ICB Islamic Bank Limited

Corporate Head Office : T.K. Bhaban (15th Floor), 13 Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka-1215,
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Financial Statements as at and for the period ended 31 March 2021

Balance Sheet as at 31 March 2021

	Amount in Taka	
	31-Mar-21	31-Dec-20
PROPERTY AND ASSETS		
Cash in hand	**1,010,057,916**	**808,783,300**
Cash In hand (including foreign currencies)	218,209,295	207,108,582
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	791,848,621	601,674,718
Balance with other banks and financial institutions	**40,509,861**	**54,253,578**
In Bangladesh	13,736,036	24,812,001
Outside Bangladesh	26,773,824	29,441,577
Placement with banks & other financial institutions	**400,700,000**	**401,200,000**
Investments in shares and securities	**160,569,450**	**260,569,450**
Government	-	-
Others	160,569,450	260,569,450
Investments	**8,565,743,359**	**8,565,231,970**
General Investments etc.	8,562,813,894	8,562,302,505
Bills purchased and discounted	2,929,465	2,929,465
Fixed assets including premises	**23,064,244**	**24,948,999**
Other assets	**391,580,986**	**394,759,930**
Non - banking assets	**750,276,130**	750,276,130
Total assets	**11,342,501,946**	**11,260,023,357**
LIABILITIES AND CAPITAL		
Liabilities		
Placement from banks & other financial institutions	**4,793,769,861**	**4,793,869,861**
Deposits and other accounts	**12,649,748,268**	**12,434,118,251**
Al-wadeeah current and other deposits accounts	608,875,157	588,542,502
Bills payable	146,828,302	147,969,646
Mudaraba savings deposits	1,497,283,925	1,491,585,484
Mudaraba term deposits	10,396,760,885	10,206,020,619
Other liabilities	**5,657,493,861**	**5,691,288,125**
Total liabilities	**23,101,011,990**	**22,919,276,237**
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	456,341,806
Surplus in profit and loss account / Retained earnings	(18,940,685,828)	(18,841,428,662)
Total Shareholders' equity	**(11,758,510,047)**	**(11,659,252,881)**
Total liabilities and Shareholders' equity	**11,342,501,946**	**11,260,023,357**
Net Asset Value (NAV) Per Share (Note-02)	(17.69)	(17.54)

	Amount in Taka	
	31-Mar-21	31-Dec-20
OFF- BALANCE SHEET ITEMS		
Contingent liabilities	**225,230,650**	**197,298,015**
Acceptances and endorsements	6,374,000	6,374,000
Letters of guarantee	128,157,637	127,766,288
Irrevocable letters of credit	44,535,194	19,966,614
Bills for collection	46,163,819	43,191,112
Other commitments		
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities commitments	-	-
Liabilities against forward purchase and sale	-	-
Others	-	-
Total Off-Balance Sheet items including contingent liabilities	**225,230,650**	**197,298,015**

Sd/- **Chief Financial Officer** Sd/- **Company Secretary**

Sd/- **Managing Director** Sd/- **Director** Sd/- **Chairman**

Dated, Dhaka
April-28-2021

Statement of Changes in Equity for the Period ended 31 March 2021

Amount in Taka

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	455,276,130	-	(18,841,428,662)	(11,659,252,881)
Prior year adjustment	-	-	-	-	-	-	-	-
Restated balance	6,647,023,000	78,810,975	-	1,065,676	455,276,130		(18,841,428,662)	(11,659,252,881)
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	-	-	-	-	-	-	(99,257,166)	(99,257,166)
Dividends (Bonus shares)	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	6,647,023,000	78,810,975	-	1,065,676	455,276,130	-	(18,940,685,828)	(11,758,510,047)
Balance as at 31 March 2020	6,647,023,000	78,810,975	-	1,065,676	552,885,232	-	(18,713,086,829)	(11,433,301,946)

Sd/- Chief Financial Officer Sd/- Company Secretary

Sd/- Managing Director Sd/- Ditector Sd/- Chairman

Dated, Dhaka
April-28-2021

Profit and Loss Account for the period ended 31 March 2021

	Amount in Taka	
	31-Mar-21	31-Mar-20
Investment Income	69,178,130	174,311,158
Profit paid on deposits	(106,316,043)	(129,881,234)
Net investment income	**(37,137,913)**	**44,429,925**
Income from investments in shares and securities	1,606,772	1,727,953
Commission, Exchange and Brokerage	1,508,111	481,883
Other operating income	15,320,845	8,389,359
Total operating income (A)	**(18,702,186)**	**55,029,119**
Less: Operating Expenditure		
Salary and Allowances	42,938,166	47,627,341
Rent, Taxes, Insurance and Electricity	28,319,791	34,922,723
Legal expenses	659,380	891,780
Postage, Stamp and Telecommunication	1,154,297	1,799,850
Stationery, Printing and Advertisements	371,338	1,431,865
Chief Executive's salary and fees	2,978,763	3,337,650
Directors' fees & expenses	1,828,925	10,160
Shariah Supervisory Committee's fees & expenses	-	-
Auditors' fees	150,000	150,000
Depreciation and repair of Bank's assets	10,814,770	9,663,513
Zakat expenses	-	
Other expenses	10,813,867	13,013,210
Total operating expenses (B)	**100,029,297**	**112,848,092**
Profit / (loss) before provision (C=A-B)	**(118,731,483)**	**(57,818,973)**
Less: Provision for investments	20,000,000	-
Specific provision (charged)/released	20,000,000	-
General provision (charged)/released		-
Provision for off-balance sheet items (charged)/released		-
Provision for diminution in value of investments		-
Provision for contingency	-	-
Other provisions		-
Total provision (D)	**20,000,000**	**-**
Total profit / (loss) before taxes (C-D)	**(98,731,483)**	**(57,818,973)**
Less: Provision for taxation	525,683	1,109,462
Current tax (Note-05)	525,683	1,109,462
Deferred tax	-	-
Net profit/(loss) after taxation	**(99,257,166)**	**(58,928,435)**
Appropriations	-	-
Statutory reserve	-	-
General reserve	-	-
Retained earnings carried forward	**(99,257,166)**	**(58,928,435)**
Earnings per share (EPS) (Note-03)	(0.15)	(0.09)

Sd/- Chief Financial Officer Sd/- Company Secretary

Sd/- Managing Director Sd/- Director Sd/- Chairman

Dated, Dhaka
April-28-2021

Cash Flow Statement for the Period ended 31 March 2021

	Amount in Taka	
	31-Mar-21	31-Mar-20
A. Cash flows from operating activities		
Investment income receipts in cash	68,267,962	165,145,611
Profit paid on deposits	(90,315,241)	(90,921,148)
Dividend receipts	856,772	1,427,953
Fees and commission receipts in cash	1,508,111	481,883
Recoveries of Investments previously written off	7,453,515	102,905
Cash payments to employees	(45,916,928)	(50,964,991)
Cash payments to suppliers	(325,603)	(1,021,752)
Income taxes paid	(234,272)	(473,090)
Receipts from other operating activities	12,121,231	8,586,454
Payments for other operating activities	(51,412,031)	(60,861,349)
Cash generated from operating activities before changes in operating assets and liabilities	**(97,996,485)**	**(28,497,524)**
Increase / (decrease) in operating assets and liabilities		
Statutory deposits	-	-
(Purchase)/Maturity of trading securities (Treasury bills)	-	-
Investments to other banks	-	-
Investments to customers	(511,389)	66,128,219
Placement with banks & other financial institutions	500,000	1,000,000
Other assets	3,178,944	3,063,170
Deposits from other banks / borrowings	-	-
Deposits received from customers	215,630,017	(74,998,447)
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	(33,794,264)	(67,611,478)
	185,003,308	**(72,418,535)**
Net cash used in operating activities	**87,006,823**	**(100,916,059)**
B. Cash flows from investing activities		
Debentures	-	-
Proceeds from sale of securities	100,000,000	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(508,784)	(2,353,631)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	-	2,500
Net cash used in investing activities	**99,491,216**	**(2,351,131)**
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)**	186,498,039	(103,267,190)
E. Effects of exchange rate changes on cash and cash equivalents	532,863	(932,591)
F. Cash and cash equivalents at beginning of the period (1st Jan 2021)	1,264,236,877	1,311,977,129
G. **Cash and cash equivalents at end of the period (D+E+F)**	**1,451,267,777**	**1,207,777,347**
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	218,209,295	195,640,686
Balance with Bangladesh Bank and its agent bank (s)(including foreign currencies)	791,848,621	581,905,829
Balance with other banks and financial institutions	40,509,861	26,930,833
Placement with banks & other financial institutions	400,700,000	403,300,000
Reverse repo	-	-
Prize bonds	-	-
	1,451,267,777	**1,207,777,347**
Net Operating Cash Flows per share (Taka) (Note-04)	**0.13**	**(0.15)**

Sd/- Chief Financial Officer Sd/- Company Secretary

Sd/- Managing Director Sd/- Director Sd/- Chairman

Dated, Dhaka
April-28-2021

Selective Notes to the Financial Statements as on March 31, 2021.

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
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) 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 L	Cost Price

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

There are no events to report which had an influence on the balance sheet or the profit and loss account for the period ended 31 March 2021.

		Mar-21	Dec-20
02	**Net Asset Value (NAV) Per Share**		
	Total Assets	11,342,501,946	11,260,023,357
	Total Liabilities	23,101,011,990	22,919,276,237
	Net Assets	(11,758,510,047)	(11,659,252,881)
	Ordinary Share outstanding	664,702,300	664,702,300
	Ner Asset Value (NAV) Per S	**(17.69)**	**(17.54)**

		Mar-21	Mar-20
03	**Earning per Share (EPS)**		
	Net profit after Tax	(99,257,166)	(58,928,435)
	Ordinary Share outstanding	664,702,300	664,702,300
	Basic Earning per Share (EPS)	**(0.15)**	**(0.09)**

		Mar-21	Mar-20
04	**Net Operating Cash Flows per Share (NOCFPS)**		
	Net cash used in operating activities	87,006,823	(100,916,059)
	Ordinary Share outstanding	664,702,300	664,702,300
	Net Operating Cash Flows per Share (NOCFPS)	**0.13**	**(0.15)**

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

Net Operating Cash Flow per share- NOCFPS were 0.13 on 31 March 2021 but it were (0.15) on 31 March 2020 mainly due to cash inflow from deposits (deposits has increased Tk.21.56 crore)

Reconsiliation of net profit with cash flows from operating activit	Mar-21	Mar-20
Net profit after taxation	**(99,257,166)**	**(58,928,435)**
Adjustment of non cash and non operating items:		
Depreciation	2,393,539	3,797,069
Provision for Tax	525,683	1,109,462
Provision for Investments and Others	(20,000,000)	-
	(116,337,944)	**(54,021,904)**
Chances in operating assets and liabilities:		
Changes in Investments to customers	(511,389)	66,128,219
Changes in deposits and other accounts	215,630,017	(74,998,447)
Changes in Borrowing	(100,000)	1,000,000
Changes in other assets	3,178,944	3,063,170
Changes in other liabilities	(14,852,805)	(43,469,559)
Net cash flows from operating activities	87,006,823	(102,298,521)
	0.13	(0.15)

05 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.

	Mar-21	Mar-20
Gross receipt		
Investment Income	69,178,130	174,311,158
Income from investments in shares and securities	1,606,772	1,727,953
Commission, Exchange and Brokerage	1,508,111	481,883
Other operating income	15,320,845	8,389,359
Total Receipt	87,613,858	184,910,353
Minimum Tax @ 0.60%	**525,683**	**1,109,462**

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.

		Mar-21	Mar-20
06	**Provision for Investments**		
	Provision held as on 1 January	3,672,494,299	3,750,272,026
	Add: Net charge to profit and loss account	(20,000,000)	-
	Add: Provision transfer from Others Provision	-	-
	Clossing balance of provision	3,652,494,299	3,750,272,026
	Provision required as per Bangladesh Bank's guidelines	3,629,060,426	3,750,272,026
	Provision Excess/ (Short)	**23,433,873**	-

Sd/- Chief Financial Officer Sd/- Company Secretary

Sd/- Managing Director Sd/- Director Sd/- Chairman

Dhaka
April-28-2021

N.B. The details of the published financial statements can be avilable on our website. The address of that website is www.icbislamic-bd.com.