ICB Islamic Bank Limited

Corpotate Head Office: T.K. Bhaban (15th Floor) 13, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka-1215.
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Financial Statements for the Period ended 30 September 2020 (Un-Audited)

Balance Sheet
as at 30 September 2020 (Un-audited)

	30-Sep-20 Taka	31-Dec-19 Taka
PROPERTY AND ASSETS		
Cash in hand		
Cash In hand (including foreign currencies)	218,587,973	214,687,153
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	520,892,156	668,782,951
	739,480,130	**883,470,104**
Balance with other banks and financial institutions		
In Bangladesh	16,303,662	19,469,936
Outside Bangladesh	30,770,720	4,737,090
	47,074,382	**24,207,026**
Placement with banks & other financial institutions	**883,300,000**	**404,300,000**
Investments in shares and securities		
Government	-	-
Others	260,569,450	110,569,450
	260,569,450	**110,569,450**
Investments		
General Investments etc.	8,483,883,677	8,455,147,232
Bills purchased and discounted	2,921,465	2,926,465
	8,486,805,143	**8,458,073,697**
Fixed assets including premises	**26,090,934**	**32,802,651**
Other assets	**385,309,761**	**367,585,777**
Non - banking assets	750,276,130	959,131,486
Total assets	**11,578,905,929**	**11,240,140,191**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from banks & other financial institutions	**4,824,869,861**	**4,829,869,861**
Deposits and other accounts		
Al-wadeeah current and other deposits accounts	608,306,876	633,935,001
Bills payable	97,836,276	77,143,817
Mudaraba savings deposits	1,457,430,387	1,464,987,989
Mudaraba term deposits	10,439,318,917	9,784,318,642
Bearer certificate of deposit		-
Other mudaraba deposits		-
	12,602,892,456	**11,960,385,449**
Other liabilities	**5,722,701,264**	**5,824,258,391**
Total liabilities	**23,150,463,581**	**22,614,513,701**
Capital / Shareholders' equity		
Paid up capital	6,647,023,000	6,647,023,000
Statutory reserve	78,810,975	78,810,975
Other reserve	456,341,806	553,950,908
Revaluation Gain on Investment in HTM Securities	-	-
Surplus in profit and loss account / Retained earnings	(18,753,733,434)	(18,654,158,394)
Total Shareholders' equity	**(11,571,557,653)**	**(11,374,373,511)**
Total liabilities and Shareholders' equity	**11,578,905,929**	**11,240,140,191**
Net Asset Value (NAV) Per Share	**(17.41)**	**(17.11)**

sd- **Chief Financial Officer** sd- **Company Secretary**

sd- **Managing Director** sd- **Director** sd- **Chairman**

October 20,2020
Dhaka

Financial Position
as at 30 September 2020 (Un-audited)

	30-Sep-20 Taka	31-Dec-19 Taka
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	6,374,000	6,374,000
Letters of guarantee	126,026,450	126,401,874
Irrevocable letters of credit	19,468,120	21,922,815
Bills for collection	48,642,218	42,078,176
Other contingent liabilities	-	-
	200,510,788	**196,776,865**
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	**200,510,788**	**196,776,865**

sd- **Chief Financial Officer** sd- **Company Secretary**

sd- **Managing Director** sd- **Director** sd- **Chairman**

October 20,2020
Dhaka

Profit or Loss and Comprehensive Income
for the period ended 30 September 2020(Un-audited)

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	1st January 20 to 30 September 20 Taka(YTD)	1st January 19 to 30 September 19 Taka(YTD)	1st July 20 to 30th September 2020 Taka	1st July 2019 to 30th September 2019 Taka
Investment Income	286,740,761	303,894,543	86,374,108	96,533,374
Profit paid on deposits	(364,826,386)	(364,589,114)	(117,660,026)	(127,212,228)
Net investment income	**(78,085,626)**	**(60,694,571)**	**(31,285,919)**	**(30,678,855)**
Income from investments in shares and securities	4,206,861	4,853,346	400,000	1,762,616
Commission, Exchange and Brokerage	1,974,355	3,302,000	1,079,195	490,334
Other operating income	262,737,821	40,420,355	244,331,586	9,467,201
Total operating income (A)	**190,833,412**	**(12,118,870)**	**214,524,862**	**(18,958,704)**
			-	
Less: Operating Expenditure			-	
Salaries and Allowances	134,602,008	139,319,019	41,100,532	43,773,907
Rent, Taxes, Insurance and Electricity	97,518,270	106,578,873	30,687,116	36,169,469
Legal expenses	2,267,783	7,859,098	1,006,325	3,209,781
Postage, Stamp and Telecommunication	5,175,361	5,146,673	1,943,934	1,205,331
Stationery, Printing and Advertisements	3,388,415	3,470,923	816,065	867,108
Managing Director's salary and fees	11,533,950	10,837,800	4,098,150	3,846,600
Directors' fees & expenses	58,160	734,115	48,000	435,035
Shariah Supervisory Committee's fees & expenses	-	72,000	-	24,000
Auditors' fees	225,000	450,000	(25,000)	130,000
Depreciation and repair of Bank's assets	27,803,521	28,016,545	10,344,177	10,047,015
Zakat expenses	-	-	-	-
Other expenses	34,502,026	40,601,877	11,387,686	10,630,486
Total operating expenses (B)	**317,074,493**	**343,086,924**	**101,406,986**	**110,338,733**
Profit / (loss) before provision (C=A-B)	**(126,241,081)**	**(355,205,793)**	**113,117,877**	**(129,297,437)**
Provision for investments			-	
Specific provision	(30,000,000)	(33,000,000)	-	-
General provision	-	-	-	-
Provision for off-balance sheet items	-	-	-	-
	(30,000,000)	**(33,000,000)**	-	-
Provision for diminution in value of investments	-	-	-	-
Provision for contingency	-	-	-	-
Other provisions	-	-	-	-
Total provision (D)	**(30,000,000)**	**(33,000,000)**	-	-
Total profit / (loss) before taxes (C-D)	**(96,241,081)**	**(322,205,793)**	**113,117,877**	**(129,297,437)**
Less: Provision for taxation			-	
Current tax	3,333,959	2,114,821	1,993,110	649,521
Deferred tax	-	-	-	-
	3,333,959	2,114,821	1,993,110	649,521
Net profit/(loss) after taxation	**(99,575,040)**	**(324,320,614)**	**111,124,767**	**(129,946,958)**
Appropriations			-	
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
	-	-	-	-
Retained earnings carried forward	**(99,575,040)**	**(324,320,614)**	**111,124,767**	**(129,946,958)**
			-	
Earnings per share (EPS)	(0.15)	(0.49)	0.17	(0.20)

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October 20,2020
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Cash Flows Statement
for the period ended 30 September 2020(Un-audited)

Particulars	30-Sep-20 Taka	30-Sep-19 Taka
A) Cash flows from operating activities		
Investment income receipts in cash	153,706,880	287,087,309
Profit paid on deposits	(322,001,854)	(302,176,270)
Dividend receipts	4,206,861	4,853,346
Fees and commission receipts in cash	1,728,035	3,302,000
Recoveries of lnvestments previously written off	4,904,011	3,501,261
Cash payments to employees	(146,135,958)	(150,156,819)
Cash payments to suppliers	(2,617,424)	(2,743,134)
Income taxes paid	831,311	(1,823,246)
Receipts from other operating activities	252,460,445	36,919,094
Payments for other operating activities	(158,250,000)	(192,637,068)
Cash generated from operating activities before changes in operating assets and liabilities	**(211,167,693)**	**(313,873,527)**
Increase / (decrease) in operating assets and liabilities		
Statutory deposits	-	-
(Purchase)/Maturity of trading securities (Treasury bills)	-	-
Investments to other banks	-	-
Investments to customers	(17,771,632)	106,797,699
Placement from banks & other financial institutions	(5,000,000)	(2,000,000)
Other assets	(11,723,984)	11,837,970
Deposits from other banks / borrowings	-	-
Deposits received from customers	642,507,007	348,914,223
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	(136,693,015)	(149,586,576)
	471,318,376	315,963,316
Net cash used in operating activities	**260,150,683**	**2,089,789**
B) Cash flows from investing activities		
Debentures	-	-
Proceeds from sale of securities	-	-
Payments for purchases of securities		-
Purchase of property, plant and equipment	(2,552,989)	(4,584,280)
Payment against lease obligation	-	-
Proceeds from sale of property, plant & equipment and Non-banking assets	100,000,000	-
Net cash used in investing activities	**97,447,011**	**(4,584,280)**
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)**	357,597,694	(2,494,492)
E) Effects of exchange rate changes on cash and cash equivalents	279,689	633,888
F) Cash and cash equivalents at beginning of the period (1st Jan 2020)	1,311,977,129	1,303,846,707
G) Cash and cash equivalents at end of the period (D+E+F)	**1,669,854,512**	**1,301,986,103**
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	218,587,973	253,595,112
Balance with Bangladesh Bank and its agent bank (s)(including foreign currencies)	520,892,156	617,521,915
Balance with other banks and financial institutions	47,074,382	20,569,075
Placement with banks & other financial institutions	883,300,000	410,300,000
Reverse repo	-	-
Prize bonds	-	-
	1,669,854,512	**1,301,986,102**
	-	
Net Operating Cash Flow per share- NOCFPS (Taka)	**0.391**	**0.003**

sd- **Chief Financial Officer** sd- **Company Secretary**

sd- **Managing Director** sd- **Director** sd- **Chairman**

October 20,2020
Dhaka

Statement of Changes in Equity
for the period ended 30 September 2020(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 2020	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(18,654,158,393)	(11,374,373,511)
Prior year Adjustment	-	-	-	-	-	-	-	-
Balance as at 1 January 2018	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(18,654,158,393)	(11,374,373,511)
Surplus / (deficit) on account of revaluation of properties	-	-	-	-	(97,609,102)	-	-	(97,609,102)
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	-	-	-	-	-	-	(99,575,040)	(99,575,040)
Dividends (Bonus shares)	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-
Balance as at 30 September 2020	6,647,023,000	78,810,975	-	1,065,676	455,276,130	-	(18,753,733,433)	(11,571,557,653)
Balance as at 30 September 2019	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(18,554,726,065)	(11,274,941,182)

sd- **Chief Financial Officer** sd- **Company Secretary**

sd- **Managing Director** sd- **Director** sd- **Chairman**

October 20,2020
Dhaka

Selective Notes to the Financial Statements as on September 30, 2020.

01 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 throgh other comprehensive income where any change in the fair value at the year-end is taken to profit and loss account or other comprehansive income respectively.

ii) Revaluation gains/ losses on Government securities

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

a). the entity's business model for managing the financial assets and

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) Statement of Cash Flows

Statement of Cash Flows 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 September 2019.

02 **Net Asset Value (NAV) Per Share**	Sep-20	Dec-19
Total Assets	11,578,905,929	11,240,140,191
Total Liabilities	23,150,463,581	22,614,513,701
Net Assets	(11,571,557,652)	(11,374,373,510)
Ordinary Share outstanding	664,702,300	664,702,300
Ner Asset Value (NAV) Per S	**(17.41)**	**(17.11)**

03 **Earning per Share (EPS)**	Sep-20	Sep-19
Net profit after Tax	(99,575,040)	(324,320,614)
Ordinary Share outstanding	664,702,300	664,702,300
Basic Earning per Share (EPS)	**(0.15)**	**(0.49)**

04 **Net Operating Cash Flows per Share (NOCFPS)**	Sep-20	Sep-19
Net cash used in operating activities	260,150,683	2,089,789
Ordinary Share outstanding	664,702,300	664,702,300
Net Operating Cash Flows per Share (NOCFPS)	**0.391**	**0.003**

05 **Significant deviation in Net Operating Cash Flow per Share (NOCFPS)**

Net Operating Cash Flow per share- NOCFPS were 0.391 on 30 September 2020 but it were 0.003 on 30 September 2019 mainly due to cash inflow from deposits (deposits has increased Tk.64.25 crore)

06 **Taxation**

Current Tax

The bank was not required to provide income tax as it has pervious assessed loss which will offset the taxable income. But as per requirement of Income Tax Ordinance 1984, minimum tax @ 0.60% of gross receipts has been provided in accounts.

Gross receipt	
Investment Income	286,740,761
Income from investments in shares and securities	4,206,861
Commission, Exchange and Brokerage	1,974,355
Other operating income	262,737,821
Total Receipt	555,659,798
Minimum Tax @ 0.60%	**3,333,959**

Deferred Tax

The Bank did not recognise any deferred tax during the year as there would have arisen deferred tax income if deferred tax was recognised due to huge loss of the Bank at balance sheet the date which is adjustable against future profits.

07 **Provision for Investments**	Sep-20	Sep-19
Provision held as on 1 January	3,750,272,026	3,773,272,026
Add: Net charge to profit and loss account	(30,000,000)	(33,000,000)
Add: Provision transfer from Others Provision	-	3,268,991
Clossing balance of provision	3,720,272,026	3,743,541,017
Provision required as per Bangladesh Bank's guidelines	3,688,364,383	3,743,541,017
Provision Excess/ (Short)	**31,907,643**	-

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Dhaka sd- **Managing Director** sd- **Director** sd- **Chairman**

October 20,2020.

The Financial Statements for the Period ended 30 September 2020 are available in the website of the bank. The address of the website is www.icbislamic-bd.com

৮ কলাম ১০ ইঞ্চি
প্রকাশ ২৮-১০-২০২০