 25 June 2003 there must exist a face item named Non-banking asset.

x) Cash flow statement

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

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

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

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

xii) Presentation of intangible asset

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

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

xiii) Off-balance sheet items

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

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

xiv) Investments net of provision

IFRS: Investments should be presented net off provision.

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

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

Investments have been considered as follows:

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

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

There are no events to report which had an influence on the balance sheet or the profit and loss account for the period ended 30 June 2019.

Chairman | Director | Managing Director

Chief Financial Officer | Company Secretary

July 11, 2019.
Dhaka

The financial statements of second quarter un-audited are available in the website of the bank. This address of the website is www.icbislamic-bd.com