ICB Islamic Bank Limited
a member of ICB Financial Group Holdings AG

Head Office: T.K. Bhaban (15th floor), 13 Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka, Bangladesh.

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Annual Report 2021 | ICB Islamic Bank Limited

ANNUAL REPORT 2021

ICB Islamic Bank Limited
a member of ICB Financial Group Holdings AG

In the name of Allah, Most Gracious,
Most Merciful

[All] praise is [due] to Allah, Lord of the worlds

the Most Compassionate, Most Merciful,

Sovereign of the Day of Judgment.

It is You we worship and You we ask for help.

Guide us to the straight path –

The path of those upon whom You have bestowed favor, not of those who have evoked [Your] anger nor of those who are astray.

Our Vision

ICB Islamic Bank is committed to creating and maximizing sustainable values for all its customers, employees, partners and shareholders and especially for the society it operates in by delivering excellence in its offerings in all areas of banking and financial services complying with Islamic Shariah.

Our Mission

- To constantly meet and exceed our customer's expectations by challenging status quo and crafting innovative Shariah compliant Islamic products and services to cater to the diverse requirements of our customers by constantly framing and refreshing transparent policies and processes to keep our customers delighted. To ensure sustainable values:
- For our people by constantly creating difficult yet achievable challenges and providing means of achieving them in the form of appropriate coaching, guiding and training and fostering a competitive but meritocratic culture.
- For our partners by guaranteeing a soothing coexistence.
- For our shareholders by delivering them optimum returns on their investments.
- For the society we operate in by making meaningful impact on the well being of the underprivileged of the society.

Letter of Transmittal

All Shareholders of ICB Islamic Bank Limited
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited

Annual Report of ICB Islamic Bank Limited for the year ended 31 December 2021

Dear Sir(s)/ Madam(s),

We are pleased to present before you a copy of the Annual Report-2021 together with the audited financial statements including balance sheet as on 31 December 2021 and income statement, cash flow statement, statement of changes inequity and liquidity statement for the year ended 31 December 2021 along with notes thereon of ICB Islamic Bank Limited for your information and record.

Sincerely yours,

S/d

Rabeul Alam Uzzal
Acting Company Secretary

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Notice of the Thirty Five (35th) Annual General Meeting

NOTICE is hereby given to all the Members of ICB Islamic Bank Limited that the Thirty Five (35th) Annual General Meeting (AGM) of the Bank will be held on Thursday, 14th July 2021 at 10:30 a.m. through **Digital Platform** (in pursuance with BSEC Order SEC/SRMIC/04-231/932 dated 24 March 2020) to transact the following business:

AGENDA

As Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended December 31, 2021 together with the Reports of the Auditors' and the Directors' thereon;
2. To declare the Dividend for the year ended December 31, 2021, if any;
3. To Retire and Re-elect the following Director:
   Ms. Hashimah Binti Ismail will retire in the 35th AGM and eligible for re-election;
4. To appoint M/s. Shafiq Basak & Co., Chartered Accountants having consented to act as Auditors of the Company for the financial year ending December 31, 2022 until the conclusion of the next AGM and to fix their remuneration;
5. To appoint M/s. Podder & Associates as Auditors for the certification on the compliance of conditions of Corporate Governance Code (CGC) for the year ending December 31, 2022 until the next AGM and to fix their remuneration;

All shareholders of the Bank are requested to make it convenient to attend the meeting at the above mentioned date, time and venue either in person or by proxy.

By order of the Board of Directors

Dated: Dhaka
21 June 2022

S/d

Rabeul Alam Uzzal
Acting Company Secretary

NOTES:

- The Record Date was on **Wednesday, 11th May 2022**. The Shareholders whose names would appear in the Register of Members of the Company or register of CDBL on the 'Record Date' (Wednesday, 11th May 2022) will be eligible to attend the Thirty Five (35th) Annual General Meeting.
- Shareholders entitled to attend and vote at this virtual AGM may appoint a Proxy to attend and vote on his/her behalf. Forms of Proxy, duly stamped and signed, must be sent through e-mail to ds.board@icbislamic-bd.com at least forty eight (48) hours before the time fixed for the Meeting.
- The Shareholders are requested to update their BO accounts with contact number and e-mail address with their respective DP (Depository Participant).
- Annual Report, Attendance Slip and Proxy Form along with the Notice to be sent to all the Shareholders by email. The Shareholders may also collect the Annual Report-2021 from the Registered Office of the Bank by application in writing and may download these from the Bank's website (https://www.icbislamic-bd.com).
- The shareholders will join the virtual AGM through the link (link will be provided later on through e-mail). The shareholders will be able to submit their questions/comments electronically before 24 (twenty-four) hours of commencement of the AGM through e-mail mentioning above and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to join the link and provide their 16 digit Beneficiary Owners (BO) account number or Folio number, name of shareholders, their number of shares and mobile no. or e-mail address. ICBIBL emphasizes on maintaining transparency and highest corporate governance throughout this process and conduction of the AGM using the digital platform.

Corporate Information

BOARD OF DIRECTORS

Chairman
Datuk Mohd. Nasir Bin Ali

Directors
Ms. Hashimah Binti Ismail
Ms. Lee Ooi Kim

Independent Director
Mr. Md. Fariduddin Ahmed
Mr. Aklif Bin Amir

Managing Director and CEO
Mr. Muhammad Shafiq Bin Abdullah

EXECUTIVE COMMITTEE

Datuk Mohd. Nasir Bin Ali, **Chairman**
Ms. Hashimah Binti Ismail, Director
Ms. Lee Ooi Kim, Director
Mr. Muhammad Shafiq Bin Abdullah, MD and CEO

Secretary

Mr. Rabeul Alam Uzzal

AUDIT COMMITTEE

Mr. Md. Fariduddin Ahmed, Independent Director, **Chairman**
Mr. Aklif Bin Amir, Independent Director
Mr. Muhammad Shafiq Bin Abdullah, MD and CEO

Secretary

Mr. Rabeul Alam Uzzal

RISK MANAGEMENT COMMITTEE

Mr. Md. Fariduddin Ahmed, Independent Director, **Chairman**
Mr. Aklif Bin Amir, Independent Director
Mr. Muhammad Shafiq Bin Abdullah, MD and CEO

SECRETARY

Mr. Rabeul Alam Uzzal

MANAGEMENT COMMITTEE

Member

Mr. Muhammad Shafiq Bin Abdullah, MD and CEO
Mr. Arpit Vinodbhai Parikh, COO and CFO
Mr. Ahmed Ullah, VP and Head of Shariah and IT Application
Mr. Parvez Yousuf Chowdhury, VP and Head of Operations
Mr. Md. Tareq Us Salam, VP and Head of Investment Risk Management
Ms. Nafisa Jareen, VP and Head of Human Resources
Mr. Md. Nur Hossen, AVP and Head of Information Technology

CORPORATE WEBSITE

www.icbislamic-bd.com

REGISTERED OFFICE

T.K. Bhaban (15th Floor), 13 Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka-1215, Phone: +88-02-55012060-5
Registration No. C-16369 (355) 87, Dated 30.04.1987

AUDITORS

M/s. M.J. Abedin & Co., Chartered Accountants
National Plaza, 3rd Floor
109 Bir Uttam C.R. Datta Road,
Dhaka - 1205

TAX CONSULTANT

K. M. Hasan & Co., Chartered Accountants
Hometown Apartments (8th & 9th Floor)
87, New Eskaton Road, Dhaka-1000

LEGAL ADVISORS

Rabia Bhuiyan & Associates
Rabia Bhuiyan, Bar-at-Law
House of Law
Navana Newbury Place (4th Floor), 4/1/A, Shobhanbagh,
Dhanmondi, Dhaka-1207

H & H Company
Shareef Mansion
56-57, Motijheel, Dhaka-1000

Mr. Md. Akhtaruzzaman
Advocate, Supreme Court
The Law Focus
Aptt. C2, House # 3G
Road # 104, Gulshan-2
Dhaka-1212

MEMBERSHIP

Bangladesh Association of Banks (BAB)
The Institute of Bankers Bangladesh (IBB)
The Bangladesh Foreign Exchange Dealers' Association (BAFEDA)
International Chamber of Commerce Bangladesh (ICCB)
Metropolitan Chamber of Commerce and Industry (MCCI)
Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI)
Foreign Investors' Chamber of Commerce and Industry (FICCI)
Islamic Bank Consultative Forum (IBCF)
Central Shariah Board for Islamic Banks Bangladesh

Management Committee

MANCOM

Name	Designation
1. Mr. Muhammad Shafiq Bin Abdullah	Managing Director and CEO
2. Mr. Arpit Vinodbhai Parikh	Chief Operating Officer and CFO
3. Mr. Ahmed Ullah	VP and Head of Shariah and IT Application
4. Mr. Parvez Yousuf Chowdhury	VP and Head of Operations
5. Mr. Md. Tareq Us Salam	VP and Head of Investment Risk Management
6. Ms. Nafisa Jareen	VP and Head of Human Resources
7. Mr. Md. Nur Hossen	AVP and Head of Information Technology

SENIOR MANAGEMENT TEAM

Name	Designation
1. Mr. Muhammad Shafiq Bin Abdullah	Managing Director and CEO
2. Mr. Arpit Vinodbhai Parikh	Chief Operating Officer and CFO
3. Captain Sakhawat Hossain (Rtd. B. Navy)	SVP and Head of Administration and Property and Recovery
4. Mr. Md. Anayet Hossain Khan	VP, Recovery Department
5. Mr. Ahmed Ullah	VP and Head of Shariah and IT Application
6. Mr. Parvez Yusuf Chowdhury	VP and Head of Operations
7. Mr. Md. Tareq Us Salam	VP and Head of Investment Risk Management
8. Ms. Nafisa Jareen	VP and Head of Human Resources

Message from the Chairman

بسم الله الرحمن الرحيم

Bismillahir Rahmanir Rahim

Dear Shareholders, Distinguished Guests, Honorable Members of the Board and dedicated Members of the Management Team and Staff of ICB Islamic Bank Limited (ICBIBL).

Assalamu Alaikum Wa-Rahmatullah.

It gives me immense pleasure and honor to welcome you to the 35th Annual General Meeting of ICBIBL. I would like to express my sincere gratitude to all of you for the trust, confidence, active support and cooperation placed on us throughout the year. On behalf of the Board of Directors, I feel honored to have the privilege of presenting before you the Annual Report of ICB Islamic Bank Limited for the financial year ended 31st. December 2021 (FY 2021).

For the last two years COVID-19 continued to create massive problems on overall economic activities throughout the world. After being slowed down in 2020, global economy gained a positive momentum at a suitable pace after increasing the process of vaccination and the pandemic was handled with better course of actions in 2021. Based on IMF report the global economy grew by 5.9% in 2021 while the World Bank estimated the economic growth at 5.5%.

COVID-19 pandemic has created difficulties for individuals and businesses and also has affected how we operated and performed. In addition to these challenges, we have also resolved our historical matters amicably to allow the Bank to move forward without further distractions in FY 2021. The economy of Bangladesh also started moving slow to its right way with supportive and timely actions by the government and Bangladesh Bank.

According to the Bangladesh Bureau of Statistics (BBS), GDP growth recorded 5.5% in FY 2021 from that of 5.2% in FY 2020 and it will be 6.9% in 2022 as per the expectation. Corona Virus pandemic also changed the growth of economic activities in all sector. The Industry sector grew by 2.9% in FY 2021 far lower than 6.5% in FY 2020. In case of Agriculture sector the growth was 1.1% in FY 2021 decreased from 3.1% in FY 2020 and the Service sector registered a growth of only 0.3% in FY 2021 against 5.3% in FY 2020. This picture of GDP shows that the Industry sector is still in the leading position followed by Service and Agriculture sector which shows the sustainability and growth of the economy in Bangladesh.

Although the International Monetary Fund report dated January 25, 2022 the global economy increased by 5.9% in 2021, it has been forecasted that rising inflation, geopolitical tensions and social unrest may further restrict global economic growth with a decreasing trend in 2022. Therefore, and in tandem therewith, there is expected to be a delay in quicker recovery of economic activities is on the cards.

Despite of experiencing instability in the closing three months of 2021, Dhaka Stock Exchange witnessed a surge in most of the year. The key index of the Dhaka Stock Exchange (DSEX)advanced by 25.08% to close at 6,756.65 points on 30 December, 2021 after gaining 950 points in the year 2020. On 10 October, 2021, the DSEX triumphed with a record high of 7,367 points. As per the market experts, expansionary monetary policy, lower interest rates on bank deposits and lack of investments options during the Covid pandemic prompted investors to use their funds to the stock market.

The World Bank revealed that Bangladesh has taken the 7th highest position as the recipient of money transferred by expatriate workers among top 10 recipient nations in 2021. Remittance inflow to Bangladesh increased by 2.2% in 2021 to more than $22 billion which was $21.74 billion in the previous fiscal year and $18.33 billion in 2019. This is the outcome of sending 617,209 numbers of workers overseas. The government sent 7,468,132 workers abroad on jobs during the period of 2009 to 2021.

FY 2021 has been a bumpy ride for the banking sector as it started with the good news like steady forex reserve,

along with a healthy distribution of stimulus loans etc but when the second wave of Covid-19 hit, quickly slowing down private sector credit. Non-performing loans (NPL) also ended up increasing at the end of 2021. Meanwhile, the domestic money market became unstable under import pressure as dollar prices rose sharply.

We believe in employee caring, diversity and inclusion, training and development, and employee engagement with the activities of the Bank. ICBIBL arranged a total 13 nos. of online and offline internal trainings with the total participations of 268 staffs and our 46 staffs also joined in 23 external trainings in the FY 2021. The staffs who received thesefocused trainings will be able to perform better in the job with enhanced knowledge and skills and perform their tasks with higher vast confidence. Our people are one of our core strengths. We have established warmth of openness in our work culture, which helps our team to stay motivated in a high performance environment.

After analyzing the present market positions, ICBIBL is giving more focus on the fee based business like Letter of Credit (LC), Earnest Money Financing (EMF) etc. which are more secured and profitable. In case of funded based income our main focus is on Small and Medium Enterprises as well as the ongoing Home Finance and Car Finance.

We believe corporate governance is the main part of responsible leadership which is crucial in winning the trust of stakeholders. A good corporate governance system is vital for efficient and effective business operation long term stability and sustainable growth for any organization. We have adopted best international corporate governance practices to nurture a culture of accountability, integrity, transparency, and sound financial management, which ultimately leads to overall sustainable business and financial performance. Bangladesh Bank has been pursuing the best corporate governance framework for the banking system. In the same vein, the governance system of ICBIBL is characterized by its design to ensure transparency and accountability at all levels of management.

I believe that our services to the customers with existing and new investment and deposit products and the support from IT, branch, ATM, IRM, efficient and productive management of resources, better risk management and corporate governance will bring justifiable growth with better asset quality that will deliver value for all the stakeholders in the coming years. The Bank is undertaking some transformation to change itself to a business centric bank andit has taken the appropriate steps to create a good customer base more effectively.

My heartiest thanks to my colleagues on the Board who have always been supportive in our endeavor to navigate the Bank in the right direction. My appreciation also goes to the Management Team and committed staff for their relentless efforts to succeed. I express sincere thanks to M.J. Abedin & Co., Chartered Accountants for carrying out External Audit professionally and advising the Bank on various compliance issues relating to International Accounting Standard (IAS) and Bangladesh Accounting Standard (BAS).

Finally I, on behalf of the Board of Directors of the Bank, express my sincere thanks to Mr. Tee Kim Chan, for his valuable contribution during his tenure as a director of the Bank which ended in 2021. I also extend my appreciation to the customers for giving us the opportunity to serve them and the shareholders for their trust and confidence reposed in us. I also take the opportunity to express my thanks and gratitude to the Government of the People's Republic of Bangladesh, Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange and Registrar of Joint Stock Companies for their continuous support, guidance and cooperation.

Datuk Mohd. Nasir Bin Ali
Chairman

Message from the Managing Director & CEO

بسم الله الرحمن الرحيم

Bismillahir Rahmanir Rahim

Dear Shareholders, distinguished guests, respected members of the Board of Directors and my fellow colleagues at ICB Islamic Bank.

Assalamu alaikum Wa-rahmatullah.

I warmly welcome you to the 35th Annual General Meeting of ICB Islamic Bank Limited (ICBIBL).

All kinds of economic activities of Bangladesh were seriously interrupted since 2019 until 2021 due to spreading of COVID variants in Bangladesh. The Government has continued vaccination program in a massive way to protect spread out of third wave of corona virus among the common people. The economy of Bangladesh witnessed a minimum growth during this period. Government and central bank responded quickly to fight against the COVID-19 by adopting exceptional relaxations in monetary policy and providing enormous fiscal stimulus packages.

With active observations and continuous strategic support by the government, the Gross Domestic Product (GDP) growth rate recorded 5.5% in FY 2021 from that of 5.2% in FY 2020 and it will be 6.9% in 2022 according to the Bangladesh Bureau of Statistics (BBS).The Industry sector grew by 2.9% in FY 2021 far lower than 6.5% in FY 2020. In case of Agriculture sector the growth was 1.1% in FY 2021 decreased from 3.1% in FY 2020 and the Service sector registered a growth of only 0.3% in FY 2021 against 5.3% in FY 2020. Inflation rate was increased to 5.9% in January 2022 which was 5.6% in FY 2021 and 5.7% in FY 2020. In interbank market exchange rate was BDT 85.8 = USD 1 on 31 December 2021 as against BDT 84.8= USD 1 on December 2020. Bangladesh's per capita income rose to $2,591 in fiscal 2020-21 which was $2,024 in the previous FY. Foreign exchange reserves remain stable and it stood at $44.9 billion in January, 2022 which was $46.1 billion in December, 2021 and $48.1 billion in August, 2021.

The growth in credit of private sector is 8.37% in FY 2021 which is much lower than the targeted growth of 14.80% for FY 2021 and actual growth of 8.61% in FY 2020. In FY 2021, exports grew by 15.4% while imports growth was 19.7%. The total exports in FY 2021 stood at $37.88billion, which was $32.83billion in FY20. On the other hand, the total imports were $60.68 billion in FY 2021 against the $50.69 billion in FY 2020.

The Bank is mobilizing funds from depositors in different segments and then lending it out to customers as the investments or credits comprise the most important asset as well as the primary source of income for the banking institutions. Right now we are emphasizing on the fee based income like LC, EMF etc. and we have earned a lot from these types of investment which will continue for the upcoming years to support our solid income.

We have reduced the operating expenditure by BDT 38.35 million compared to the previous year and this reduction was BDT 32.65 million in FY 2020. The Bank is still working to improve the quality of monitoring and supervision to reduce Non Performing Investment as well as the operating costs with the proper strategies.

To achieve excellence in service to the customer, banks need to clearly know detailed understanding of customer needs, expectations and values and based on these they need to develop unified organizational mindset, process and systems to deliver the service excellence. We invest the time, energy and resources required to achieve excellence in customer service.

Being a socially responsible institution, we continued our CSR activities throughout the year. During the year 2021, Bank spent an amount of BDT 0.84 million covering as CSR which covers Islamic Research, Community Investment for Health purpose, Distributing Mask to prevent COVID-19, Community Investment

as income generating activities for the underprivileged population and Bank's staffs with their families.

We are providing support to the activities that are not harmful to the environment and various measures have been adopted to ensure Green Banking like efficient use of water, electricity and paper, use of energy saving bulbs etc.

Bangladesh Bank as well as we are emphasizing on the savings of school going students which can play a vital role in the economic development of our country. Bearing this in mind we introduced "School Banking" at all branches in order to build up awareness about banking among the school going students. As on 31 December 2021, we have 1,453 numbers of School Banking account.

Knowledgeable and quality work force is one of the primary conditions for continuous growth and success of a bank and our Bank took the endeavors to keep improving the skills, knowledge and productivity of the employees. The Bank arranged total 13 nos. of online and offline internal trainings with the total participations of 268 staffs and our 46 staffs also joined in 23 external trainings in the FY 2021. Moreover efficient and skilled manpower can manage the overall financial risks that the banks need to take on regular basis. The Human Resource Department is responsible for finding such capable manpower and placing them in exact positions. Our Bank is committed to focus its energy on its customers as well as its employees and trying heart and soul to pave the way leading to outmost destination.

We set our priority to continue implementation of the growth strategy with particular emphasis on improving deposit mix, reducing cost of fund and strengthening overall risk management process. These initiatives will help the Bank to improve its business performances in all areas and ultimately create value for shareholders who are the main driving force behind all of our many efforts.

I convey my gratitude to our distinguished Chairman and the honorable members of the Board of Directors for their prudent guidance, support and cooperation in achieving Bank's cherished goals.

I would also like to convey my sincere thanks and gratitude to the Government Agencies, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange for their time-befitting policies, guidance, cooperation and continuous support for the development of the Bank. My hearty appreciation also goes to our valued customers who believed in us and remained loyal and withered with us through thick and thin.

Finally, thanks to my beloved colleagues for their efforts, dedications and commitments, which I believe, will improve our present position.

Muhammad Shafiq Bin Abdullah

Managing Director & CEO

Directors' Report on Financial Statements and Internal Control

The Directors are required to present the Annual Report together with Directors' Report and the Financial Statements in accordance with the Companies Act 1994, Rules and Regulations of Institute of Chartered Accountants of Bangladesh (ICAB), Rules and Regulations of Bangladesh Bank, Bangladesh Securities and Exchange Commission (SEC) Rules, 1987 and the Listing Rules of the Dhaka Stock Exchange Limited.

The financial statements are required by law and International Accounting Standards as adopted by ICAB to present fairly the financial position of the Company and the performance for the period. In preparing the financial statements, the followings are to be done:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Ensure that the financial statements have been prepared in accordance with International Accounting Standards adopted by ICAB;
- Prepare the financial statements on going concern basis unless it is appropriate to presume that the company will not continue in business.
- Proper accounting records should be kept that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with Companies Act 1994 and Bank Company Act 1991.
- In compliance with the requirements of the BSEC's Notification dated 20th June 2018, the Directors are also required to declare certain matters in their report which inter-alia includes as under:
- The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the issuer company have been maintained;
- International Accounting Standards as applicable in Bangladesh, have been followed in preparation of financial statements with appropriate disclosures;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons there should be disclosed;
- Key operating and financial data of at least preceding three years should be summarized;
- Significant deviations from last year in operating results of the issuer company should be highlighted and reasons thereof should be explained;
- If the issuer company has not declared dividend (Cash or Stock) for the year, the reason thereof should be given.

The Directors confirm that Annual Report together with the Directors' Report and the Financial Statements have been prepared in compliance with law, rules and regulatory guidelines and Compliance of BSEC Notification No. SEC/CMRRCD/2006-158/208/Admin/81 dated 20th June 2018.

Meetings

The Board meets regularly to review policies, procedures, risk management and business plan of ICBIBL and Senior Management etc. During the year 2021, five (5) meetings of the Board of Directors (excluding a special meeting) were held. This report should be read in conjunction with Auditors' Report to the Shareholders of ICB Islamic Bank Limited. Also other compliances of BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 is given in the Annual Report.

On behalf of the Board of Directors

Datuk Mohd. Nasir Bin Ali
Chairman

Report of the Audit Committee of the Board

The Audit Committee of ICB Islamic Bank Limited is a sub-committee of the Board, was formed by the Board of Directors in accordance with the BRPD Circular No. 11 dated October 27, 2013 and the notifications of Bangladesh Securities and Exchange Commission Vide Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 and international best practices on Corporate Governance.

Objective of the Audit Committee

The Audit Committee of the Board of ICB Islamic Bank Limited has been functioning as supervisory body on behalf of the Board of Directors and carrying out oversight responsibilities. The Board of Directors sets out the overall Business Plan and formulates Policies that the Management is responsible for implementation. The Audit Commit-tee, therefore, as its key function, ensures that policies and guidelines as has been set out are implemented in the right earnest.

Composition of the Audit Committee

In compliance with the BRPD Circular No.11 dated October 27, 2013 of Bangladesh Bank and Corporate Guidelines of BSEC, the Audit Committee of ICB Islamic Bank Limited is comprised of two (02) members from the Board of Directors. The composition of the Audit Committee as on 31.12.2021 is as follows:

Mr. Md. Fariduddin Ahmed, Independent Director	- Chairman
Mr. Aklif Bin Amir	- Member

Besides these two members, Mr. Mohammad Mamunul Hoque, General Manager, Department of Banking Inspection-6 of Bangladesh Bank also attended the meetings of Audit Committee as an observer in 2021.

The Company Secretary of ICBIBL is the Secretary of the Board of Audit Committee.

Terms of Reference (ToR) of Audit Committee

This role is further expounded on and clarified in the Terms of Reference (ToR) of the Audit Committee which was revised in light of the directives contained in the BRPD Circular No-11 dated October 27, 2013 of Bangladesh Bank and Corporate Governance guideline of BSEC. According to the revised ToR of the Audit Committee, its principal duties and responsibilities are as follows:

In respect of internal control

i) Evaluating whether the management:
   a. Has an appropriate internal control and compliance culture with regard to risk management of the company;
   b. Has clearly defined the duties and responsibilities of officials;
   c. Has full control over the operations of the company.

ii) Reviewing the appropriateness of Management Information System (MIS) including information technology system and its use.

iii) Reviewing whether management is complying with recommendations made by the internal and external auditors.

iv) Reviewing existing risk management procedures to ensure that the processes are effectively run in the company.

v) Reviewing all fraud, forgery and internal control weakness discovered by internal, external or regulatory auditors and thereafter keeping the Board of Directors informed of all those discoveries and subsequent corrective measures.

In respect of financial statements

1. Reviewing whether the financial statements were prepared in compliance with all directives and guidelines prescribed by the Bangladesh Bank and are in accordance with Bangladesh Financial Reporting Standards and other laws and regulations.
2. Engaging in discussions with external auditors and management prior to the finalization of financial statement.
3. Attending and answering questions related to the accounts and audit at the AGM.

In respect of internal audit

1. Reviewing the activities and organizational structure of internal audit and ensuring that there is no barrier or limitation to the performance of an independent internal audit.
2. Assessing the efficiency and effectiveness of internal audit.
3. Assessing whether management is appropriately considering compliance of recommendations made by the internal auditors with regard to the observations identified by them.
4. Placing recommendations before the Board of directors in case of change of accounting policies.

In respect of external audit

1. Appraising the audit procedures and reviewing the management letter submitted by external auditors.
2. Assessing whether management has appropriately considered the observations and recommendations made by the external auditors.
3. Placing recommendations to the Board of Directors regarding appointment of external auditors.

In respect of compliance to existing regulations

Reviewing whether the rules and regulations set by regulatory authorities (Bangladesh Bank and other regulatory bodies) as well as internal policies and guidelines approved by the Board of directors are being complied with.

Miscellaneous

1. Placing quarterly reports before the Board of directors on rectification/correction status of errors, fraud, forgery and other irregularities if any, identified by internal auditors, external auditors and Bangladesh Bank inspection team.
2. Performing all other supervisory activities as assigned by the Board as well as evaluating its own efficiency on a regular basis.

Chairman of the Audit Committee and qualifications of the members

The Audit Committee is chaired by an Independent Director. All the members of the committee are 'financially literate' as defined by the revised Corporate Governance guideline.

The Audit Committee and Internal Control & Compliance

Internal Control & Compliance (ICC) Department is the department within ICBIBL that is tasked with reviewing the Company's system of internal controls, including the conduct of regular audits of all operational units. ICC is operationally independent in that its members are not involved in the Company's operational activities and in that the Head of ICC, in addition to his direct reporting line to the Managing Director & CEO, also has access to the Audit Committee. The Audit Committee is responsible for approving the annual audit plan of ICC and reviewing the plan's subsequent implementation. Internal audit reports and summaries thereof prepared by ICC are reviewed on a regular basis by the committee.

Access of Head of ICC to the Audit Committee

The Head of Internal Control & Compliance has direct access to the Audit Committee which in turn is directly accountable to the Board.

Meetings of the Audit Committee

The Audit Committee held five (5) meetings during the year 2021. The Committee met the Internal Audit Team, Finance & Accounts Division headed by CFO, Legal and Internal Control & Compliance Department of ICBIBL. The Committee also held a meeting with the External Auditors to discuss their findings and directed the Head of Accounts to resolve their observations which were not material.

The Audit Committee is a subcommittee of the Board of Directors and reports on its activities to the Board of Directors. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, which includes but is not limited to implementation of the objectives, strategies, risk mitigation and overall business plans set by the Board for effective functioning of the Bank. The Committee also reviews the financial and operational risks through the Internal Control process.

The particulars of attendance of the members of the Audit Committee are given below:

Name of the Director	Position	Total number of meetings held during 2021	Total Attendance	Remarks
Mr. Md. Fariduddin Ahmed	Chairman	5	5	
Mr. Tee Kim Chan	Member	5	2	He was appointed on 20-Oct-2020 and retired on 13-July-2021
Mr. Aklif Bin Amir	Member	5	5	
Mr. Mohammad Mamunul Hoque	Observer	5	5	

The Audit Committee during the year held five (5) meetings, discussed many issues and carried out its regular functions with particular emphasis on the followings:

i) Reviewed Compliance Report on observation, recommendations and decision of the Audit Committee Meetings;
ii) Reviewed Internal Audit Plan for the year 2021;
iii) Reviewed existing Risk Management Procedures for ensuring an effective Internal Check and Control System;
iv) Reviewed the highlights from Bangladesh Bank Comprehensive Inspection Reports on the Branches as well as various Divisions of Head Office of the Bank and suggest appropriate actions where needed;
v) Reviewed Audit & Inspection Reports on the Branches as well as various Divisions of Head Office conducted by Internal Control & Compliance Department during the year 2021 and suggested appropriate actions, where needed;
vi) Reviewed Quarterly Financial Report of the Bank and recommended its submission to the shareholders as a statutory requirement;
vii) Placed Compliance Report/Minutes to the Board with the decisions/recommendations made by the Committee in the Meetings for information and concurrence of the Board on quarterly basis;
viii) Reviewed the financial statements to ensure proper disclosure and presentation and compliance with Bangladesh Financial Reporting Standards;
ix) Assessment of running the affairs of the Bank by the Management in line with the policies set by the Board of Directors; and
x) Recommended strengthening of the Internal Control and Compliance Department in terms of Logistics and Manpower to increase their efficiency and capacity.

All minutes of the Audit Committee meeting are required to be submitted to Bangladesh Bank in accordance with the directives of the DOS Circular. Accordingly, all minutes of the meeting of the Audit Committee are being submitted to Bangladesh Bank.

Reporting of the Audit Committee

The Audit Committee reports directly to the Board of Directors and under certain circumstances can also report to the BSEC.

Immediate reporting to the Board of Directors

Audit Committee shall immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations; and
- Any other matter which should be disclosed to the Board of Directors immediately.

No such issues arose at ICBIBL during the year ended 2021.

Immediate reporting to the Bangladesh Securities & Exchange Commission

If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation of and where the Audit Committee finds that such rectification has

been unreasonably ignored, the Audit Committee shall report such finding to the BSEC, upon reporting of such matters to the Board of Directors for three times or completion of a period of 9 (nine) months from the date of first reporting to the Board of Directors, whichever is earlier.

No such circumstances arose during the year 2021.

From our assessment of the various internal audit reports, it appears that ICB Islamic Bank Limited maintained effective Internal Control on its overall activities during the year 2021.

Review of Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements 2021 prepared by the Management and audited by External Auditors **M/s. M.J. Abedin & Co.**, Chartered Accountants in line with the Accounting Standards set by Regulatory Authorities. The Committee referred the Financial Statements for the consideration of the Board with necessary recommendations.

Miscellaneous

1. Placing quarterly reports before the Board of directors on rectification/correction status of errors, fraud, forgery and other irregularities if any, identified by internal auditors, external auditors and Bangladesh Bank inspection team.
2. Performing all other supervisory activities as assigned by the Board as well as evaluating its own efficiency on a regular basis.

Acknowledgement

The Audit Committee expresses its sincere thanks to the Members of the Board and the Management of ICBIBL for their excellent support while carrying out its duties and responsibilities as per regulatory directives.

On behalf of the Audit Committee of the Board of Directors of ICBIBL.

Mr. Md. Fariduddin Ahmed
Independent Director and
Chairman, Audit Committee

Management Discussion and Analysis

A Management's Discussion and Analysis presenting detailed analysis of the Banks' position and operations along with a brief discussion of changes in the financial statements, among others, focusing as follows:

(a) Accounting policies and estimation:

We have applied accounting policies consistently to all periods presented while preparing the financial statements. We have applied International Financial Reporting Standards (IFRS) to transactions, other events or conditions to their full extent as applicable. The applicable significant accounting policies and estimation are well elaborated in notes to the financial statements.

(b) Changes in accounting policies and estimation:

We usually change an accounting policy only when the change is required by IFRS or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance or cash flows. A detailed breakdown of such changes/restatements is given in notes of the financial statements.

(c) Comparative analysis of financial performance and financial position as well as cash flows for current year with immediate preceding five years.

We have presented comprehensive financial highlights for all the relevant periods containing financial performance, financial position, cash flows and important financial ratio in this annual report. As the financial highlights presented, the detailed comparative analysis thereon are as following:

- Net average loss of the Bank is BDT 379.29 million over the last five years and stood at BDT 394.81 million for the year ended 31 December 2021.
- Total assets of the Bank has decreased over the years since 2017 by BDT 202.19 million and on average by BDT 40.44 million and stood at BDT 11,583.03 million for the year ended 31 December 2021.
- Shareholders' equity has also decreased over the years since 2017 by 15.33% and on average by 3.07% each year and stood at BDT (12,054.06) million for the year ended 31 December 2021.
- Earnings per share (EPS) has decreased over the years since 2017 by BDT (2.85) per share and on average by BDT (0.57) per share each year and stood at BDT (0.59) per share for the year ended 31 December 2021.
- Net asset value (NAV) per share has decreased over the years since 2017 by 15.33% and on average by 3.06% each year and stood at BDT (18.13) per share for the year ended 31 December 2021.

(d) Comparative analysis of financial performance and financial position as well as cash flows with peer industry scenario:

Again as presented in the financial highlights, the comparative analysis of financial performance, financial position and cash flows with other relevant financial ratio and other industry performance parameter are described as following:

- The assets base of the Bank is of BDT 11,583.03 million compare to the industry total BDT 18,406.00 Billion.
- As listed Bank, the current P/E ratio is nil far below of industry average 16.14.

(e) Financial and economic scenario of the country and the globe:

As the world enters the third year of the COVID19 crisis, economic developments have been both encouraging and troubling, clouded by many risks and considerable uncertainty. The good news is that output in many countries rebounded in 2021 after a sharp decline in 2020. International trade has picked up, and high commodity prices are benefiting many developing countries. With fiscal and monetary policy in uncharted territory, the implications for exchange rates, inflation, debt sustainability, and economic growth are unlikely to be favorable for developing countries.

Despite repeated waves of the COVID-19, Bangladesh economy has managed to return to the recovery phase aided by appropriate policies and 28 stimulus packages. Bangladesh has achieved 5.5% Gross Domestic Product

(GDP) growth in FY 2021 from that of 5.2% in FY 2020 and it will be 6.9% in 2022 according to the Bangladesh Bureau of Statistics (BBS). The per capita income has increased to $2,591 in FY 2021 from $2,024 in the previous fiscal year, according to different newspaper of Bangladesh. According to IMF's finding and calculation the Bangladesh economy's resilience in turning around has been so steady and robust that it has crossed the $1.0 trillion dollar mark in value which was $966.48 billion in 2019 and has become $1061.57 billion recently in 2022 crossing the trillion dollar mark. This growth could be registered for outstanding success in the service sector continued to achieve the largest share of GDP (53.3%) followed by industrial (35.4%) and agriculture (13.3%) sector. Private sector credit grew by 8.37% in FY 2021, much lower than the targeted growth of 14.80% for FY 2021 and actual growth of 8.61% in FY 2020.

(f) Risks and concerns issues related to the financial statements:

Within the context of changes in global economy and financial market including the expansion of emerging markets, the financial and economic practices have shifted in a radical pace. Changes in contractual concept in world business, expansion of more and more cross-border business urge world accounting bodies and forums to set new accounting standards and practices to address business requirement by providing more reliable and relevant information to the economic decision makers. Hence, in summary, the risks and concerns issues related to Banks' financial statements are as following:

- To understand, identify and recognize cross border transactions, other events or conditions properly;
- To understand, identify and recognize foreign currency based transactions, other events or conditions including its timely currency valuation effects properly;
- Recent development in world financial market has boosted the interest rate volatility; thus Bank has contracted for Interest Rate Swap (IRS) to reduce interest rate risk. The accounting for IRS is much challenging because of reliable measurement of IRS fair value and accounting for the same;
- Recognition and presentation of property, plant & equipment including classification of spare parts are now a days very challenging job to reflect the effect reliably;
- Identification and recognition of deferred tax issue on property, plant & equipment is now a days challenging due to its effect in the financial statements correctly and reliably;
- Recognition of revenue and trade receivables in line with contractual provisions including the receivable management have become concern in preparation and presentation of reliable financial statements.

To mitigate the above risk concerns and challenges, the Bank has a well set of internal control system including the Internal Audit team under the guidance of Audit Committee and under the direct consultation with competent external auditors. Talented pool of employees are well aware of the risk concerns and they are nominated for training and workshop program for skill development in the challenging areas so that they can identify, measure, recognize and condition relevantly and reliably.

(g) Future plan for Banks' operation, performance and financial position:

The Bank is planning to operate Internet banking, Agent banking as well as Mobile banking system.

Mr. Muhammad Shafiq Bin Abdullah
Managing Director & CEO

Report of the Shariah Supervisory Committee

بسم الله الرحمن الرحيم

All praise and gratitude be to the Almighty Allah, the Omnipotent, the Lord of the worlds, the one to whom all Dignity and Glory are due. Peace and blessing of Allah be upon all the Prophets and Messengers of Allah, especially on Prophet Muhammad (SM), the last of the Prophets and all of his followers and companions.

To The Shareholders, Depositors, Customers & other Stakeholders:

Assalamu Alaikum Wa Rahmatullah.

In carrying out the roles and responsibilities of the Bank's Shariah Supervisory Committee this report and independent opinion are being submitted by the undersigned, on behalf of the Shariah Supervisory Committee of ICB Islamic Bank Limited, to all the stakeholders of the Bank based on our review of the activities of the Bank for the financial period ended on December 31, 2021.

1. The Committee during the financial period ended on December 31, 2021 reviewed various issues relating to the Bank's products, transactions, processes and policies. The Committee reviewed the papers as presented before its meetings and provided necessary guidelines and recommendations to the Management of the Bank with the intention that the management would ensure the compliance of Shariah principles in functioning banking business as it is the responsibility of the Management of the Bank to ensure that the business of the Bank are conducted in accordance with Shariah rules.
2. Bank Management has started risk based Shariah audit. Bank Management was advised to take all necessary measures to ensure that no Shariah lapses occur in future.
3. Bank Management was advised to account for doubtful income and compensation strictly as per guidelines given by the Committee.
4. Zakat is not applicable as the Bank has been running with negative net-worth.
5. The Bank Management was advised to introduce selectively and on gradual basis investment products based on the principles of Mudaraba and Musharakah.
6. Training and motivation programs on Shariah compliance were held during the year. Frequency of training and motivation programs should be increased to achieve the desired level of Shariah efficiencies.

The undersigned and all members of the Shariah Supervisory Committee wish you peace, prosperity, and blessing in this world and the world hereafter. May Allah accept the efforts of the ICB Islamic Bank to conduct its business strictly as per Shariah principles.

Ma Assalam,

On behalf of the Shariah Supervisory Committee of ICB Islamic Bank Limited.

Md. Fariduddin Ahmed
Chairman
Shariah Supervisory Committee

"Indeed, good deeds do away with misdeeds – Surah Hudd! V. 114"

Shariah Supervisory Committee

A competent Shariah Supervisory Committee consisting of scholars of high reputation with extensive experience in the relevant areas had been incorporated in the organizational structure of ICBIBL to ensure the proper implementation of Shariah Principles in banking business. Being appointed by the Board of Directors Shariah Supervisory Committee plays a very significant role for strict adherence to Shariah Principles in framing and executing policies of the Bank. Shariah Supervisory Committee is authorized to issue ruling on matters presented to it by different business units of ICBIBL.

Among the roles and responsibilities of the Shariah Supervisory Committee is to advise the Management of ICBIBL regarding Shariah compliance issues in Islamic Banking business and oversee the application of different aspects of Shariah in ICBIBL. For the purpose, the Committee holds meetings periodically or whenever the need arises and provides opinions, recommendations and necessary guidelines on Shariah issues related to ICBIBL. In addition, the members of the Committee assist the management of ICBIBL by providing opinions on various issues referred to them from time to time.

Roles and responsibilities of Shariah Supervisory Committee

It is important to understand the pivotal role played by Shariah Supervisory Committee of an Islamic bank which has the dual role of ensuring first that all products and services tailored by Islamic banks are permissible from the Shariah point of view, and all of these products and services have intrinsic financial value. To be specific, the duties and responsibilities of Shariah Supervisory Committee are:

- Advising the Board of Directors and Management of the Bank on various Shariah related issues referred to it from time to time so that management of the Bank can ensure the compliance of Shariah.
- Reviewing, vetting and endorsing the products and services of the Bank from the Shariah point of view.
- Reviewing, vetting and endorsing various policies and guidelines of the Bank from the Shariah point of view.
- Vetting and endorsing products, guidelines, marketing advertisements, brochures related to ICBIBL's products, services and activities from the Shariah point of view.
- Reviewing and vetting the Financial Reports of ICBIBL from the Shariah point of view and submitting a report annually for all the stakeholders.
- Vetting and endorsing administrative issues and decisions that require the approval of the Committee.
- Auditing and Inspecting the overall banking operations and activities of the Bank from the Shariah point of view.

The Shariah Supervisory Committee of ICB Islamic Bank is represented by four prominent Shariah scholars and Islamic bankers of high reputation having familiarity with State-of-the-art knowledge. Following is the list of members of this committee with their respective status and educational qualifications:

Sl No	Name	Status	Educational Qualification
1	Md. Fariduddin Ahmed	Chairman	A Commerce Graduate and Obtained Professional degree from the Institute of Bankers, Bangladesh and higher management training from the Practical Concept Incorporated, USA.
2	Mr. Md. Abdul Awwal Sarker	Member	M.Sc. in International Finance and Banking (with distinction in Islamic Banking and Finance) from UK
3	Prof. Dr. A N M Rafiqur Rahman Madani	Member	Master of Arts in Arabic from Dhaka University and Kamil (Hadith). PHD from Islamic University, Kustia.
4	Maulana Md. Mahmudul Haque	Member	MA (Islamic Studies) from Dhaka University. Takmil (Daura-e-Hadith) Madrasa Nuria, Dhaka

Directors' Report – 2021

Bismillahhir Rahmanir Rahim

All praise be to Allah SWT, the Lord of the Universe and peace and blessings of Allah be upon the Prophet Muhammad (SM.) and his Descendants and Companions.

Dear Respected Shareholders,

Assalamu Alaikum Warahmatullah.

On behalf of the Board of Directors of ICB Islamic Bank Limited, I extend to you a hearty welcome to the Annual General Meeting of the Bank for the year 2021. I also take this opportunity to present before you the Annual Report of the Bank along with the Financial Statements and Auditor's Report thereon for the year ended December 31, 2021 for your kind perusal. A brief overview of global market trends with the performance of Bangladesh economy has also been provided in the Annual Report which would reveal continuous growth of the Bank in a stiff competitive environment.

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2021 together with the Directors' Report and the Financial Statements have been prepared in compliance with applicable BFRSs, Bank Companies Act 1991 (amended till 2018), Companies Act 1994, guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), the Listing Regulation of Dhaka Stock Exchange (DSE) and other applicable laws and regulations. In addition, the Directors have endeavored to explain certain issues, which they deemed relevant and important to ensure transparency and good governance practices.

Global Economic Outlook for 2021 and Prospects in 2022

COVID-19 pandemic continued to wreak havoc on lives and livelihood over the past 02 (two) years and disrupted the global economic constancy. Outbreak of a new COVID-19 variant Delta in the year 2021 in some parts of the world delayed the pace of the global economic sustainability. However, in 2021 global economy has gained some motion at a moderate pace due to incremental coverage of vaccination and better management of the pandemic by the world leaders.

Elevated inflation is expected to continue for longer than projected, with ongoing supply chain interruptions and high energy prices continuing in 2022. All these have put pressure on quicker restoration of economic activities to the full scale. As per IMF, global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022, 1.5% lower for 2022 due to after effects of COVID pandemic and unstable situations in the international politics.

Geopolitical tensions and the Russia-Ukraine war may change all the future assumptions and supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. Soaring commodity prices, sweeping financial sanctions and the potential for a ban on energy imports from Russia all these are threatening to stumble the global economy, weakened by the COVID-19 pandemic, still struggling to gain momentum.

Monetary policy in many countries will need to continue on a tightening path to control inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of terrible climate change.

Bangladesh Economy

Bangladesh economic activities were seriously disrupted since 2019 which continued in 2021 due to COVID Omicron outbreak in Bangladesh. Despite of being disrupted the economy of Bangladesh has showed its resilience in 2021 with timely implementation of stimulus packages, continued fiscal and monetary policy supports, hefty remittance inflows, declining COVID-19 infection rate, and increasing coverage of vaccination. As a result, country's GDP growth rate in FY 2021 was 5.5% which was 5.2% in 2020 largely driven by activities in the agriculture and industry sectors. To support investment and employment generating activities in the recovery process, Government as well as the Bangladesh Bank continued its efforts in line with expansionary financial policy stand for FY 2022.

The most cheerful estimation about the growth of Bangladesh economy has been made by International Monetary fund (IMF). According to its finding and calculation the economy of Bangladesh resilience in turning around has been so stable and strong that it has crossed the $1.0 trillion dollar mark in value, a milestone event by any reckoning. In its serial estimates the size of Bangladesh economy was $ 267.99 billion dollar in FY 2006, $ 540.42 billion in FY 2014, $ 966.48 billion in 2019 and has become $ 1061.57 billion recently in 2022 crossing the trillion dollar mark (Bonik Barta, January 14, 2022). It has been appraised that on this trend Bangladesh economy's size will be $ 1.5 trillion by 2026. This sounds like a fairy tale, particularly in the current hard times.

Following fiscal year 2020, agriculture sector remained robust and showed solid performance in FY 2021 growing by 3.17%. Industry sector grew by 10.29% in FY 2021 after a slower growth of 3.61% in previous fiscal year. To boost up the production and generate employment, government and Bangladesh Bank continued to provide policy support, including sector specific stimulus packages and various refinance schemes, which resulted in higher growth performance. Service sector activities started rebounding in FY 2021 and continued gaining motion in FY 2022. This is a positive sign for the country and Banking prospects as growth in service and industry sectors are gauged as very strong indicators for economic potential.

The year 2021 started with a hope to overcome the crisis caused by the coronavirus pandemic and rebuild the industry. However, private sector credit started to grow as the external trade started picking up since early FY 2022. As import of capital machinery increased along with vaccine payment started and international travels resumed, US dollar slightly appreciated against Bangladeshi taka. Between June-December of 2021, value of Taka depreciated by 1.16% in terms of US dollar and was quoted at BDT 85.8 at the end of 2021.

We are still on the recovery phase and export is gradually picking up as the recent trend shows. Meanwhile, country's current account deficit deteriorated further in the first half of FY 2022 due to higher import payment obligations along with lower inflow of remittances. Current account deficit stood at USD 8.18 billion during July-December in FY 2022 against USD 3.52 billion surplus in July-December in FY 2021.

With only a 6.26% share in the global market, Bangladesh has huge untapped potential and in 2022 it will surpass the level of 7%. Most importantly, we need to redefine our business model. If we can't upgrade the business capabilities and value addition of the industry, the achievements in environmental and social fronts will be uncertain. So, our priorities in the coming days will be to transform our business model from labor intensive manufacturing to innovation, high-value addition, and modern manufacturing processes.

Banking Industry Outlook 2021

The banking sector in Bangladesh comprises four categories of scheduled banks - State-Owned Commercial Banks (SCBs), State-Owned Development Financial Institutions (DFIs), Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs). Therefore, the number of scheduled banks increased to 61 in 2021 and 268 branches of both private and state-owned banks have been established in Bangladesh over the year 2021 and total branches is 10,939 at the end of December 2021 from 10,671 a year ago.

Islamic banking system has been operating in Bangladesh since 1983. In FY 2021, out of 61 banks in Bangladesh, 10 full-fledged Islamic banks have been operating with 1,569 branches out of total 10,788 branches of the whole banking sector. These Islamic banks have continued to show strong growth since its inception, as reflected by the increasing market share of the Islamic banking sector in terms of assets, financing and deposits compared to the total banking system.

Since the COVID-19 pandemic, the banking sector has been playing a crucial role to channelize stimulus packages to priority sectors for maintaining the vibrancy of the economic activities. But the burden of default investments of the banks became even heavier in 2021 despite of taking proper measures allowed by the central bank to help businesses withstand the shock of the pandemic. The ratio of gross NPLs to total investments stood at 7.93% at the end of 2021 from 8.12% at September 2021 but increased from 7.66% at the end of 2020. This huge bad investments may obstruct the credit supply channel of the economy with due repercussions on the resilience of the private sector.

To prevent the asset-liability divergence due to the recent decreasing trend in banks' deposit rate, Bangladesh Bank issued a circular regarding rationalization of deposit rate of scheduled banks where banks were instructed to determine deposit rate (with period of three months and above) not below the average inflation rate of previous

three months. Advance-Deposit Ratio (ADR) of the banking industry stood at 73.15% in December 2021 which was 72.08% as at the end-September 2021, reflecting rising demand for loans as the economy returns to normality.

The profitability of the banking sector improved in 2021 compared to 2020 as reflected by a growth in net profit and return on equity (RoE). Net Profit in the banking industry increased to BDT 57.78 billion in 2021 from BDT 52.79 billion in 2020. Return on equity modestly increased to 4.44% in 2021 from 4.28% in 2020. The banking sector, as a whole, maintained the required level of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) and other liquidity ratios i.e. Liquidity Coverage ratio (LCR), Net Stable Funding Ratio (NSFR) as on 31 December 2021.

Bangladesh Bank has taken some important initiatives in 2021 like raising investment margin ratio to 70:30 for purchasing digital devices, implementation of government's stimulus package of BDT 10 billion for the pandemic-affected tourism sector, implementation of Basel III in Bangladesh, relaxing investment classification criteria, a detailed policy regarding treatment of Non-Banking Assets, instruction to verify Financial Statements submitted by borrowers using the Document Verification System (DVS) of the Institute of Chartered Accountants of Bangladesh (ICAB), refinance scheme of BDT 30 billion for agriculture sector, instruction to provide at least 15% of CMSME loans to women entrepreneurs by 2024, refinance scheme of BDT 5 billion for low income group people, instruction to run Special CSR activities (1% of PAT) under Corporate Social Responsibility (CSR) of banks to mitigate COVID-19 crisis etc.

Despite slowdown of growth due to severe impact of COVID-19, the economy of Bangladesh steadily recovered over FY21. The government took some prudential measures to put the economy on the growth track. The growth of export-oriented industries and service sector was higher compared with that of the same period of the preceding financial year. The government's stimulus and social safety packages contributed to the early recovery and was considered as the dominant factor to keep the economy alive in the upcoming periods.

The Challenges and Opportunities in Banking Sector in 2022

Banking sector is called the heart of a country's economy. It is more accurately true for a developing country like Bangladesh of which economy is based on the banking sector mostly. Since independence, this sector has kept the wheel of the economy moving forward. So, it is obvious that any disruption in the banking sector will bring negative consequences for the economy.

Since the COVID-19 pandemic, the overall banking sector showed mixed performances in September-December 2021 as reflected by a fall in the ratio of non-performing loans (NPLs) to total loans, a moderation in capital to risk-weighted asset ratio (CRAR), a growth in banks advances, widening in provision shortfall, a rise in profitability, and maintenance of adequate liquidity in the banking industry. World Bank projects that the Bangladesh economy will grow by 6.4% in FY 2022 due to improvement in domestic demand and resumption of export items.

Bangladesh Bank has announced its monetary policy stance (MPS) for FY 2022. Bangladesh Bank's policy is to let flow the funds to the productive sectors, including agriculture, SMEs, export-oriented industries and the informal sector, which have been hit hard by the pandemic. Providing adequate supply of credit to productive and manufacturing sectors would help faster recovery of economic activities and achievement of the growth target in FY 2022. The government kept working on the ongoing mass vaccination program to bring the whole population in vaccinated zone by June 2022. There have been signs of visible improvement in terms of management of the pandemic and economic recovery. However, the rapid mutation of the Coronavirus is still posing serious risk to a complete recovery.

An Overview of the Bank

ICB Islamic Bank Limited, a second generation private Bank is the new legal name of former 'The Oriental Bank Limited' which was incorporated in April, 1987 as a Public Limited Company titled 'Al - Baraka Bank Bangladesh Limited' under the Companies Act, 1913. Certificate for commencement of business was issued to the Bank on April 30, 1987. Bangladesh Bank authorized to carry on the banking business in Bangladesh with effect from May 4, 1987 to undertake and carry out all kinds of banking, financial and business activities, transactions and operations in strict compliance with the principles of Islamic Law (Shariah) relating to business activities in particular avoiding usury in investment and sales transactions and any practice which accounts to usury and actual banking operations commenced on May 20, 1987. Registrar of Joint Stock Companies And Firms approved the revised Bank Limited) on December 31, 2002 and Bangladesh Bank approval was accorded on April 13, 2003.

Switzerland based ICB Financial Group Holdings AG acquired the majority shareholdings of former Oriental Bank Limited, a Bangladeshi Shariah compliant Bank as on February 28, 2008. Emphasis has been given on improving the technology and infrastructure of the Bank, as well as retraining employees, with a view to providing an improved range of competitive products to customers. Currently, the Authorized Capital of the Bank is BDT 15,000.00 million and Paid-up Capital is BDT 6,647.023 million as of December 31, 2021. Its vision is to stand out as a premier banking institution in Bangladesh and contribute significantly to the national economy.

The management of the Bank is committed to turn the Bank into a modern banking institution, vibrant in actions, progressive in programs, honest in dealings, just in judgment, innovative in attitude, fair in approaches and devoted to high quality service to customers. There are charted plans aimed at boosting modern management, advanced technology, good profitability, sound financial strength and fair image of the Bank. The Bank is firmly committed to transparent, responsible and accountable corporate governance with the participation of our strong and most capable team of professionals and under the policy directives and guidance of the Board of Directors of the Bank.

The Bank provides high quality customer service through the integration of the latest and state of the art banking technology and product tools to achieve its success. Since the customers are given first priority, the Bank is trying hard to provide a spectrum of services to individual customers, small business entities and corporate clients. The aim is to deliver the best service by meeting the unique and specific needs in a professional, ethical and friendly manner. The Bank has thirty three (33) branches located at prominent and convenient places across the country.

ICB Islamic Bank Limited carries out business activities in keeping with its values and norms and with an understanding of the importance of a large financial institution has for the society and the environment. It is taking steps towards Green Banking. In line with the vision and mission, the Bank always works for the customers' satisfaction and for the satisfaction of all stakeholders.

Compliance Condition no. 1.5 (xix)

Key operating and financial data of at least preceding 5 (five) years shall be summarized

Sl. No.	Particulars	2021	2020	2019	2018	2017
1	Authorized capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
2	Paid-up capital	6,647.02	6,647.02	6,647.02	6,647.02	6,647.02
3	Total capital (Tier-I & II)	(12,607.10)	(12,212.20)	(12,025.00)	(11,530.82)	(10,976.50)
4	Capital surplus/(deficit)	(16,607.10)	(16,212.20)	(16,025.00)	(15,530.82)	(14,976.50)
5	Capital adequacy ratio (CAR)	(137.41%)	(133.16%)	(133.11%)	(125.08%)	(115.67%)
6	Total assets	11,583.03	11,260.02	11,240.14	11,429.69	11,785.22
7	Total deposits	12,925.58	12,434.12	11,960.39	11,518.75	11,293.57
8	Total investments	8,435.11	8,565.23	8,458.07	8,633.64	8,834.50
9	Import business handled	382.96	42.92	32.45	133.34	92.30
10	Export business handled	22.40	26.65	9.60	4.18	36.83
11	Guarantee business handled	5.92	5.84	3.28	28.37	14.36
12	Total contingent liabilities and commitments	319.11	197.30	196.78	223.69	198.80
13	Investments deposit ratio	65.%	69%	71%	75%	78%
14	Percentage of classified investments against total investments	80.80%	78.37%	84.%	82%	80.04%
15	Profit after tax and provision	(394.81)	(187.27)	(423.75)	(485.63)	(405.01)
16	Operating profit	(41.37)	(488.93)	(488.93)	(497.40)	(382.09)
17	Operating expenditure	391.17	429.52	462.18	474.15	455.39
18	Amount of classified investments during the year	6,815.36	6,712.67	7,108.18	7,079.3	7,071.33
19	Provisions kept against classified investments	3,616.31	3,657.49	3,735.27	3,743.13	3,757.55
20	Provision surplus/(deficit) against classified investments	38.22	43.30	33.93	16.53	-
21	Cost of fund	6.32%	7.17%	7.86%	7.91%	7.63%
22	Profit earning assets	9,178.77	9,281.25	8,997.15	9,184. 92	9,560.94
23	Non-Profit earning assets	2404.26	1,978.77	2,242.99	2,245.41	1247.95
24	Return on investment (ROI) in shares and securities	4%	2%	5%	3%	2%
25	Return on assets (ROA)	(3.41%)	(1.66%)	(3.77%)	(4.25%)	(3.44%)

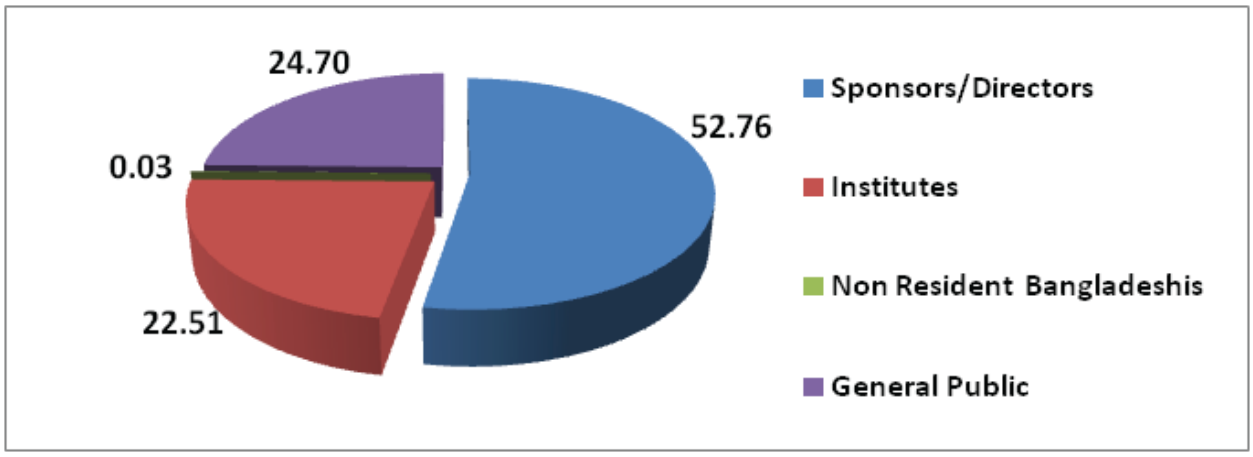
26	Income from investments in shares and securities	4.68	4.96	5.30	3.16	2.60
27	Earnings per share (Taka)	(0.59)	(0.28)	(0.64)	(0.73)	(0.61)
28	Operating Profit per share (Taka)	(0.65)	(0.37)	(0.74)	(0.75)	(0.57)
29	Price earnings ratio (times)	(8.81%)	(4.71)	(4.71)	(6.98)	(8.37)
30	Dividend:					
	Cash	-	-	-	--	--
	Bonus Share	-	-	-	--	--
31	Net Asset Value Per Share (NAVPS)	(18.13)	(17.54)	(17.11)	(16.47)	(15.72)
32	Number of employees	497	456	497	485	476
33	Number of branches	33	33	33	33	33

Capital Structure and Shareholding Pattern of ICB Islamic Bank

The Authorized and Paid-up capital of the Bank was increased in its AGM held on 22nd June 2010. In addition, the shares of ICB Islamic Bank Limited had been split from BDT 1,000.00 (one thousand) to BDT 10 (ten) per share and market lot was changed from five (5) to five hundred (500) during the year 2010 through Annual General Meeting. The paid-up capital of the Bank as at December 31, 2021 is BDT 6,647,023,000. The details of Shareholding pattern of the Company as at the end of the year 2021 is given below:

Sl. No.	Name of the Group	No. of Shareholders	No. of Shares	Shareholding (percent)
01	Sponsors/Directors	1	350,674,300	52.76
02	Institutes	111	149,612,389	22.51
03	Non Resident Bangladeshis	39	231,773	0.03
04	General Public	14,514	164,183,838	24.70
	Total	**14,665**	**664,702,300**	**100.00**

Shareholding Position as on 31st December 2021



"Paradise is surrounded by hardship and the fire is surrounded by desires - Jami at-Tirmidhi 2757"

Analysis of Income Statement of ICBIBL

Sl No.	Particulars	2021	2020	Percent Change
1	Investment income	292.12	366.05	(20.19%)
2	Profit paid on deposits	419.10	459.85	(8.86%)
3	Net investment income	(126.97)	(93.80)	(35.36%)
4	Income from investments in Shares and Securities	4.67	4.95	(5.66%)
5	Other operating income	80.92	274.97	(70.57%)
6	Total operating income	(41.37)	186.13	(122.22%)
7	Total operating expenses	391.17	429.52	(8.92%)
8	Profit/ (loss) before tax and provision	(432.55)	(243.39)	77.72%
9	Provision for investments	40.00	60.00	(33.33%)
10	General provision on off-balance sheet items	-	-	-
11	Provision for diminution in value of investments	-	-	-
12	Other provisions	-	-	-
13	Net profit before tax	(392.55)	(183.39)	(114.05%)
14	Provision for taxation	(2.26)	(3.87)	(41.60%)
15	Net profit after tax	(394.81)	(187.27)	(110.82%

Sector-wise NPI for the year ended 31 December 2021

(Amount in BDT)

Sectors as classified by Bangladesh Bank	Total Exposure as on 31-Dec-21	Percent of Total Outstanding	31-Dec-21	
			NPI Amount	Gross NPI Ratio (%)
Agriculture, Fishing and livestock	-	0.00%	-	0.00%
Manufacturing	1,321,456,785.59	15.67%	1,232,594,756.97	93.28%
Electricity, Gas, Water, TV, Radio and other public utility services	648,802,567.82	7.69%	551,483,184.06	85.00%
Trading (wholesale & retail)	4,728,739,386.12	56.06%	3,695,390,039.48	78.15%
Hotels and restaurants	11,360,697.96	0.13%	4,544,279.18	40.00%
Construction & Real Estate (excluding housing loans for individuals)	-	0.00%	-	0.00%
Housing Loans for individuals	501,354,641.61	5.94%	81,877,457.57	16.33%
Consumption Credit (personal loans to individuals)	117,106,902.77	1.39%	26,356,177.17	22.51%
Consumption Credit (Vehicle loans to individuals)	41,881,285.17	0.50%	18,029,958.41	43.05%
Securities (shares, debentures and other instruments)	-	0.00%	-	0.00%
Finance, Insurance & Business Services	19,268,039.53	0.23%	18,925,702.95	98.22%
Transport & Communication	384,466,650.56	4.56%	384,466,650.56	100.00%
Others	660,673,936.37	7.83%	607,775,354.19	91.99%
TOTAL	**8,435,110,893.50**	**100.00%**	**6,621,443,560.54**	**78.50%**

Product-wise Deposit Balance

Amount in BDT

Product Name	No. of Accounts	Balance as on 31-Dec-21
Mudaraba Savings A/C	42,058	5,421,642,132.49
Al- Wadiyah Current A/C	4,468	444,455,495.30
Deposit Scheme	7,962	408,378,329.50
Insta Profit Term Deposit	7	7,630,000.00
Mudaraba Term Deposit	5,433	5,872,066,331.00
Monthly Profit Term Deposit	385	208,353,062.80
Mudaraba SND A/C	459	229,228,931.40
Foreign Currency A/C	77	900,281.54
Total	**60,849**	**12,592,654,564.03**

The performance of the Bank in 2021 has been summarized below

(Figure in BDT million)

Particulars	2021	2020	Growth percent
Net Investment Income	(126.97)	(93.80)	(35.36%)
Total Operating Income	(41.37)	186.13	(122.22%)
Total Operating Expenses	391.17	429.52	(8.92%)
Profit/(Loss) before Provision	(432.55)	(243.39)	78.12%
Provision for Investment	40.00	60.00	(33.33%)
Profit/(Loss) before Tax	(392.55)	(183.39)	(114.05%)
Provision for Tax	(2.26)	(3.87)	(41.60%)
Net Profit after Taxation	(394.81)	(187.27)	(110.82%)

Material Uncertainty Related to Going Concern

As per the auditor's attention to Note 3.3 in the financial statements, which shows that the Bank has an accumulated loss of Tk. 19,236.25 million (2020; Tk. 18,841.43 million) for the year ended 31 December 2021; Negative equity of Tk. 12,054.07 million (2020; Tk. 11,659.25 million) as at 31 December 2021 and capital adequacy ratio of (137.41%) (2020; -133.16%) as against minimum of 12.50% (2020; 12.50%); Profit paying deposits aggregates to BDT 8,762.74 million (2020; Tk. 7,447.01 million) as against the profit earning investment of BDT 1,619.75 million (2020; Tk. 1,852.56 million) as at 31 December 2021; Overall 80.80% (2020: 78.37%) of investment of the bank is classified. As stated in Note 3.3, these events or conditions, along with other matters as set forth in Note 3.3, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. Their opinion is not modified in respect of this matter.

Investment Income

ICB Islamic Bank Limited's investment income comprises of two components: income from lending and income from placement of funds in different banks and financial institutions. The income from lending has decreased by Tk.64.85 million in 2021.

Net Profit/(loss) before Tax

After making the provisions, net profit/ (loss) before tax of ICBIBL stood at BDT (392.55) million compared to BDT (183) million in 2020, mainly due to decrease of investment income and others operating income in 2021.

Provision for Income Tax

Provision against current year income tax of ICBIBL was BDT (2.26) million compared to BDT (3.87) million of preceding year.

Net Profit/(loss) after Tax

As on 31 December 2021, net profit after tax stood at BDT (394.81) million, earnings per share was BDT (0.59), average ROA stood at (3.41) percent.

Accumulated Loss

Total accumulated loss is BDT 19,236,245,469 as on 31 December 2021 and total accumulated loss was BDT 18,841,428,662 as on 31 December 2020. The loss increased by 2% in the year 2021.

Basis for Related Party Transactions

Related party transactions have been shown under item no. 43 of the Notes to the Financial Statements.

Extra-ordinary gain or loss

No extra-ordinary gain or loss has been recognized in the financial statements.

Utilization of proceeds from public issues, rights issues and/or through any other instrument

No further issue of any instrument was made during the year 2021.

Significant variance between Quarterly and Annual Financial Statements

No significant variations have occurred between quarterly and final financial results of the Bank during the year under report.

Dividend

The Board recommends no dividend for the year ended on 31 December 2021. There was no declaration of Bonus Share/Stock Dividend for the year as interim Dividend. The Bank is not in the state of generating sufficient income to pay such dividends.

Branch Cluster Management

ICBIBL has been continuing an effective Cluster Management (Branch Mentorship) in its branch operations. The senior management is working closely with Heads of Branches in their marketing efforts for Assets, Liabilities and other issues. Now the Heads of Branches are exposed to more matured thoughts and ideas through Mentors resulting in qualitative improvement of their business and operational activities.

Brand Image

Employees of the Bank are being trained to provide professional service thereby enhancing the Brand image.

Branch Network

Operational excellence coupled with qualitative improvements continued to be of paramount importance to the Bank. At present, the Bank has extended its services through thirty three (33) Branches across the country.

Treasury and Asset Liability Committee (ALCO)

The Treasury Department plays an important role in maintaining the statutory liquidity with the Central Bank and ensures that the bank has enough cash available at all times to meet the needs of its primary business operations. Among other activities, the main activity of Treasury Department is to forecast the regular cash requirement for the bank to meet customers' demand. The Treasury Department fulfills the bank's fund requirements through cash management and investment management. Treasury maintains Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) set by the Central Bank. In line with global system, ICBIBL has independent Dealing Room, separate Back Office and online payment system equipped with SWIFT system for ensuring fast and prompt services to the customers.

ICBIBL has Asset Liability Committee (ALCO) which comprises of senior management of the Bank. The ALCO is headed by the Managing Director-cum-CEO of the Bank. The ALCO of the Bank ensures the formation of an optimal financial structure to provide the right liquidity balance and limiting the possible risk level. The ALCO also ensures the control over the capital adequacy, risk diversification and determination of the Bank's liquidity management policy.

Risk Management Overview

Risk management is the process of analyzing exposure to risk and determining how to best handle such exposure. The Bank is sanguine to identifying areas of risks in the business, whether it is financial, operational, ICT, reputational or credit. The Board of Directors and the management take measures to monitor and manage the risks of the Bank. In accordance with Bangladesh Bank Guidelines, the Bank has established the risk framework that consists of six core risk management policies namely (i) Investment Risk (ii) Asset and Liability/Balance Sheet Risk (iii) Foreign Exchange Risk (iv) Internal Control and Compliance Risk (v) Money Laundering Risk and (vi) Information and Communication Technology Risk. Besides, the Bank has adopted Environmental Risk Management Guidelines in accordance with Bangladesh Bank guidelines and emphasizes it as a core Risk.

In order to achieve the objectives of effective risk management programs, the Bank has:

(i) Proactive Board of Directors and Senior Management's Supervision;
(ii) Adequate Policies and Procedures;
(iii) Proper Risk-Measurement, Monitoring and Management Information Systems; and
(iv) Comprehensive Internal Control measures;

Audit Risk Management Committee (ARMC)

Risk in banking has been evolving over the past decade. The global financial crisis underlined the importance of sound and comprehensive risk governance. Managing high risk in banking operations, issue of effective internal control system, corporate governance, transparency and accountability have become major components to ensure smooth performance of the banking industry throughout the world. Internal control system ensures the effective control measures of the whole operations; the scope of internal control is not limited to audit work. It is an integral part of the daily activity of a bank, which on its own merit identifies the risks associated with the process and adopts a measure to mitigate the same. Besides, Internal Audit reinforces the control system through regular review.

With a view to establishing an independent Risk Management Unit, ICB Islamic Bank Limited formed a Committee with senior management team, called Audit Risk Management Committee (ARMC). This committee oversees reviews, assesses and recommends on the findings and lapses reported by Internal Control and Compliance Department (ICCD) to the Audit Committee of the Board.

The Board of Directors and Senior Management of the Bank endeavors to develop a high ethical and moral standard to ensure a strong compliance culture in the Bank. In this context, the Bank gives priority to the following issues:-

(i) To encourage employees to comply with all the policies, procedures and regulations;

(ii) To maintain continuous liaison with the regulators to obtain regular information on regulatory changes; and

(iii) To establish an effective communication process to sensitize the officials of the concerned Divisions and Branches of the relevant regulations.

Internal Control and Compliance

Internal Control is a process effected by bank's Board of Directors and Management team to provide reasonable assurance regarding the achievement of effective and efficient operations, reliable financial reporting and compliance with applicable laws, regulations and internal policies. The Internal Control Process of the bank reviews and updates the operation procedure in line with laws and regulations imposed by bank company act, Bangladesh Bank and other regulatory bodies round the year.

Internal Control and Compliance ensures that the bank employees are performing their duties according to the laws, regulations and internal policies for achieving the goals of the bank. The Internal Control and Compliance Framework of the bank was designed to mitigate risks of the bank. It also provides reasonable assurance of effectiveness against material misstatement of management and financial information or against financial losses and fraud, and, compliance with the applicable laws and regulations.

ICB Islamic Bank Limited has a strong Internal Control and Compliance (ICC) Division comprising of three (3) departments; Audit and Inspection Department, ICC Compliance Unit and ICC Monitoring Unit as per ICC guidelines of Bangladesh Bank. The Audit and Inspection Department is responsible for periodic and special inspection of all branches and Head Office departments. The Compliance Unit ensures the corrective measures taken by the branches and Head Office department. The Monitoring Unit confirms that the branches and departments are following the instructions for avoiding repetition of the same mistakes.

Information Technology

Technology plays a critical role in the performance of core functions of the bank. The rapid progress in information technology is transforming the way by adapting state-of-art technology platform. For ICB Islamic Bank Limited (ICBIBL), the key to success in such a demanding market situation is to be equipped with a proven and versatile IT solution, which has the capability of defining new products and services, coupled with the ability to access and manage information on a continuous real time basis.

Bangladesh government also has taken IT as a thrust sector. Several initiatives have been taken during last couple of years to make a "Digital Bangladesh". Like other areas, Banking Sector in Bangladesh has also adopted IT as the key business enabler.

In line with the Core Banking Solution (CBS), ICBIBL has successfully introduced various services like Bangladesh Automated Cheque Processing System (BACPS) as well as Bangladesh Electronic Fund Transfer Network (BEFTN), ICBIBL system is also connected with central banks' National Payment System of Bangladesh (NPSB), Real Time Gross Settlement (RTGS), Anti Money laundering transactions online reporting module (GoAML), Bulk Data Upload of IMP/EXP data, Updated Online credit Information Bureau (CIB) reporting, Automation of Bangladesh Bank ISS (Integrated Supervision System) reporting, Automation of Bangladesh Bank's Risk Management Report module as per Bangladesh Bank (Central Bank) guide line. For betterment of customers' services, Bank has expressed and deployed different channels like ATM, POS, Debit Cards, Document Repository, easy Pay, and Transactions Alert through SMS etc. services. In order to secure financial transactions, customer data and prevent money laundering, ICBIBL has introduced Sanction Screening and a unique SMS and Mail notification system for SWIFT payment procedures which has reduced cyber-attack risk significantly. To make banking faster, easier, more efficient and even more effective to serve the customers on 24 hours a day, 365 days a year, Bank will soon provide the Internet and Mobile Banking facilities.

A dependable Management Information System (MIS) is essential for efficient management of data and providing the quick information to the management on an 'as and when required' basis which is used by the bank. Nowadays, in financial sector, especially in the banking sector security is the main concern, to protect against any kind of intrusion by both internal and external threats. In order to meet this objective, ICBIBL has prepared an ICT Security Policy as per Bangladesh Bank guidelines which are used by the bank to accelerate in terms of information generation, utilization and applications.

Anti-Money Laundering Department

Money laundering refers to the process of taking illegally obtained money and making it appear to have come from a legitimate source. It involves putting the money through a series of commercial transactions in order to "clean" the money. Criminals are continuously inventing different ways to hide and move illicit money earned through illegal sources.

To safe guard the bank and the financial system of the country, ICBIBL is following best practices to counter AML and Terrorist Financing. Bank is following meticulously with the Money Laundering Prevention (Amendment) Act, 2015, Antiterrorism (Amendment) Act, 2013 and related circulars of BFIU, Bangladesh Bank to prevent money laundering and combating terrorism financing.

Following to Bangladesh bank's latest guidelines and special stress on Trade Based Money Laundering, special trainings are conducted to make all staff aware of Trade Based Money Laundering. Anti-Money Laundering Department lead by CAMLCO and supported by DCAMLCO promptly reports all CTR and STR on a regular basis to BFIU and Bangladesh Bank.

While onboarding new relationships, KYC process is followed meticulously with Verification of NID by using the database of Election Commission, Automated Sanction screening process (U.N., EU, OFAC and Bangladesh Bank and BFIU sanction list) and thorough background check where Enhanced Due Diligence is required. The Cash Officers and Branch Operation Managers monitor all the transactions and reports to CAMLCO/DCAMLCO where a mismatch is found with customer's Transaction Profile immediately updated with due diligence by the branch.

Anti-Money Laundering Risk Management

ICBIBL has taken preventive measures against money laundering and terrorist financing by following the guidelines of Money Laundering Prevention Act (Amendment) 2012, Anti- Terrorism Act (Amendment) 2012 and circulars issued by Bangladesh Financial Intelligence Unit to mitigate the risk. As per the rules and regulation of BFIU, ICBIBL applies the sensitive Customer Due Diligence (CDD) measures. The activities of AML Department of ICBIBL are mentioned below:

- Update the Money Laundering and Terrorist Financing Risk Assessment guidelines according to Bangladesh Financial Intelligence Unit regulations which is approved by the Board of Directors;
- Implemented GoAML Software for CTR and STR reporting and now it is being reported online;

- Implemented Automated Sanction Screening in the branches and Head Office;
- Ensuring regular monitoring, compliance and accountability at Business points of ICBIBL through Chief Anti- Money Laundering Compliance Officer (CAMLCO), Deputy Chief Anti- Money Laundering Compliance Officer (D-CAMLCO) and Branch Anti- Money Laundering Compliance Officer (BAMLCO) of 33 Branches;
- Regularly conducting training program for prevention of money laundering and terrorist financing in all the branches of ICBIBL;
- Holding the meetings periodically both at Head Office and Branches to ensure compliance with BFIU instruction.

Foreign Remittance

Everyday millions of Taka remittance is disbursed to our customers, which ICBIBL have received from abroad through its foreign remittance service providers. Last year ICBIBL have started RIA remittance service through its branches around the country. ICBIBL have been paying remittances by Electronic Fund Transfer covering both account credit service and cash payout in Taka through its branches to the beneficiary customers. Now ICB Islamic Bank Ltd has the drawing/remittance arrangement with Western Union money Transfer, RIA Money Transfer, MESA Financial Service Spain, Placid NK Corporation USA.

ICBIBL handles both inward and outward remittances. The outward remittance includes issuing Foreign Demand Draft and Outward Customer Remittance through wire transfer by SWIFT. The Bank's inward remittance covers draft service, account credit service under Electronic Fund Transfer Network (EFTN) arrangement and cash payout service. To facilitate inward foreign remittance in Bangladesh, special focus has been given on establishment of drawing arrangement and also ICBIBL have introduced a payment solution product termed "ICBI Easy Pay" This product redefines the way individuals and organizations make/receive payments. Based on the Bangladesh Electronic Fund Transfer Network (BEFTN) ICBI Easy Pay allows our clients to pay/remit funds to any branch of any bank in Bangladesh within next 24 hours. Besides BEFTN service, ICBIBL have started local money transfer to all local banks through Bangladesh Bank Real Time Gross Settlement Service (RTGS). BEFTN and RTGS are faster, safer, simpler and smarter than conventional payment systems.

Foreign Exchange Business

Trade is one of the challenging arenas of banking operations which yields higher income for a bank. Globalization has made it very dynamic to operate. With the growing number of customers and changes in the pattern of international trade, the Bank through its trade services division is providing holistic services for corporate, commercial and SME customers for their trade solutions. The Bank has its stretched and enlarged global network reaching every corner of the world for extending every kind of foreign exchange related services to the customers. Thus, the Bank is growing steadily and sustainably in the international trade arenas with the passage of time. Trade services division not only facilitates foreign trade but also plays a vital role for the development, control and overall supervision of trade operation and trade settlement.

ICB Islamic Bank Ltd. has successfully set and made fully operational of the centralized Trade Service Operation of the Bank. At present Trade Service Division has a centralized import and export activity of all Branches through Head Office. Trade Service Division (TSD) is running with a team of dedicated and qualified bankers who are conversant in International Trade And Foreign Exchange Business. At present, Trade Service Division supports both Authorized Dealer (AD) and Non AD Branches of the Bank by opening all forms of LCs, issuing Shipping Guarantees, handling Import Documentary Collections, advising LCs, purchasing or negotiating Local And Foreign Export Documents and handling of Export Documentary Collections.

Capital machinery, red lentil (Masur dal), spare parts, broken stone, bolder stone, anchor bolts, chocolate, dry fish, fish meal, used vehicle, conveyor belt, jet fan, fuska, parts and accessories of two wheelers, parts and accessories of three wheelers metals, double skin cabinet fan, live plant, fresh onion, dyes, cosmetics, PVC film black non printed, green chili, hand sprayer parts for agricultural use of trading company and electrical industries etc. are the major items of the Bank.

The ICB Islamic Bank Limited has been facilitating export based industries, such as garments and other industries to earn a substantial amount of foreign exchange for the country. In the past several years export receipts of this bank were increased significantly.

Branch Supervision and Operation Department

Branch Supervision and Operations Department consists of three units, viz Account Services, Branch monitoring and Central Clearing. The Department is ensuring the services as per Service Level Agreement (SLA) and mitigating the risks of account opening procedure to avoid money laundering activities. It is a centralized department rendering services to all the branches by following local laws and guidelines provided by Bangladesh Financial Intelligence Unit (BFIU) and UN Sanctions. It always alerts the branches to avoid income leakage of the bank. The department coordinates with the branches in all kinds of operations issues.

Consumer Banking

Banks are increasingly focusing on retail customers as more and more people are coming under the formal banking channel. Banks with higher concentration on corporate business are also getting more inclined toward Consumer and Small and Medium Size Enterprises (SME) banking business to diversify their portfolio and reducing risks. As many banks are focusing on Consumer Banking the market is becoming more competitive in terms of price and service. To cope with this highly competitive market ICBIBL repackaged its consumer products like home and auto finance with competitive price range and quality service. To make the most popular consumer banking product-Home Finance, more attractive to the customers, ICBIBL has introduced Mortgage Reducing Term Assurance (MRTA) since 03 March, 2021 which also reduces the repayment risk in case of death of the customer. In 2021, ICBIBL increased its focus on consumer banking business by launching dedicated product specialized relationship teams at head office besides the regular branch channel, which will provide one stop service with low turnaround time to the customers. To support the investment growth, the Bank has taken several initiatives to boost the deposit base like establishing dedicated deposit team at head office and conducing different deposit campaigns throughout the year. These initiatives will continue throughout 2022.

ICBIBL believes the employees are the main driving force behind the success of the Bank. Thus ICBIBL organized online and offline trainings, meetings etc. for the employees of the Bank on different aspects. In the meetings, the top management shared the overall position and performance of the Bank and its branches. Branch officials and the top management had open discussion on the current activities and the future action plans of the branches vis-a-vis Bank. To motivate the branch staff, top management also assured reward for the good performers.

Below are details of the consumer products that we are offering:

ICB Manzil (Home) Finance

ICB Manzil (Home) Finance is a shariah compliant investment product offered to consumers for purchase, construction, renovation or extension of existing/new apartment/house including takeover of existing home finance facility from other Banks /Financial Institutions with terms and conditions that better address client's immediate needs and allow repayment on more affordable terms. The facility is offered up to BDT 20,000,000 for maximum 25 years as per eligibility and in line with the regulatory guidelines.

ICB Rahabar (Auto) Finance

ICB Rahabar (Auto) Finance facility is a product offered to consumers for purchase of a brand new, reconditioned or second hand car. The facility is offered for maximum 5 years and up to BDT 4,000,000 as per eligibility. This facility is based on the concept of Hire Purchase under ShirkatulMelk agreement.

ICB Saahib (Personal) Finance

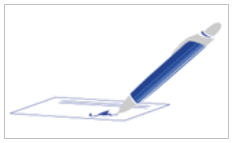
Based on the concept of Bai-Muajjal, ICB Saahib (Personal) Finance facility is offered to meet the small requirements to purchase various consumer products that are permissible under Islamic Shariah and the Laws of the country. The maximum finance amount is up to BDT 1,000,000 for 5 years as per eligibility.

Deposit Products

ICB Islamic Bank Limited is offering several deposit products since 2009 with attractive and competitive features

and profit rates for all customer segments of Bangladesh.

Amar Al Wadiyah Current Account



It is a current account based on the Islamic contract of Al-Wadiah and refers to a concluded contract between the owner (depositor) of the goods (the money) and the custodian (Bank) for safe-keeping. The depositor grants the Bank permission to utilize the money for any purpose permitted by Shariah. The Bank in turn guarantees the value of the deposit thus creating a 'WadiahYad-Dhamanah' contract.

Foreign Currency (FCY) Account

Resident and Non-Resident Bangladeshis can open a Foreign Currency Account where the denomination is in another currency other than BDT (US Dollar, European Euro, GB Pound).

Amar Apon Mudaraba Savings Account

Amar Apon Mudaraba Saving Account is an account based on the Islamic concept of Al-Mudharabah. It refers to a contract made between a provider of capital (depositor) and an entrepreneur or fund manager (the Bank) to enable the Bank to carry out business ventures within Shariah guidelines. Both parties agree to share profits from the investment according to a mutually agreed ratio.

Mudaraba Non-Executive Account

Bangladesh Bank under the financial inclusion program instructed all scheduled Banks to create and offer a savings deposit product with minimum balance requirement for the disadvantageous and illiterate people of the society to bring them under the banking umbrella and their financial security. This account is high profit bearing account based on the Islamic concept of Al-Mudharabah.

Mudaraba Future Leader Account

Future Leader Account is a savings account for college and university students based on the Islamic concept of Al-Mudharaba.

Mudaraba School Banking

School Banking Account is a savings account for young savers based on the Islamic concept of Al-Mudharabah. It is a minor account to be operated by the guardian until the account holder (minor) becomes major.

Al-Muquafah Executive Account

Al-Muquafah Executive Account is a salary account offered to salaried executives of corporate bodies of the country which have salary account relationship/Memorandum of Understanding (MOU) with ICB Islamic Bank Limited and under the MOU, the employees can also avail investment facilities at a discounted profit rate and service charges.

Mudaraba Term Deposit

Mudaraba Term Deposit Account is a non-transactional term deposit account that customers can open for a long term to earn higher profit on their deposits. Minimum amount required to open the account is BDT 10,000 and Tenure: 1 month, 3 months, 6 months, 1 year, 2 years or 3 years.

Mudaraba Corporate Term Deposit

Mudaraba Corporate Term Deposit is a non-transactional term deposit account offered only to different corporate bodies. It has a profit rate higher than the regular Mudaraba Term Deposits and it constitutes a significant portion in the Deposit Portfolio.

Mudaraba Monthly Profit Term Deposit

Mudaraba Monthly Profit Account is a non-transactional term deposit account that a customer maintains for earning profit on a monthly basis. It is offered at different tenors (6 months, 1 year or 2 years).

Mudaraba Insta Profit Term Deposit

In this term deposit, the customer receives profit on balance in advance. The customer can use the profit immediately and keep the investment intact until maturity. This is an attractive and smart plan for customers; as depositors gets the profit upfront, they can reinvest it by opening another term deposit for a tenor of 3 months, 6 months or 1 year.

Mudaraba Provident Funds of Banks and other Organization

Ilt is a non-transactional term deposit account offered to various corporate bodies to maintain their Provident Funds and monetary End Service Benefits with ICB Islamic Bank Limited to earn profit on deposits for the benefit of the organization's employees only.

Mudaraba Savings Plans

ICB Islamic Bank offers different types of monthly savings plan such as Children Savings Plan, Hajj Savings Plan, Home Savings Plan, Gradual Savings Plan with tenor of 3 years or 5 years.

SME Banking:

Inclusive finance has become a strong force for a change towards sustainable development. SME financing is a major way of achieving sustainability. Keeping this in mind the Bank has strongly focused on SME business. The Bank has a comprehensive suite of products on the shelf to meet the requirement of SME customers and a team of well-trained Relationship Managers are deployed in branches for exclusive one stop service to the SME customers.

We are also developing new products for SME customers to meet their changing needs. For ensuring quality service, we ensured faster processing of investment proposals and disbursement.

Below are details of the Business Banking products that we are offering:

BM Hypo

Bai-Muajjal (Hypo) is an agreement between the Bank and the client (Seller and Buyer) under which the Bank (Seller) sells to the client (Buyer) certain specified goods (permissible under Shariah and Law of the country), purchased as per order and specification of the client at an agreed price payable within a fixed future date in lump-sum or by fixed installments.

Investment against Property (IAP)

With ICB Islamic Bank's Investment against Property Scheme, clients can buy the necessary equipment's, inventory, raw materials etc. to expand your business. ICBIBL is the first Islamic bank in Bangladesh to offer Term Investment against Property with maximum tenor of up to 12 years, whereas most of the competitors only offer overdraft facilities. IAP investment can have limitless usage in your business including but not limited to:

SME Transportation Finance Scheme

One of the most treasured desires of an entrepreneur is to drive his own business. ICBIBL Transportation Finance Scheme for SME offers clients a flexible and affordable investment with easy repayment options which would enable the customers to buy commercial vehicles and drive your own business. Purchase of vehicle should assist entrepreneurs to generate business or alternatively reduce cost.

ICBIBL Sunibash:

ICBIBL Sunibash is an EMI based Investment facility for construction of accommodation for workers and lowers income Job holders around the industrial and commercial areas across the country. Small entrepreneurs who own land, semi pacca /Tin shed house or building at urban, semi-urban, and rural areas with an opportunity to rent

them out to the people of lower income group at the commercial and industrial area are the customer segment for ICBIBL Sunibash Investment.

Bank Guarantee (BG)

A BG may be defined as an irrevocable undertaking by a Bank to a third party to pay up to a certain sum of money in the event of non-performance of a contract between third party and the customer.

Murabaha Import Bill (L/C)

Murabaha import bills L/C is a facility of commercial credit unit under business banking division. This product's main objective is to help various small and medium sized imports oriented business to meet their trade finance requirements.

Murabaha Post Import (MPI)

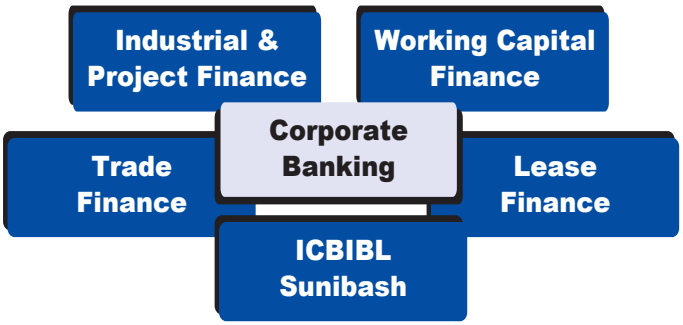
The importers apply for investment facility against imported goods after shipment for payment of the invoice values of the goods to the seller/supplier including custom duty, VAT and other expenses.

Earnest Money finance

ICB Earnest Money finance is a facility offered to different sole proprietorship/partnership farms/ private limited companies involved in construction or other civil works offered by different Govt./semi Govt. organization, autonomous body or other organizations accepted to the banks to complete public developmental projects. Earnest money finance facilities enable contractors/suppliers financial accommodation in the form of bid, Earnest Money to execute different work orders through bidding.

Corporate Banking

ICB Islamic Bank is focusing to build and maintain long-term mutually beneficial relationship with the corporate clients, and being a part of their journey towards development and growth. We are offering a wide range of corporate products and services including flexible and structured financial, advisory and operational support to meet the diverse financial needs of the growing corporate sector of the country. These products include various funded and non-funded facilities to assist manufacturers, traders and service industries as follows:



MoU signing ceremony of ICB Islamic Bank Ltd. and PHP Automobiles Ltd.

Under the agreement, customers purchasing Brand New Cars of PHP Automobiles Ltd. can avail easy auto finance facilities from ICB Islamic Bank Limited under a very attractive profit rate and discounted processing fees as well as can enjoy special offers from PHP Automobiles Ltd. along with exclusive facilities.

A Memorandum of Understanding (MoU) was signed between the ICB Islamic Bank Ltd. and PHP Automobiles Limited, took place at the premises of ICB Islamic Bank Ltd., Head Office, Kawranbazar on 14th October, 2021.

Mr. Muhammad Shafiq Bin Abdullah, Managing Director and CEO of ICB Islamic Bank Ltd. and Taseer Karim, Executive Director of PHP Automobiles Limited have signed and exchanged the copy of MoU Agreement on behalf of their respective Organizations. Mr. Arpit Vinodbhai Parikh, Chief Operating Officer and COO of ICB Islamic Bank Ltd., Mr. Captain Sakhawat Hossain (Retd.), Head of Recovery, ICB Islamic Bank Ltd., Mr. Md. Tareq-Us-Salam, Head of Investment Risk Management, ICB Islamic Bank Ltd. and Mr. Rakib Hossain, Manager, PHP Automobiles Limited among others were also present at the signing ceremony.

Cash Management Wing

In today's competitive financial environment, effective cash management has become a critical success factor. Corporations presently find themselves in an increasingly competitive local, regional and global marketplace. Businesses have to focus on staying profitable while managing heightened credit risk and narrowing margins. Keeping in view the challenges of our business environment, ICB Islamic Bank is putting its efforts in developing a range of cash management products and solutions that accelerate inflows, maximize liquidity, reduce credit risks, automate payments and strengthen reconciliation. At ICBIBL we strive to offer the target market with value added products and services, and improve end-to-end solutions that optimize cash flows, reduce operating costs and lead towards an enhanced interest income.

We endeavor for offering industry competitive solutions in keeping with the Bank's strategic vision. Our cash management services include local payments, collections, information management, account services, liquidity management and investment services for both corporate and institutional clients.

Strategies and initiatives

In 2021, ICBIBL has taken several initiatives to overcome the market situation created by the impact of COVID 19. Traditional banking products got impacted with extended moratorium on repayments declared by Bangladesh bank to support the economy and it also impacted ICBIBL income. To overcome this situation and protect the bank's revenue, bank has increased focus on fee based income products like Import and Export LCs, E Tender financing, Local Bill purchase and remittance business.

To support the branches with new business initiatives, several trainings and awareness programs were conducted to empower the front line staff. ICBIBL is and will continue to be committed to introduce innovative products to facilitate banking demands of the valuable customers.

For the promotion of our products, we would explore the opportunities in digital and social media platforms for increased reach to the mass. We will run special campaign to encourage wage earners and NRB remittances to earn foreign exchange for the country. We would establish alliances with different organizations for the mutual business growth and better value addition to our banking channels.

Training and development is a continuous process to ensure quality human resources for the Bank. ICBIBL provides Continuing Banking Education (CBE) at the Bank's Training Center.

The Training Center provided "Foundation course" for the new joiners in the Bank. It also provides training program on "Sales techniques" and "Investment" for the Branch Managers and Relationship Managers. The center will be conducting similar kind of training programs round the year in 2022 and beyond.

ICB Islamic Bank pays 98 percent of its Frozen Account Holders Money

As per the permission from Bangladesh Bank, ICB Islamic Bank has paid 98 percent account holders of frozen deposit accounts, which should inspire confidence among the customers of ICBIBL. ICB Islamic Bank aims to create a modern, efficient and profitable Bank and to build it to become one of the premier banks in the country. The support of the local shareholders as well as other stakeholders of the Bank, including customers, employees, the authorities especially Bangladesh Bank are crucial at this stage for ICBIBL.

Administration and Property Department

Administration & Property Department (APD) is the only logistic department of the Bank. It provides logistic support to the branches and Head Office for smooth functioning. This department ensures proper up keep of all the equipment, machinery, transport and installation of ICBIBL. Also implement compliance issues of Bangladesh Bank in branch premises. APD plays the pivotal role for opening new branch or shifting branch to new places in order to implement management's Cost Reduction Initiative and better business opportunity. Signing of lease agreement with the landlords of the branches and Head Office premises are conducted by this department.

Trouble shooting of Dhaka branches in relation to branch premises, electric problem, CCTV connectivity, local disturbance, land telephone operation through PABX, signage & branding and employment of security personnel are also addressed by this department. APD also ensures upkeep of banks DBBL Guns and renewal of gun licenses regularly. Requirement of Armed Security Guard is raised to HRD for recruitment and ensures training of newly recruited guards.

APD provides all kinds of printing stationery articles to all branches. APD ensures providing of ID Cards and corporate ROBI SIM to authorized bank officials. Business Cards for appointment holders are printed centrally by APD to maintain Bank's own standard.

Cash in Transit (CIT) support is provided regularly to the branches. Bank's vehicles are used for the same for the outside Dhaka branches. In Dhaka Elite Force is dedicatedly providing cash carrying vehicle. All such activities are covered by insurance. Regular basis insurance coverage is provided from APD to the branches while exceeding Cash in Vault (CIV) limit after daily transaction. Yearly basis Money Insurance Policy is also taken for branches Cash in vault, Cash on Counter (COC) & ATM. Fire Insurance Policy against fixed assets of Head Office and Branches are taken by obtaining competitive offer of "A" grade insurance companies. Renewal of Trade License, payment of holding tax, Municipality tax and City Corporation taxes are regularly paid on due dates. Spaces of non-banking assets of Bishal Centre & Kushal Centre are rented out to various business houses to generate income for the Bank.

Keeping in view to minimize the maintenance cost of vehicles, APD disposed of old cars which were incurring huge maintenance cost over the years. Cars were auctioned and sell proceed taken as banks income to purchase new cars. Due to bank's poor financial condition limited numbers of old cars are maintained to augment branches for CIT support and business activities.

Apart from above activities, management looks at this department for any kind of urgent need and administration support. With whole hearted dedication and sincerity round the clock support is ensured with limited work force of APD for meeting Bank's expectation.

Green Banking

Since we have one world and one chance to protect it, ICB Islamic Bank makes continuous efforts to contribute its best to the environment. ICBIBL believes in improving social awareness in reducing wastes, reusing the resources, recycling the processes and re-using whenever possible. ICB Islamic Bank has adopted a comprehensive policy on Green Banking. The policy includes in-house green banking practices for reduction of use of water, electricity, paper etc. ICBIBL has also adopted the Environment Risk Management Guidelines in line with the requirements of the Central Bank and the industry best practices. ICB Islamic Bank has set its green banking slogan as "Reduce, Reuse and Recycle". ICBIBL's green banking efforts include full-fledged online banking, data repository and, electronic correspondences. Future plans includes internet/mobile banking in order to make paper less

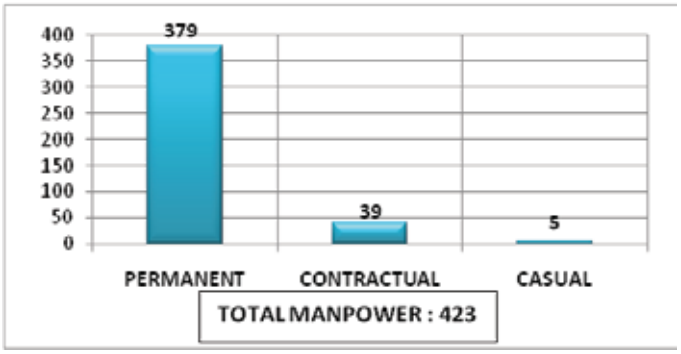
communication with customers, creating awareness among the different level of stakeholders as well as mass population.

Human Resources Department

Human Resources are important for banks because banking is a service industry. Management of people and management of risk are two key challenges facing banks. How you manage the people and how you manage the risks determines your success in the banking business. Efficient risk management may not be possible without efficient and skilled manpower.

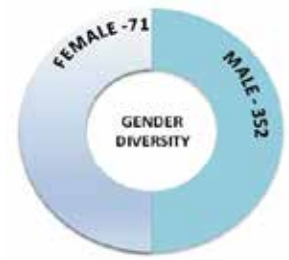
ICB Islamic Bank Ltd. ends the year 2021 with a workforce of 423. This workforce is the driving force that runs 33 Branches of the Bank.

Status of Manpower



Gender Diversity

Among 423 workforces, 16.78% are female and 83.21% are male.



Zone-wise Manpower

The total workforce of 423 are now operating at different Zones of Bangladesh.

MANPOWER STATUS	NO.	%
DHAKA	292	69.0%
CHITTAGONG	40	9.5%
SYLHET	34	8.0%
KHULNA	34	8.0%
RAJSHAHI	17	4.0%
BARISHAL	6	1.4%
TOTAL	**423**	**100.0%**

Average Age

The Average Age of Manpower of the Bank was 42 years (as on 31.12.2021).

Observe the National Mourning Day 2021 marking the 46th death anniversary of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman

As per Bangladesh Bank letter ref no. BRPD (P-1)/760(Misc.)/2021-6764 dated August 10, 2021.To observe the National Mourning Day 2021 marking the 46th anniversary of the brutal assassination of the Father of the Nation, ICB Islamic Bank Ltd arranged different events throughout the month of August 2021.

ICB Islamic Bank Ltd. observed the National Mourning Day of 15 August, 2021 in heart breaking emotion showing highest gratitude to the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman by wearing Black badge on 16 August, 2021(Monday) as a symbol of mourning.

The Head Office officials wear Black Badge on 16 August, 2021(Monday) as a symbol of mourning

Branch employees were Black Badge as a symbol of mourning

ICB Islamic Bank Ltd arranged an art competition for the children of ICB staff to encourage the new generation with the History of Bangladesh and to inspire them from the spirit of colorful life of Bangabandhu on 19 August, 2021. The art competition was divided into two (2) categories. The theme of Category 1 (Group A: Student of elementary & Group: B Students from Class 1 to 5) was Bangladesh and Bangabandhu, whereas that of Category 2 (Students from class 6 to 10) was Blood Shed 15 August.

Later on, the prizes were handed over to the winners/ parents of the winners of each category.

The Art Competition

"And whoever believes in Allah, He will guide his heart – Al Quran [64:11]"

The Judges evaluated the Arts

Prize giving ceremony to
the winners of Art Competition

During the Tree Plantation program, the high officials of the Bank planted trees at Kalabagan Playground in the morning on 22 August, 2021.

The high officials of the Bank were present
during the Tree Plantation program

The MD & CEO along with the COO of the Bank
planted sapling at Kalabagan Playground

The MD & CEO of the Bank watering the plant

The high officials also planted sapling
during the program

Besides that, a Doa Mahfil Program was arranged at Head office (15th floor) of ICB Islamic BankLtd. after Johor Prayer on 22 August, 2021 for the peace and salvation of departed soul of Bangabandhu Sheikh Mujibor Rahman and his family members. During the Doa Mahfil, a special prayer was also organized for the happiness and prosperity of the country andthe nation.

Doa Mahfil arranged at Head Office after Johr prayer

A Zoom Conference was conducted for all staffs (Head Office & Branch) during the same day (22 August, 2021). A slide show on the colorful life of Bangabandhu Sheikh Mujibur Rahman was presented from Head Office, and the Branch Managers from different Zones also spoke and discussed on Bangabandhu's life and glorious contribution to the nation.

Snap shot of the Zoom conference with Branch Officials

Training & Development

To increase the job knowledge of the employee, considering the COVID-19 situation, our HR Department organized several in house trainings during the year 2021 through online platform to avoid crowd. Besides that we also nominated our employees in different training programs organized by other training institutes including Bangladesh Bank.

To enhance knowledge regarding Shariah based Islamic Banking, a training session was arranged on "Shariah Based Islamic Banking" through online platform where 84 Branch officials from 33 Branches attended. In this training, Mr. Md. Farid Uddin Ahmed, Independent Director of ICBIBL & Member of Central Shariah Board shared his knowledge on Shariah based Islamic banking with the participants.

Participants are listening the valuable speech of
Mr. Farid Uddin Ahmed on Shariah Based Islamic Banking

During the year 2021, ICBIBL also arranged training on "Foundation Course-Know your job" for it's newly appointed CSO/Cash officers from different branches for two times. Forty three (43) officials gathered their job related knowledge through this training. Our experienced Head of Departments were the resource persons of the training.

During the different training sessions of Foundation Course-Know Your Job

During the different training sessions of Foundation Course-Know Your Job

During the different training sessions of Foundation Course-Know Your Job

Besides this, we also arranged in house training on Documentation of L/C & Trade Finance, Automated Challan System and also conducted general refreshers session on Banking for our employees during 2021.

Employee Engagement Program

We believe that employees are the main strength of the Bank to achieve the organizational goal. To make our employee more motivated, different types of employee engagement program plays an important role and also increase employee commitment including a sense of belonging towards the Bank.

Celebration of Eid

Eid-ul-Fitr is one of the two major festivals of the Muslim world. After one month of fasting, Eid-ul-Fitr brings happiness to all the Muslim people in Bangladesh. The employees of ICB Islamic Bank Ltd shared the joy and happiness of Eid with each other regardless of their religion after eid vacation.

Eid Celebration of Head Office Officials

Eid Celebration at Executive Level of Head Office

HRD Officials after Eid Holiday at Head Office

ICCD Officials after Eid Holiday

Dhaka Zone (Gulshan) Branch Officials

Chattogram Zone (Khatunganj) Branch Officials

"And remind, for indeed, the reminder benefits the believers – Al Quran (51:55)"

Rajshahi Branch Officials after Eid Holiday

Moulvibazar Branch Officials after Eid Holiday

Khulna Branch Officials after Eid Holiday

Feni Branch Officials after Eid Holiday

Get together tour of Dhaka Zone Branch Officials

Picnic at Shundarban, arranged by Khulna Zone Branches

Integrity Award

As per BRPD circular no. 08 of Bangladesh Bank dated August 08, 2018 all schedule Banks have to provide integrity award to its employee/staff in every year from July to June. According to the Integrity Award Giving policy of ICBIBL, based on 20 parameter (each carrying 5 marks), we awarded four (04) employees in different categories by giving a certificate and prize money equivalent to one (01) months basic salary for the year 2019-2020.

Integrity Award winners for the year 2019-2020 with MD & CEO and Heads of Departments

Alternate Delivery Channel and Cards Department Information

Agent Banking Service:

The Management of the Bank is planning to introduce Agent Banking Service throughout the country. This will help us to promote new customer base as well as low cost deposits for the Bank. This new system will be operated through competent agents with prepaid system. Electronic devices will be used to do all types of banking transactions by the agents.

Mobile Base Service:

The Bank has introduced Bkash cash out service through the all ATMs of ICBIBL. Every person with Bkash account can withdraw cash amount from any ATM booth of the Bank. ICBIBL is also going to introduce Q-Pay mobile banking service for all the card holders of the Bank. Every card holder of the Bank will be able to transfer funds to mobile wallet account (like Bkash) as well as will be able to pay utility bills, tuition fees etc. from the Bank account of the card holder by the Q-Pay system.

Suppliers

ICBIBL believes that suppliers play a considerable role in sustaining its business, and so honors its commitments to suppliers. The Bank duly deducts requisite taxes from all the eligible suppliers' bill at prescribed rate and deposits to government exchequer timely.

Creditors

ICBIBL recognizes its contractual responsibility and obligations. It honors investment conditions and agreements made with creditors and depositors.

Board and Audit Committee

The Board of Directors of ICBIBL met for six (06) meetings including one Special meeting during the year 2021 and issued specific directions in conducting the affairs of ICBIBL. On the other hand, the Audit Committee of the Board of Directors had five (05) meetings and issued valuable directions on various matters during the period under review.

Retirement and Re-election of Director

In accordance with regulation 79 and 80 of Schedule-I of the Companies Act, 1994 and Articles 81 and 82 of the Articles of Association of ICB Islamic Bank Limited, the following Director will retire in the 35th Annual General Meeting:

Ms. Hashimah Binti Ismail

Accordingly she is eligible for re-election. Shareholders may re-elect her as Director on the Board.

Corporate Governance

ICBIBL has complied with the Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 for ensuring corporate governance. The Compliance Status of ICB Islamic Bank Limited as per proforma given under condition no. 9 of the above notification has been presented in Corporate Governance Chapter of this report for information of all concerned.

Acknowledgement

I would like to thank my Board colleagues for their continued support and on their behalf to express my thanks to the ICB Islamic Bank team. We acknowledge the exceptional efforts of our employees who worked in partnership to meet many challenges of a difficult year. They were called upon to embrace some major challenges while at the same time maintain the highest standards of service to our clients.

The Board would also like to express deep sense of gratitude and extend their thanks to all the valued customers, depositors, vendors, patrons, shareholders and well-wishers for their continued support and cooperation in our quest for excellence without which the Bank would not be able to reach its present position.

The Board sincerely thanks M/s. M.J. Abedin and Co, Chartered Accountants for carrying out the external audit professionally and advising us on various compliance matters relating to International Accounting Standard and Bangladesh Accounting Standard. The continuous acclamation of our presented financial statements at home and abroad is the testimony of such compliance. The timely issuance of their report has helped us to present the Annual Report - 2021 as per schedule.

The members of the Board are indebted to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities And Exchange Commission, Stock Exchange, Central Depository Bangladesh Limited, Board of Investment and other Government Agencies for providing necessary guidance, support and co-operation to the Bank.

In conclusion, the Board would also like to express its appreciation to every staff member of ICB Islamic Bank Limited for their sincere and hard work in implementing the revised strategies adopted to commensurate with the changes of competitive environment of the banking business. The Board believes that sound professionalism and commitment of the staff shall increase the level of productivity of the Bank and will have a positive impact on its value.

Ma'assalam,

On behalf of the Board of Directors

DatukMohd. Nasir Bin Ali
Chairman

Dhaka
24 March 2022

Corporate Governance

Fairness, Transparency, Accountability and Responsibility are the minimum standard of acceptable corporate behavior today. At ICB Islamic Bank Limited, corporate governance means increasing the shareholders' value by being proficient, translucent, professional and accountable to the organization, society and the environment.

Board of Directors

The number of Board member is five (05) as per the Bangladesh Bank and Bangladesh Securities & Exchange Commission guidelines. The Board members include persons of high caliber with academic and professional qualification in the field of business and professionals. This gives strength to the Board to carry out its duties and responsibilities effectively. The Board reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other key areas of operations. The Board approves the Bank's budget and business plan and reviews those on monthly basis so as to give directions as per changing economic and market environment. The Board and the Executive Committee reviews the policies and guidelines issued by Bangladesh Bank regarding credit and other operations of the banking industry. The management operates within the policies, manuals and limits approved by the Board.

The Board of Directors of the Bank as of 31 December 2021 comprised the following Directors:

1.	Datuk Mohd. Nasir Bin Ali	Chairman
2.	Ms. Hashimah Binti Ismail	Director
3.	Ms. Lee Ooi Kim	Director
4.	Mr. Md. Fariduddin Ahmed	Independent Director
5.	Mr. Aklif Bin Amir	Independent Director

Independent Director and Affirmation of Independence

As part of good governance in the organization, participation of independent opinion in the Board is considered as an important instrument. Independent directors in the Board exert an independent view on the policies and decisions of the Board and ensure that the policies and decisions are for the best interest of the whole Bank. ICB Islamic Bank has two (02) independent directors on the Board. The Independent Director is the Chairman of the Audit Committee and Risk Management Committee.

As per the Circular No. BSEC/CMMRRCD/2006-158/207/Admin/80 dated 03 June 2018, issued by the BSEC, the elected directors of the Board of ICB Islamic Bank Limited already appointed two 'Independent Directors' so that the Board includes core competencies considered relevant in the context of the company. The total number of Board member is five (05) including two (02) independent directors as on 31st December 2021.

The Board of ICB Islamic Bank Limited affirms that the 'Independent Directors' appointed by the Board is in compliance with the clauses of Corporate Governance Guidelines issued by the BSEC on 'Independent Director'

Role and Responsibilities of the Board

The Board is committed to the Company to achieve superior financial performance and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practices. The Board determines the corporate governance arrangements for the Company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in place those arrangements which it considers are in the best interest of the Company and its shareholders, and consistent with its responsibilities to other stakeholders.

The Board duly complies with the guidelines issued by Bangladesh Bank regarding the responsibility and accountability of the Board, its Chairman and Managing Director & CEO, vide BRPD circular no. 11 and 18 dated 27.10.2013 respectively.

The Board of Directors is in full control of the Company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the Company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of ICB Islamic Bank Limited set out its strategic focus and oversees the business and related affairs of the Company. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities, the Board carried out, inter alia, the following functions as per the charter of the Board and Bangladesh Bank's BRPD circular no 11 dated 27.10.2013:

	Stakeholders Responsibilities Reserved to the Board
Shareholders	Approval of business strategy and vision in line with efforts to drive shareholder value creation;
	Approval of business plans, assuring that sufficient resources are available to implement strategy and monitoring of the implementation of strategy;
	Approval and monitoring of major investments or divestitures and strategic commitments;
	Determination of capital structure and dividend policy;
	Approval and monitoring of financial reporting;
	Oversight of risk management, internal control and compliance systems as per Bangladesh Bank's 'Core Risk Guideline';
	Recommendation for appointment or removal of external auditors and determination of the remuneration and terms of appointment of the auditors;
	Oversight of shareholder reporting and communications;
	Approval of annual budgets including major capital expenditure proposals;
	Regular review of financial performance and overdue situation;
	Monitoring the adequacy, appropriateness and operation of internal control;
	Ensure that technology and information systems used in the organization are sufficient to operate the organization effectively and maintain competitiveness;
Customers	Benchmarking the delivery of value to customers, clients and partners;
Employees	Review and approval of MD & CEO and Senior Management Teams contractual arrangements, remuneration and benefits;
	Oversight of succession planning for the MD & CEO, Senior Management Team and such other executives as the Board may determine;
Community	Oversight of the management of social, economic and environmental concerns consistent with the delivery of sustainable outcomes for stakeholders and achievement of the Company's Incident & Injury Free vision;
	Reinforcement of reputation, brand and community relations;
	Review of the size and composition of the Board;
Directors	Director's nomination, selection, removal, succession planning and remuneration; and
	Review of Board performance;

The Chairman of the Board is elected to the office of Chairman by the Directors. The Board considers that the Chairman is independent. He provides leadership to the company's Board and Executives. The Chair of the Board ensures that the company's duties to shareholders are being fulfilled by acting as a link between the Board and upper management.

Directors' Meeting & Attendance:

The Board of Directors as nominated by ICB Financial Group Holding A.G. under 'The Oriental Bank Limited (Reconstruction) Scheme – 2007' holds meeting on regular basis. At each meeting, the management provides information, reference and detailed working papers to all Directors. During the year 2021 a total of five (05) Board meetings held. The attendance in the Board meeting by each Director is shown below:

Sl No.	Name of Directors	Position	Total Meetings	Meetings Attended
1.	Datuk Mohd. Nasir Bin Ali	Chairman	5	5
2.	Mr. Tee Kim Chan	Director	5	2
3.	Ms. Hashimah Binti Ismail	Director	5	5
4.	Ms. Lee Ooi Kim	Director	5	5
5.	Mr. Md. Fariduddin Ahmed	Independent Director	5	5
6.	Mr. Aklif Bin Amir	Independent Director	5	5
7.	Mr. Muhammad Shafiq Bin Abdullah	Managing Director and CEO	5	5

The Director Mr. Tee Kim Chan retired on 13th July 2021.

Code of Conduct for the Board Members

The Board of Directors of ICB Islamic Bank Limited adopted the following Code of Conduct for Members of the Board to provide guidance to directors to carry out their duties in an honest, responsible and businesslike manner

and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum and Article of Association of the company. Members are expected to comply with the following standards to enhance and maintain the reputation of the Company:

- The Members shall act honestly, in good faith and in the best interests of the shareholders and the company;
- The members shall not make improper use of information acquired as a director;
- The members shall not take improper advantage of the position of a director;
- The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the Board of Directors;
- Confidential information acquired by the members in the course of exercise of directorial duties shall remain the property of the company and it will be improper to disclose or allow it to be disclosed, unless that disclosure has been authorized by the company , or the person from whom the information has been received;
- Members shall make every effort to attend all Board and Committee Meetings during their tenure. They will not absent themselves without good reasons or confirming leave of absence;
- To maximize effectiveness of the Board, Committee Meetings, contribution of individual director shall be monitored and appraised on an annual basis;
- Board members having interest of any nature in the agenda of the meeting, shall declare beforehand the nature of their interest and withdraw from the room, unless they have a dispensation to speak;
- Training opportunities /orientation/ workshops will be arranged for the members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, Code of Conduct etc.;
- Members shall always maintain' Fit and Proper Test Criteria' clean CIB status and other obligations declared by Primary and other Regulators;
- Members shall be judicious about their entitlement of benefit/Privileges as per Banking Companies Act-1991 (amended till 2018), Circulars issued by Bangladesh Bank and shall be willing to produce supporting documents, if required;
- Every Director will assure annually signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors;

Role and Responsibilities of the Chairman is defined by the Board

The Chairman runs the Board. The Chairman serves as the primary link between the Board and Management, and works with the Managing Director & CEO and Company Secretary to set the agenda for Board meetings. It is the Chairman's responsibility to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities as Directors of the Company.

The role and responsibilities of the Chairman of the Board is defined and set by the Board.

Role of the Chairman

The Chairman's primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy. The Chairman is appointed by the Board.The main features of the role of the Chairman of ICBIBL are as follows:

- Providing leadership to the Board;
- Taking responsibility for the Board's composition and development;
- Ensuring proper information for the Board;
- Planning and conducting Board meetings effectively;
- Getting all directors involved in the Board's work;
- Ensuring the Board's focuses on its key tasks;
- Engaging the Board in assessing and improving its performance;
- Overseeing the induction and development of directors;
- Supporting the Managing Director and CEO;

Responsibilities of the Chairman:

The Chairman of the Board shall be responsible for the management, the development and the effective performance of the Board of Directors, and provides leadership to the Board for all aspects of the Board's work. The Chairman is responsible for leadership of the Board. In particular, he will:

- Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance;
- Ensure effective communication with shareholders, host governments and other relevant constituencies and that the views of these groups are understood by the Board;
- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making;
- Ensure that all Board committees are properly established, composed and operated;
- Support the Managing Director and CEO in the development of strategy and, more broadly, to support and advise the Managing Director and CEO;
- Ensure an effective relationship among directors, acting as the principal conduit for communications and issues relating to business strategy, planned acquisitions and corporate governance;
- Establish a harmonious and open relationship with the Managing Director and CEO;
- Ensure that Board committees are properly structured and all corporate governance matters are fully addressed; and
- Encourage active engagement by all the members of the Board;

Chairman of the Board and Managing Director and CEO of the Company is different individuals

The Chairman of the Board is not the Chief Executive of the Company. The Chairman and the Managing Director and CEO are different individuals. The Role of the Chairman and the Managing Director and CEO are independent and separate.

Role of the Managing Director and CEO

The Managing Director and CEO is responsible for leading the development and execution of the Company's long term strategy with a view to creating shareholders value. The Managing Director and CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short term plans.

The Managing Director and CEO acts as a direct liaison between the Board and Management of the Company and communicates to the Board on behalf of the management. The Managing Director and CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public.

As Leader

- Advises the Board;
- Advocates / promotes organization; and
- Supports motivation of employees in organization.

As Visionary/Information Bearer

- Ensures staff and Board have sufficient and up to-date information;
- Looks to the future for change opportunities;
- Interfaces between Board and employees;
- Interfaces between organization and community;

As Decision Maker

- Formulates policies and planning recommendations to the Board;
- Decides or guides courses of action in operations.

As Manager

- Oversees operations of organization;
- Implements plans;
- Manages human resources of organization;
- Manages financial and physical resources;

Responsibilities of the Managing Director and CEO:

The Managing Director and CEO is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular, he will:

- Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business;
- Develop annual plans, consistent with agreed strategies, for presentation to the Board for support;
- Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans;
- Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources;
- Be responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies;
- Lead the executive team, including the development of performance contracts and appraisals;
- Ensure that financial result, business strategies and, where appropriate, targets and milestones are communicated to the investment community;
- Develop and promote effective communication with shareholders and other relevant constituencies;
- Ensure that business performance is consistent with the Business Principles;
- Ensure that robust management succession and management development plans are in place;
- Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks;
- Develop and maintain an effective framework of internal controls over risk in relation to all business activities including the Group's trading activities;
- Ensure that the flow of information to the Board is accurate, timely and clear;

Appraisal of the Managing Director and CEO

At the beginning of each year the Board discusses with the Managing Director and CEO and sets financial and non-financial goals. The annual financial budget and job objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The business and financial targets are evaluated in each quarter with actual achievements by the Board. The non-financial achievements are also reviewed by the Board in each quarter. Moreover, a yearly assessment and evaluation of the achievements of pre agreed targets are made at the close of the year along with the deviations, and reasons of deviations.

Delegation of power

The Board has delegated appropriate finance and business power to the Management as per guidelines of the Bangladesh Bank. In order to have proper functioning and quick disposal of credit proposal, the Board has delegated authority to the Executive Committee of the Board to approve proposal within certain limit. The delegation has supported the operation in positive manner.

Committees of the Board

The Board has three (3) standing committees; Executive Committee, Audit Committee and Risk Management. These Committees are functioning within the clear Terms of Reference (TOR). The Company Secretary act as the Secretary to each Committee.

Executive Committee

As approved by Bangladesh Bank, the Board has Executive Committee (EXCO) and the numbers of members of the Committee are three including Managing Director and CEO. The establishment of the EXCO is provided for under clauses 72 & 73 of the Bank's Memorandum and Articles of Association. In compliance with the BRPD circular No 11 dated 27 October 2013, the Board of Directors of ICB Islamic Bank Limited has reconstituted its Executive Committee with the following members:

Sl No.	Name of Members	Positions in the EXCO
1.	Datuk Mohd. Nasir Bin Ali	Chairman
2.	Ms. Hashimah Binti Ismail	Member
3.	Ms. Lee Ooi Kim	Member
4.	Mr. Muhammad Shafiq Bin Abdullah	Managing Director and CEO

Since the current size of the Board of ICB Islamic Bank Limited (six members) is slim enough to hold meetings on a regular basis, there were not so many urgent issues for Executive Committee to deal with during 2021. Therefore, there was no Executive Committee meeting held during the period of 2021.

Audit Committee

In compliance with the directive of BRPD Circular No-11 dated October 27, 2013 of Bangladesh Bank and the Notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the Board constituted an Audit Committee. The Audit Committee examines the status of implementation of the Bank's policies, manuals and Bangladesh Bank's guidelines. The Internal Audit team of the Bank undertakes various special audits as per advice of the Audit Committee. The Audit Committee meets with the External Auditors to discuss audit plan, the risk management processes of the Bank. They also discuss the preparation of the financial statements of the Bank as per Bangladesh Accounting Standards (BAS) and International Accounting Standards (IAS).

Audit Committee Meeting and Attendance 2021

Name of the Director	Position	Total Meetings	Total Attendance
Mr. Md. Fariduddin Ahmed, Independent Director	Chairman	5	5
Mr. Tee Kim Chan, Director	Member	5	2
Mr. Aklif Bin Amir, Independent Director	Member	5	5
Mr. Mohammad Mamunul Hoque	Observer	5	5

Risk Management Committee

The Board has Risk Management Committee and the number of members of the Committee is four including Managing Director & CEO. In compliance with the BRPD circular No 11 dated 27 October 2013, the Board of Directors of ICB Islamic Bank Limited has constituted its Risk Management Committee.

Besides, the Bank is consistently pursuing the governance principles as stated below:

- The Bank attaches high priority on timely submission of the statutory reports i.e. Half-yearly Statement of Accounts and Annual Accounts in detail enabling the existing and potential shareholders to make a fair assessment on the Bank's overall performance. In order to give more insight to our shareholders the numbers of disclosures are made in the Annual Report regarding risk management, capital adequacy, corporate governance etc. of the Bank;
- The Board continues to ensure strict compliance of rules and regulations of the Securities and Exchange Commission and Bangladesh Bank;
- The Bank also strictly adheres to regulatory requirements of submission of financial statements in time. The financial statements are published in two national dailies and given in web site of the Bank (www.icbislamic-bd.com);
- The members of the Board are always encouraged to attend seminar and symposium regarding corporate governance and corporate social responsibility;

- The Board encourages active participation of the shareholders in the Annual General Meeting. The suggestions of the shareholders are given due recognition;

Benefit provided to Directors and Managing Director and CEO

As per Bangladesh Bank BRPD Circular No.18 dated 27 October 2013, banks in Bangladesh can provide only the following facilities to the Directors:

- The Chairman of the Board of Directors may be provided car, telephone, office chamber and private secretary;
- In addition to the above, Directors including the 'Independent Director' are entitled to fees and other benefits for attending the Board, Executive Committee, Audit Committee, Risk Management Committee, and Shari'ah Supervisory Committee Meetings;
- Managing Director and CEO is paid salaries and allowances as per approval of the Board and the Bangladesh Bank;

Management

The Management team of ICB Islamic Bank Limited is headed by the Managing Director and CEO, Mr. Muhammad Shafiq Bin Abdullah. Several management committees have been formed to handle the banking operation and identify and manage risk. The committees are MANCOM, ALCO and Local Investment Committee. The Managing Director and CEO leads the Committees. As per Bangladesh Bank's instruction, 'Basel-II Implementation Committee' has been formed which is responsible for proper implementation of Basel-II capital adequacy guidelines in the Bank.

Regulation and Supervision

ICB Islamic Bank Limited is governed by Bangladesh Bank's rules and regulation on various issues of banking operation. The Bank Company Act 1991 (amended till 2018) and various circulars issued by Bangladesh Bank forms the basis of supervision. Various requirements and controls are imposed covering inter-alia capital adequacy, depositors' protection, risk management, market and liquidity, anti money laundering compliance, prudential guidelines on financing, reporting standard etc. They also undertake comprehensive and special audit of the Bank. Bangladesh Bank regularly meets with senior executives of the Bank, discusses issues regarding adherence to the standards and guidelines by the Bank.

Audit by Bangladesh Bank

Bangladesh Bank also conducted comprehensive inspection on Head Office and branches of the Bank during 2021. They have also audited our Treasury Operation and IT Risk Management processes. The reports are reviewed by the Board and its Audit Committee. The Bank gives utmost importance to the inspection report and corrective actions are taken regarding the inadequacies or lapses mentioned in the report.

IT Audit and Security

Information system is the means of support of any large business. Computer systems do not merely record business transactions, but actually drive the key business processes of the enterprise. In such a scenario, senior management and business managers do have concerns about information systems; primary concern is Information security. Information Security protects information from a wide range of threats in order to ensure business continuity, minimize business damage, and maximize return on investment. Information security system is built on the following needs:

- ⇨ **Accessibility** : The system should be able to provide accurate data and information on time and whenever required. The system should be protected against all type of losses and disasters;
- ⇨ **Confidentiality** : To maintain adequate control on the users and uses of the data to maintain secrecy;
- ⇨ **Reliability** : Information provided by the system should be always accurate, reliable and timely. There should be check and balances for stopping any unauthorized modification to the data or software.

Information Systems audit is a part of the overall audit process, which is one of the facilitators for good corporate governance. IT audit is basically the process of collecting and evaluating evidence to determine whether a computer system safeguards assets, maintains data integrity, achieves organizational goals effectively and consumes resources efficiently.

ICB Islamic Bank Limited is fully dependent on information technology for its smooth operation and to provide customer services. Information and information system controls in an IT driven environment suffer from significant inherent risks such as data loss, corruption of data, risk of unauthorized access to and modification to data in electronic form, risk of logical access to instruction sets, data files and critical systems settings etc.

Internal IT Audit provides an objective means of reviewing the risks faced by the bank in relation to use of information technology and assess whether they are being controlled/mitigated in an effective and efficient manner; provide an assessment of the Bank's IT control against "Guideline on ICT for Scheduled Banks and Financial Institutions" of Bangladesh Bank.

Internal Control and Compliance

Internal Control contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Effective internal control, no matter how well designed, has intrinsic precincts including the possibility of the circumvention or overriding of controls and therefore can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, internal control effectiveness may vary over the time.

Modern bank management and supervision mainly focus on risk factors in banking. ICB Islamic Bank Limited has taken all efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. As a part of robust risk management process, the Bank has formulated a comprehensive Credit Risk Management Policy to address credit risk. To mitigate operational risk, money laundering and terrorist financing risk, circumvention or overriding the internal control procedure Internal Control & Compliance Departments are carrying out regular audit and inspection of the functions of the branches. Deficiencies/lapses/irregularities detected by these audit and inspection are rectified/regularized by the concerned branches at the earliest and compliance reports are being submitted to Head Office. The Bank prepared the Risk Assessment Matrix of various banking functions and incorporated the same in Departmental Control Function Checklist (DCFCL). The Branches and Divisions of Head Office are following the DCFCL attaching due importance to high risk and medium risk functions. The Bank also prepared Internal Control and Compliance Manual to strengthen internal control function.

Corporate Social Responsibility

There is increasing recognition by the Corporate that 'Corporate Social Responsibility' (CSR) can be a key differential element and means for achieving greater sustainability, delivering sustainable profit growth for long term benefits of our shareholders, building sustainable customer relationships and demonstrating to stakeholders that our business contributes to the environment, social and economic well being of the world at large. ICB Islamic Bank Limited supports the concept of "Triple Bottom Line" which focuses on:

- Better economic performance
- Superior social live out
- Excellent ecological practice

In respect of CSR, ICB Islamic Bank Limited has focused on following specific key areas of:

- Nation building
- Augmentation of market position
- Sponsorship of the work place
- Prop up to the community
- Fortification of environment

Nation Building

The finest way to shore up the country is to do something better in the area of operation. ICBIBL constantly

showed sturdy performance which has helped the control of the banking sector. The local and international recognition of the published accounts has helped to establish integrity of the country's financial system. ICBIBL will continue to play the key role in this regard. Retail and SME financing have become keys to economic growth of the country and without opening up of the financial sector to semi urban and rural areas, the projected growth of 7.6 percent will not be achievable. ICBIBL has given strong focus in these areas which are evident from the growth rate achieved during the year. Public service has still to achieve a desirable level and as such emphasis is also given on infrastructure development which includes financing for communication, telecommunication, bridge, road & highways etc. This will have positive impact on national growth.

Supplier payment policy

ICBIBL always adheres to well set payment policies for all suppliers and explains them in details about the payment method and system and reviews process before providing work order. Bills are paid according to the payment terms and VAT and other withholding taxes are deducted from bills as per law. As of date there is no legal case filed by the Bank or filed against the Bank by any supplier.

Contribution to National Exchequer

ICBIBL has contributed significantly to the government effort in collection of revenue. As per law, theBank deducts at sources income taxes, VAT and excise duty from various payments and services and deposits the same to government exchequer. Besides, the Bank also pays income tax on its earnings.

Capacity Development in the Banking and Financial Sector

ICBIBL believes that professional development of the people working in the banking and financial sector will greatly help to mitigate various risk elements involved in banking transactions. With that aim in view, the Bank took some exclusive initiatives which were appreciated by the participants.

During the year 2021, the Head Office of ICBIBL arranged discussion meetings and held formal and informal discussions on various Shariah issues. Members of Shariah Supervisory Committee, prominent thinkers on Islamic principles and customers participated in the discussion meeting.

ICBIBL encourages the participation of graduates in the business processes of the Bank through its internship program. This program of the Bank allows fresh and meritorious graduates from Business Schools and Universities to get practical experience about the different processes in banking. These experiences help them to plan their career path more successfully.

Sponsorship of Environment

ICBIBL is always committed in discharging its due social obligation and is particularly concerned about the impact of Bank's financed projects on environment. A policy on Green Banking is formulated in accordance with guidelines issued by the Bangladesh Bank. As per the policy, ecological impact will be considered at the time of credit and lending risks analysis.

The Bank participated in many socially dependable and desirable projects/ventures during the year 2021. The Bank continued its support for establishment and operation of effluent treatment plants for ready-made garments and dyeing projects/companies and assisted conversion of vehicles of the Bank transportation pool and those of employees to run on CNG.

PODDER & ASSOCIATES
Cost and Management Accountants

Annexure-B
[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of ICB Islamic Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **ICB Islamic Bank Limited** for the year ended on **31st December 2021**. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except conditions number 1(7)(a),1(7)(b),4(ii),5(2)(a) & 6;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and

(d) The governance of the company is satisfactory.

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants

Place: Dhaka
Dated: June 12, 2022

6/A/1 (Ground Floor), Segun Bagicha, Dhaka-1000.
Phone : 02-57160360, 02-57160425, E-mail: infor@thepodders.com, Web: www.thepodders.com

Compliance Report on BSEC Notification

Status of Compliance with the conditions of Corporate Governance Code imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Commission Ordinance 1969 on "Comply or Explain" basis. The Board of Directors of the company has taken appropriate steps to comply with the conditions and implemented as many of those as practicable. Status report on compliance with those conditions is given below in prescribed format:

ANNEXURE-C

As Per condition no.1(5)(xxvii)

ICB Islamic Bank Limited

Status of Compliance with the Corporate Governance Code (CGC)

For the year ended 31st December 2021

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Directors.-**			
1(1)	**Size of the Board of Directors**			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	√		The Board of ICB Islamic Bank Limited is comprised of 6 Directors including Managing Director
1(2)	**Independent Directors**			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		02 out of 6 directors are appointed as Independent Director
1(2)(b)	**For the purpose of this clause "independent director" means a director**			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		-
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		-
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		-
1(2)(b)(vi)	Who is not a shareholder, director excepting independent direct or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		-
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		-
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	√		-
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		-
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		-
1(2)(c)	The independent director(s) shall be appointed by the board and approved by the shareholders in the Annual General Meeting (AGM);	√		-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		-
1(3)	**Qualification of Independent Director.-**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	-	-	N/A

1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√		-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	-	-	N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	√		-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	√		-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	√		-
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	
1(5)	**The Directors' Report to the Shareholders**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		-
1(5)(ii)	The Segment-wise or product-wise performance;	√		-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	-	-	No such event arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	-	-	N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.;	-	-	N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	√		-
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		-
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		-
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		-

1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	The Board recommends no dividend for the year ended on 31 December 2021.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	√		-
1(5)(xxiii)(c)	Executives;	√		-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	√		-
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	√		-
1(5)(xxiv) (b)	nature of his/her expertise in specific functional areas;	√		-
1(5)(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		-
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A** and	√		-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**.	√		-
1(6)	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer.			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		√	**The Bank informed that they can not constitute NRC as per rules of Bangladesh Bank. Based on as per instruction from Bangladesh Bank (Source: BRPD(R-1) 717/2021-5064 dated on 16-June-2021).**
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company		√	
2	**Governance of Board of Directors of Subsidiary Company:-**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A

2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		-
3(2)	**Requirement to attend Board of Director's Meetings**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		-
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		-
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the code of conduct for the company's Board or its member;	√		-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		-
4.	**Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:**			
4(i)	Audit Committee;	√		-
4(ii)	Nomination and Remuneration Committee		√	The Bank informed that they can not constitute NRC as per rules of Bangladesh Bank. Based on as per instruction from Bangladesh Bank (Source: BRPD(R-1) 717/2021-5064 dated on 16-June-2021).
5.	***Audit Committee.-***			
5(1)	***Responsibility to the Board of Directors***			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		-
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		-
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;		√	One (01) Member is resign and appointing new member is under process as per Bangladesh Bank rules and regulation.
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	√		-
5(2)(c)	All members of the audit committee should be "financially literate" and at least I (one) member shall have accounting or related financial management background and 10(ten)years of such experience;	√		-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		-

5(2)(e)	The company secretary shall act as the secretary of the Committee.	√		-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		-
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	√		-
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	√		-
5(3)(c)	Chairperson of the Audit Committee shall remind present in the Annual General Meeting (AGM):	√		-
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		-
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		-
5(5)(b)	Monitor choice of accounting policies and principles;	√		-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	√		-
5(5)(d)	Oversee hiring and performance of external auditors.	√		-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		-
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		-
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		-
5.5(h)	Review the adequacy of internal audit function;	√		-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		-
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	√		-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		-
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat public Offering(RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	-	-	N/A
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		-
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; control system;	-	-	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such Incidence arose
5(6)(b)	**Reporting to the Authorities:-**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		-
6.	**Nomination and remuneration Committee(NRC).-**	**The Bank informed that they can not constitute NRC as per rules of Bangladesh Bank. Based on as per instruction from Bangladesh Bank (Source: BRPD(R-1) 717/2021-5064 dated on 16-June-2021).**		

6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-	-	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	-	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-	-	
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-	-	
6(2)(b)	All member of the Committee shall be non-executive directors;	-	-	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-	-	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-	-	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion form such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-	-	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	-	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-	-	
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	-	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	-	-	
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	-	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	-	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	-	
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	-	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-	-	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	-	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	-	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	

6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-	-	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	-	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	
7.	**External or Statutory Auditors**			
7(1)	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :--			
7(1) (i)	Appraisal or valuation services or fairness opinions;	√		-
7 (1) (ii)	Financial information system design and implementation;	√		-
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	√		-
7 (1) (iv)	Broker –dealer services;	√		-
7 (1) (v)	Actuarial services;	√		-
7 (1) (vi)	Internal audit services or special audit services;	√		-
7 (1) (vii)	Any services that the Audit Committee determines.	√		-
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	√		-
7 (1) (ix)	Any other service that creates conflict of interest	√		-
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold ant shares in the said company:	√		-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		-
8.	**Maintaining a website by the Company.-**			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	√		-
8(2)	The company shall keep the website functional from the date of listing.	√		-
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	√		-
9.	***Reporting and Compliance of Corporate Governance.-***			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		-

Compliance Condition no. 1.5 (x)

Remuneration to Directors including Independent Directors:

Sl No.	Name of Directors	Position	Remuneration paid for attending the meetings (Amount in BDT)	Remarks
1.	Datuk Mohd. Nasir Bin Ali	Chairman	40,000.00	
2.	Ms. Hashimah Binti Ismail	Director	40,000.00	
3.	Mr. Tee Kim Chan	Director	48,000.00	Retired on 13-July-2021
4.	Ms. Lee Ooi Kim	Director	40,000.00	
5.	Mr. Md. Fariduddin Ahmed	Independent Director	112,000.00	
6.	Mr. Aklif Bin Amir	Independent Director	112,000.00	
		Total	**392,000.00**	

Compliance Condition no. 1.5 (xxii)

Directors' Meeting & Attendance:

Sl No.	Name of Directors	Position	Total Meetings	Meetings Attended
1.	Datuk Mohd. Nasir Bin Ali	Chairman	5	5
2.	Ms. Hashimah Binti Ismail	Director	5	5
3.	Mr. Tee Kim Chan	Director	5	2
4.	Ms. Lee Ooi Kim	Director	5	5
5.	Mr. Md. Fariduddin Ahmed	Independent Director	5	5
6.	Mr. Aklif Bin Amir	Independent Director	5	5
7.	Mr. Muhammad Shafiq Bin Abdullah	Managing Director & CEO	5	5

The Director Mr. Tee Kim Chan retired on 13-July-2021 from Board of Directors.

Compliance Condition no. 1.5(xxiii)

The pattern of Shareholding as on December 31, 2021

Name	Description	Number of Shares
A. Parent/Subsidiary/Associated Companies and other related parties (name wise details)		Nil
B. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);		
Datuk Mohd. Nasir Bin Ali	Chairman	Nominated by ICB Financial Group Holdings A.G. held by 52.76 percent shares
Ms. Hashimah Binti Ismail	Director	
Ms. Lee Ooi Kim	Director	
Mr. Md. Fariduddin Ahmed	Independent Director	Nil
Mr. Aklif Bin Amir	Independent Director	Nil
Mr. Muhammad Shafiq Bin Abdullah	Managing Director & CEO	Nil
Mr. Sabbir Ahmed	Head of Internal Audit and Compliance	Nil
Mr. Uttam Kumar Dey, FCS	Company Secretary	Nil

C. Executives [Top 5 salaried employees]

1.	Captain Syed Sakhawat Hossain (Retd.)	Sr. Vice President	Nil
2.	Mr. Md. Tareq Us Salam	Vice President	Nil
3.	Ms. Nafisa Jareen	Vice President	Nil
4.	Mr. Mohammad Shamsul Arefin	Sr. Asst. Vice President	Nil
5.	Mr. Nur Hossen	Asst. Vice President	Nil

D. Shareholders holding ten percent (10 percent) or more voting interest in the company

Name of the Shareholder(s)	Shares No.	Percent
ICB Financial Group Holdings A.G.	350,674,300	52.76%

Compliance Condition no. 1.5 (xxiv)

A brief resume of the Directors

Ms. Hashimah Binti Ismail, Director

Ms. Hashimah Binti Ismail was appointed to the Board of ICB Islamic Bank Ltd. on 6th February 2014. A lawyer by profession, she spent the major part of her career in private law practice focused on adversarial civil litigation including banking, personal injury and Shariah family law.

Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no 11 dated 27.11.2013).

Sl No.	Particulars	Compliance Status
1.	Regarding the Constitution of the Board of Directors	Complied
1.1.	Appointment of New Director	Complied
1.2	Vacation of office of Director	N/A
1.3	Removal of directors	N/A
1.4	Appointment of Alternate Director	N/A
2.	Depositor Director	N/A
3.	Information of Directors	Complied
4.	Board of Directors liabilities-obligation	Complied
4.1.	Responsibilities and Authorities of the Board of Directors	Complied
4.2	Meetings of the Board of Directors, etc.	Complied
4.3	Responsibility of the Chairman of the Board of Directors	Complied
5.	Formation of Supporting Committees:	
5.1	Executive Committee (EC)	Complied
5.2	Audit Committee	Complied
5.3	Risk Management Committee	Complied
6.	Training of the Directors	Complied

In compliance of BRPD Circular letter No.-02, dated 16.01.2014 of Bangladesh Bank, the Bank furnished the following information related to usage and operating expenditures of motor-vehicle fleet for the year 2021 for perusal and review of the honorable shareholders:

Sl. No.	Particulars	Amount (in BDT)
1	Fuel	1,351,080.00
2	Repair & Maintenance	508,427.00
3	Depreciation	1,230,410.00
4	Road Tax & Fitness	515,185.00
5	Insurance	129,057.00
	Total	**3,734,159.00**

Annexure-A
As per condition No. 1(5) (xxvi)

ICB Islamic Bank Limited

Declaration by CEO and CFO

24th March, 2022

The Board of Directors
ICB Islamic Bank Limited
T.K. Bhaban (15th floor),
13 Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka -1215

Subject: Declaration on Financial Statements for the year ended 31st December, 2021;

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of ICB Islamic Bank Limited for the year ended on 31st December, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed;

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on 31st December, 2021 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Muhammad Shafiq Bin Abdullah
Managing Director & CEO

Arpit Vinodbhai Parikh
Chief Financial Officer (CFO)

Annual disclosure under Pillar-III of Basel-III as of December 31, 2021

Scope and purpose

The purpose of disclosures in pursuance of the Market Discipline as required by the Revised Capital adequacy Framework under Basel III is to complement the minimum capital requirements and the supervisory review process. The aim of such disclosure is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of the Bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet plausible loss of assets. For the said purpose, the Bank developed the set of disclosure containing the key pieces of information on the assets, risk exposures, risk assessment processes, and hence the capital adequacy to meet the risks.

The Bank is in a process of obtaining approval by the Board of Directors of a formal disclosure framework which will include the validation and frequency of such disclosure.

Relations with accounting disclosures

a) The disclosure framework does not conflict with requirements under accounting standards as set by Bangladesh Bank from time to time. Moreover, Bank's disclosures are consistent with how senior management and the Board of Directors make assessment and manage the risks of the Bank.

b) Under Minimum Capital Requirement, Bank used specified approaches/ methodologies for measuring the various risks they face and the resulting capital requirements. It is believed that providing disclosures that are based on a common/ harmonized framework is an effective means of informing the stakeholders about the Bank's exposure to those risks and provides a consistent and comprehensive disclosure framework of risks and its management that enhances comparability.

c) The disclosure has adequate validation and is consistent with the audited Financial Statements.

Materiality of disclosure

The Bank disclosures all relevant and material Information individually or in aggregate whose omission or misstatement could change or influence the assessment or decision of an user relying on such information for the purpose of making economic decision.

Frequency of disclosure

a) The Bank provided all required disclosures in both qualitative and quantitative forms annually, as at end of March every year along with the annual financial statements. The Bank also submits a copy of the disclosures to the Department of Off-site Supervision of Bangladesh Bank. The Bank made the annual disclosures in the official website of the Bank: www.icbislamic-bd.com. Qualitative disclosures provide a general summary of the Bank's risk management objectives and policies, reporting system and definitions.

b) The disclosure on the websites is made in a web page titled "Disclosures on Risk Based Capital (Basel III)" and the link to this page prominently provides on the home page of the bank's website. Each of these disclosures pertaining to a financial year is available on the websites until disclosure of the 4th subsequent annual (as on March 31) disclosure is made.

Disclosure framework

According to the revised Risk Based Capital Adequacy Guidelines the Bank requires general qualitative disclosure for each separate risk area (e.g. Investment, market, operational, banking book interest rate risk, equity). The Bank must describe their risk management objectives and policies, including:

- Strategies and processes;
- The structure and organization of the relevant risk management function;
- The scope and nature of risk reporting and/or measurement systems;
- Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigations.

The following components set out in tabular form are the disclosure requirements:

a) Scope of application
b) Capital structure
c) Capital adequacy
d) Investment Risk
e) Equities: disclosures for banking book positions
f) Interest rate risk in the banking book (IRRBB)
g) Market risk
h) Operational risk

Table as per Disclosure Framework – 1	Scope of application
Qualitative Disclosures	
(a) The name of the top corporate entity in the group to which this guidelines applies. (b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted). (c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	(a) The Bank is incorporated in the Registered Joint Stock Companies of Bangladesh. ICB Financial Holdings AG holds Majority Shares (52.76%). Presently the Bank neither has any associates or subsidiary; nor is operating under any joint venture. The Bank is running under the Directive of Bangladesh Bank (DOBB) and transfer of Regulatory Capital requires prior approval of Bangladesh Bank. Raising capital by right issue could pose a challenge given the legal restrictions and market challenges.
Quantitative Disclosures	
(d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not Applicable

Table as per Disclosure Framework – 2	Capital structure
Qualitative Disclosures	
Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	As per the guidelines of Bangladesh Bank, Tier-1 capital of ICBIBL consists of Share capital, free reserves, retained earnings. Tier-2 capital consists of general provision against unclassified investment and off balance sheet items.

Quantitative Disclosures

Particulars	Crore Taka
Tier-1 (Core Capital)	
Fully Paid-up Capital/Capital lien with BB	664.70
Statutory Reserve	7.88
Non-repayable Share premium account	0
General Reserve	0.11
Retained Earnings	(1,923.62)
Minority interest in Subsidiaries	0
Non-Cumulative irredeemable Preferences shares	0
Dividend Equalization Account	0
Other (if any item approved by Bangladesh Bank)	0
Sub-Total: (1.1 to 1.9)	(1,250.93)
Regulatory Adjustment:-	
Shortfall in provisions required against classified assets	
Shortfall in provisions required against investment in shares	
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	
Reciprocal crossholdings of bank capital/subordinated debt	
Deferred Tax Assets (DTA)	(11.27)

Goodwill & all other intangible assets	
Investments in subsidiaries which are not consolidated	
Other if any	
Sub Total (1.11 to 1.18)	(11.27)
Total Eligible Tier-1 Capital (1.10-1.18)	(1,262.21)
Tier-2 (Supplementary Capital)	
General Provision (Unclassified + SMA + Off Balance Sheet exposure)	1.50
Assets Revaluation Reserves up to 50%	
Revaluation Reserve for equity instruments up to 10%	
All other preference shares	
Regulatory Adjustment:	
Revaluation Reserve for fixed Assets ,Securities & Equity Securities	
Other if any	
Sub-Total Tier 2 Capital (2.1 to 2.7)	**1.50**
Deductions if any (being the tier - I Capital less than Zero)	
Total Eligible Tier-2 Capital (2.8-2.9)	**-**
Maximum Limit of Tier 2 Capital(Tier 2 Capital can be maximum up to 4.0%of the total RWA or 88.89% CET1 Whichever is higher)	**36.70**
Excess amount over Maximum Limit of T-2	**0**
Total Admissible Tier-2 Capital	**1.50**
Total Eligible Capital (1+2)	**(1,260.71)**

Table as per Disclosure Framework – 3	Capital Adequacy

Qualitative Disclosures

Bangladesh Banking sector has entered into the regime of Basel III implementation in order to have a stabilized financial system in the country. According to the Bangladesh Bank Guidelines latest Minimum Capital Requirement (MCR) has been fixed at 10% of risk weighted assets or BDT 400 Crore whichever is higher. ICBIBL is currently running with capital deficit of BDT (1660.71) Crore as of 31 December 2021.

The Bank has adopted Standardized Approach (SA) for computation of capital charge for credit risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank.

ICBIBL is going through a reconstruction phase as per stipulation of "The Oriental Bank (Reconstruction) Scheme 2007", since February 28, 2008, when the Bank came under the ICB Management and the Bank has been exempted for maintaining the Minimum Capital till May 2021 as per latest BRPD circular No.15 dated 03 November 2016.

Quantitative Disclosures

Particulars	Taka in Crore
Capital Requirements for Investment Risk	878.49
Capital Requirements for On- Balance sheet exposure	868.55
Capital Requirements for Off-Balance sheet exposure	9.94
Capital Requirements for Market Risk	4.30
Capital Requirements for Operational Risk	34.67
Total Capital Requirements	917.46
Minimum capital requirement (10% of RWA or BDT 400 crore, which is higher)	400.00
Total and Tier-1 Capital Ratio:	
Total CRAR	-137.41%
Tier-1 CRAR	-137.89%
Tier-2 CRAR	0.16%

Table as per Disclosure Framework – 4	Investment Risk: General Disclosure

Qualitative Disclosures

(a) **Definition of Past Due and Impaired Investments:** ICBIBL is following the Bangladesh Bank guidelines and definition of past due and impaired investments for accounting purposes as below:

(1) Past Due/Over Due:

(i) Any **Continuous Investment** if not repaid/renewed within the fixed expiry date for repayment bank will be treated as past due/overdue from the following day of the expiry date.

(ii) Any **Demand Investment** if not repaid/rescheduled within the fixed expiry date for repayment will be treated as past due/overdue from the following day of the expiry date.

(iii) In case of any installment(s) or part of installment(s) of a Fixed Term Investment is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.

(iv) The **Short-term Agricultural and Micro-Credit** if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.

(2) All **unclassified Investment** other than Special Mention Account (SMA) will be treated as Standard.

(3) A **Continuous Investment**, Demand Investment or a Term Investment which will remain overdue for a period of 02 (two) months or more, will be put into the "Special Mention Account (SMA)". This will help banks to look at accounts with potential problems in a focused manner and it will capture early warning signals for accounts showing first sign of weakness. Investments in the "Special Mention Account (SMA)" will have to be reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

(4) Investment except Short-term Agricultural & Micro-Credit in the "Special Mention Account" and "Sub-Standard" will not be treated as defaulted Investment for the purpose of section 27KaKa(3) [read with section 5(GaGa)] of the Banking Companies Act, 1991.

(5) Any **continuous Investment** will be classified as: i. 'Sub-standard' if it is past due/overdue for 03 (three) months or beyond but less than 06 (six) months. ii. 'Doubtful' if it is past due/overdue for 09 (Nine) months or beyond but less than 12 (twelve) months iii. 'Bad/Loss' if it is past due/overdue for 12 (twelve) months or beyond.

(6) In case of any installment(s) or part of installment(s) of a Fixed Term Investment is not repaid within the due date, the amount of unpaid installment(s) will be termed as "past due or overdue installment . In case of Fixed Term Investments: - i. If the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (Nine) months, the entire Investment will be classified as "Sub-standard". ii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 15 (Fifteen) months, the entire Investment will be classified as "Doubtful". iii. If the amount of 'past due installment is equal to or more than the amount of installment(s) due within 18 (Eighteen) months, the entire Investment will be classified as " Bad Loss".

Explanation: If any Fixed Term Investment is repayable on monthly installment basis, the amount of installment(s) due within 06 (six) months to the sum of 06 monthly installments. Similarly, if the Investment is repayable on quarterly installment basis, the amount of installment(s) due with 06 (six) months will be equal to the sum of 2 quarterly installments.

(7) The **Short-term Agricultural** and Micro-Credit will be considered irregular if not repaid within the due date as stipulated in the investment agreement. If the said irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months, as 'Doubtful' after a period of 24 months and as 'Bad/Loss' after a period of 36 months from the stipulated due date as per the Investment agreement.

Description of approaches followed for specific and general allowances and statistical methods:

ICBIBL is following the general and specific provision requirement as prescribed by Bangladesh Bank time to time.

Investment Risk Management Policies :

The Bank has put in place a well-structured Investment Risk Management Policy known as Investment Policy Manual (IPM) approved by the Board in 2008 and subsequently reviewed in 2020 & 2021. The Policy document defines organization structure, role and responsibilities and, the processes whereby the Investment Risks carried by the Bank can be identified, quantified and managed within the framework that the Bank considers consistent with its mandate and risk tolerance.

Besides the IPM, ICBIBL also frames Product Program Guidelines (PPG) as and when necessary to address any regulatory issues or establish control points. Bank also has a system of identifying and monitoring problem accounts at the early stages of their delinquency through implementation of Sales Routine so that timely corrective measures are initiated.

The Bank manages its Investment risk through continuous measuring and monitoring of risks at each obligor (client) and portfolio level. The Bank is following the Bangladesh Bank prescribed Credit Risk Grading modules (CRGM) and has internally developed well-established Investment appraisal/approval processes. The CRGM capture quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk and project risk. Besides, such ratings consider transaction specific Investment features while assessing the overall rating of a client. ICBIBL is also considering credit ratings of the client assessed by ECAIs while initiating any Investment decision. A well structured Delegation and Sub-delegation of Investment Approval Authority is prevailing at ICBIBL for ensuring goods governance and better control in Investment approval and monitoring.

Quantitative Disclosures

Total gross Investment risk exposures broken down by major types of Investment exposure:

Taka in Crore

Exposure type	Exposure	RWA
Claims categorized as retail portfolio & Small Enterprise (excluding SME, Consumer Finance &Staff Loan Up to 1 Crore)		
Consumer finance	6.61	6.61
Claims fully secured by residential property		
Where specific provisions are less than 20 percent of the outstanding amount of the past due claim1	138.28	207.42
Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim	167.34	167.34
Where specific provisions are more than 50 percent of the outstanding amount of the past due claim	356.71	167.34
Claims on Corporate (Unrated)	2.86	3.58
Claims under Credit Risk Mitigation	7.63	0.65

Geographical distribution of exposures, broken down in significant areas by major types of Investment exposure:

Taka in Crore .

Division-wise Classification	Exposure
Dhaka	711.09
Chittagong	75.55
Khulna	39.32
Rajshahi	7.06
Barishal	0.50
Sylhet	9.99
Rangpur	-
Total	843.51

Industry or counterparty type distribution of exposures, broken down by major types of Investment exposure:

Taka in Crore .

Investments to customer groups:	
Export financing	0.31
House building investment	50.13
Consumers credit scheme	15.76
Small and medium enterprises	589.80
Staff investment	0.23
Other Investments	118.35
Sub Total	**774.58**
Industrial Investments	
Agricultural industries	0
Textile industries	0
Food and allied industries	0
Leather, chemical, cosmetics, etc.	0
Service Industries	53.89
Transport and communication industries	0
Others	15.04
Sub Total	**68.93**
Grand Total	**843.51**

Residual contractual maturity breakdown of the whole portfolio, broken down by major types of Investment exposure:

Taka in Crore .

Repayable on demand	25.30
With a residual maturity of	
Not more than 3 months	42.18
Over 3 months but not more than 1 year	253.05
Over 1 year but not more than 5 years	421.76
More than 5 years	101.22
Total	**843.51**

By major industry or counterparty type: • Amount of impaired investments and if available, past due investments, provided separately; • Specific and general provisions; and • Charges for specific allowances and charge-offs during the period:

Major Counterparty	NPIs (Taka in Crore)	Specific Provision	Remarks
Corporate and Individuals	681.54	361.51	Full Provision has been made in accordance with the latest Guidelines of Bangladesh Bank
Financial institutions & Banks	-		
Public Enterprise & Govt. Depts.	-		
	681.54		

Gross Non Performing Assets (NPAs)	681.54
Non Performing Assets (NPAs) to Outstanding Investments & advances	80.80%
Movement of Non Performing Assets (NPAs)	Taka in Crore
Opening balance	671.27
Additions	30.83
Reductions	(20.56)
Closing balance	681.54

Movement of specific provisions for NPAs	Taka in Crore
Opening balance	365.75
Less: Fully provided debts written off/Waved during the year	(0.08)
Less: Provision transfer to Special General Provision for COVID-19	(0.11)
Less: Net charge to profit and loss account (note-36)	(4.00)
Closing balance	361.51

Table as per Disclosure Framework – 5	Equities: Disclosures for Banking Book Positions
Qualitative Disclosures	
Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	The Bank is currently not exposed in equity investments. The Bank holds shares of Bangladesh Commerce Bank Limited (BCBL) obtained at the time of reconstruction of BCBL. Besides, it holds shares of Central Depository Bangladesh Limited (CDBL). Both shares are not quoted in the stock market.

Cost and book value of the investment in shares of the Bank:

Taka in Crore

Name of the Company	Amount
Bangladesh Commerce Bank Limited (BCBL)	0.90
Central Depository Bangladesh Limited (CDBL)	0.16
Total	1.06

Table as per Disclosure Framework – 6	Interest rate risk in the banking book (IRRBB)
Qualitative Disclosures	
The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding investment prepayments and behaviour of non-maturity deposits, and frequency of IRRBB measurement.	The Bank presently does not have any exposure in interest rate related instruments.
Quantitative Disclosures	
The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Nil

Table as per Disclosure Framework – 7	Market risk

Qualitative Disclosures

Market Risk is defined as the possibility of loss to a Bank caused by changes in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from investments (interest related instruments and equities) in trading book [HFT categories] and the Foreign Exchange positions. The objective of the market risk management is to minimize the impact of losses on earnings and equity.

The Bank has put in place Board approved Asset Liability Management Policy for effective management of Market Risk in the Bank. In order to assess impact on capital due to adverse movement in trading book, ICBIBL calculated Stress Testing in accordance with the requirements of the Bangladesh Bank Guidelines. The Bank already finalized comprehensive Investment policy. The policies set various risk limits for effective management of Market Risk and ensuring that the operations are in line with Bank's expectation of return to market risk through proper Asset Liability Management. The policies also deal with the reporting framework for effective monitoring of Market Risk.

The ALM Policy specifically deals with liquidity risk management and interest rate risk management framework. As envisaged in the policy, Liquidity Risk is managed through GAP & Duration analysis, based on residual maturity/behavioral pattern of assets and liabilities, on a daily basis based on best available data coverage, as prescribed by the Bangladesh Bank. Liquidity profile of the Bank is evaluated through various liquidity ratios.

The Asset Liability Management Committee (ALCO)/Board monitors adherence of prudential limits fixed by the Bank and determines the strategy in light of market conditions (current and expected) as articulated in the ALM policy. The Mid Office at the Treasury also monitors adherence of prudential limits on a continuous basis.

Qualitative Disclosures

Capital Allocation for Market Risk is calculated using Standardized Duration Analysis Model as below:

Particulars	Amount in Tk. Crore
Interest rate risk	-
Equity position risk	-
Foreign Exchange risk	0.43
Commodity risk	-
Total capital requirement against Market Risk	0.43

Table as per Disclosure Framework – 8	Operational risk

Qualitative Disclosures

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

Bank already established required policies and procedures for all areas of its operations. Bank strictly follows KYC norms for its customer dealings and other banking operations. The Bank is going to frame Operational Risk Management Policy to be approved by the Board. Supporting policies already been adopted by the bank which deal with management of various areas of operational risk are (a) Operational Manual for General Banking (b) Compliance Risk Management Policy,(c) FX Risk Management Policy (d) Policy Document on Know Your Customers (KYC) and Anti Money Laundering (AML) Procedures (e) IT Business Continuity and Disaster Recovery Policy etc.
The newly established Risk Management Unit and Risk Management Department are working on preparing risk inventory for Bank to introduce Risk Log as well as Risk Register.

For the current year Bank has adopted Basic Indicator approach to assess the capital under operational risk. In terms of new capital adequacy norms, Banks' operational risk capital charge has been assessed at 15% of positive annual average Gross Income over the previous three years as defined by BB.

Qualitative Disclosures

Capital Requirement for Operational Risk as of Dec 31, 2021:

Year	Gross Income (GI) (in Tk. Crore)	Average (GI) (in Tk. Crore)	Capital Charge @ 15% of Average Gross Income (in Tk. Crore)
2019	13.38	23.11	3.47
2020	38.83		
2021	17.12		

Table as per Disclosure Framework – 9	Liquidity Risk

As per Bangladesh Bank BRPD circular No. 18 dated December 21, 2014, Bangladesh Bank has strengthened the liquidity framework by developing two minimum standards for funding liquidity; one is Liquidity Coverage Ratio (LCR) and another is Net Stable Funding Ratio (NSFR).

"Perhaps you may dislike something which is good for you, and like something which is bad for you. Allah knows and you do not - Al Quran (2:216)"

Qualitative disclosure	**a)**	i) Views of BOD on system to reduce Liquidity Risk	Liquidity risk arises when the Bank cannot maintain or generate sufficient funds to meet its payment obligations as they fall due or can only do so at a material loss. This can arise when counterparties who provide funding to the Bank withdraw or do not roll over a line of funding or as a result of a general disruption in financial markets which lead to normal liquid assets becoming illiquid. The main sources of the Bank's funding are capital, core deposits from retail and commercial clients, wholesale deposits and access to borrowed funds from the interbank money market. ICB Islamic Bank manages liquidity risk in accordance with regulatory guidelines internal benchmarks. A Board approved Liquidity Policy to manage liquidity on a day-to-day basis and a Contingency Funding Plan to deal with crisis situations are in place.
		ii) Methods used to measure Liquidity risk.	**Measurement Methodology:** The equation: Liquidity Coverage Ratio (LCR):- Stock of high quality liquid assets LCR=----------≥ 100% Total net cash outflows over the next 30 calendar days 105.01 crore LCR = ---------- 180.88 crore LCR = 58.06% **Net Stable Funding Ratio(**NSFR**):** The equation: Available amount of stable funding NSFR=----------≥ 100% Required amount of stable funding 1681.92 crore NSFR = ---------- 1130.55 crore NSFR = 148.77%
		iii) Liquidity Risk Management system.	Treasury Division manages the liquidity risk and ALCO monitors the activities of Treasury Division in managing such risk.
		iv) Policies and processes for mitigating liquidity risk.	To mitigate the several liquidity risks, the Bank formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division's activities to minimize the liquidity risk. ALCO is primarily responsible for establishing the liquidity risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices / polices and risk management prudential limits are adhere to.

BDT in Crore

Quantitative disclosure	**b)**		**Solo**
		• Liquidity Coverage Ratio	58.06%
		• Net Stable Funding Ratio (NSFR)	148.77%
		• Stock of High quality liquid assets	105.01 crore
		• Total net cash outflows over the next 30 calendar days	180.88 crore
		• Available amount of stable funding	1681.92 crore
		• Required amount of stable funding	1130.55 crore

Table as per Disclosure Framework – 10	Leverage Ratio

As per Bangladesh Bank BRPD circular No. 18 dated December 21, 2014, leverage ratio has been introduced.

Qualitative disclosure	a)	i) Views of BOD on system to reduce excessive leverage	In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives: a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and b) introduce additional safeguards against model risk and measurement error by supplementing the risk-based measure with a simple, transparent, independent measure of risk.
		ii) Policies and processes for mitigating market risk.	To mitigate excessive on and off-balance sheet leverage, the Bank formed Basel Unit who monitors the implementing status of Basel – III within the Bank as per the guidelines on risk based capital adequacy issued by Bangladesh Bank.
		iii) Approach for calculating leverage ratio	A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. The banks will maintain leverage ratio on quarterly basis. The calculation at the end of each calendar quarter will be submitted to BB showing the average of the month end leverage ratios based on the following definition of capital and total exposure. Leverage Ratio = Tier 1 Capital (after related deductions) / Total Exposure (after related deductions) Leverage Ratio = (1262.21) Crore / 773.26 Crore Leverage Ratio = (-163.23)%

BDT in Crore

Quantitative disclosure	b)		Solo
		• Leverage Ratio	-163.23%
		• On balance sheet exposure (Less total deduction from On and Off-balance sheet exposure / Regulatory Adjustments made to Tier –I Capital)	776.58 Crore
		• Off balance sheet exposure	7.95 Crore
		• Total exposure	773.26 Crore

Table as per Disclosure Framework – 11	Remuneration

The disclosure requirements on Remuneration allow market participants to assess the quality of the bank's compensation practices.

Qualitative disclosure	**a)**	i. Information relating to the bodies that oversee remuneration	The Management Committee (MANCOM) of the Bank oversees the remuneration on as and when required basis. No external consultant's has been appointed to do the exercise.
		ii. Information relating to the design and structure of remuneration processes	ICB Islamic Bank Limited has a flexible compensation and benefits system that helps to ensure best recruitment of employees as per their performance. Salaries and increments approved by the competent authority.

		iii. Description of the ways in which current and future risks are taken into account in the remuneration processes.	The Salaries and increments are regularly reviewed through market and peer group study so that the employee retention risk is lower.
		iv. Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.	All permanent employees of ICB Islamic Bank Ltd. undergo half-yearly and annual performance appraisal process to link performance during the period.
		v. Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	Through promotion longer-term performance of the Bank seeks to adjust.
		vi. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms	There are no other forms but cash form of variable remuneration is utilized by the Bank.

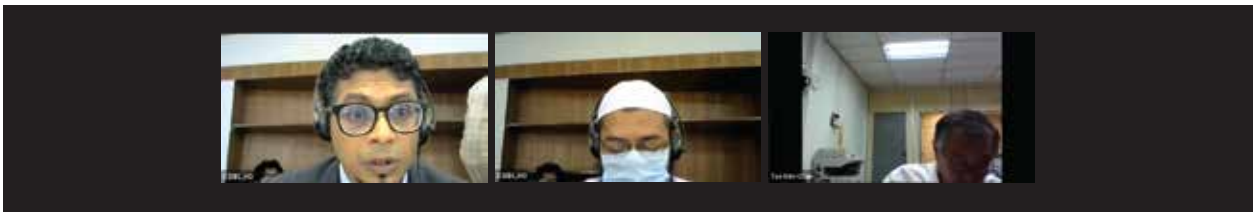
BDT in Crore

Quantitative disclosure	b)		Solo
		Number of meetings held by the main body overseeing remuneration and remuneration paid to its member.	Nil
		Number of employees having received a variable remuneration award (incentive bonus).	Nil
		Number of guaranteed bonuses awarded (festival bonus).	Two
		Total amount of guaranteed bonuses awarded.	1.19
		Number of sign-on awards made.	Nil
		Total amount of sign-on awards made.	Nil
		Number of severance payments made.	Nil
		Total amount of severance payments made.	Nil
		Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil
		Total amount of deferred remuneration paid out (incentive bonus).	Nil
		Breakdown of amount of remuneration awards for the financial year to show:	
		Fixed (salary & allowances) — BDT in Crores: 16.42 Crores	
		Variable — BDT in Crores: Nil	
		Deferred — BDT in Crores: Nil	
		Non-deferred. — BDT in Crores: Nil	
		Different forms used (cash, shares and share linked instruments, other forms). — BDT in Crores: Cash	
		Total amount of outstanding deferred remuneration	Nil
		Total amount of retained remuneration exposed to ex post explicit and/or implicit adjustments.	Nil
		Total amount of reductions during the financial year due to ex post explicit adjustments.	Nil
		Total amount of reductions during the financial year due to ex post implicit adjustments	Nil

Annual General Meeting

34th Annual General Meeting of ICB Islamic Bank Limited

The 34th Annual General Meeting of ICB Islamic Bank Bangladesh Limited (ICBIBL) was held on July 13, 2021 at "Digital Platform". The Chairman, Directors and Managing Director and CEO and representatives guests and shareholders attended the meeting.



"O Allah! Forgive all my sins, the small and the great, first and the last, the open and the secret – Riyad as-Salihin 1429"

MOORE

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Independent Auditor's Report

To the Shareholders of ICB Islamic Bank Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ICB Islamic Bank Limited (the "Bank"), which comprise the balance sheet as at 31 December 2021 and pro-fit and loss account, cash flow statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2021, and it's financial performance and it's cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.3 in the financial statements, which shows that the Bank has an accumulated loss of Tk. 19,236.25 million (2020; Tk. 18,841.43 million) for the year ended 31 December 2021; Negative equity of Tk. 12,054.07 million (2020; Tk. 11,659.25 million) as at 31 December 2021 and capital adequacy ratio of (137.41%) (2020; -133.16%) as against minimum of 12.50% (2020; 12.50%); Profit paying deposits aggregates to BDT 8,762.74 million (2020; Tk. 7,447.01 million) as against the profit earning investment of BDT 1,619.75 million (2020; Tk. 1,852.56 million) as at 31 December 2021; Overall 80.80%(2020: 78.37%) of investment of the bank is classified. As stated in Note 3.3, these events or conditions, along with other matters as set forth in Note 3.3, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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M.J. ABEDIN & CO
Gg. †R. Av‡e`xb GÛ †Kvs
Chartered Accountants

Key Audit Matters

Risk	Our response to the risk
Measurement of Provision for Investment	
At year end the Bank reported total investment of BDT 8,435,110,894 (2020: BDT 8,565,231,970) and total provision for investments and off-balance sheet items of BDT 3,635,630,586 (2020: BDT 3,676,807,978). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD Circulars. • For individually assessed provisions, the measurement of the provision could be dependent on the value of collateral, estimates of exit values and the timing of cash flows. **See Note No. 14.00 to the financial statements**	Our audit procedures in this area included, among others: • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); • . Ensuring compliance with Bangladesh Bank Circulars and Guidelines.

Impairment assessment of Unquoted Investments	
In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using net asset value per share of last audited accounts of the unquoted company as per BRPD 14/2003. **See Notes No. 07.00 to the financial statements**	Our audit procedures in this area included, among others: • Assessing the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. • We compared the cost price of the shares with their NAVPS as per the companies' last audited accounts. • Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

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Chartered Accountants

Risk	Our response to the risk
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the business environment and changes to the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control ' environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 3, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but ig not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencieS in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

i) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii) to the extent noted during the 'course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and Internal Control:

a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the note 2.00 to the financial statements appeared to be materially adequate;

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Chartered Accountants

b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank other than matters disclosed in these financial statements.

iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;

iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

v) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account;

vi) the expenditures incurred were for the purpose of the Bank's business for the year;

vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank; adequate provisions have been made for advance and other assets which are, in our opinion, doubtful of recovery;

viii) adequate provisions have been made for advance and other assets which are, in our opinion, doubtful of recovery;

ix) the information and explanation required by us have been received and found satisfactory;

x) we have reviewed over 80% of the risk weighted assets of the bank and spent over 2950 person hours; and

xi) as referred in note 15.7, the capital adequacy ratio as on 31 December 2021 was negative (137.41%) as against 12.5% (including 2.5% for capital conservation buffer as required by law). Besides, as per the Oriental Bank Limited (former name of ICB Islamic Bank) Reconstruction scheme 2007, the paid-up capital should have been raised to Taka 7,000 million as against actual paid-up capital which stood at Taka 6,647 million on 31 December, 2021.

M. J. ABEDIN & CO
Chartered Accountants
Reg. No.
Kamrul Abedin, FCA, Partner
Enroll. No: 527
DVC: 2203280527AS996098

Dated, Dhaka
March 24, 2022

ICB ISLAMIC BANK LIMITED

Balance Sheet

as at 31 December 2021

	Notes	Amount in Taka	
		31-Dec-21	31-Dec-20
PROPERTY AND ASSETS			
Cash in hand	4.00	**922,990,674**	**808,783,300**
Cash In hand (including foreign currencies)		242,535,652	207,108,582
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		680,455,022	601,674,718
Balance with other banks and financial institutions	5.00	**32,692,499**	**54,253,578**
In Bangladesh		16,944,499	24,812,001
Outside Bangladesh		15,748,000	29,441,577
Placement with banks & other financial institutions	6.00	**600,400,000**	**401,200,000**
Investments in shares and securities	7.00	**110,569,450**	**260,569,450**
Government		-	-
Others		110,569,450	260,569,450
Investments	8.00	**8,435,110,894**	**8,565,231,970**
General Investments etc.		8,432,178,428	8,562,302,505
Bills purchased and discounted		2,932,465	2,929,465
Fixed assets including premises	9.00	**287,594,554**	**24,948,999**
Other assets	10.00	**443,398,504**	**394,759,930**
Non - banking assets	11.00	**750,276,130**	750,276,130
Total assets		**11,583,032,705**	**11,260,023,357**
LIABILITIES AND CAPITAL			
Liabilities			
Placement from banks & other financial institutions	12.00	**4,788,469,861**	**4,793,869,861**
Deposits and other accounts	13.00	**12,925,582,536**	**12,434,118,251**
Al-wadeeah current and other deposits accounts		636,702,353	588,542,502
Bills payable		166,996,482	147,969,646
Mudaraba savings deposits		1,537,749,154	1,491,585,484
Mudaraba term deposits		10,584,134,547	10,206,020,619
Other liabilities	14.00	**5,923,049,996**	**5,691,288,125**
Total liabilities		**23,637,102,393**	**22,919,276,237**
Capital / Shareholders' equity			
Paid up capital	15.00	6,647,023,000	6,647,023,000
Statutory reserve	16.00	78,810,975	78,810,975
Other reserve	17.00	456,341,806	456,341,806
Surplus in profit and loss account / Retained earnings	18.00	(19,236,245,469)	(18,841,428,662)
Total Shareholders' equity		**(12,054,069,688)**	**(11,659,252,881)**
Total liabilities and Shareholders' equity		**11,583,032,705**	**11,260,023,357**
Net Asset Value (NAV) Per Share	**18.1**	(18.13)	(17.54)

ICB ISLAMIC BANK LIMITED

Balance Sheet

as at 31 December 2021

	Notes	Amount in Taka	
		31-Dec-21	31-Dec-20
OFF- BALANCE SHEET ITEMS			
Contingent liabilities	19.00	**319,112,113**	**197,298,015**
Acceptances and endorsements		6,374,000	6,374,000
Letters of guarantee	19.1	126,956,700	127,766,288
Irrevocable letters of credit	19.2	137,593,045	19,966,614
Bills for collection	19.3	48,188,367	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		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Liabilities against forward purchase and sale		-	-
Others		-	-
Total Off-Balance Sheet items including contingent liabilities		**319,112,113**	**197,298,015**

The accompanying notes form an integral part of this financial statement.

Chairman **Director** **Director** **Managing Director**

As per our report of even date.

Dated, Dhaka
March 24, 2022

M. J. ABEDIN & CO
Chartered Accountants
Reg. No.
Kamrul Abedin, FCA, Partner
Enroll. No: 527
DVC: 2203280527AS996098

"He who is two-faced in this world will have two tongues of fire on the day of Resurrection - The Prophet (SM)! Sunan Abi Dawud 4873"

ICB ISLAMIC BANK LIMITED

Profit and Loss Account

for the year ended 31 December 2021

	Notes	Amount in Taka	
		31-Dec-21	31-Dec-20
Investment Income	20.00	292,123,534	366,058,113
Profit paid on deposits	21.00	(419,102,743)	(459,859,618)
Net investment income		**(126,979,208)**	**(93,801,507)**
Income from investments in shares and securities	22.00	4,679,912	4,956,861
Commission, Exchange and Brokerage	23.00	7,550,156	3,207,069
Other operating income	24.00	73,378,485	271,771,768
Total operating income (A)		**(41,370,656)**	**186,134,192**
Less: Operating Expenditure			
Salary and Allowances	25.00	164,210,744	179,245,599
Rent, Taxes, Insurance and Electricity	26.00	117,709,508	125,869,178
Legal expenses	27.00	2,467,160	5,874,132
Postage, Stamp and Telecommunication	28.00	6,400,377	6,565,277
Stationery, Printing and Advertisements	29.00	3,381,293	4,820,260
Chief Executive's salary and fees	30.00	14,491,877	14,871,600
Directors' fees & expenses	31.00	2,425,675	82,160
Shariah Supervisory Committee's fees & expenses	32.00	72,000	36,000
Auditors' fees		500,000	500,000
Depreciation and repair of Bank's assets	33.00	31,688,590	39,487,203
Zakat expenses		-	-
Other expenses	34.00	47,832,535	52,177,089
Total operating expenses (B)		**391,179,759**	**429,528,498**
Profit / (loss) before provision (C=A-B)		**(432,550,415)**	**(243,394,305)**
Less: Provision for investments	35.00	40,000,000	60,000,000
Specific provision (charged)/released		40,000,000	60,000,000
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)		**40,000,000**	**60,000,000**
Total profit / (loss) before taxes (C-D)		**(392,550,415)**	**(183,394,305)**
Less: Provision for taxation	35.01	2,266,393	3,875,963
Current tax		2,266,393	3,875,963
Deferred tax		-	-
Net profit/(loss) after taxation		**(394,816,808)**	**(187,270,268)**
Appropriations		-	-
Statutory reserve		-	-
General reserve		-	-
Retained earnings carried forward	19.00	**(394,816,808)**	**(187,270,268)**
Earnings per share (EPS)	40.00	(0.59)	(0.28)

The accompanying notes form an integral part of this financial statement.

Chairman **Director** **Director** **Managing Director**

Dated, Dhaka
March 24, 2022

M. J. ABEDIN & CO
Chartered Accountants
Reg. No.
Kamrul Abedin, FCA, Partner
Enroll. No: 527
DVC: 2203280527AS996098

ICB ISLAMIC BANK LIMITED

Cash Flow Statement

for the year ended 31 December 2021

	Notes	Amount in Taka	
		31-Dec-21	31-Dec-20
A. Cash flows from operating activities			
Investment income receipts in cash		340,210,124	318,430,869
Profit paid on deposits		(397,960,361)	(473,267,881)
Dividend receipts		856,772	1,427,953
Fees and commission receipts in cash		5,918,580	3,207,069
Recoveries of Investments previously written off		35,163,517	237,218,278
Cash payments to employees		(178,702,621)	(190,290,179)
Cash payments to suppliers		(2,946,274)	(4,102,385)
Income taxes paid		(655,429)	(1,685,186)
Receipts from other operating activities	36.00	73,378,485	34,553,490
Payments for other operating activities	37.00	(200,717,181)	(216,105,604)
Cash generated from operating activities before changes in operating assets and liabilities		**(325,454,389)**	**(290,613,577)**
Increase / (decrease) in operating assets and liabilities			
Statutory deposits		-	-
(Purchase)/Maturity of trading securities (Treasury bills)		-	-
Investments to other banks		-	-
Investments to customers		130,121,077	(107,158,273)
Placement from banks & other financial institutions		(5,400,000)	(36,000,000)
Other assets	38.00	(8,088,534)	14,042,968
Deposits from other banks / borrowings		(1,888,781)	-
Deposits received from customers		502,166,141	487,141,065
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities	39.00	3,924,003	(112,041,687)
		620,833,905	**245,984,073**
Net cash used in operating activities		**295,379,516**	**(44,629,503)**
B. Cash flows from investing activities			
Debentures		-	-
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(6,961,226)	(6,907,043)
Payment against lease obligation		-	-
Proceeds from sale of property, plant and equipment		583,330	2,724,407
Net cash used in investing activities		**(6,377,896)**	**(4,182,636)**
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)**		289,001,621	(48,812,139)
E. Effects of exchange rate changes on cash and cash equivalents		2,844,675	1,071,887
F. Cash and cash equivalents at beginning of the period		1,264,236,877	1,311,977,129
G. **Cash and cash equivalents at end of the period (D+E+F)**		**1,556,083,173**	**1,264,236,877**

"Teach others, make things easy, and do not make things difficult. When one of you is angry, he should remain silent - The Prophet (SM)! Musnad Ahmad 2137"

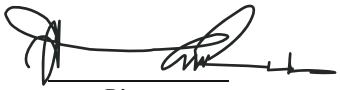
ICB ISLAMIC BANK LIMITED

Cash Flow Statement

for the year ended 31 December 2021

	Notes	Amount in Taka	
		31-Dec-21	31-Dec-20
Cash and cash equivalents at end of the period			
Cash in hand (including foreign currencies)		242,535,652	207,108,582
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		680,455,022	601,674,718
Balance with other banks and financial institutions		32,692,499	54,253,578
Placement with banks & other financial institutions		600,400,000	401,200,000
Reverse repo		-	-
Prize bonds		-	-
		1,556,083,173	**1,264,236,877**
Net Operating Cash Flows per share (Taka)	39.01	**0.44**	**(0.07)**

Chairman


Director

Director

Managing Director

As per our report of even date.

Dated, Dhaka
March 24, 2022

M. J. ABEDIN & CO
Chartered Accountants
Reg. No.
Kamrul Abedin, FCA, Partner
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ICB ISLAMIC BANK LIMITED
Statement of Changes in Equity
for the Year ended 31 December 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 2021	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	-	-	-	-	-	-	(394,816,808)	(394,816,808)
Dividends (Bonus shares)	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	6,647,023,000	78,810,975	-	1,065,676	455,276,130	-	(19,236,245,469)	(12,054,069,688)
Balance as at 31 December 2020	6,647,023,000	78,810,975	-	1,065,676	455,276,130	-	(18,841,428,662)	(11,659,252,881)

Chairman | Director | Director | Managing Director

"Indeed we belong to Allah, and indeed to Him we will return – Surah Al-Baqarah! Ayah 156"

ICB ISLAMIC BANK LIMITED
Liquidity Statement
(Maturity Analysis of Assets and Liabilities)
as at 31 December 2021

Amount in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	922,990,674	-	-	-	-	922,990,674
Balance with other banks and financial institutions	32,692,499	-	-	-	-	32,692,499
Placement with banks & other financial institutions	150,400,000	450,000,000	-	-	-	600,400,000
Investments in shares and securities	-	100,000,000	-	-	10,569,450	110,569,450
Investments	253,053,327	421,755,545	2,530,533,268	4,217,555,447	1,012,213,307	8,435,110,894
Fixed assets including premises	-	-	8,627,837	23,007,564	255,959,153	287,594,554
Other assets	44,339,850	59,858,798	90,896,693	93,113,686	155,189,477	443,398,504
Non - banking assets	-	50,000,000	300,000,000	400,276,130	-	750,276,130
Total assets (A)	1,403,476,350	1,081,614,343	2,930,057,798	4,733,952,827	1,433,931,388	11,583,032,705
Liabilities:						
Placement from banks & other financial institutions	-	1,100,000	1,100,000	8,800,000	4,777,469,861	4,788,469,861
Deposits and other accounts	387,767,476	775,534,952	2,585,116,507	4,653,209,713	4,523,953,888	12,925,582,536
Other liabilities	122,317,408	73,390,445	48,926,963	5,678,415,181	-	5,923,049,996
Total liabilities (B)	510,084,884	850,025,397	2,635,143,470	10,340,424,894	9,301,423,749	23,637,102,393
Net liquidity gap (A - B)	**893,391,467**	**231,588,946**	**294,914,328**	**(5,606,472,067)**	**(7,867,492,361)**	**(12,054,069,688)**

Chairman | Director | Director | Managing Director

ICB Islamic Bank Limited
Notes to financial statements
as at and for the year ended 31 December 2021

1. The Bank and its activities

1.1 Corporate information

ICB Islamic Bank Limited (the Bank) is the new legal name of former "The Oriental Bank Limited" which was incorporated on 30 April 1987 as a Public Limited Company titled "Al-Baraka Bank Bangladesh Limited" under the Companies Act, 1913. Certificate for commencement of business was issued to the Bank on 30 April 1987. Bangladesh Bank (country's central bank) authorised the Bank to carry on the banking business in Bangladesh with effect from 04 May 1987 and to undertake and carry out all kinds of banking, financial and business activities, transactions and operations in strict compliance with the principles of Islamic Law (Shariah) relating to business activities in particular avoiding usury in credit and sales transactions and any practice which accounts to usury and actual banking operations commenced on 20 May 1987. Registrar of Joint Stock Companies & Firms approved the revised name (The Oriental Bank Limited) on 31 December 2002 and Bangladesh Bank's approval was accorded on 13 April 2003.

Bangladesh Bank took control of the management of the Bank on 19th June 2006 and appointed Chairman and Managing Director to carry out the functions of day to day affairs of the Bank. Steps were taken by the Government of Bangladesh and Bangladesh Bank to protect the interest of depositors. Measures were taken to restructure and recapitalise the Bank to keep the Bank functioning so that interest of all stakeholders of the Bank could be protected. The Government imposed a moratorium on the business of the Bank and Bangladesh Bank issued "The Oriental Bank Limited (Reconstruction) Scheme 2007" (The "Scheme").

Switzerland-based ICB Financial Group Holdings AG has become the new majority owner of former Oriental Bank, a Bangladeshi Shariah-compliant bank as on 28 February 2008. Emphasis has been placed on improving the technology and infrastructure of the Bank, as well as retaining employees, with a view to provide an improved range of competitive products to customers.

1.2 Nature of business and principal activities

All kinds of commercial banking services are provided by the Bank to the customers following the principles of Islamic Shariah, the provisions of the Banking Companies Act 1991 and Bangladesh Bank's directives.

The Bank renders commercial banking services to all types of customers. The range of services offered by the Bank includes accepting deposits, making investments, discounting bills, conducting domestic and international money transfers, carrying out foreign exchange transactions in addition to international money transfers, and offering other customer services such as locker service, collections and issuing letters of credit, guarantees and acceptances. Core business of the Bank includes deposit mobilisation and investing activities comprising short-term, long-term, import and export financing. Financing activities are extended to different sectors of the economy that could be grouped into several sectors including Rural and Agriculture, Garments and Textiles, Jute, Cement and Bricks, Tannery, Steel and Engineering, Food and Beverage, Chemical and Pharmaceuticals, Printing and Packaging, Glass and Ceramics and Miscellaneous.

At a glance, the principal activities of the Bank are to:

a) facilitate and handle all kinds of commercial banking services to its customers authorised by Bangladesh Bank;

b) handle the export and import trade; and

c) take part in international banking, etc.

2. Internal audit, internal control and risk management

The Banking Companies Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Bangladesh Bank Department of Off-site Supervision (DOS) has issued Circular No.-02 dated 15 February 2012 on Risk Management Guidelines for Banks and instructed all scheduled banks operating in Bangladesh to follow this Guidelines for managing various risks which have been complied by the Bank.

Risk Management is the key element for sound corporate governance of the Bank. With a recent addition in regulatory mandates and increasingly active participation of shareholders, the Bank has become increasingly concerned to identify areas of risks in the business, whether it is financial, operational, ICT or reputation risk. The Bank identifies, measures, monitors and manages all risks of the Bank. Sophisticated risk management framework is going to be implemented to carry out efficient risk management exercises of the Bank including documenting and assessing risks, defining controls, managing assessments and audit, identifying issues, implementing recommendations and corrective plans. In accordance with Bangladesh Bank Guidance, the Bank has established a risk framework that consists of six core factors, i.e. (i) Credit/Investment Risk (ii) Asset and Liability/Balance Sheet Risk (iii) Foreign Exchange Risk (iv) Internal Control and Compliance Risk (v) Money Laundering Risk and (vi) Information and Communication Technology Risk.

In addition, the Bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, stress testing and managing the banking risks in other core risk areas.

The Bank has established an independent Risk Management Unit (RMU). The RMU conducts stress testing for examining the Bank's capacity of handling future shocks, as well as deals with all potential risks that might occur in future.

The Bank has also identified the following four key infrastructure components for effective risk management programs:

a) Proactive Board of Directors and Senior Management's Supervision;
b) Adequate Policies and Procedures;
c) Proper Risk-Measurement, Monitoring and Management Information Systems; and
d) Comprehensive Internal Controls.

2.1 Investment/Credit risk

Investment/Credit risk is simply defined as the failure of a bank borrower or counterparty to meet its obligations in accordance with agreed terms. Financial institutions have been facing difficulties over the years for a multitude of reasons. The major causes of serious banking problems continue to be directly related to tax Investment/Credit standards for borrowers and counterparties, poor portfolio risk management, or a lack of attention to changes in economic or other circumstances that can lead to deterioration in the Investment standing of a bank's counterparties. The goal of Investment/Credit risk management is to maximise a bank's risk-adjusted rate of return by maintaining Investment/Credit risk exposure within acceptable levels. The effective management of Investment/Credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization. The Basel Committee is encouraging Banks to promote sound practices for managing Investment/Credit risk. The sound Investment/Credit risk management practices include the following areas:

i. Establishing an appropriate Investment/Credit risk environment;
ii. Operating under a sound Investment/Credit-granting process;
iii Maintaining an appropriate Investment administration, measurement and monitoring process; and
iv. Ensuring adequate controls over Investment risk.

ICB Islamic Bank Limited is keenly aware of the need to identify, measure, monitor and control Investment/Credit risk as well as to hold adequate capital against these risks for adequate compensation of risks incurred since exposure to Investment/Credit risk continues to be the leading source of problems in Banks world-wide. In this line Bank is following the system as per Guidelines of Bangladesh Bank. Bank has also adopted a policy to review the whole system, from time to time to cope with the multifarious situations.

To comply with the Directive of Bangladesh Bank (DOBB), the Bank has also taken steps for strengthening the function of Investment/Credit Administration i.e. Disbursement, Custodial Duties, Compliance, Investment/credit Monitoring and Recovery to maintain Investment/Credit Risk at the minimum level. In order to achieve this goal, Investment Administration and Supervision Department (IASD) is exerting all out efforts for completion of Security Documentation before disbursement, ensuring adequate Insurance Coverage to cover unforeseen risks, monitoring and follow up after disbursement of Investment/Credit to maintain the investment standard.

Recovery and Monitoring Department is engaged in monitoring the total Investment/Credit Classification position of the Bank vigilantly, managing all Classified and Special Mention Accounts to regularise for maximisation of recovery and ensuring appropriate investment loss provision timely.

2.2 Asset liability risk management

Asset Liability Management (ALM) is one of the key areas of risk management which mainly focuses on liquidity and profit rate risk of the bank. Decisions taken in the ALCO meetings were duly recorded and action plans were implemented by the branches/departments to optimize Bank's financial performances. As a part of regulatory requirement, the Board of Directors also reviewed the ALM manual and its components regularly.

2.3 Foreign exchange risk management

Foreign exchange risk is defined as the potential change in earnings due to unfavourable movement in exchange rates. Generally, the bank is less exposed to foreign exchange risk as all the transactions are carried out on behalf of the customers against L/C commitments and other remittance requirements. The bank has undertaken policy guidelines to minimize the foreign exchange risk for exposure in currency movement. Treasury department has separate front office. Its back office desks are responsible for currency transactions, deal verification and limit monitoring and settlement of transactions separately. The bank continuously revalued all foreign exchange positions at market rate as per the guidelines of Bangladesh Bank. All Nostro Accounts are timely reconciled and all outstanding entries are reviewed on a regular basis.

2.4 Anti-Money laundering risk management

The financial aspects of crime have become more complex due to rapid advancement in technology and the globalize character of the financial services industry. Money-Launderers often use their front companies which co-mingle the proceeds of illicit activity with legitimate funds in order to hide the ill-gotten gains. Therefore, prevention of laundering the proceeds of crime has become a major priority from all jurisdictions from which financial activities are carried out. The policy of the bank includes establishing adequate procedures of customer due diligence, reporting, record keeping, internal control, risk management and communication in order to forestall and prevent operations related to money laundering or financing of terrorism. Central Compliance Unit (CCU) of the Bank is performing supervisory and monitorial activities for the bank's internal procedures on anti-money laundering and anti-terrorism financing. It also ensures that bank complies with the anti-money laundering and anti-terrorism financing legislation, including the Know Your Customer rules.

2.5 Internal control and compliance risk management

Adequate Internal Controls contribute significantly to the improvement of the performance of the banks through enforcing efficient managerial guards. Such control culture is duly reflected in the Policy Guidelines and Structural Changes of the Bank. Now the bank is considering sophisticated organisational structure to exercise strong control culture within the organisation by implementing policy guidelines of internal controls appropriately and strengthening internal controls system.

Internal Control and Compliance Division (ICCD) of the Bank comprises three units, namely (i) Compliance Unit, (ii) Monitoring Unit and (iii) Audit and Inspection Unit. The Division reviews and monitors Bank's Internal Control and Compliance Risk to help the Bank perform better through the use of its resources. The units of the Division are performing their functional activities in accordance with the Bank's own policies as well as guidance notes issued by Bangladesh Bank from time to time for mitigating the Internal Control and Compliance Risks of the Bank.

During the year 2015, Inspection teams of ICCD of the Bank and Bangladesh Bank carried out inspections on different Branches of the Bank and submitted reports thereof. Necessary remedial measures/corrective steps have been taken on the suggestions/observations made in the said reports. The summary of key points of the reports were also placed and discussed in the meeting of the Audit Committee of the Board of Directors. Appropriate actions have also been taken as per the decisions of the said Committee for protecting the Bank's assets.

Compliance: The bank has complied with the regulatory requirements including, the directives of Bangladesh Bank (primary regulator), National Board of Revenue, Securities and Exchange Commission, Registrar of Joint Stock Companies and Finance Ministry etc. having significant impact on the Bank's business.

Compliance is not a one-time event rather it is a continuous process. For this purpose, the bank's Internal Controls have been designed in such a manner so that the compliance with all the relevant regulatory requirements is carried out in each activity of the bank.

Now the Board of Directors and Senior Management of the bank has developed a high ethical and moral standard to ensure strong compliance culture in the bank. In this context, the bank gives priority on the following issues:-

i. To encourage employees to comply with all the policies, procedures and regulations;
ii. To maintain continuous liaison with the regulators at all level to obtain regular information on regulatory changes; and
iii To establish an effective communication process to distribute smoothly the relevant regulations among the officials of the concerned divisions and branches.

2.6 Information and communication technology risk management

The bank has adequately addressed ICT Risk Management. It is an in-depth exercise and continual process. The ICT Risk Management exercise mainly includes minimising financial loss to the institution in all events such as natural disaster, technological failure, human error etc.

In line with Central Bank directives, the Bank has redrawn its own Information and Communication Technology (ICT) Policies for operations and Services. Under these policy guidelines, a security policy must be worked out and implemented in the server system through Active Directory Services (ADS). It has also been trying to implement through Password Policy, Kerberos Policy, Audit Policy, Group Policy, User Rights, and Permission Policy etc. to abide by and adhere to what is laid down in the policy. It tries to centralize the administrative control to access the Network, Mailing System and access to Internet under this policy.

2.7 Internal audit

Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank are consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Bank meets periodically with the internal audit team to review their audit plans, assess the manner in which these auditors are performing their responsibilities and to discuss their reports on, internal controls and financial reporting issues. To ensure complete independence, the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

A robust Risk Based Internal Audit (RBIA) has been implemented. Risk assessment by Internal Control focuses on compliance with the Bank's policies together with regulatory requirements, social, ethical and environmental risks for risk minimisation and to determine the future growth of the Bank.

Internal audit activities

i. To review and approve "Internal Audit Charter";
ii. To guide and approve "Internal Audit Plan";
iii To guide and review "Internal Audit Process and Procedure";
iv. To guide bank management body for ensuring compliance on audit recommendation(s) and scope of development;
v. To review compliance status of audit recommendation;
vi To review annual assessment of the performance of audit and inspection activity; and
vii. To recommend audit findings to be placed to the Board of Directors.

2.8 Fraud and Forgeries

Bank fraud is the use of potentially illegal means to obtain money, assets, or other property owned or held by a financial institution, or to obtain money from depositors by fraudulently posing as a bank or other financial institution.

To mitigate the fraud the Bank has taken following initiatives:

a) To review the corrective measures taken by the management with regard to reports relating to fraud-forgery, deficiencies in internal control and external auditors and inspectors of the regulatory authority and inform the Board on a regular basis;

b) Significantly improving the compliance culture and introducing stricter controls to eliminate fraud exposures; and

c) To the best of our knowledge and belief, no transactions have been undertaken by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

3. Summary of significant accounting policies and basis of preparation of financial statements

3.1 Reporting framework and compliance thereof:

The Bank is being operated in strict compliance with the rules of Islamic Shari'ah. The financial statements have been prepared in accordance with the guidelines of Islamic Banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009. The Financial Reporting Act (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks hence International Financial Reporting Standards (IFRS) as approved 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 Company Act 1991, as amended, the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules 1987 and Standards issued by the accounting and auditing organization for Islamic Financial Institutions (AAOIFI). 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.

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003, investments in quoted 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 value of investment; otherwise investments are measured at cost.

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 except bills for collection and forward guarantees (BRPD circular no. 7 dated 21 June 2018). 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.

IFRS: There are no specific guidelines about profit in suspense in IAS/IFRS.

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: Intangible assets are included in Fixed Assets including premises, furnitures and fixtures according to BRPD 14/2003.

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 of provision.

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

xv) Leases

The International Accounting Standards Board (IASB) issued IFRS 16, Leases, which replaces IAS 17 and sets out the principle for the recognition, measurement, presentation and disclosure of leases. The standard has become effective for all annual reporting periods beginning on or after 1 January, 2019. The Bank has adoped IFRS 16 from the year 2021.

3.2 Consolidation

Separate set of records for consolidation of the statement of affairs and income and expense statement of the branches was maintained at the Head Office of the bank based on which these financial statements have been prepared. All significant inter-branch transactions are eliminated on consolidation.

3.3 Going concern assumption

The Bank has an accumulated loss of Tk. 19,236.25 million for the year ended 31 December 2021; Negative equity of Tk. 12,054.07 million as at 31 December 2021 and capital adequacy ratio of (137.41%) as against minimum of 12.50%; Profit paying deposits aggregates to BDT 8,762.74 million as against the profit earning investment of BDT 1,619.75 million as at 31 December 2021; Overall 80.80% of investment of the bank is classified. Six legal cases have been initiated by the erstwhile promoters against Bangladesh Bank in connection with forfeiture of their shares, the present majority shareholders of ICBIBL are awaiting the outcome of these cases which are still pending in the Appellate Division of the Supreme Court for hearing. The management is optimistic about the cases that the final ruling of the court will be in favour of Bangladesh Bank which will pave the path for injecting fresh capital.

The Bank had presented its financial statements for the year ended 31st December 2021 on a going concern basis.

The initiatives taken by the Bank are cost optimisation, profit maximisation through increasing loans and advances, launching new products, etc. The Bank is considering various options and plans to address the issue of working capital deficiency.

Bangladesh Bank had allowed us to pay the frozen deposits within 4th November 2021. We had applied to Bangladesh Bank on 1st November 2021 for next five years moratorium. We are waiting for the response of Bangladesh Bank for the moratorium of frozen deposits.

3.4 Accruals and deferrals

Deferrals and accruals have been made as per the guidance of IASB Framework: IAS 1: Presentation of Financial Statements. In order to meet their objectives, financial statements except for Statement of Cash Flows and related information are prepared on an accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not when cash or its equivalent is received or paid) and they are recorded in accounts and reported in the financial statements of the periods to which they relate.

3.5 Revenue recognition

The revenues during the year are recognised on an accrual basis, which comply with the conditions of revenue recognition as provided in IFRS 15 : Revenue from Contracts with Customer, except interest on classified loans which are recognized as interest income on realization basis as per Bangladesh Bank guidelines.

3.5.1 Profit and expenses

Profit income and expenses for all profit-bearing financial instruments except for those classified as held-for-trading or designated at fair value are recognised in the income statement using the effective Profit rates of the financial assets or financial liabilities to which they relate. The effective Profit rate is the rate that exactly discounts estimated future cash receipts or payments earned or paid on a financial asset or financial liability through its expected life or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective profit rate, the Group estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the ICB Islamic Bank that are an integral part of the effective Profit rate, including transaction costs and all other premiums or discounts. Profit on impaired financial assets is calculated by applying the original effective Profit rate of the financial asset to the carrying amount as reduced by any allowance for impairment.

3.5.2 Non-profit Income

3.5.2.1 Fees and commissions

Fees and commissions are accounted for as follows:

i. Income earned on the execution of an activity is recognised as revenue when the activity is completed;

ii. Income earned from providing services over a period of time is recognised over the service period during which the related service is provided or credit risk is undertaken; and

iii Income which forms an integral part of the effective profit rate of a financial instrument is recognised and recorded as profit income.

3.5.2.2 Dividend income

Dividend income is recognised when the right to receive the payment is established.

3.5.2.3 Income from Investment in Bangladesh Government Islamic Investment Bond (BGIIB)

Profit from Investment in Bangladesh Government Islamic Investment Bond (BGIIB) is accounted for on an accrual basis.

3.5.2.4 Letters of credit, letters of guarantee and others

Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

3.5.2.5 Profit paid and other expenses

In terms of the provision of IAS 1: Presentation of Financial Statements, profit paid and other expenses are recognised on an accrual basis.

3.6 Foreign currency translation

3.6.1 Foreign currency transactions (IAS 21)

i. Transactions in foreign currencies are translated into Taka at the foreign exchange rates prevailing on the balance sheet date.

ii. Monetary assets and liabilities in foreign currencies are expressed in Taka at the rates of exchange prevailing on the balance sheet date.

iii Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

The assets and liabilities in foreign currencies are translated to Taka at exchange rates prevailing at the balance sheet date. The results of foreign entities are translated at the average rate of TT clean and TT and OD for the year ended 31 December 2020.

Exchange rates with major foreign currencies on 31 December 2021 were as follows:

Currency name	Exchange rate (Taka)
US Dollar	85.80
Euro	115.39
GBP	109.94

"No amount you spend on your family seeking reward from Allah but that He will reward you even if it is a bite of food that you put in your wife's mouth – Bukhari, Hadith 3721"

3.6.2 Commitments

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.

3.6.3 Translation gains and losses (IAS 21)

As per provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, foreign currency transactions are translated into Taka at rates prevailing on the dates of such transactions and exchange gains or losses arising out of the said transactions are recognised as income or expense for the year in which the exchange account is dealt with.

3.7 Assets and their basis of valuation

3.7.1 Cash and cash equivalents

As per provision of IAS 7: Statement of Cash Flows, for the purpose of the Statement of Cash Flows of the Bank, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including: cash and balances with central bank, treasury bills, and other eligible bills, amounts due from other banks and dealing securities other than those which are not available to finance the ICB- Islamic Bank's day to day operations.

3.7.2 Investments

Investments are stated at gross amount. Provision and Profit suspense against investments are shown separately as liability. Profit income is accounted for on an accrual basis until the investments are defined as classified accounts as per Bangladesh Bank guidelines.

As per BRPD circular no. 14 dated 23 September 2012, Profit on classified Investments (other than bad/loss investments) is required to be credited to profit suspense account instead of income account. Such profit kept in suspense account should be reversed to income account only when respective investment accounts become regular and / or realised in cash.

3.7.2.1 Provision for Investment

Provision against classified loans and advances is made on the basis of periodical review by the management and instruction contained in 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 No. 02 dated 15 February 2005, BRPD circular No. 05 dated 27 April 2005 and BRPD circular No. 32, dated 27 October 2010, BRPD Circular No 14 dated 23 September 2012, BRPD Circular No. 05 dated 29 May 2013 and BRPD Circular No. 03 dated 21 April 2019. The provisioning rates as per Bangladesh Bank circulars are as follows:

Business Unit		Unclassified		Classified		
		Standard	SMA	SS	DF	BL
Short term Agri. Credit		2.5%	-	5%	5%	100%
Consu-mer	Housing Finance	1%	1%	20%	50%	
	Loan for Professionals	2%	2%	20%	50%	100%
	Other than Housing Financing & Professionals	5%	5%	20%	50%	100%
Housing Finance		0.25%	0.25%	20%	50%	100%
Loan for Professionals		2%	2%	20%	50%	100%
Other than Housing Financing & Professionals		1%	1%	20%	50%	100%
Off balance sheet exposure - 1% (except for bills for collection)						

3.7.2.2 Security against Investments:

i. Project investment-land and building, FDR and other movable assets have been taken as a security in the form of mortgage.

ii. Working capital and trading investment–Goods are taken as security in the form of pledge and also goods are taken as security in the form of hypothecation along with land and building, FDR and other movable assets as a mortgage.

iii House building investment-Lands and buildings are taken as security in the form of mortgage.

3.7.2.3 Bills purchased and discounted

Bills purchased and discounted do not include Government Treasury bills and have been classified into two sub-heads viz.

i. Payable in Bangladesh and

ii. Payable outside Bangladesh.

The bills purchased and discounted have been analysed in the form/terms as per the maturity grouping.

3.8 Investment in shares and securities

The Bank determines the classification of its investments at initial recognition and classifies its financial assets as follows:

3.8.1 Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term if so designated by management.

3.8.2 Investment and receivables

Investment and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivables.

3.8.3 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. If the Group sells other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

3.8.4 Available-for-sale investment

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in profit rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity and available-for-sale are recognized on trade-date (the date on which the ICB Islamic Bank commits to purchase or sell the asset). Investment is recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Investment and receivables and held-to-maturity investments are carried at amortized cost using the effective Profit method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial asset is derecognized or impaired at which time the cumulative gain or loss previously recognized in equity is recognized in profit or loss. However, Profit calculated using the effective Profit method is recognized in the income statement. Dividends from available-for sale equity instruments are recognized in the income statement when the entity's right to receive payment is established. The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), ICB Islamic Bank establishes fair value by using the book value of last audited balance sheet.

3.8.5 Valuation Method

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

3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.10 Acceptance receivables and payables

Acceptance receivables and payables are stated at the value of the Letter of Credit or realised value of the Letter of Credit accepted by accepting banks. The acceptance receivables are presented net of allowance for possible losses.

3.11 Foreclosed properties

Foreclosed properties are recorded at the lower of its fair value (less costs to sell) and the carrying amount of the investment (net of impairment allowance) at the date of foreclosure. No depreciation is provided in respect of foreclosed properties. Any subsequent write down of foreclosed properties to fair value (less cost to sell) is recorded as a fair value change and included in the income statement. Any subsequent increase of the fair value (less cost to sell), to the extent this does not exceed the cumulative fair value change, is recognised in the income statement.

3.12 Software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on straight- line basis over the expected useful lives of three to five years. Costs associated with developing or maintaining computer software programmers are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Bank and that will probably generate economic benefits exceeding costs beyond one year are recognised as Core Banking Software.

3.13 Property and equipment

All property and equipment are stated at historical cost/revaluation less any impairment losses and depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Bank and the cost of the items can be measured reliably. All other repairs and maintenance are charged to the Profit and Loss Account during the financial period in which they are incurred.

Depreciation on fixed assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Name of the assets	Depreciation rate
i.	Furniture and fixtures	10%
ii.	ATM	20%
iii.	Software	20%
iv.	Office equipments	20%
v.	Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Property and Equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. Up to 31 December 2007 bank charged depreciation on fixed assets using the reducing balance method which changed in 2008 and adjustment are incorporated with current year depreciation.

3.14. Non banking assets

This represents assets acquired by the Bank upon the agreement with the client and Honourable Court's order against investment. Bank has taken the ownership of the non-banking assets on the basis of power of attorney of Bishal Centre on 8 March 2005 and Kushal Centre on 13 June 2000 against settlement of Investments. Bank is now trying to transfer the ownership related document in its name by obtaining mutation. First acquisition amount against two properties i.e. Bishal Centre BDT 220,000,000; Kushol Centre BDT 75,000,000 and total amounting BDT 295,000,000. Subsequently M/s Huda Vasi Chowdhury & Co. revaluated the Properties on 31 December 2009 Bishal Centre at BDT 607,776,130 and Kushol Centre at BDT 142,500,000.

3.15 Taxation

Tax expenses represent the sum of the tax currently payable and deferred tax.

3.15.1 Current tax

Income tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognized directly in shareholder's equity in which case it is recognized in shareholder's equity.

As per requirement of IAS 12: Income Taxes, the Bank has a policy to measure current tax liability at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Tax rate is 37.5% as prescribed in Finance Act 2020 on taxable profits of the banks and financial institutions. The Bank was not required to provide income tax as it has previous 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 for in the financial statements.

3.15.2 Deferred Tax

As per provision of IAS 12: Income Taxes, deferred tax assets and deferred tax liabilities shall be measured and reflect the tax consequence of the entity at the balance sheet date.

Deferred tax is recognised, using the liability method on temporary differences between the carrying amount of assets and liabilities in the balance sheet and the amount attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences; unused tax loss and unused tax credit can be utilised. The tax rate 37.5 prevailing at the balance sheet date is used to determine 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.

3.16 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (BDT). All values are rounded to the nearest Taka.

3.17 Critical accounting estimates and judgments in applying accounting policies

As per provision of IAS 1 : Presentation of Financial Statements, the preparation of financial statements requires management 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.

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.17.1 Valuation of financial instruments

The Bank's accounting policy for valuation of financial instruments is included in Note 3.1. As required by IAS 19: Employee Benefit, provident fund and gratuity benefits are given to eligible staff of the Bank in accordance with the locally registered rules and the entity shall disclose the amount recognized as an expense for defined contribution plan.

3.18 Liabilities and provision

3.18.1 Retirement benefits of employees

3.18.1.1 Provident fund

Provident fund benefits are given to the staff of the Bank in accordance with the registered Provident fund rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognised fund within the meaning of section 2(52) read with the provisions of Part - B of the First Schedule of Income Tax Ordinance 1984. The fund is operated by a Board of Trustees consisting of 06 (six) members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount to the fund. Contributions made by the bank are charged as an expense. Profit earned from the investments is credited to the members' account on half yearly basis.

3.18.1.2 Gratuity

As per service rules of the Bank, every permanent employee is entitled to 50% of basic salary for 5 to 10 years, 75% of basic salary for 10 to 15 years and 100% of basic salary for more than 15 years for every completed year of services with the Bank. Sufficient provision has created for gratuity in the financial statements as at 31 December 2020.

3.18.2 Provisions and accrued expenses

Provisions and accrued expenses are recognised in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.19 Deposits and other accounts

As per requirement of paragraph 39 of IFRS 7: Financial Instruments: Disclosures, deposits and other accounts including bills payable of the Bank have been analysed in terms of the maturity grouping showing separately other deposits and inter-bank deposits.

3.20 Contingent liabilities, commitments and other off-balance sheet items

As required by BRPD 14/2003, contingent Liabilities, commitments and other off-balance sheet items are presented in details in the financial statements.

3.21 Nostro reconciliation position:

The Bank maintains 04 Nostro accounts with various banks outside the country. Reconciliation of Nostro accounts has been completed up to 31 December 2021.

Those believers who have the most complete faith who possess the best of character and the best among you are those who are the best to their wives – Trimidhi, Hadith 1162

3.22 Statement of cash flows

IAS 1: Presentation of Financial Statements, requires that a statement of cash flows is to be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with a basis to asses the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows. Statement of Cash Flow has been prepared in accordance with BRPD Circular No. 14 dated 25 June 2003.

3.23 Comparative Information

As per requirement of IAS 1: Presentation of Financial Statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

Comparative information is rearranged wherever necessary to conform with the current presentation.

3.24 Earnings Per Share (EPS)

Earnings per share has been calculated in accordance with IAS 33: Earnings Per Share (EPS) which has been shown on the face of profit and loss account and the computation of EPS has been stated in Note 40.

3.24.1 Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.24.2 Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighted factor. The time-weighted factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

	Amount in Taka	
	as at	
	31-Dec-21	31-Dec-20

4.00 Cash in hand

(a) Cash in hand

i) In local currency	231,451,579	195,538,630
ii) In foreign currency ***(note - 4.1)***	11,084,073	11,569,952
Sub-total (a)	242,535,652	207,108,582

(b) Cash with Bangladesh Bank and its agents (Sonali Bank) (note - 4.2)

Balance with Bangladesh Bank ***(note - 4.2)***	634,880,231	564,582,678
Balance with Sonali Bank (as agent of Bangladesh Bank)	45,574,791	37,092,039
Sub-total (b)	680,455,022	601,674,718
Grand Total (a+b)	**922,990,674**	**808,783,300**

4.1 In foreign currency

Foreign Currency	Amount in F.C	Exchange Rate		
US Dollar	35,100	85.80	3,011,580	3,553,225
Great Britain Pound	69,520	115.39	8,021,753	7,962,342
Euro	525	96.65	50,740	54,385
Total			**11,084,073**	**11,569,952**

4.2 Cash with Bangladesh Bank and its agent bank(s)

Balance with Bangladesh Bank

(i) In local currency	614,415,607	555,347,203
(ii) In foreign currency	20,464,624	9,235,475
Sub-total (a)	**634,880,231**	**564,582,678**
Balance with Sonali Bank		
In local currency (b)	45,574,791	37,092,039
Grand Total (a+b)	**680,455,022**	**601,674,718**

4.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and MPD circular nos. 04 and 05 dated December 01, 2010.
The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 5.5% has been calculated and maintained with Bangladesh Bank in current account and Statutory Liquidity Ratio of the bank is 5.5% and bank maintained above the requirement as follows:

(a) Cash Reserve Requirement

Required reserve	387,026,000	393,530,000
Actual reserve maintained	610,801,000	554,684,000
Surplus / (deficit)	223,775,000	161,154,000

(b) Statutory Liquidity Ratio

Required reserve	532,160,000	541,103,000
Actual reserve maintained	611,786,000	655,283,000
Surplus / (deficit)	79,626,000	114,180,000

4.4 Held for Statutory Liquidity Ratio

Cash in hand **(note -4.a)**	242,535,652	207,108,582
Cash with Bangladesh Bank (after maintaining CRR) and its agents (Sonali Bank)	194,479,887	194,479,887
Government securities **(note-7. a)**	-	-
Government bonds **(note-7.c. iii)**	100,000,000	250,000,000
	537,015,539	651,588,470

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
5.00	**Balance with other banks and financial institutions**		
	In Bangladesh **(note-5.1)**	16,944,499	24,812,001
	Outside Bangladesh **(note-5.2)**	15,748,000	29,441,577
		32,692,499	**54,253,578**
5.1	**In Bangladesh**		
	Current account	**4,273,010**	**15,903,133**
	Sonali Bank Ltd (H.O)	3,976,489	15,593,024
	Dutch Bangla Bank Ltd.	116,719	114,283
	Islami Bank Bd. Ltd. CD Accoun	179,802	195,827
	Mudaraba Short Term/Short Term Deposit Account	**5,702,004**	**2,013,835**
	Prime Bank Ltd.	106,965	105,775
	NCCBL-IME	126,625	99,764
	Trust Bank Ltd.	5,468,414	1,808,296
	PLS MD Savings/Savings Account	**6,969,485**	**6,895,033**
	Al-Arafah Islami Bank Ltd. (MD)	6,466,930	6,397,865
	Shahjalal Bank Ltd. (MSB A/C)	8,001	8,509
	AB Bank Ltd.	485,590	479,695
	Social Islamic Bank Ltd. (MSD)	8,963	8,963
		16,944,499	**24,812,001**
5.2	**Outside Bangladesh (NOSTRO Accounts)**		
	Current account		
	AB Bank Ltd.,Mumbai	879,759	3,028,851
	Sonali Bank, Kolkata	2,311,605	2,284,730
	Modhumoti Bank Limited(OBU)	169,770	167,796
	Kookmin Bank, Seoul, Korea	9,496,564	23,220,777
	Zhejiang Chouzhou Commercial Bank China	147,110	739,423
	TRANS CAPITAL BANK RUSSIA	2,743,193	-
	(Annexure -A)	**15,748,000**	**29,441,577**
5.3	**Maturity grouping of balance with other banks and financial institutions**		
	Payable on demand	32,692,499	54,253,578
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 6 months	-	-
	Over 6 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		32,692,499	**54,253,578**

6.00 Placement with banks & other financial institutions

Name of the Bank/ Financial Institutions	Maturity At	Nature		
In Bangladesh (a)				
FAS Finance & Investment Ltd	02-01-2022	SND	5,400,000	6,200,000
FAS Finance & Investment Ltd	12-01-2022	SND	75,000,000	75,000,000
FAS Finance & Investment Ltd	15-02-2022	SND	150,000,000	150,000,000
FAS Finance & Investment Ltd	28-12-2022	SND	100,000,000	100,000,000
EXIM Bank Ltd	01-03-2022	SND	200,000,000	-
PLFSL	02-01-2022	SND	20,000,000	20,000,000
PLFSL	02-01-2022	SND	17,500,000	17,500,000
PLFSL	02-01-2022	MTD	20,000,000	20,000,000
PLFSL	02-01-2022	MTD	10,000,000	10,000,000
PLFSL	02-01-2022	MTD	2,500,000	2,500,000
			600,400,000	**401,200,000**

			Amount in Taka	
			as at	
			31-Dec-21	31-Dec-20
7.00 Investments in shares and securities				
	Holding Share	**Cost**		
a) Government		-	-	-
Sub-total (a)		-	-	-
b) Investment in subsidiary companies		-	-	-
sub-total (b)		-	-	-
C) Others:				
i) Bangladesh Commerce Bank Ltd. (Un-quoted)	**90,000**	9,000,000	9,000,000	9,000,000
ii) CDBL (Un-quoted)	156,945	1,569,450	1,569,450	1,569,450
Bonus Share	414,236			
Total CDBL	**571,181**			
iii) Islamic Bond		100,000,000	100,000,000	250,000,000
Total Others		110,569,450	110,569,450	260,569,450
Total (a+b+c)		**110,569,450**	**110,569,450**	**260,569,450**

Net asset value per share of Bangladesh Commerce Bank Ltd was Tk. (2.00) as on 31 December 2021 for which we have maintained sufficient provision (note no. 14)

(i) Investment classified as per Bangladesh Bank Circular:

Held for trading (HFT)	-	-
Held to maturity (HTM)	-	-
Other securities	110,569,450	260,569,450
	110,569,450	**260,569,450**

(ii) Investment classified as per nature:

a) Government securities:		
28 days treasury bills	-	-
30 days treasury bills	-	-
91 days treasury bills	-	-
182 days treasury bills	-	-
364 days treasury bills	-	-
Reverse repo with Bangladesh Bank	-	-
2 years treasury bills	-	-
5 years treasury bills	-	-
	-	-
Government bonds:		
Prize bonds	-	-
Government bonds	-	-
	-	-
	-	-
b) Other investments:		
Shares and Bonds	110,569,450	260,569,450
	110,569,450	260,569,450
	110,569,450	**260,569,450**

7.1 Maturity grouping of investments

On demand	-	-
Up to 1 month	-	-
Over 1 month but not more than 3 months	100,000,000	100,000,000
Over 3 months but not more than 6 months	-	-
Over 6 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	10,569,450	10,569,450
	110,569,450	**110,569,450**

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
7.2	**Investment in shares**		
	Quoted	-	-
	Unquoted:		
	Bangladesh Commerce Bank Ltd. (90,000 Shares)	9,000,000	9,000,000
	Central Depository Bangladesh Limited. (571,181 Shares)	1,569,450	1,569,450
		10,569,450	10,569,450
		10,569,450	**10,569,450**

7.2.1 Investment in shares of Bangladesh Commerce Bank Limited (BCBL) refers to conversion of balance receivable into share capital of BCBL which is a non-listed Public Limited Company.

7.2.2 During the year 2006 a sum of Taka 1 (one) million was invested for 1 (one) million shares of Central Depository Bangladesh Limited(CDBL). Per share face value was Tk.1/- now per share face value is Tk.10/-

8.00	**Investments**		
	General Investments etc. (**note-8.2.i**)	8,432,178,428	8,562,302,505
	Bills purchased and discounted (**note-8.2.ii**)	2,932,465	2,929,465
		8,435,110,894	**8,565,231,970**
8.1	**Maturity-wise classification**		
	(i) Repayable on demand	253,053,327	256,956,959
	With a residual maturity of		
	(ii) Not more than 3 months	421,755,545	428,261,599
	(iii) Over 3 months but not more than 1 year	2,530,533,268	1,713,046,394
	(vi) Over 1 year but not more than 5 years	4,217,555,447	5,139,139,182
	(v) More than 5 years	1,012,213,307	1,027,827,836
		8,435,110,894	**8,565,231,970**
8.2	**Mode-wise Investment**		
	(i) General Investments etc.		
	Inside Bangladesh		
	Murabaha-Com.-Advance Agt. Imported Merchandise (AIM)	106,423,649	106,341,699
	Murabaha (Pledge)	145,854,458	105,043,822
	Murabaha Under Secured Guarantee (MUSG)	89,828,058	95,044,124
	Bai-Muajjal(Hypothecation)	3,886,186,018	4,016,789,139
	Bai-Muajjal - PC	12,188,432	12,176,432
	Bai-Muajjal - TR	659,070,269	658,565,666
	Payments Against Documents (Cash)	83,334,353	83,271,153
	Bai-Muajjal (ICBIBLCFS)	29,939,747	30,130,476
	Bai Muajjal - Forced Investment (Against B/B - L/C)	70,652,515	70,600,865
	Staff Loan - Provident Fund	-	-
	Hire Purchase	2,847,346,287	2,879,584,108
	HP House Building - Staff	-	-
	HP House Building - General	501,354,642	504,755,021
		8,432,178,428	8,562,302,505
	Outside Bangladesh	-	-
		8,432,178,428	8,562,302,505
	(ii) Bills purchased and discounted (note-8.9)		
	Payable Inside Bangladesh		
	Inland bills purchased	2,932,465	2,929,465
	Payable Outside Bangladesh		
	Foreign bills purchased and discounted	-	-
		2,932,465	2,929,465
		8,435,110,894	**8,565,231,970**
8.2.1	**Geographical location-wise classification of Investments**		
	(i) Inside Bangladesh		
	a. In Urban Areas	8,435,110,894	8,565,231,970
	a. In Rural Areas	-	-
		8,435,110,894	8,565,231,970
	(ii) Outside Bangladesh	-	-
		8,435,110,894	**8,565,231,970**

	Amount in Taka	
	as at	
	31-Dec-21	31-Dec-20
8.2.2 Division-wise classification of Investments		
Name of the Division		
Dhaka Division	7,110,922,966	7,187,620,171
Chittagong Division	755,517,783	768,191,438
Khulna Division	393,187,079	429,229,632
Rajshahi Division	70,556,420	76,861,368
Barisal Division	5,024,837	4,095,234
Sylhet Division	99,901,809	99,234,128
Rangpur Division	-	-
	8,435,110,894	**8,565,231,970**
8.3 Group-wise classification of Investments		
a) Investments to Directors	-	-
b) Investments to Chief Executive and other senior executives	-	-
c) Investments to customer groups:		
ii) Export financing	3,138,286	3,132,286
iii) House building loan	501,354,642	504,755,021
iv) Consumers credit scheme	157,560,705	157,505,360
v) Small and medium enterprises	5,897,975,162	6,033,970,944
vii) Staff loan	2,279,932	2,975,586
viii) Other Investments	1,183,526,891	1,188,431,926
	7,745,835,617	**7,890,771,124**
d) Industrial Investments		
i) Agricultural industries	-	-
ii) Textile industries	-	-
iii) Food and allied industries	-	-
v) Leather, chemical, cosmetics, etc.	-	-
vi) Tobacco industries	-	-
viii) Service Industries	538,939,587	519,644,102
ix) Transport and communication industries	-	-
x) Other industries	150,335,690	154,816,745
	689,275,277	674,460,847
	8,435,110,894	**8,565,231,970**

8.4 Classification of status-wise Investments

	Percentage		
Unclassified			
Standard including staff loan	18.12%	1,528,718,571	1,601,165,932
Special mention account (SMA)	1.08%	91,027,171	251,400,545
	19.20%	1,619,745,742	1,852,566,477
Classified			
Sub-standard	0.15%	12,713,810	65,352,757
Doubtful	0.00%	-	42,292,187
Bad / Loss	80.65%	6,802,651,342	6,605,020,550
	80.80%	6,815,365,151	6,712,665,493
	100%	**8,435,110,894**	**8,565,231,970**

8.5 Particulars of Investments		
i) Investments considered good in respect of which the Bank is fully secured	1,528,718,571	1,601,165,932
ii) Investments considered good against which the Bank holds no security other than the debtors' personal guarantee	177,478,215	115,128,705
iii) Investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors		
iv) Investments adversely classified; provision not maintained there against	-	-
	1,706,196,786	**1,716,294,637**

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
v)	Investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	-	-
vi)	Investments due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
vii)	Maximum total amount of advances / investments, including temporary 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.	-	-
viii)	Maximum total amount of advances / investments, including temporary advances / investments granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	-	-
ix)	Due from banking companies	-	-
x)	Classified Investments		
	a) Classified Investments on which interest has not been charged ***(note-8.4)***	6,815,365,151	6,712,665,493
	b) Provision on classified Investments ***(note-13.1)***	3,616,316,907	3,657,494,299
	c) Provision required against Investments classified as bad debts	3,572,257,142	3,560,022,958
	d) Interest credited to Interest Suspense Account ***(note-13.2)***	1,134,716,889	1,160,759,880
xi)	Cumulative amount of written off Investments		
	Opening Balance	5,851,155,406	5,851,155,406
	Amount written off/Waved during the year	-	-
		5,851,155,406	5,851,155,406
	Amount realised against Investments previously written off	35,307,193	237,218,278
	The amount of written off / classified Investments for which law suits have been filed	3,627,049,734	3,627,049,734

Written-off include, Written-off Tk. 3,685,282,078 on which we have the right to law suits and Waved Tk. 2,165,873,328 on which we have no right to law suits.

xii) Verification of Financial Statements through Document Verification System (DVS):

As per BRPD circulas letter no 4/2021, it has been ensured that latest available audited financials are preserved in the credit file of all our clients. In addition to that as per BRPD circular letter no 35/2021, we are trying to take the authorization to access in DVS by the Institute of Chartered Accountants of Bangladesh (ICAB). We will implement varification of financials through DVS for all our clients after taking the authorization to access in DVS.

8.6 Sector-wise Investments including bills purchased and discounted

Public sector	-	-
Co-operative sector	-	-
Private sector	8,435,110,894	8,565,231,970
	8,435,110,894	**8,565,231,970**

8.7 Details of large Investments

Number of clients with outstanding amount and classified Investments exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 6,647 million as at 31 December 2016 (Tk. 6,647 million in 2015).

Number of clients	Nil	Nil
Amount of outstanding advances / investments	Nil	Nil
Amount of classified advances / investments	Nil	Nil
Measures taken for recovery	Nil	Nil

				Amount in Taka	
				as at	
				31-Dec-21	31-Dec-20
8.8	**Particulars of required provision for Investments**				
	Status	**Base for provision**	**Rate (%)**		
	General Provision				
	Investments (Excluding SMA)	1,528,718,571	*Various	8,790,254	9,268,888
	Special mention account (SMA)	59,363,285	*Various	11,286,581	53,398,646
				20,076,836	**62,667,533**
	Specific provision				
	Sub-standard	3,806,176	20	761,235	3,300,649
	Doubtful	-	50	-	3,205,077
	Bad / Loss	3,572,257,142	100	3,572,257,142	3,560,022,958
				3,573,018,377	3,566,528,683
	Required provision for Investments			3,593,095,213	3,629,196,216
	Total provision maintained **(note - 13.1)**			3,631,316,907	3,672,494,299
	Excess / (short) provision as at 31 December 2021			38,221,694	43,298,082
8.9	**Bills purchased and discounted**				
	Payable in Bangladesh			2,932,465	2,929,465
	Payable outside Bangladesh			-	-
				2,932,465	**2,929,465**
8.9.1	**Maturity grouping of bills purchased and discounted**				
	Payable within one month			586,493	585,893
	Over one month but less than three months			1,466,233	1,464,733
	Over three months but less than six months			879,740	878,840
	Six months or more			-	-
				2,932,465	**2,929,465**
9.00	**Fixed assets including premises**				
	Furniture and fixtures			12,855,616	14,487,096
	ATM			542,275	801,579
	Software			565,855	859,543
	Office equipments			5,668,815	6,345,141
	Vehicles			3,463,981	2,455,640
	Right to Use Assets (ROU)			264,498,012	-
	Net book value at the end of the year (Annexure-B)			**287,594,554**	**24,948,999**
10.00	**Other assets**				
	Stationery and stamps			2,397,963	2,099,871
	Prepaid expenses			11,047,444	15,060,279
	Income receivable			124,441,254	84,546,643
	Advance Payment of Income Tax			161,953,261	161,297,832
	Advance deposits			812,585	812,585
	Advance agt. Rent			21,821,088	17,281,815
	Possession Rights of Premises			1,229,530	1,329,970
	Branch adjustments account **(note-10.1)**			(2,148,699)	(2,071,241)
	Suspense account **(note -10.2)**			48,656,312	41,766,807
	Sundry assets **(note -10.3)**			3,210,374,010	3,209,821,613
				3,580,584,749	3,531,946,175
	Less: Provision **(Note 10.4)**			3,249,927,695	3,249,927,695
				330,657,053	282,018,479
	Deferred tax assets			112,741,451	112,741,451
				443,398,504	**394,759,930**

	Amount in Taka	
	as at	
	31-Dec-21	31-Dec-20
10.1 Branch adjustments account		
General Accounts Debit	36,000	(1,948,699)
General Accounts Credit	(2,184,699)	(122,542)
	(2,148,699)	**(2,071,241)**

Un-reconciled entries of Inter Branch Transactions In Bangladesh

	Number of Unresponded		Unresponded entries	
	Dr	Cr	Dr	Cr
Up to 3 months	4	9	36,000	236,000
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years		1		1,948,699
	4	**10**	**36,000**	**2,184,699**

Branch adjustment account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date .

10.2 Suspense account		
Sundry Debtors	9,828,706	8,226,222
Protested Bill	34,927,999	32,297,085
Advance against TA/DA	17,100	89,400
Advance Payment of Profit	259,706	722,940
Advance Against Commemorative	23,160	23,160
Security Money a/c	3,599,640	408,000
	48,656,312	41,766,807
10.3 Sundry assets		
Adjustable Blocked Account	1,896,587,714	1,896,587,714
Adjustable Blocked Account 2006	1,306,859,839	1,306,859,839
OC Outstanding For Coll.	-	-
Non Resident Uk	3,301,487	3,301,487
Receivable A/c-Western Union	2,624,970	2,072,573
Receivable A/c- RIA	1,000,000	1,000,000
	3,210,374,010	**3,209,821,613**
10.4 Provision for other assets		
Balance as on 1 January	3,249,927,695	3,249,927,695
Less: Adjustment during the year	-	-
Balance as on 31 December	**3,249,927,695**	**3,249,927,695**

Item-wise breakup of the above provision for other assets is as under:

Adjustable Blocked Account	1,896,587,714	1,896,587,714
Adjustable Blocked Account 2006	1,306,859,839	1,306,859,839
Non-Resident UK	3,301,487	3,301,487
Protested bill	34,927,999	32,297,085
Suspense A/c- Sundry Debtor	6,073,642	8,226,222
Total Provision	3,247,750,681	3,247,272,347
Excess Provision	2,177,014	2,655,348
	3,249,927,695	**3,249,927,696**
11.00 Non-banking Assets		
Balance as on 1 January	750,276,130	959,131,486
Revaluation reserve	-	-
Add: Cost capitalized during the year	-	-
Add: Acquisition during the year	-	-
Less: Sales during the year	-	(208,855,356)
	750,276,130	**750,276,130**

Opening balance include revaluation reserve BDT. 552,885,232

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
12.00	**Placement from banks & other financial institutions**		
	In Bangladesh **(note-12.1)**	4,788,469,861	4,793,869,861
	Outside Bangladesh **(note-12.2)**	-	-
		4,788,469,861	**4,793,869,861**

12.1 In Bangladesh

Name of the Bank/Financial Institutions	Maturity At	Nature		
Bangladesh Bank (Islami investment bond's fund)	Under Scheme	Frozen	1,657,720,555	1,657,720,555
Rediscount from Bangladesh Bank	Under Scheme	Frozen	2,600,300,000	2,605,300,000
Call Borrowing	Under Scheme	Frozen	530,449,306	530,849,306
			4,788,469,861	**4,793,869,861**

12.2	**Outside Bangladesh**	-	-
12.3	**Security against borrowings from other banks, financial institutions and agents**		
	Secured (Bill of Exchange and DP note)	4,788,469,861	4,793,869,861
	Unsecured	-	-
		4,788,469,861	**4,793,869,861**
12.4	**Maturity grouping of borrowings from other banks, financial institutions and agents**		
	Payable on demand	-	-
	Up to 1 month	-	-
	Over 1 month but within 3 months	1,100,000	1,100,000
	Over 3 months but within 1 year	1,100,000	1,100,000
	Over 1 year but within 5 years	8,800,000	8,800,000
	Over 5 years	4,777,469,861	4,782,869,861
		4,788,469,861	**4,793,869,861**
13.00	**Deposits and other accounts**		
	Deposits from banks **(note -13.1.a)** Frozen	1,899,633,917	1,901,522,699
	Deposits from customers **(note-13.1.b)**	11,025,948,619	10,532,595,553
		12,925,582,536	**12,434,118,251**

(Customer deposits includes Frozen deposits Tk. 2,263,204,647)

13.1	**(a)**	**Deposits from Banks**		
		Al-wadeeah current and other deposits accounts	-	-
		Bills payable	-	-
		Mudaraba savings deposits	162,028,729	162,125,894
		Mudaraba Term Deposits (MTD)	1,737,605,189	1,739,396,805
			1,899,633,917	**1,901,522,699**
	(b)	**Deposits from customers**		
		i) Al-wadeeah current and other deposits accounts		
		Al-wadeeah current and other deposits accounts	468,184,197	442,644,943
		Foreign currency deposits	2,586,666	2,591,315
		Sundry deposits **(note - 12.3)**	165,931,490	143,306,244
			636,702,353	588,542,502
		ii) Bills payable		
		Pay orders issued	166,996,482	147,969,646
		Demand draft	-	-
		Foreign demand draft	-	-
		Banker Cheque Issued	-	-
			166,996,482	147,969,646

"I guarantee a house in Jannah for one who gives up arguing, even if he is in the right - The Prophet (SM)! Abu Dawud 4800"

	Amount in Taka	
	as at	
	31-Dec-21	31-Dec-20
iii) Mudaraba savings deposits	1,375,720,426	1,329,459,590
iv) Mudaraba Term Deposits (MTD)		
Mudaraba Term deposits	8,039,854,506	7,152,194,090
Mudaraba Short Term deposits	391,706,753	934,230,702
Scheme deposits	414,968,099	380,199,022
	8,846,529,358	8,466,623,814
	11,025,948,619	**10,532,595,553**
	12,925,582,536	**12,434,118,251**

13.2 Deposits and other accounts

Al-wadeeah current and other deposits accounts		
Deposits from banks **(note -13.1.a)**	-	-
Deposits from customers **(note-13.1.b.i)**	636,702,353	588,542,502
	636,702,353	588,542,502
Bills payable		
Deposits from banks **(note -13.1.a)**	-	-
Deposits from customers **(note-13.1.b.ii)**	166,996,482	147,969,646
	166,996,482	147,969,646
Mudaraba savings deposits		
Deposits from banks **(note -13.1.a)**	162,028,729	162,125,894
Deposits from customers **(note-13.1.b.iii)**	1,375,720,426	1,329,459,590
	1,537,749,154	1,491,585,484
Mudaraba Term Deposits (MTD)		
Deposits from banks **(note -13.1.a)**	1,737,605,189	1,739,396,805
Deposits from customers **(note-13.1.b.iv)**	8,846,529,358	8,466,623,814
	10,584,134,547	10,206,020,619
	12,925,582,536	12,434,118,251

13.3 Sundry deposits

Security Deposit Receipt	-	-
FC Fund Purchased	-	-
Non Resident Taka	-	-
Non Resident US$	476,631	471,090
Profit payable on deposits	103,390,067	112,203,141
Others	62,064,792	30,632,013
	165,931,490	**143,306,244**

13.4 Maturity analysis of deposits

Up to 1 month	387,767,476	373,023,548
Over 1 month but within 3 months	775,534,952	746,047,095
Over 3 months but within 1 year	2,585,116,507	3,357,211,928
Over 1 year but within 5 years	4,653,209,713	4,476,282,570
Over 5 years but within 10 years	2,972,883,983	2,859,847,198
Over 10 years	1,551,069,904	621,705,913
	12,925,582,536	**12,434,118,251**

14.00 Other liabilities

Liability for Expenses	108,538,776	111,957,701
Adjustable Block a/c	558,768,359	558,768,359
Sundry Creditors	32,748,671	24,999,250
L/C Cover other currencies	(956,323)	(640,463)
Provision for Investment **(note-14.1)**	3,631,316,907	3,672,494,299
Special General Provision for COVID-19	11,263,335	10,167,080
Profit Suspense Account **(note-14.2)**	1,134,716,889	1,160,759,880
Provision for Incentives and Sundry Assets	4,942,728	4,942,728
Provision for diminution in value of investments	9,000,000	9,000,000
Provision for Placement with other banks and NBFI's	36,834,041	36,834,041
TDS on Profit paid	6,811,962	8,428,025

	Amount in Taka	
	as at	
	31-Dec-21	31-Dec-20
TDS on Office Rent	394,509	152,567
TDS on other sources	1,220,719	397,306
Excise Duty on Deposits	12,105,388	11,731,079
Excise Duty on Investment Account	5,176,150	5,261,700
VAT deducted at source	3,351,072	3,330,226
Cash security Others	281,500	256,500
Outstation Cheque Clearing	-	-
Other payables	59,485,236	29,990,683
Provision for tax	38,238,386	38,143,486
Provision on off-balance sheet items **(note-14.4)**	4,313,679	4,313,679
Lease Liability	264,498,012	-
Provision on Nostro Accounts (**note-14.5**)	-	-
	5,923,049,996	**5,691,288,125**

14.1 Provision for Investments

Movement in specific provision on classified Investments:

Provision held as on 1 January	3,657,494,299	3,735,272,026
Less: Fully provided debts written off/Waved during the year	(81,137)	(16,606)
Add: Recoveries of amounts previously written off		
Less: Provision transfer to Special General Provision for COVID-19	(1,096,255)	(10,167,080)
Less: Provision transfer to Diminution value of Investments		(5,760,000)
Less: Provision transfer to Placement with other Banks and NBFI's		(1,834,041)
Add: Excess provision transferred from General provision		-
Add: Net charge to profit and loss account **(note-36)**	(40,000,000)	(60,000,000)
Provision held as on 31 December	3,616,316,907	3,657,494,299

Movement in general provision on unclassified Investments

Provision held as on 1 January	15,000,000	15,000,000
Add: General provision made during the year **(note-36)**	-	-
Less: General provision transfer to specific Provision	-	-
provision during the year (note-36)	-	-
Provision held as on 31 December	15,000,000	15,000,000
	3,631,316,907	**3,672,494,299**

14.2 Profit suspense account

Balance as on 1 January	1,160,759,880	1,205,330,276
Add: Amount transferred during the year	85,939,347	108,398,499
Less: Amount recovered during the year	(111,982,338)	(152,968,895)
Less: Amount written-off/waved during the year	-	-
Balance as on 31 December	**1,134,716,890**	**1,160,759,880**

14.4 Provision on off-balance sheet items

Provision held as on 1 January	4,313,679	4,313,679
Add: Provision made/(released) during the year **(note-36)**	-	-
Provision held as on 31 December	**4,313,679**	**4,313,679**

14.5 Status of unresponded entire of Nostro Accounts (Our Books) as at 31 December 2021 are given below:

In Foreign Currency	**Number of Unresponded**		**Unresponded entries**	
	Dr	**Cr**	**Dr**	**Cr**
Up to 3 months	-	-	-	-
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	-	-	-	-

As per Circular No.FEOD(FEMO/01/2005-677 dated 13 September, 2005 there is no debit entries more than three month. So provision is not required for existing unresponded entries.

	Amount in Taka	
	as at	
	31-Dec-21	31-Dec-20

15.00 Share capital

15.1 Authorized Capital

1,500,000,000 ordinary shares of Taka 10 each	15,000,000,000	15,000,000,000

15.2 Issued, Subscribed and Fully paid up Capital

365,674,300 ordinary shares of Taka 10 each issued for cash	3,656,743,000	3,656,743,000
36,910,600 ordinary shares of Taka 10 each issued as right for cash	369,106,000	369,106,000
262,117,400 ordinary shares of Taka 10 each issued against depositors	2,621,174,000	2,621,174,000
	6,647,023,000	**6,647,023,000**

15.3 Raising of Share Capital

Given below the history of raising of share capital of ICB Islamic Bank Limited

Accounting year	Declaration	No of share	Value in capital	Cumulative
1987	Sponsors shareholders	12,750,000	127,500,000	127,500,000
1988	Sponsors shareholders	375,000	3,750,000	3,750,000
1990	Initial Public Offer (IPO)	1,875,000	18,750,000	18,750,000
1993	1st Right Issue	10,955,300	109,553,000	109,553,000
2003	2nd Right Issue	25,955,300	259,553,000	259,553,000
2008	Shares issued in the name of ICB Holding Group A.G at per Bangladesh Bank 'The Oriental Bank Reconstruction Scheme'07'	350,674,300	3,506,743,000	3,506,743,000
2008	Shares issued in the name of depositors as per Bangladesh Bank guideline 'The Oriental Bank Reconstruction Scheme'07'	262,117,400	2,621,174,000	2,621,174,000
Total		**664,702,300**	**6,647,023,000**	**6,647,023,000**

15.4 Slab wise list as at 31 December 2021

	Number of shares	(%) of share holding		
Sponsors (Foreign Investors)	350,674,300	52.76	3,506,743,000	3,506,743,000
Govt. of Bangladesh	1,101,400	0.17	11,014,000	11,014,000
Institutions	148,510,989	22.34	1,485,109,890	1,485,094,660
General public	164,415,611	24.73	1,644,156,110	1,644,171,340
	664,702,300	**100.00 %**	**6,647,023,000**	**6,647,023,000**

15.5 A range wise distribution schedule of the above shares is given below :

Shareholding range	Number of share holders	Number of Shares	(%) of share holding
01 - 500	5,165	1,402,023	0.21
501 - 5,000	6,371	13,746,804	2.07
5,001 - 10,000	1,275	10,142,940	1.53
10,001 - 20,000	766	11,624,167	1.75
20,001 - 30,000	294	7,531,192	1.13
30,001 - 40,000	157	5,535,688	0.83
40,001 - 50,000	137	6,532,749	0.98
50,001 - 100,000	224	17,269,362	2.60
100,001 - 1,000,000	228	56,502,448	8.50
1,000,001 and over	48	534,414,927	80.40
	14,665	**664,702,300**	**100**

Amount in Taka	
as at	
31-Dec-21	31-Dec-20

15.6 Name of the Directors as at 31 December 2021

Sl	Name of the Directors	Status	Remarks
1	Mr. Mohd. Nasir Bin Ali	Chairman	Nominated directors by ICB Financial Group Holdings AG holding 350,674,300 shares i.e. 52.76% .
2	Ms. Hashimah Binti Ismail	Director	
3	Ms. Lee Ooi Kim	Director	
4	Mr. Md. Fariduddin Ahmed	Independent Director	
5	Mr. Aklif Bin Amir	Independent Director	

15.7 Capital adequacy ratio (BASEL III)

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars nos. 01,14 ,10 and 05 dated January 08, 1996, November 16, 1996, November 25, 2002 and May 14, 2007 respectively, required capital of the Bank at the close of business on 31 December 2021 was Taka 400 crores as against available Tier-1 capital of Taka (1,262.21) crores and Tier-2 capital of Taka 1.5 crores making a total capital of Taka (1,261.32) crores thereby showing a surplus / (deficit) capital / equity of Taka (1,660.71) crores at that date. Details are shown below:

		(In Crore)	(In Crore)
Tier-1 Capital			
Paid up capital **(note-15.2)**		664.70	664.70
Statutory reserve **(note-16)**		7.88	7.88
General Reserve **(note-17)**		0.11	0.11
Deferred Tax Assets (Regulatory Adjustment)		(11.27)	(11.27)
Surplus in profit and loss account / Retained earnings **(note-18)**		(1,923.62)	(1,884.14)
		(1,262.20)	(1,222.72)
Regulatory Adjustments			
Shortfall in provisions required against classified assets		-	-
Total Eligible Tier-1 Capital		(1,262.20)	(1,222.72)
Tier-2 Capital			
General provision maintained against unclassified investments **(note-14.1)**		1.50	1.50
		1.50	1.50
A)	Total Regulatory Capital	(1,260.71)	(1,221.22)
B)	Total risk weighted assets	917.46	917.09
C)	Required capital based on 10% of RWA i.e Taka 90.34 Crores or 400 Crores which is higher	400.00	400.00
D)	**Surplus / (deficit) (A-C)**	(1,660.71)	(1,621.22)
	Capital to Risk Weighted Assets Ratio	-137.41%	-133.16%

15.8 Capital Requirement

	2021		2020	
	Required	Held	Required	Held
Tier 1	6.00%	-137.58%	6.00%	-133.33%
Minimum Total Capital	10.00%	-137.41%	10.00%	-133.16%
Capital Conservation Buffer	2.50%	-	2.50%	-
Total	12.50%	-137.41%	12.50%	-133.16%

15.9 Minimum Capital Requirement Under Basel III

Minimum Capital Requirement (MCR) under Risk Based Capital Adequacy

Ite	Sl.	Particulars	BDT in Crore
1	A.	Eligible Capital :	
2	1	Tier-1 Capital	(1,262.21)
3	2	Tier-2 Capital	1.50
5	4	Total Eligible Capital :	(1,260.71)
6	B.	Total Risk Weighted Assets (RWA):	917.46
7	C.	Capital to Risk Weighted Assets Ratio (CRAR) (A4/B)*100	(137.41)
8	D.	Tier-1 Capital to RWA (A_1 / B)*100	137.58
9	E.	Tier-2 Capital to RWA (A_2 / B)*100	0.16
10	F.	Minimum Capital Requirement (MCR)	400.00

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
16.00	**Statutory reserve**		
	Balance on 1 January	78,810,975	78,810,975
	Addition during the year (20% of pre-tax profit)	-	-
	Balance at 31 December	**78,810,975**	**78,810,975**
17.00	**Other reserve**		
	General reserve	1,065,676	1,065,676
	Share premium	-	-
	Investment loss offsetting reserve	-	-
	Asset revaluation reserve (**note-17.1**)	455,276,130	455,276,130
	Dividend equalization account	-	-
		456,341,806	**456,341,806**
17.1	**Asset revaluation reserve**		
	Balance on 1 January	455,276,130	552,885,232
	Addition/(adjustment) during the year	-	(97,609,102)
	Balance at 31 December	**455,276,130**	**455,276,130**

Immovable Property was revalued as on 31 December 2009 by Hoda Vasi Chowdhury & Co. Chartered Accountants.

18.00	**Retained earnings / movement of profit and loss account**		
	Balance on 1 January	(18,841,428,662)	(18,654,158,394)
	Prior year adjustments	-	-
	Profit/(Loss) during the period	(394,816,808)	(187,270,268)
		(19,236,245,469)	(18,841,428,662)
	Less: Transfer to statutory reserve	-	-
	Balance at 31 December	**(19,236,245,469)**	**(18,841,428,662)**
18.1	**Net Asset Value (NAV) Per Share**		
	Total Assets	11,583,032,705	11,260,023,357
	Total Liabilities	23,637,102,393	22,919,276,237
	Net Assets	**(12,054,069,688)**	**(11,659,252,879)**
	Ordinary Share outstanding	664,702,300	664,702,300
	Ner Asset Value (NAV) Per Share	**(18.13)**	**(17.54)**
19.00	**Contingent liabilities**		
19.1	**Letters of guarantee**		
	Letters of guarantee (Local)	126,956,700	127,766,288
	Letters of guarantee (Foreign)	-	-
	Foreign counter guarantees	-	-
		126,956,700	127,766,288
	Less: Margin	7,098,056	4,713,270
		119,858,644	**123,053,018**

Money for which the Bank is contingently liable in respect of guarantees given favoring:

Directors or officers	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	126,956,700	127,766,288
	126,956,700	127,766,288
Less: Margin	7,098,056	4,713,270
	119,858,644	**123,053,018**

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
19.2	**Irrevocable Letters of Credit**		
	Letters of credit (Inland)	4,120,800	-
	Letters of credit (General)	132,330,245	18,824,614
	Back to back L/C	1,142,000	1,142,000
		137,593,045	**19,966,614**
19.3	**Bills for collection**		
	Inward local bills for collection	7,690,094	2,692,839
	Inward foreign bills for collection	40,498,274	40,498,274
		48,188,367	**43,191,112**
20.00	**Investment Income**		
	(i) Income from general investment		
	Murabaha-Com.-Advance Agt. Imported Mer. (AIM)	-	2,396,581
	Murabaha (Pledge)	509,008	-
	Murabaha Under Secured Guarantee (MUSG)	7,844,444	7,671,840
	Bai-Muajjal(Hypothecation)	120,134,927	112,374,796
	Bai-Muajjal - PC	-	-
	Bai-Muajjal - TR	291,527	2,314,446
	Bai-Muajjal - LBDP	-	-
	Bai-Muajjal (ICBIBLCFS)	533,980	1,218,726
	Bai Muajjal - Forced Investment (Against B/B - L/C)	-	902,704
	Staff Loan- Providend Fund	-	-
	Hire Purchase	82,646,181	147,454,142
	HP House Building - Staff	-	-
	HP House Building - General	38,792,236	41,679,467
	Local Bills Discounted	-	-
	Foreign Bills Purchased & Discounted	-	-
	Payments agt. Doc - WES (PAD -WES)	-	-
	Payments agt. Doc - Cash (PAD - Cash)	417,666	-
	Others	-	-
		251,169,969	316,012,701
	Add: Transferred from/ (to) Profit Suspense		
	Sub Total (i)	**251,169,969**	**316,012,701**
	(ii) Profit on deposits with other islamic banks		
	In Bangladesh		
	Profit on balance with other banks and financial institutions	39,884,320	49,602,550
	Outside Bangladesh		
	Profit received from foreign banks	1,069,245	442,862
	Sub Total (ii)	**40,953,565**	**50,045,412**
	Grand Total (i+ii)	**292,123,534**	**366,058,113**
21.00	**Profit paid on deposits**		
(a)	Profit paid on deposits:		
	Savings bank / Mudaraba savings deposits	27,083,141	34,167,283
	Short term deposits	7,710,224	20,153,982
	Term deposits / Mudaraba term deposits	338,769,555	361,756,973
	Deposits under scheme	45,539,823	43,781,381
	Repurchase agreement (repo)	-	-
	Others **(note-21.1)**	-	-
(b)	Profit paid on local bank accounts	-	-
(c)	Profit paid on foreign bank accounts	-	-
		419,102,743	**459,859,618**

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
21.01	**Others**		
	Profit paid to Islamic Bank Bond Fund	-	-
	Profit paid on Rediscount	-	-
	Discount paid to Bank	-	-
	Remittance Charge	-	-
	Profit paid Insta Profit	-	-
	Non Call Money-Treasury line	-	-
	Profit paid on F.C	-	-
		-	**-**
22.00	**Income from investments in shares and securities**		
	(i) Inside Bangladesh		
	Islamic Investment Bond	3,823,141	3,528,909
	Income from treasury bills / Reverse repo / bonds	-	-
	Dividend on shares	856,772	1,427,953
	Sub Total (i)	4,679,912	4,956,861
	(ii) Outside Bangladesh	-	-
	Grand Total (i+ii)	**4,679,912**	**4,956,861**
23.00	**Commission, exchange and brokerage**		
	Commission on L/Cs	1,391,871	165,670
	Commission on L/Gs	2,234,077	1,029,927
	Commission on export bills	-	-
	Commission on bills purchased	-	-
	Commission on accepted bills	-	-
	Commission on OBC, IBC, etc.	-	-
	Commission on PO, DD, TT, TC, etc.	461,713	273,533
	Commission for services rendered to issue of shares	-	-
	Other commission	617,820	666,051
		4,705,481	**2,135,182**
	Exchange gain including gain from FC dealings	2,844,675	1,071,887
	Brokerage	-	-
		7,550,156	**3,207,069**
24.00	**Other operating income**		
	Rent recovered	2,886,348	7,247,585
	Service and other charges	19,531,481	18,314,531
	Postage / telex / SWIFT/ fax recoveries	517,100	198,600
	Profit on sale of fixed assets	583,330	2,724,407
	Miscellaneous earnings	49,860,226	243,286,645
		73,378,485	**271,771,768**
25.00	**Salaries and allowances**		
	Basic pay	79,004,571	81,371,068
	Allowances	69,274,964	80,767,524
	Bonus	10,189,879	10,991,979
	Bank's contribution to provident fund	5,741,331	6,115,028
	Gratuity	-	-
		164,210,744	**179,245,599**
26.00	**Rent, taxes, insurance and electricity**		
	Rent	69,029,632	80,386,589
	Utility and taxes	27,489,740	24,010,943
	Insurance	9,738,081	10,576,474
	Power and electricity	11,452,055	10,895,172
		117,709,508	**125,869,178**

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
27.00	**Legal & Professional expenses**		
	Legal expenses	15,000	1,043,000
	Court fees and Expenses	2,452,160	4,831,132
		2,467,160	**5,874,132**
28.00	**Postage, stamp and telecommunication**		
	Postage	592,073	867,898
	Telegram, telex, fax and e-mail	4,273,951	3,811,034
	Telephone - office	1,534,353	1,886,344
	Telephone - residence	-	-
		6,400,377	**6,565,277**
29.00	**Stationery, printing and advertisements**		
	Office and security stationery	1,777,039	2,528,337
	Computer consumable stationery	1,169,235	1,574,048
	Publicity and advertisement	435,019	717,875
		3,381,293	**4,820,260**
30.00	**Chief Executive's salary and fees**		
	Basic pay	8,880,677	9,126,000
	Allowances	3,222,968	3,312,000
	Bonus	1,500,164	1,521,000
	Pension & Gratuity	-	-
	Bank's contribution to provident fund	888,068	912,600
		14,491,877	**14,871,600**
31.00	**Directors' fees**		
	i) Directors Fees for attending Board/Executive Committee/Other Committee Meeting	368,000	72,000
	ii) TA/DA/Hotel Fare for Local & Foreign Directors	2,057,675	10,160
	iii) Others	-	-
		2,425,675	**82,160**
	Each Director is paid Tk.8,000/- per meeting per attendance.		
32.00	**Shariah Supervisory Committee's Fees & Expenses**		
	i) Shariah Supervisory Board member's Fees for attending meeting	72,000	36,000
	ii) Others	-	-
		72,000	**36,000**
33.00	**Depreciation and repair of Bank's assets**		
	Depreciation - (Annexure-B)		
	Fixed assets	8,813,683	14,760,695
	Repairs		
	Immovable property	-	-
	Furniture and fixtures	618,300	60,300
	Office equipments	3,639,608	2,719,108
	Software Maintenance	18,108,572	21,391,000
	Bank's vehicles	508,427	556,100
		22,874,907	24,726,508
	Total Depreciation and Repairs	**31,688,590**	**39,487,203**
34.00	**Other expenses**		
	Car expenses	102,320	290,781
	Liveries and uniforms	-	-
	Medical expenses	143,190	184,691
	Bank charges and commission paid	1,368,292	2,215,365
	Other assets written off	-	-
	Loss on sale of fixed assets	-	30,635
	Fuel - Generator & Vehicle.	2,070,113	2,586,625

	Amount in Taka	
	as at	
	31-Dec-21	31-Dec-20
Swift Expenses	4,503,862	-
Recruitment Expenses	-	-
ATM Card Expenditure	-	-
Subscription and Membership Fees	316,000	435,000
Donations	9,200	4,100
Travelling expenses	689,016	424,077
Local conveyance, labour, etc.	697,029	880,017
Entertainment	269,034	909,808
Business development	22,347,417	22,547,699
Training and internship	219,331	254,927
EGM/AGM Expenses	600,000	325,000
Consulting and other charges	706,000	706,000
Penalty on Liquid Assets	3,257,914	3,656,654
Security Services	5,454,834	9,709,202
Office maintenance	3,715,114	6,271,246
Miscellaneous expenses	1,363,869	745,262
	47,832,535	**52,177,089**

35.00 Provision for Investments & off balance sheet items

Provision for bad and doubtful Investments	40,000,000	60,000,000
Provision for unclassified Investments	-	-
Provision for contingency	-	-
Other provisions	-	-
Provision for off-balance sheet items	-	-
	40,000,000	**60,000,000**

Taxation

35.01 Current Tax

The bank was not required to provide for income tax as it has previously assessed losses 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 for in the accounts.

Gross receipt:

Investment Income	292,123,534	366,058,113
Income from investments in shares and securities	4,679,912	4,956,861
Commission, Exchange and Brokerage	7,550,156	3,207,069
Other operating income	73,378,485	271,771,768
Total Receipt	377,732,087	645,993,811
Minimum Tax @ 0.60%	2,266,393	3,875,963
	2,266,393	**3,875,963**

36.00 Receipts from other operating activities

Rent recovered	2,886,348	7,247,585
Service and other charges	19,531,481	18,314,531
Postage / Telex / Fax / SWIFT charge recoveries	517,100	198,600
Gain from sale of treasury bond / shares	-	-
Profit on sale of fixed assets	583,330	2,724,407
Deferred tax income	-	-
Miscellaneous earnings	49,860,226	6,068,367
	73,378,485	**34,553,490**

37.00 Payments for other operating activities

Rent, rates and taxes	117,709,508	125,869,178
Legal expenses	2,467,160	5,874,132
Postage and communication charges, etc.	6,400,377	6,565,277
Directors' fees	2,425,675	82,160
Shariah Supervisory Committee's fees & expenses	72,000	36,000
Auditors' fees	500,000	350,000
Donations and subscriptions	325,200	439,100
Conveyance and travelling expenses, etc.	1,386,045	1,304,094
Business development expenses	22,347,417	22,547,699
Training, internship expenses	219,331	254,927
Publicity and advertisement	435,019	717,875
Repair of Bank's assets	22,874,907	24,726,508
Miscellaneous expenses	23,554,542	27,338,655
	200,717,181	**216,105,604**

		Amount in Taka	
		as at	
		31-Dec-21	31-Dec-20
38.00	**(Increase) / decrease of other assets**		
	T & T bonds	-	-
	Security deposits	-	-
	Intangible assets	-	-
	FC Fund purchase	-	-
	DBBL bonds	-	-
	Stationery and stamps	(298,092)	556,759
	Income receivable	-	-
	Advance deposits and advance rent	(425,998)	13,367,467
	Branch adjustment account	77,458	(126,282)
	Suspense account	(6,889,505)	262,618
	Encashment of PSP / BSP	-	-
	Accrued interest on investment	-	-
	Sundry assets	(552,397)	(17,593)
		(8,088,534)	**14,042,968**
39.00	**Increase / (decrease) of other liabilities**		
	Sundry Creditors	7,749,421	3,445,089
	Exchange Equalization Account	-	-
	L/C Cover	(315,860)	30,874
	Tax Deducted at Source	(550,708)	(113,898)
	Excise Duty	288,759	2,986,865
	VAT deducted at source	20,846	46,633
	Expenditure and other payables	(43,268,454)	(178,437,249)
	Provisions	40,000,000	60,000,000
		3,924,003	**(112,041,687)**
39.01	**Net Operating Cash Flows per Share (NOCFPS)**		
	Net cash used in operating activities	**295,379,516**	**(44,629,503)**
	Ordinary Share outstanding	664,702,300	664,702,300
	Net Operating Cash Flows per Share (NOCFPS)	**0.44**	**(0.07)**
39.02	**Reconsiliation of net profit with cash flows from operating activities**		
	Net profit after taxation	**(394,816,808)**	**(187,270,268)**
	Adjustment of non cash and non operating items:		
	Depreciation	8,813,683	14,760,695
	Provision for Tax	2,266,393	3,875,963
	Provision for Investments and Others	40,000,000	60,000,000
		(343,736,732)	**(108,633,611)**
	Chances in operating assets and liabilities:		
	Changes in Investments to customers	130,121,077	(107,158,273)
	Changes in deposits and other accounts	502,166,141	473,732,802
	Changes in Borrowing	(5,400,000)	(36,000,000)
	Changes in other assets	(76,536,198)	(181,681,203)
	Changes in other liabilities	88,765,228	(84,889,221)
	Net cash flows from operating activities	**295,379,516**	**(44,629,504)**
	Net Operating Cash Flows per Share (Taka)	**0.44**	**(0.07)**
40.00	**Earning per share (EPS)**		
	Net profit after tax (Numerator)	(394,816,808)	(187,270,268)
	Weighted average number of ordinary shares outstanding (Denominator)	664,702,300	664,702,300
	Basic earnings per share (EPS)	**(0.59)**	**(0.28)**

41.00 Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 86,400p.a or above were 497.

42.00 Disclosure on Audit committee

(a) Particulars of audit committee

The audit committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular no. 12 dated December 23, 2002 of Bangladesh Bank.

Pursuant to the BRPD Circular no. 12 dated 23.12.2002 and subsequet BRPD Circular no. 11 dated 27.10.2013, the Board of Directors reconstituted the Audit Committee on 20.10.2020 consisting of the following 3 (three) members of the Board, subsequently Mr. Tee Kim Chan has retired in last Annual General Meeting held on 13 July, 2021.

Name	Status with bank	Status with committee	Educational Qualification
Mr. Md. Fariduddin Ahmed	Independent Director	Chairman	B. Com.
Mr. Aklif Bin Amir	Independent Director	Member	BA (Hons) Accounting & Finance

(b) Meetings held by the committee during the year by date:

Meeting No	Held on
67th	March 31, 2021
68th	April 28, 2021
69th	July 13, 2021
70th	October 21, 2021
71st	December 14, 2021

(c) The audit committee has discussed the following issues during the period 2021

i) The Terms of reference of the Audit Committee as stated in the BRPD Circular No.11 dated 27/10/2013;

ii) The committee reviewed the Internal Audit Reports along with Investigation Reports of the different ICBIBL branches/departments conducted by the Internal Audit Team of the Bank from time to time and also the status of complience threof.

iii) The committee reviewed Internal Audit Chartered, Code of Eithics of Internal Auditor and Risk Management Framework.

iv) The committee reviewed Court cases filed against bank.

v) The committee reviewed the progress strengthening the Internal Control system & procedures, strict compliance of Anti-Money Laundering Act and also the Internal Audit Team of the Bank.

vi) The Committee places its Report to the Board of the Bank for review and monitoring the activities with recommendations on Internal Control system, compliance of rules and regulations of the Regulatory Bodies.

vii) The committee reviewed the annual financial statements for the year 2020 including the annual report.

viii) The committee also reviewed the Q1, Q2 and Q3 financial statements of the Bank during the year 2021.

(ix)	Investment in the Securities of Directors and their related concern	Nil
(x)	Compensation of Key Management Personnel:	Refer to Note no 30

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

44.00 Contingent Liabilities

Four claims of BDT. 79.44 Crore against the Money Suits No 68/2003,46/2003,313/2006,2705/2013 were decreed in high court against the bank, however the bank has appealed to the supreme court.

Custom Authorities has a claim against BG of M/s One Entertainment BDT. 63.10 million. The accused are the former employees of ICBIBL who for financial gain have dishonestly, and fraudulently issued 15 Bank Guarantees of Tk 63.1 million. These Bank Guarantees were issued, without authorization or informing the Head Office or keeping any record.The Bank filed a Criminal Revision case No.34 of 2014 arising out of Cr case no-600 of 2012 where the Learned Court allowed the revision in favour of the Bank and sent the file to Anti-Corruption Commission (ACC) for investigation. Our latest follow-up with the assigned officer of ACC on 22 September 2021 reveals that he has not completed his investigation and will need some additional time to complete the investigation.

Bangladesh Bank did not reverse the profit amount BDT.8.72 crore from the Bangladesh Bank Islamic Investment Bonds Fund claim. However the Bank has applied to Bangladesh Bank to reverse the profit as per Oriental re-construction scheme 2007.

Bank has appealed to the commissioner of Appeals against Corporate Tax claim of Tk. 6.31 crore and VAT claim Tk. 6.30 crore.

45.00 Approval of the financial statements

The financial statements were approved by the Board of Directors on March 24, 2022.

46.00 Events after the Balance Sheet Date

As per IAS 10 - "Events after the Reporting Period", events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and

(b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the events after reporting period are as follows:

On 11th March 2020, COVID-19 has been declared a pandemic by the World Health Organization, the COVID-19 outbreak has brought about additional challenges in the Bank's operating environment and has impacted the Bank's operations in Bangladesh.

The Bank is closely monitoring the impact of the developments on the Bank's businesses. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

Chairman	Director	Director	Managing Director

Dated, Dhaka
March 24, 2022

Annexure-A

Balance with other banks-Outside Bangladesh (Nostro Account)

as at 31 December 2021

Name of the Bank	Account type	2021				2020		
		Currency type	FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
AB Bank, Mumbai, India	CD	USD	10,254	85.80	879,759	35,717	84.80	3,028,851
Modhumoti Bank Limited(OBU)	CD	USD	1,979	85.80	169,770	1,979	84.80	167,796
Sonali Bank, Kolkata	CD	USD	26,942	85.80	2,311,605	26,942	84.80	2,284,730
Kookmin Bank, Seoul, Koria	CD	USD	110,683	85.80	9,496,564	273,822	84.80	23,220,777
Wachovia Bank NA NY	CD	USD	1,714.57	85.80	147,110.11	8,719.35	84.80	739,423
Zhejiang Chouzhou Commercial Bank, China	CD	USD	31,971.95	85.80	2,743,193	-	-	-
Trans Capital Bank, Russia	CD	USD		85.80	15,748,000			29,441,577
Total								

Annexure -B

Schedule of fixed assets

as at 31 December 2021

Particulars	Amount in Taka				Rate	Amount in Taka				
	COST					DEPRECIATION				Net book value as at 31-Dec-21
	Opening balance as on 01-Jan-21	Addition During the Year	Disposals/ Adjustments During the year	Total balance as at 31-Dec-21		Opening balance as on 01-Jan-21	Charge for the year	Disposals/ adjustments during the year	Total balance as at 31-Dec-21	
Furniture and fixtures	136,153,438	1,379,578	332,574	137,200,442	10%	121,666,342	3,011,054	332,571	124,344,825	12,855,616
ATM	21,985,908	15,349	-	22,001,257	20%	21,184,329	274,654	0	21,458,982	542,275
Software	142,770,349	690,350	-	143,460,699	20%	141,910,806	984,038	0	142,894,844	565,855
Office equipments	173,443,020	2,565,242	281,786	175,726,476	20%	167,097,879	3,313,526	353,744	170,057,661	5,668,815
Vehicles	26,571,872	2,238,753	281,718	28,528,907	20%	24,116,232	1,230,411	281,717	25,064,926	3,463,981
Right to Use Assets (ROU)	-	-	-	264,498,012	20%	- -	-	-	-	264,498,012
As at 31 December 2021	**500,924,586**	**6,889,272**	**896,078**	**771,415,793**		**475,975,587**	**8,813,683**	**968,033**	**483,821,238**	**287,594,554**
As at 31 December 2020	**501,889,202**	**7,080,612**	**8,045,228**	**500,924,586**		**469,086,552**	**14,760,695**	**7,871,661**	**475,975,587**	**24,948,999**

Annexure-C

Name of Directors and their interest in different entities

The ICB Financial Group Holdings AG acquired 350,674,300 shares i.e. 52.76% as per clause 3(c) of " The Oriental Bank Limited (Reconstruction) scheme 2007", nominated following directors:

1	Mr. Mohd. Nasir Bin Ali	Chairman	None
2	Ms. Hashimah Binti Ismail	Director	None
3	Ms. Lee Ooi Kim	Director	None
4	Mr. Md. Fariduddin Ahmed	Independent Director	None
5	Mr. Aklif Bin Amir	Independent Director	None

Annexure-D

HIGHLIGHTS

(Taka in million)

1	Paid-up capital		6,647.02	6,647.02
2	Total capital (Tier-I & II)		(12,607.10)	(12,212.20)
3	Capital surplus / (deficit)		(16,607.10)	(16,212.20)
4	Total assets		11,583.03	11,260.02
5	Total deposits		12,925.58	12,434.12
6	Total investments		8,435.11	8,565.23
7	Total contingent liabilities and commitments		319.11	197.30
8	Investments deposit ratio	%	65%	69%
9	Percentage of classified investments against total investments	%	80.80%	78.37%
10	Profit after tax and provision		(394.82)	(187.27)
11	Amount of classified investments durting the year		6,815.37	6,712.67
12	Provisions kept against classified investments		3,616.32	3,657.49
13	Provision surplus / (deficit)		38.22	43.30
14	Cost of fund	%	6.32%	7.17%
15	Interest earning assets		9,178.77	9,281.25
16	Non-interest earning assets		2,404.26	1,978.77
17	Return on investment (ROI) in shares and securities	%	4%	2%
18	Return on assets (ROA)		-3.41%	-1.66%
19	Income from investments in shares and securities		4.68	4.96
20	Net Asset value per Share	Taka	(18.13)	(17.54)
21	Earnings per share	Taka	(0.59)	(0.28)
22	Operationg profit per share	Taka	(0.65)	(0.37)
23	Price earning ratio	Times	N/A	N/A

ICB Islamic Bank Limited
a member of ICB Financial Group Holdings AG

List of branch networks of the Bank

1	HEAD OFFICE 13, Kazi Nazrul Islam Avenue T.K. Bhaban Karwan Bazar, Dhaka Phone : 55012061-65 Fax : 55012060 Tlx : 632118 ALB HO BJ	10	NEW MARKET BRANCH ABC Market, 26, New Market Mirpur Road, Dhaka. Tel: 0258614105, 0258613475 & 02223366204. Mobile No. 01811 408257 Fax : 8614105 Tlx : 632252 ALB MR BJ Email manager.mir@icbislamic-bd.com	19	HABIGANJ BRANCH London Plaza (2nd Floor) Kalibari Road, Hobigonj Tel: 0831-61557 Mobile No. 01811 408277 Email : manager.hbg@icbislamic-bd.com	28	NAWABPUR BRANCH 52/68,Tipu Sultan Road, Wari, Dhaka-1100 Tel: 02223359524,02223350967 Mobile : 01811408262, 01712572235 Tlx: 632364 ALBNW BJ Email : manager.nwp@icbislamic-bd.com
2	PRINCIPAL OFFICE 17, Motijheel C.A. Dhaka Tel:9566464, 9560940, 9560876 Fax : 9563392 Mobile No. 01811 408251 Tlx : 632167 ALBPO BJ Email manager.po@icbislamic-bd.com SWIFT: BBSHBDDH002	11	BANGSHAL BRANCH 13, Bangshal Road, Dhaka-1100 Tel : 02223383007, 02223382999 Mobile No. 01811 408259 Fax : 9563007 Tlx : 671097 ALBBN BJ Email manager.bng@icbislamic-bd.com	20	MOULAVIBAZAR BRANCH 10, Court Rd (Chowmuhana) Moulavibazar. Tel : 0861-53153 Mobile No. 01811 408274 Email manager.mlb@icbislamic-bd.com	29	NAOGAON BRANCH K. R. Rahman Super Market, Naogaon. Tel: +8802588883375,+8802588881774 Mobile No. 01811 408284 Tlx : 671594 ALB NG Email : manager.nao@icbislamic-bd.com
3	AGRABAD BRANCH Joy Bangla Bhaban, 36, Agrabad C/A., Chattogram Tel : 02333310511 Fax : 715648 Mobile No. 01847028158 Tlx : 633119 ALBAG BJ Email manager.agr@icbislamic-bd.com	12	NARSINGDHI BRANCH 136/3, C&B Road, Sharif Mansion Narsingdhi Tel : 02224452194, 029451768 Mobile No. 01811 408267 Tlx : 671629 ALB ND BJ Email manager.nsg@icbislamic-bd.com	21	BARISAL BRANCH 67/65, Katpatti Road Barisal. Tel: 024788-65102 & 024788-63537. Mobile No. 01811 408282 Tlx : 642478 Alb BI Email : manager.bsl@icbislamic-bd.com	30	MURADPUR BRANCH Rajamia Market 93, Muradpur CDA Avenue, Ctg. Tel : 02334452071, 02334451237 Mobile No. 01811 408271 Fax : 651237 Email : manager.mrd@icbislamic-bd.com
4	IMAMGANJ BRANCH Gulbadan Super Market (1st Floor) 4/4, 5/5 Moulavi Bazar, Dhaka-1100 Tel: 057-310339 Mobile No. 01833313610 Tlx: 671130 ALBIG BJ Email: manager.img@icbislamic-bd.com	13	BEANIBAZAR BRANCH Holding No. 0612, Azir Super Market, South Beanibazar,Main Road, Sylhet Tel: 88022996646439. Mobile No: 01811 408275 Email : manager.bnz@icbislamic-bd.com	22	KAWRAN BAZAR BRANCH 10, Kazi Nazrul Islam Avenue Kawranbazar, Dhaka. Tel: 0255012760 & 0255012761. Mobile No. 01833332993 Fax : 9139686 Tlx : 32436 ALBKRB BJ Email : manager.kwr@icbislamic-bd.com	31	MIRPUR CIRCLE-10 BRANCH Maa Amena Plaza, House-37, Road-2, Block-Kha, Section-6, Mirpur-10 Dhaka Tel : 02-58050341, 02-58050342 Mobile No. 01811 408263 Fax : 9139851 Email : manager.idb@icbislamic-bd.com
5	KHATUNGONJ BRANCH Plot No. 410/411, Maulana bhaban, Ward No.35 Khatungonj Main Road, Khatungonj Chattogram. Tel : 031-637227 Mobile No. 01811 408269 Fax : 031 - 612860 Tlx : 633100 ALBKG BJ Email :manager.ktg@icbislamic-bd.com	14	ISLAMPUR BRANCH Asian Plaza 9, Islampur Road, Dhaka. Tel : 57390992, 57391485 & 57390342. Mobile No. 01811 408260 Tlx : 632499 ALBIS BJ Email : manager.isl@icbislamic-bd.com	23	GULSHAN BRANCH 48, South Avenue, Gulshan, Dhaka Tel : 02-222263005 Mobile No. 01811418401 Tlx: 632176 / 632114 ALBGL BJ Fax : 8821277 Email : manager.gul@icbislamic-bd.com	32	BANANI BRANCH Neel kamol Bhaban,100, Road-11, Block-C, Banani, Dhaka Ph-02222274979 (PABX), 02222274977, 02222274978 Mobile No. 01811485324 e-mail : manager.ban@icbislamic-bd.com
6	VIP ROAD BRANCH 35/C, Naya Paltan, VIP Rd, Dhaka Tel: 8314486, 9352863 Mobile No.01811418396 Tlx: 632541 ALBVIP BJ Email : manager.vip@icbislamic-bd.com	15	KHULNA BRANCH "Tayamun Centre" 181, Khan-A-Sabur Road, Khulna Phone : 0244110387 & 0244110386 Mobile No. 01811408278 Tlx : 7633313 ALBKN BJ Email : manager.khl@icbislamic-bd.com	24	JESSORE BRANCH 25, R.N. Road, Kotwali, Jessore Tel: 02-477766683, 02-477760082 Mobile No. 01811 408279 Tlx: 633420 ABBBJ BJ Email : manager.jsr@icbislamic-bd.com	33	DHANMONDI BRANCH Stamford University Campus Bhabon, 753, Satmosjid Road, Dhanmondi, Dhaka. Cell No. 01811485326 Tel: 02-48113709, 02-48117499 Fax: 8154143 Email- manager.dhn@icbislamic-bd.com
7	SYLHET BRANCH Sylhet Collector Mosjid Building Plot No. 7769 and 5741, Sylhet Tel : 02-996631207,02-996631264,02-996631397,02-996634469 Mobile No. 01811 408273 Tlx : 633224 ALBSL BJ Faz : 714197 Email : manager.syl@icbislamic-bd.com	16	JUBILEE ROAD BRANCH 829, Jubilee Road, Chittagong Tel : 031-621139, 02333365580 Mobile No. 01811 408270 Tlx : 633184 ALBJR BJ Fax : 621139 Email: manager.jub@icbislamic-bd.com	25	NOAPARA BRANCH Noapara Bazar, Avoynagor, Jessore Tel : 02477770024, 02477770025 Mobile No. 01811 408280 Tlx : 633431 ABBBN BJ Email : manager.noa@icbislamic-bd.com	34	UTTARA BRANCH House # 2/A ,Road # 13, Sector#4,Dhaka-1230 Tel: 7912979, 7912780 Mobile No: 01847090778 Fax: 7912780 Email:manager.utr@icbislamic-bd.com
8	NARAYANGONJ BRANCH Alhaj Benu Tower, 152 BB Road Narayangonj-1400 Tel : 7630477, 7630276 Mobile No. 01811 408266 Tlx : 633610 ALBNG BJ Email- manager.nrg@icbislamic-bd.com FAX: 88-02-7630477 SWIFT: BBSHBDDHA008	17	FENI BRANCH Ammani Tower, Holding No.620, Trunk Road, Ward No.10, Feni. Tel : 0331-74065, 63277 Mobile No. 01811 408272 Email : manager.fni@icbislamic-bd.com	26	BENAPOLE BRANCH KAZ Tower, Holdling-0265,Ward-7 Benapole Bazar,Jessore Tel: 02477767798 Mobile No. 01811 408281 Tlx: 633429 ALBBP BJ Email : manager.bpl@icbislamic-bd.com		
9	BISWANATH BRANCH Plot # 9545, Thana Road Biswanath Bazar, Sylhet Tel : +8802996645222 Mobile No. 01811 408276 Email :manager.bsw@icbislamic-bd.com	18	RAJSHAHI BRANCH Shah Makdum Market 120, Natore Road, Shaheb Bazar, Rajshahi. Tel: 0247812416 & 0247812417 Mobile No. 01811 408283 Tlx: 632347 ALBRJ BJ Email: manager.raj@icbislamic-bd.com	27	BABU BAZAR BRANCH 'Mona Complex' 21, Armanian Street, Babubazar, Dhaka. Tel: 02-57316579 & 02-57316574 Mobile No. 01833327722 Tlx: 632515 ALBBR BJ Email : manager.bbz@icbislamic-bd.com		

ICB Islamic Bank Limited

Registered Office: T.K. Bhaban (15th Floor), 13 Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka-1215

Proxy Form

I/We.....of.....
.....being a member of ICB Islamic Bank Limited and entitled to vote, do hereby appoint Mr./Ms..... of ..... as my/our Proxy to attend and vote on my/our behalf at the 35th Annual General Meeting of the Company to be held on **Thursday, 14th July 2022 at 10.30 a.m.** virtually by using **"Digital Platform"** or at any adjournment thereof.

Signed this.....day of..... 2022.

…… Signature of the PROXY

…… Signature of the Shareholder(s)

No. of Shares ……

Revenue Stamp
Tk.20.00

Folio/BO ID No																

Note: This Proxy Form, duly completed, must be submitted through email to ds.board@icbislamic-bd.com not later than 48 (Forty eight) hours before commencement of the AGM. Proxy shall be invalid if not signed and stamped as explained above. Signature of the Shareholders should agree with the Specimen Signature registered with the Company/Depository Participants.

ICB Islamic Bank Limited

Registered Office: TK Bhaban (15th Floor), 13 Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka-1215

Attendance Slip

I hereby record my attendance at the 35th Annual General Meeting of the Company to be held on **Thursday, 14th July 2022 at 10.30 a.m.** virtually by using **"Digital Platform".**

Name of the Member/Proxy (in Block Letter)																
Folio/BO ID No																
No. of Shares held																

Signature Verified by

…… Signature of the Shareholder/PROXY

…… Authorized Signatory of the Company

Note: Please complete the Attendance Slip or Proxy Form and submit through email to ds.board@icbislamic-bd.com.

SUBHANALLAH
(Glory be to Allah)

ALHAMDULILLAH
(Praise be to Allah)

ALLAHU AKBAR
(Allah is the greatest)

ASTAGHFIRULLAH
(I seek forgiveness from Allah)

LA ILAHA ILLALLAH
(There is no true god worthy of worship except Allah, alone)