

Directors' Report – 2019

Bismillahir 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 2019. 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, 2019 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 2019 together with the Directors' Report and the Financial Statements have been prepared in compliance with applicable BFRs, 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 2019 and Prospects in 2020

Global growth is expected to recover to 2.5 percent in 2020 up slightly from the post-crisis low of 2.4 percent registered last year amid weakening trade and investment and edge up further over the forecast horizon. This projected recovery could be stronger if recent policy actions particularly those that have mitigated trade tensions lead to a sustained reduction in policy uncertainty. Nevertheless, downside risks predominate, including the possibility of a re-escalation of global trade tensions, sharp downturns in major economies, and financial disruptions in Emerging Market and Developing Economies (EMDEs). The materialization of these risks would test the ability of policymakers to respond effectively to negative events. Associated policy challenges are compounded by high debt levels and subdued productivity growth. Many EMDEs need to rebuild macroeconomic policy space to enhance resilience to possible adverse developments. They also need to pursue decisive reforms to bolster governance and business climates, improve tax policy, promote trade integration, and rekindle productivity growth, while protecting vulnerable groups. These policy actions would help foster inclusive and sustainable long-term growth and poverty alleviation.

Global growth decelerated markedly in 2019, with continued weakness in global trade and investment. This weakness was widespread, affecting both advanced economies particularly the Euro area and EMDEs. Various key indicators of economic activity declined in parallel, approaching their lowest levels since the global financial crisis. In particular, global trade in goods was in contraction for a significant part of 2019, and manufacturing activity slowed markedly over the course of the year; recent high-frequency readings suggest some tentative stabilization of manufacturing output at weak levels. To a lesser extent, services activity also moderated. A broad range of economies have experienced feeble growth, with close to 90 percent of advanced economies and 60 percent of EMDEs going through varying degrees of deceleration last year. Key indicators deteriorated in tandem, in part reflecting heightened trade protectionism. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast.

Bilateral negotiations between the United States and China since mid-October resulted in a Phase One agreement including a planned partial rollback of tariffs that has de-escalated trade tensions. This comes after a prolonged period of rising trade disputes between the two countries, which has heightened policy uncertainty and weighed on international trade, confidence, and investment. As a result of the increase of tariffs between the two countries over the past couple of years, a substantially higher share of world trade has become subject.

Against this international context, global growth weakened to an estimated 2.4 percent last year the lowest rate of expansion since the global financial crisis. With some recent data pointing to an incipient stabilization of economic conditions, global growth is projected to edge up to 2.5 percent in 2020, 0.2 percentage points below previous forecasts, as investment and trade gradually recover. In particular, global trade growth which is estimated to have slowed sharply from 4 percent in 2018 to 1.4 percent in 2019, by far the weakest pace since the global financial crisis is projected to firm throughout 2020 and reach 1.9 percent, assuming trade tensions do not re-escalate. In the near term, monetary policy across the world is generally expected to remain accommodative; however, fiscal policy support is likely to fade.

Over the medium term, regional growth is expected to rise toward potential. Trends in urbanization, progress in human capital accumulation, and demographic developments will support potential growth and productivity. Policy measures such as enhancing Foreign Direct Investment (FDI) inflows and competitiveness, promoting access to finance for small enterprises and improving infrastructure can deliver productivity gains in the region. South Asia's participation in international trade remains substantially below that of other regions. While both imports and exports as a share of Gross Domestic Product (GDP) in South Asian countries are below levels of comparable economies, the gap in exports both within region and across major destinations is much larger. Greater participation in global and regional value chains would lift growth; convey positive productivity and technology spillovers, and narrow current account deficits in the region.

Bangladesh Economy

Bangladesh continues to make progress in reducing poverty, improving education opportunities, particularly for girls, and reaching other development-related goals. With a relatively young population, the country is well positioned for the next few decades to build on its recent success. However, in aspiring to reach upper middle-income status, Bangladesh faces several challenges, as discussed in the International Monetary Fund's (IMF's) latest economic assessment. Near the top of the list is coping with the risks associated with climate change. Bangladesh is considered especially vulnerable to climate change, with one-third of the population at risk of displacement because of rising sea levels. According to some indicators, the country ranked among the top ten countries in the world most affected by extreme weather events during 1998–2017. Losses linked to such events were estimated annually to average 1.8 percent of GDP between 1990 and 2008. Rising sea levels and coastal erosion could lead to a loss of 17 percent of land surface and 30 percent of food production by 2050 according to experts from the Intergovernmental Panel on Climate Change, a body of the United Nations.

Bangladesh is undergoing a transformation from a low-income to a middle-income economy. The market-based economy of Bangladesh is the 42nd. largest in the world in nominal terms, and 31st largest by purchasing power parity; it is classified among the Next Eleven emerging market middle income economies and a Frontier market. According to the IMF, Bangladesh's economy is the second fastest growing major economy of 2019 with a rate of 7.1%. Dhaka and Chittagong are the principal financial centers of the country, being home to the Dhaka Stock Exchange and the Chittagong Stock Exchange. The financial sector of Bangladesh is the second largest in the subcontinent.

Although Bangladesh economy is going through a tough time, the country will see the highest growth among all countries in Asia this year, according to an International Monetary Fund (IMF) forecast. In the index of 189 countries, only two countries, Caribbean country Dominica and African South Sudan may see higher growth than Bangladesh, posting 9.4 percent and 7.9 percent respectively. The economic growth will be 7.8 percent by the end of this year, but growth will drop to 7.4 percent next year, according to the World Economic Outlook titled "Global Manufacturing Downturn, Rising Trade Barriers" released by the IMF. The global economy is in a "synchronized slowdown" while growth in the world output will reduce to 3 percent from 3.6 percent of the previous year.

The Gross Domestic Product (GDP) in Bangladesh was worth 274.03 billion US dollars in 2019. The GDP value of Bangladesh represents 0.44 percent of the world economy. GDP in Bangladesh is expected to reach 315.00 USD Billion by the end of 2020, according to Trading Economics global macro models and analysts expectations. In the long-term, the Bangladesh GDP is projected to trend around 340.00 USD Billion in 2021 and 365.00 USD Billion in 2022, according to our econometric models. GDP in Bangladesh averaged 53.02 USD Billion from 1960 until 2018, reaching an all time high of 274.03 USD Billion in 2018 and a record low of 4.27 USD Billion in 1960.

Bangladesh is strategically important for the economies of Northeast India, Nepal and Bhutan, as Bangladeshi seaports provide maritime access for these landlocked regions and countries. China also views Bangladesh as a

potential gateway for its landlocked southwest, including Tibet, Sichuan and Yunnan. Bangladesh is a member of the D-8 Organization for Economic Cooperation, the South Asian Association for Regional Cooperation, the International Monetary Fund, the World Bank, the World Trade Organization and the Asian Infrastructure Investment Bank. The economy faces challenges of infrastructure bottlenecks, insufficient power and gas supplies, bureaucratic corruption, political instability, natural calamities and a lack of skilled workers.

Banking Industry Outlook 2019

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 60 in 2019 and more than 3,000 branches of both private and state-owned banks have been established in Bangladesh over the last 10 years and total branches is 10,396.

Islamic banking system has been operating in Bangladesh since 1983. In FY19, out of 60 banks in Bangladesh, eight PCBs operated as full-fledged Islamic banks and 16 conventional banks (including three FCBs) were involved in Islamic banking through Islamic banking branches and windows. 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.

Domestic credit growth within 14.8 percent and private sector credit growth within 15.87 percent by November 2019, these are indicative ceilings deemed sufficient to accommodate projected GDP growth target, even allowing for some unforeseen extra growth spurt. The monetary program framework for FY19 is based on the ceiling for broad money and reserve money growth was negative by 10.13 and 11.25 percent, respectively.

The growth of export earnings increased to 2.89 percent in FY19 from 6.4 percent in FY18. Export as a percentage of GDP slightly decreased to 13.2 percent from 13.6 over the same period. Among the major export items, agricultural products, cotton and cotton products, knitwear, home textile, jute goods, chemical products, woven garments, and footwear products experienced a higher growth in FY19, while petroleum bi-products, engineering products, leather and leather products, plastic products, raw jute, and frozen food, slowed down the pace of export performance as these items experienced a negative growth.

Imports grew at a rate of 13.3 percent in FY19 compared with the 25.2 percent growth in FY18. Import payments as a percentage of GDP increased to 23.9 in FY19 from 19.9 in FY18. Import payments for food grains, milk and cream, spices, capital machinery, clinker, POL, oil seeds, fertilizer, textile and textile articles thereof, staple fiber, plastic and rubber articles thereof, raw cotton, and iron, steel and other base metals rose in FY19 compared to FY18 while those for pulses, crude petroleum and sugar declined during the same period.

Gross international foreign exchange reserves stood at USD 32,381 million at the end of FY19, representing around 5 months of prospective imports, supported by a surplus in financial account and significant inflows of remittances.

The Bangladesh economy experienced an impressive growth in FY19, aided by strong domestic and external demand, as reflected in the buoyant public and private investment, and consumption, driven by higher exports, remittances and private sector credit growth. Import growth in FY19, however, reached a recent high of over 25 percent, reflecting a confluence of domestic and external factors: infrastructure-related imports, higher commodity and oil prices, a sharp increase in food imports after the floods last year, resulting in a current account deficit of around 3.6 percent of GDP. Supporting productive private sector investment is critical to sustaining the recent high levels of growth. At the same time, a significant increase in public investment is also necessary to maintain competitiveness and generate further productivity.

The overall macroeconomic stability for Bangladesh economy has shown resilience despite domestic and external shocks. However, the ambitious target of building Bangladesh as a knowledge-based upper middle income country by 2030 or earlier and graduation of the country to a developed one by 2041 will require unwavering and continued reforms, given Bangladesh's integration with the global economy in an increasingly complex world.

The first four months of the current fiscal year saw a tax revenue shortfall of around BDT 202.20 billion against the target. However, the volume of tax revenue collection registered a poor 4.33 per cent growth, compared to the same period of the last fiscal. The National Board of Revenue (NBR) collected BDT 650.96 billion in taxes in July-October period against its target of BDT 853.17 billion. The Government had collected BDT 623.93 billion tax revenue during the same period of last fiscal year. The income tax wing posted the highest growth of 12.90

per cent while VAT wing 1.79 per cent and the customs wing 0.09 per cent over the corresponding period of last fiscal. But all of the three wings missed their targets for the July-October period of the current FY. The tax revenue collection growth was 6.74 per cent in the same period of last year over that of the previous year (2017-18). The revenue of customs wing grew 8.85 per cent, VAT wing 2.12 per cent and the income tax wing 11.19 per cent.

Foreign Direct Investment (FDI) is recognized as one of the important components of Bangladesh's foreign exchange reserves in recent years. It contributes as the second largest component of the financial account. As a potential source of foreign exchange reserves, FDI need to be encouraged. For this reason, progressive measures have been taken to promote the financial openness and enhance the investment climate. FDI has been emphasized by the Government in its 7th Five Year Plan and has undertaken various policies for adequate incentives in attracting foreign investors. Foreign direct investment to Bangladesh surged 51 percent last fiscal year to its highest on record, riding largely on Japan Tobacco Inc.'s acquisition of Akij Group's tobacco business for \$1.47 billion. In 2018-19, net FDI stood at \$3.88 billion in contrast to \$2.58 billion a year earlier.

The Challenges And Opportunities in Banking Sector in 2020

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.

In recent times, there is much talk about the banking sector mostly due to its mounting non-performing loan (NPL), the lack of good governance, much influence of the government over Bangladesh Bank, money laundering and malpractices by some bankers, which inevitably affected efficiency and productivity, as well as constraining business and industries that truly do have the potential to grow and become a pillar of strength for our long-term growth.

On the other hand, the default loans of 40 private commercial banks stood at BDT 43,666 crore, up 12 per cent from that of the end of June. A major challenge will be to cut down the upward trending of NPL as soon as possible. For this, the government should extend its helping hands to curb the NPL and giving exemplary punishment to the willful defaulters.

Bangladesh is a land of 170 million people. Half of its population still does not have a bank account. This contradicts the National Financial Inclusion Strategy (NFIS). Currently, there are more than 10,000 bank branches in the country in total. The number of bank branches need to be increased to bring people into the financial system. Agent banking, the alternative delivery channel, an initiative by Bangladesh Bank to bring the disadvantaged and poor people into the financial system is becoming popular because of its benefits for both the banks and clients, while the economy also benefited through financial inclusion.

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 name (The Oriental 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 6647.023 million as of December 31, 2019. 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.

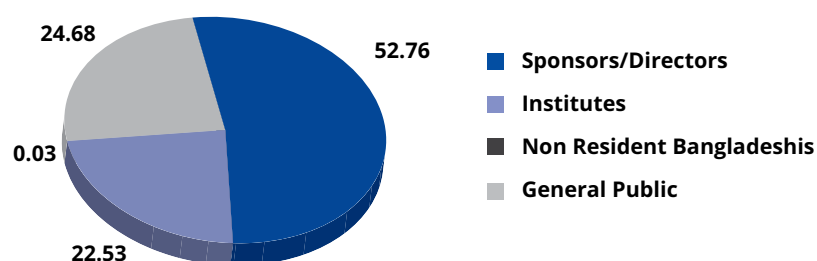
ICB Islamic Bank Limited carries out business activities in keeping with its values and norms and with an understanding of the importance of a large financial institution has for the society and the environment. It is taking steps towards Green Banking. In line with the vision and mission, the Bank always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

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, 2019 is BDT 6,647,023,000. The details of Shareholding pattern of the Company as at the end of the year 2019 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	112	149,729,367	22.53
03	Non Resident Bangladeshis	49	229,393	0.03
04	General Public	14,097	164,069,240	24.68
	Total		664,702,300	100.00

Shareholding Position as on 31st December 2019



Analysis of Income Statement of ICBIL

(Figure in BDT Million)

SI No.	Particulars	2019	2018	Percent Change
1	Investment income	393.56	351.81	11.87
2	Profit paid on deposits	477.96	444.05	7.64
3	Net investment income	(84.40)	(92.24)	8.50
4	Income from investments in Shares and Securities	5.30	3.16	67.72
5	Other operating income	52.35	65.83	(20.48)
6	Total operating income	(26.75)	(23.25)	(15.05)
7	Total operating expenses	462.18	474.15	(2.52)
8	Profit/ (loss) before tax and provision	(488.93)	(497.40)	1.70

9	Provision for investments	23.00	14.39	59.83
10	General provision on off-balance sheet items	-	-	-
11	Provision for diminution in value of investments	(3.24)	-	100
12	Other provisions	53.24	-	100
13	Net profit before tax	(415.93)	(483.01)	13.88
14	Provision for taxation	(7.82)	(2.62)	198.47
15	Net profit after tax	(423.75)	(485.63)	12.74

Sector-wise NPI for the year ended 31.12.2019

(Amount in BDT)

Sectors as classified by Bangladesh Bank	Total Exposure December 31, 2019	Percent of Total Outstanding	31-Dec-19	
			NPI Amount	Gross NPI Ratio (percent)
Agriculture, Fishing and livestock	-	0.00%	-	0.00%
Manufacturing	1,125,280,413.22	13.30%	1,123,232,417.42	99.82%
Electricity, Gas, Water, TV, Radio and other public utility services	508,255,559.68	6.01%	474,818,116.56	93.42%
Trading (wholesale and retail)	4,465,513,834.05	52.80%	3,645,763,332.41	81.64%
Hotels and restaurants	2,223,088.05	0.03%	969,975.75	43.63%
Construction and Real Estate (excluding housing finance for individuals)	-	0.00%	-	0.00%
Housing Finance for individuals	348,926,292.92	4.13%	224,068,748.84	64.22%
Consumption Credit (personal finance to individuals)	32,788,368.97	0.39%	20,706,025.77	63.15%
Consumption Credit (Vehicle finance to individuals)	44,032,255.30	0.52%	24,086,619.09	54.70%
Securities (shares, debentures and other instruments)	-	0.00%	-	0.00%
Finance, Insurance and Business Services	13,713,098.15	0.16%	5,398,056.65	39.36%
Transport and Communication	376,667,770.53	4.45%	376,667,770.56	100.00%
Others	1,540,673,017.33	18.22%	1,209,954,573.28	78.53%
Total	8,458,073,698.20	100.00%	7,105,665,636.33	84.01%

Product-wise Deposit Balance

(Amount in BDT)

Product Name	No. of Accounts	Balance as on December 31, 2019
Mudaraba Savings A/C	56,062	5,457,841,090.59
Al- Wadiyah Current A/C	6,020	449,119,418.88
Deposit Scheme	10,770	305,223,487.95
Insta Profit Term Deposit	16	22,930,000.00
Mudaraba Term Deposit	4,251	4,715,260,468.73
Monthly Profit Term Deposit	180	195,813,017.72
Mudaraba SND A/C	600	578,537,913.05
Foreign Currency A/C	69	743,758.26
Grand Total	77,968	11,725,469,155.18

The performance of the Bank in 2019 has been summarized below

(Figure in BDT million)

Particulars	2019	2018	Growth percent
Net Investment Income	(84)	(92)	8.50
Total Operating Income	(27)	(23)	(17.39)
Total Operating Expenses	462	474	(2.53)
Profit/(Loss) before Provision	(489)	(497)	1.60
Provision for Investment	23	14	64.28
Profit/(Loss) before Tax	(416)	(483)	13.87
Provision for Tax	(8)	(3)	(166.67)
Net Profit after Taxation	(424)	(486)	12.75

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 increased by Tk.46.14 million in 2019.

Net Profit/(loss) before Tax

After making the provisions, net profit/ (loss) before tax of ICIBL stood at BDT (416) million compared to BDT (483) million in 2018, mainly due to increase of investment income and decrease of operating expenses in 2019.

Provision for Income Tax

Provision against current year income tax of ICIBL was BDT (7.82) million compared to BDT (2.62) million of preceding year.

Net Profit/(loss) after Tax

As on 31st. December 2019, net profit after tax stood at BDT (423.75) million, earnings per share was BDT (0.64), average ROA stood at (3.77) percent.

Accumulated Loss

Total accumulated loss is BDt 18,654,158,394 as on 31st December 2019 and total accumulated loss was BDT 18,230,405,451 as on 31st December 2018. The loss increased by 2.32% in the year 2019.

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 2019.

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 2019. 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)

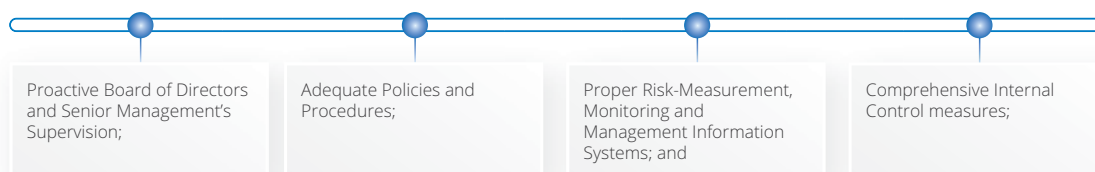
The Treasury Department plays an important role in maintaining the statutory liquidity with the Central Bank and ensures that the bank has enough cash available at all times to meet the needs of its primary business operations. Among other activities, the main activity of Treasury Department is to forecast 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:



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 endeavours 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 is used by the bank to accelerate in terms of information generation, utilization and applications.

Anti-Money Laundering Department

Money is the prime reason for engaging in almost any type of criminal activity. Money-laundering is the method by which criminals disguise the illegal origins of their wealth and protect their asset bases, so as to avoid the suspicion of law enforcement agencies and prevent leaving a trail of incriminating evidence.

Terrorists and terrorist organizations are also relying on money of questionable origins to sustain themselves and to carry out terrorist acts.

In recent years, the international community has become more aware of the dangers that money-laundering poses in all these areas and many Governments and jurisdictions have committed themselves to take action. The United Nations and other international organizations are committed to helping them in any way they can.

In line with international efforts, Bangladesh has taken a number of initiatives to prevent money laundering and combat terrorist financing and proliferation of weapons of mass destruction.

Our bank is committed to protect itself from money laundering activities according to global best practices. Bank's Money Laundering And Terrorist Financing Risk Assessment Guidelines is prepared in accordance with Money Laundering Prevention Act, 2012 by the latest amendment and Anti-Terrorism Act, 2009 (revised 2012 and 2013) of Bangladesh Government.

We are aware that more than 80% of money laundering is done through foreign trade. Bangladesh Financial Intelligence Unit (BFIU) regularly advises us to combat it through verification of prices of imported goods mentioned in the Letter of Credit (LC). As such we take all types of precautionary measures including collect confidential report of the seller, ensure genuineness of the goods to be imported and verify the price of the goods, while opening L.Cs.

Anti- Money Laundering Department is keeping the branches updated on the instructions and guidelines issued by BFIU, Bangladesh Bank and the Management. To combat money laundering and terrorist financing, branches have been advised to do the following:

1. While opening a new account Branch will check the account name using Sanction Screening software already installed in the Branch;
2. The account opening form must be filled up properly supported by all required documents along with National Identification (NID) duly verified from the Database of Election Commission and other photo ID in absence of NID;
3. Fill up the Know Your Client (KYC) form properly and update information as per BFIU guidelines provided in BFIU Circular No. 19 dated 17.09.2017 circulated to all the branches and maintain the Transaction Profile (TP) meticulously;
4. Keep special eye on the inward foreign remittances and export proceeds realization from the countries involved in money laundering activities;
5. If any suspicious transaction is noticed, the BAMLCO will notify the same to the CAMLCO/DCAMLCO and submit the STR accordingly;
6. Over/under invoicing is another way to do money laundering. The Trade Finance Dept will look into this matter cautiously;
7. The Cash Officers and Branch Operation Managers will monitor all the transactions with extra care;
8. Branch must do their Self- Assessment properly;
9. All the branch officials must go through all the circulars and must follow in doing the daily banking activities;

Verification of NID by using the database of Election Commission is continuing successfully. Automated Sanction screening process (U.N. Sanction list, Al Quaida list, Canada list, Local list etc) is going on regularly. The goAML software for online reporting of Cash Transaction Report (CTR) and Suspicious Transaction Report

(STR) is also running smoothly, Anti-Money Laundering Department of the Bank conducted several in-house training for the branch staffs on AML and CFT with in-house trainer.

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, IME Money Transfer, MESA Financial Service Spain, UAE Exchange Oman, 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 is introducing Mortgage Reducing Term Assurance (MRTA) which also reduces the repayment risk in case of death of the customer. In 2019, 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 conducting different deposit campaigns throughout the year. These initiatives will continue throughout 2020.

ICBIBL believes the employees are the main driving force behind the success of the Bank. Thus ICBIBL for the first time organized town hall meetings for employees of Dhaka, Chottogram, Jessore and Sylhet Zones. In the meeting, 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 plan 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-Wadiyah 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 'WadiyahYad-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 disadvantaged 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-Mudharabah.

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 get 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

It 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.

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:



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 2019, as part of our strategy for increasing business, we have introduced head office based business teams for both deposit and asset. We have separate asset teams for retail and SME specialized in specific products to ensure excellent end to-end customer experience.

To support our business teams we would introduce innovative deposit and asset products aligned with the market demand.

As in 2018, we will continue initiating deposit and investment campaigns where both staff and existing clients had the opportunity to participate. We have a running "Frozen Deposit Campaign" to encourage the frozen depositors to retain their deposits at a higher profit rate as well as an instant gift (Hiba).

For promotion of our products, we would establish alliances with different organizations. We are also participating in different fairs and other promotional programs to support our business teams.

The business distribution channel has been strengthened with several recruitments on the business end and back office to assist the branches for achieving the branch target, proper borrower selection at the initial stage, faster preparation of business proposal and negotiate with (Investment Risk Manager) IRM to create SME sustainable portfolio of branches as well as increase the business portfolio.

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 2020 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 and Property Department (APD) plays a vital role for smooth functioning of ICB Islamic Bank Ltd. It provides all the logistic support to branches and other departments at head office. APD assists the top management to make proper decisions for purchasing equipments, machinery, vehicles and installation of CCTV etc. by assessing and evaluating the actual requirement. Regular surveys on the market regarding procurement or disposal are conducted with high efficiency.

To comply with Bangladesh Bank's rules and regulations, APD conducts hard negotiations with landlords of all the Bank's rented premises so as to secure the most competitive rents before executing lease agreement, renewal of lease agreement, shifting to new location and opening of new branches. Apart from this, printing of all stationary items and security articles, identity cards and business cards and mobile SIM are issued from the APD.

In addition to the above any trouble shooting at the branches or head office premises like electric problems, non-functioning of ACs, CCTV, and land phone operation via PABX and all other such like equipment are perused by APD.

To reduce maintenance cost of old vehicles, 13 vehicles were sold through auction. Presently, ICB Islamic Bank has 30 vehicles which are 8 to 15 years old. Fitness and Tax Token are renewed on annual basis. Similar policy

is applicable for guns license and trade license.

APD also deals with obtaining insurance coverage on Cash-in-Vault, Cash-on-Counter, Cash-in-Transit and Fire policy on fixed assets of all branches. To increase alternative income of the Bank, spaces of non-banking assets like Bishal Centre, Kushal Centre and Tongi Tobacco Industry are rented to potential tenants for a limited period.

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 is at the core of every successful organization. During 2019, 112 new employees joined Bank whereas 95 employees left Bank due to various reasons. At the end of 2019, ICBIBL had 497 employees. Out of these 497 employees, 463 were permanent and 34 were contractual employees. On the other hand, as per gender diversity, total 417 were male and 80 were female employees. To make a strong workforce within ICBIBL, we maintain diversity with regard to gender, age and religion.

Training and Development

Training is an essential requirement to enrich and expand the knowledge base of the employees. Training programs help to increase productivity, organizational stability and adherence to quality standards. With a view to providing quality training to its employees, the Human Resources Department delivered a total of 8 in-house training programs and 47 nominated employees attended a total of 28 training programs which were conducted by either Bangladesh Bank or by other renowned and accredited training institutions throughout the year 2019.



To prepare a skilled workforce, two (2) five-day long Foundation Course were provided for 27 newly joined Customer Service Officers; two (2) three-day long Foundation Course were provided for 26 newly joined Relationship Managers.

A training program was provided to all Branch Operation Managers of the Bank on Integrated Supervision System (ISS) reporting, Value Added Tax (VAT) and Tax Deduction At Source.



A training on Cash Service And Management was provided to 59 officials (branch managers and Relationship Managers (RMs) of the branches) in an effort to improve know-how to Expand Quality Business and Investment

Management, to provide Quality Cash Services to the customers and maintaining all rules and regulations.

As ICBIBL is now authorized to collect Titas Gas Bill through online system, one training was arranged for 47 officials to handle this bill collection efficiently.



Titas Gas Transmission & Distribution Company Limited (TGTDC) and ICB Islamic Bank Limited (ICBIBL) signed an agreement for computerized online system gas bill collection. SVP & Head of Operations of the bank Moyeenuddin Ahmed and Md Abdul Hakim Mukta, Company Secretary of TGTDC signed the MoU on behalf of their respective organizations. Managing Director of the company Dr Mahfuzur Rahman along with high officials of both the organizations was present on the occasion.

Award and Recognition

To develop a performance-based winning culture to attract and to retain talent where our employees feel motivated to perform and strive for continuous development, we identify the top performers and ensure proper recognition.



Integrity Award

Banking Regulation And Policy Department of Bangladesh Bank vide its Circular No. 08 dated August 08, 2018 advised all scheduled Banks to provide integrity award to its employees/staff. According to the Integrity Award Giving Policy of ICBIBL, based on 20 parameters (each carrying 5 marks), we awarded 4 employees for their Integrity.



Employee Engagement Program

The Bank believes that the employees of the Bank are part of “ICBIBL Family” who are bind together to achieve the organizational goal. Employee engagement activities are aimed at the employees commitment and including a sense of belonging towards the Bank. As a part of team building activities, we celebrated Nobo Borsho 1426 on April 15, 2019 throughout ICB Islamic Bank Ltd. The day was colorfully celebrated by decorating the office premises in Boishakhi motive, by providing gift hamper to our valued clients, by arranging bangali food for clients and lunch for all staffs of the Bank. Besides that, we had a cultural program at head office, where all our employees were participated to make the day more memorable.



Alternate Delivery Channel and Cards Department Information:

Service Item	Information
Correspondent Banking We have completed the settlement agreement with Zhejiang Chouzhou Commercial Bank in Hangzhou, China to open USD Nostro account. This account will be used for the payment settlement of foreign currency for LC, BG, foreign remittance etc. Mr. Muhammad Shafiq Bin Abdullah, Managing Director and CEO of ICB Islamic Bank Limited and Mr. Jin Zi Jun, Chairman of the Board signed the agreement on behalf of the respective Bank.	 浙江稠州商业银行 ZHEJIANG CHOUZHOU COMMERCIAL BANK  ICB ISLAMIC BANK LTD. a member of ICB Financial Group Holdings AG
Debit Card Service We have reduced our Card Fees from BDT 400/- to BDT 250/- w.e.f. 2 nd . October, 2019. This will attract more cardholder to Bank.	 
Remittance Service As per Bangladesh Bank circular, we have started paying 2% govt. incentive to the inward foreign remittance recipient w.e.f. November, 2019.	2% Govt. Incentive on Inward Foreign Remittance

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 (6) meetings including one Special meeting during the year 2019 and issued specific directions in conducting the affairs of ICBIBL. On the other hand, the Audit Committee of the Board of Directors had five (5) meetings and issued valuable directions on various matters during the period under review.

Retirement and Re-election/Resignation/Appointment 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 Directors will retire in the 33rd. Annual General Meeting:

Ms. Lee Ooi Kim

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

Mr. Sivagukan Thambirajah, Director tendered his resignation as Director from the Board of ICBIBL. The Board accepted his resignation with effect from the date of 33rd. AGM of ICBIBL.

The Board of Directors is to accorded approval for appointment of **Mr. Aklif Bin Amir as an Independent Director** of ICBIBL subject to approval from the regulatory authorities and approval of the Shareholders at the 33rd. AGM of ICBIBL.

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 thank 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 - 2019 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



Datuk Mohd. Nasir Bin Ali

Chairman

Dhaka

29 June 2020