

## Directors' Report – 2022

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 2022. 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, 2022 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 2022 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 2022 and Prospects in 2023

The COVID-19 epidemic has had a significant positive impact on the world economy, but the conflict in Ukraine has increased commodity costs and slowed down economic activity. The worldwide economic growth for

2022 and 2023 is predicted to be 4.1 and 3.2 percent, respectively, in the World Bank's Global Economic Perspective, January 2022. With growth in advanced countries predicted to fall from 5% in 2021 to 3.8% in 2022 and 2.3% in 2023, the sluggish growth rates between advanced nations and emerging and developing economies will diverge.

Global inflation is projected to decrease slowly from 8.70% in 2022 to 7.00% in 2023. Recent stress in financial markets is complicating the tasks of central banks which in turn is hampering the process of recovery. As a result, many economies are likely to experience slower growth in 2023.

### Bangladesh Economy

Bangladesh economy achieved impressive growth during previous two consecutive fiscal years: 6.94% and 7.10% real GDP growth in FY 2021 and FY 2022 respectively. Bangladesh's export growth is on a positive trend, with total export earnings increasing by 35.14% and total import payments increasing by 43.84%. Bangladesh has made significant progress in poverty mitigation in the last decade due to the devoted endeavors of the government and the successful execution of numerous public and private development activities.

Bangladesh's export growth is on a positive trend, with total export earnings increasing by 35.14% and total import payments increasing by 43.84%. The current account balance showed a deficit of US\$ 12,834 million due to expansion of trade deficit and a fall of workers' remittances, while the surplus of capital account balance and financial account balance both increased due to term investments received from the global development partner agencies.

Workers' remittances increased during July-December FY 2023 by 2.48% (y-o-y) reaching to USD 10.49 billion. Various policy initiatives taken by BB and the government including 2.50% cash incentive, easing the rules on furnishing of documents and depreciation of exchange rate (BDT/USD) influenced this growth in inward remittances. BB has allowed Mobile financial Service (MFS) to bring more flexibility in repatriation of remittances, which is expected to have a positive impact on wage earners' remittance inflows.

A number of policies and development plans have been adopted to address environmental hazards and ensure a pollution-free eco-friendly environment. A masterplan for coming 20 years is under preparation to maintain environmental sustainability and achieve self-sufficiency in forest resource.

### Banking Industry Outlook 2022

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). In Bangladesh, 61 scheduled banks are performing their banking business.

Islamic banking system has been operating in Bangladesh since 1983. In FY 2022, out of 61 banks in Bangladesh, 10 full-fledged Islamic banks have been operating throughout the country. 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.

Due to external shocks, banks in Bangladesh faced slower credit and deposit growth, challenges in import bill settlements, liquidity and exchange rate pressure in the last few months of 2022. One of the major achievements of the banking industry in Bangladesh has been its ability to maintain financial stability. The Bangladesh Bank, has implemented various policies and measures to ensure the soundness of the banking system. These measures include strict regulatory frameworks, effective supervision, and risk management practices. As a result, the industry has remained resilient and stable, despite the challenging economic environment.

Banking sector investments experienced a moderate growth of 14.1% (y-o-y) at the end of 2022 whereas deposit growth was only 5.6% (y-o-y) reflecting weaker savings due to high inflationary pressure. Consequently, the overall advance deposit ratio (ADR) rose to 79.00% at year-end 2022 from 73.15% at year-end 2021. According to recent data, the total assets of the banking sector have increased by 8.5% year-on-year, reaching approximately 32.7 trillion taka. Similarly, the investment portfolio of the industry has grown by 9.8%, reaching approximately 23.9 trillion taka. This growth has been driven by increased demand for credit from various sectors of the economy, including agriculture, SMEs, and consumer investments.

However, the banking industry in Bangladesh still faces several challenges. One of the key challenges is the high level of non-performing investments (NPLs) in the sector. According to recent data, the NPL ratio of the banking sector has increased to 8.3%, which is higher than the industry's target of 5%. This can be attributed to a variety of factors, including the economic slowdown, weak credit appraisal and monitoring practices, and inadequate recovery mechanisms.

### **The Challenges and Opportunities in Banking Sector in 2023**

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.

The global economy appears to be gradually recovering from the devastating blows of the pandemic and Russia-Ukraine war. However, the fragility and fall of certain global banks can undermine the pace of recovery. The overall growth momentum of Bangladesh economy is expected to continue depending on prompt policy initiatives by BB and the government. Bangladesh government has decided to reduce GDP growth target to 6.5% for FY 2023 due to multifaceted controls and contractionary initiatives to stabilize the situation.

In 2023, IMF has approved USD 4.70 billion loan to Bangladesh under its different credit programs with certain time-bound conditions, including some key structural reforms. Although the ratio of non-performing loans to total loans showed some improvements in the 4th quarter of 2022. Overall good governance in the banking sector, an enhanced loan recovery drive, and constant monitoring would play an important role in maintaining stability in the banking industry.

### **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, 2022. 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

(Figure in BDT Million)

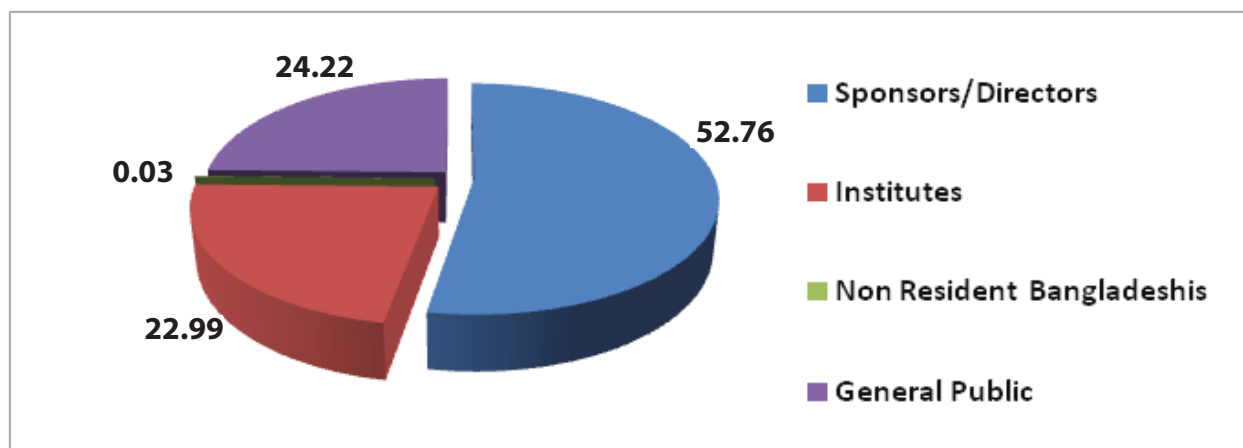
Sl. No.	Particulars	2022	2021	2020	2019	2018
1	Authorized capital	15000.00	15,000.00	15,000.00	15,000.00	15,000.00
2	Paid-up capital	6647.02	6,647.02	6,647.02	6,647.02	6,647.02
3	Total capital (Tier-I and II)	(12,859.54)	(12,607.10)	(12,212.20)	(12,025.00)	(11,530.82)
4	Capital surplus/(deficit)	(16,859.54)	(16,607.10)	(16,212.20)	(16,025.00)	(15,530.82)
5	Capital adequacy ratio (CAR)	(138.91%)	(137.41%)	(133.16%)	(133.11%)	(125.08%)
6	Total assets	10405.37	11,583.03	11,260.02	11,240.14	11,429.69
7	Total deposits	12121.92	12,925.58	12,434.12	11,960.39	11,518.75
8	Total investments	8135.28	8,435.11	8,565.23	8,458.07	8,633.64
9	Import business handled	459.65	382.96	42.92	32.45	133.34
10	Export business handled	17.43	22.40	26.65	9.60	4.18
11	Guarantee business handled	33.171	5.92	5.84	3.28	28.37
12	Total contingent liabilities and commitments	219.70	319.11	197.30	196.78	223.69
13	Investments deposit ratio	67%	65%	69%	71%	75%
14	Percentage of classified investments against total investments	84.34%	80.80%	78.37%	84%	82%
15	Profit after tax and provision	(252.41)	(394.81)	(187.27)	(423.75)	(485.63)
16	Operating profit	129.75	(41.37)	(488.93)	(488.93)	(497.40)
17	Operating expenditure	419.09	391.17	429.52	462.18	474.15
18	Amount of classified investments during the year	6860.96	6,815.36	6,712.67	7,108.18	7,079.3
19	Provisions kept against classified investments	3576.00	3,616.31	3,657.49	3,735.27	3,743.13
20	Provision surplus/(deficit) against classified investments	40.69	38.22	43.30	33.93	16.53
21	Cost of fund	5.82%	6.32%	7.17%	7.86%	7.91%
22	Profit earning assets	8678.17	9,178.77	9,281.25	8,997.15	9,184.92
23	Non-Profit earning assets	1727.20	2404.26	1,978.77	2,242.99	2,245.41
24	Return on investment (ROI) in shares and securities	22%	4%	2%	5%	3%
25	Return on assets (ROA)	(2.43%)	(3.41%)	(1.66%)	(3.77%)	(4.25%)
26	Income from investments in shares and securities	2.28	4.68	4.96	5.30	3.16
27	Earnings per share (Taka)	(0.38)	(0.59)	(0.28)	(0.64)	(0.73)
28	Operating Profit per share (Taka)	(0.44)	(0.65)	(0.37)	(0.74)	(0.75)
29	Price earnings ratio (times)	N/A	N/A	N/A	N/A	N/A
30	Dividend:					
	Cash	-	-	-	-	--
	Bonus Share	-	-	-	-	--
31	Net Asset Value Per Share (NAVPS)	(18.51)	(18.13)	(17.54)	(17.11)	(16.47)
32	Number of employees	389	497	456	497	485
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, 2022 is BDT 6,647,023,000. The details of Shareholding pattern of the Company as at the end of the year 2022 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	98	152,805,705	22.99
03	Non Resident Bangladeshis	34	226,863	0.03
04	General Public	14,404	160,995,432	24.22
	<b>Total</b>	<b>14,537</b>	<b>664,702,300</b>	<b>100.00</b>

## Shareholding Position as on 31st December 2022



## Analysis of Income Statement of ICIBL

SI No.	Particulars	2022	2021	Percent Change
1	Investment income	213.07	292.12	(27.06%)
2	Profit paid on deposits	381.65	419.10	(8.94%)
3	Net investment income	(168.58)	(126.97)	(32.77%)
4	Income from investments in Shares and Securities	2.27	4.67	(51.39%)
5	Other operating income	296.05	80.92	265.86%
6	Total operating income	129.75	(41.37)	413.63%
7	Total operating expenses	419.09	391.17	7.14%
8	Profit/ (loss) before tax and provision	(289.34)	(432.55)	33.11%
9	Provision for investments	40.00	40.00	-
10	General provision on off-balance sheet items	-	-	-
11	Provision for diminution in value of investments	-	-	-
12	Other provisions	-	-	-
13	Net profit before tax	(249.34)	(392.55)	36.48%
14	Provision for taxation	(3.06)	(2.26)	(35.40%)
15	Net profit after tax	(252.41)	(394.81)	36.07%

## Sector-wise NPI for the year ended 31 December 2022

(Amount in BDT)

Sectors as classified by Bangladesh Bank	Total Exposure as on 31-Dec-22	Percent of Total Outstanding	31-Dec-22	
			NPI Amount	Gross NPI Ratio (%)
Agriculture, Fishing and livestock	-	0.00%	-	0.00%
Manufacturing	1,056,439,530.67	12.99%	1,045,527,033.46	98.97%
Electricity, Gas, Water, TV, Radio and other public utility services	553,582,684.38	6.80%	468,713,699.31	84.67%
Trading (wholesale and retail)	4,380,339,173.00	53.84%	3,766,607,448.00	85.99%
Hotels and restaurants	8,262,318.03	0.10%	1,996,892.37	24.17%
Construction and Real Estate (excluding housing investments for individuals)	457,707,713.38	5.63%	406,037,753.70	88.17%
Housing Investments for individuals	444,713,873.73	5.47%	109,541,352.82	24.63%
Consumption Credit (personal investments to individuals)	114,848,735.57	1.41%	26,555,747.82	23.12%
Consumption Credit (Vehicle investments to individuals)	42,124,711.15	0.52%	17,925,774.01	42.55%
Securities (shares, debentures and other instruments)	-	0.00%	-	0.00%
Finance, Insurance and Business Services	21,955,849.80	0.27%	16,990,008.78	77.38%
Transport and Communication	384,824,150.56	4.73%	384,824,150.56	100.00%
Others	670,484,980.34	8.24%	614,568,414.49	91.66%
<b>TOTAL</b>	<b>8,135,283,720.61</b>	<b>100.00%</b>	<b>6,859,288,275.32</b>	<b>84.32%</b>

## Product-wise Deposit Balance

(Amount in BDT)

Product Name	No. of Accounts	Balance as on 31-Dec-22
Mudaraba Savings A/C	44,962	5,232,839,409.47
Al- Wadiyah Current A/C	4,866	495,432,892.75
Deposit Scheme	6,205	381,043,470.86
Insta Profit Term Deposit	5	5,480,000.00
Mudaraba Term Deposit	4,857	5,423,609,965.93
Monthly Profit Term Deposit	163	174,707,587.69
Mudaraba SND A/C	470	118,450,083.36
Foreign Currency A/C	69	3,516,422.99
<b>Total</b>	<b>61,597</b>	<b>11,835,079,833.05</b>

## The performance of the Bank in 2022 has been summarized below

(Figure in BDT million)

Particulars	2022	2021	Growth percent
Net Investment Income	(168.58)	(126.97)	(32.77%)
Total Operating Income	129.75	(41.37)	413.63%
Total Operating Expenses	419.09	391.17	7.14%
Profit/(Loss) before Provision	(289.344)	(432.55)	33.11%
Provision for Investment	40.00	40.00	-
Profit/(Loss) before Tax	(249.34)	(392.55)	36.48%
Provision for Tax	(3.06)	(2.26)	(35.40%)
Net Profit after Taxation	(252.41)	(394.81)	36.07%

## Material Uncertainty Related to Going Concern

We draw users' attention to Note 3.3 in the financial statements which shows, The Bank has an accumulated loss of Tk. 19,488.66 million for the year ended 31 December 2022; Negative equity of Tk. 12,306.48 million as at 31 December 2022 and capital adequacy ratio of (138.91%) as against minimum of 12.50%; Profit paying deposits aggregates to BDT 8,024.22 million as against the profit earning investment of BDT 1,274.32 million as at 31 December 2022; Overall 84.34% of investment of the bank is classified. 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.

## 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.79.05 million in 2022.

## Net Profit/(loss) before Tax

After making the provisions, net profit/ (loss) before tax of ICIBL stood at BDT (249.34) million compared to BDT (392.55) million in 2021, mainly due to increase of others operating income in 2022.

## Provision for Income Tax

Provision against current year income tax of ICIBL was BDT (3.06) million compared to BDT (2.26) million of preceding year.

## Net Profit/ (loss) after Tax

As on 31 December 2022, net profit after tax stood at BDT (252.41) million, earnings per share was BDT (0.38), average ROA stood at (2.43) percent.

## Accumulated Loss

Total accumulated loss is BDT 19,488.65 million as on 31 December 2022 and total accumulated loss was BDT 19,236.24 million on 31 December 2021. The loss increased by 1.31% in the year 2022.

## 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 2022.

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.

## 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 2022. 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

ICIBL 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 version 5.2 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. 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**

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. 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 and 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.

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. To cope with the highly competitive market in Bangladesh, ICIBL 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, ICIBL 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 2022, ICIBL increased its focus on consumer banking business. 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 2023.

ICIBL believes the employees are the main driving force behind the success of the Bank. Thus ICIBL 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-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-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

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.

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. ICIBL 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. ICIBL 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.

### ICIBL Sunibash:

ICIBL 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 ICIBL 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)

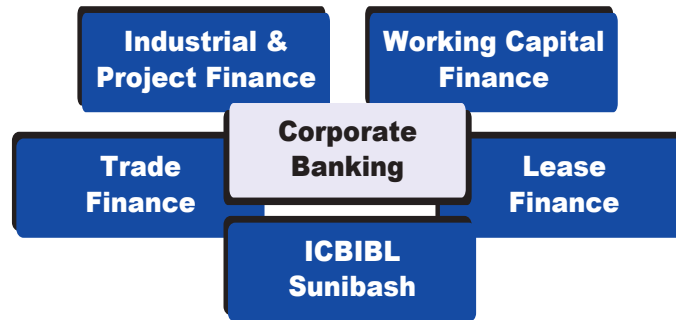
The importers apply for investment facility against imported goods after shipment for payment of the invoice values of the goods to the seller/supplier including custom duty, VAT and other expenses.

### Earnest Money finance

ICB Earnest Money finance is a facility offered to different sole proprietorship/partnership firms/ 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:



## Bproperty and ICBIBL join hands to facilitate home finance

Under the agreement, ICBIBL becomes one of Bproperty's exclusive mortgage partners who will provide faster home financing solutions to the clients of Bproperty in the shortest time possible. ICBIBL will also offer exclusive profit rates to the clients of Bproperty and provide faster home finance processing with the lowest processing fee, tactical campaigns, and other relevant benefits. Additionally, Bproperty will provide property valuation and validation support to ICBIBL so that Bproperty's clients receive home finance quicker than before.

Mr. Muhammad Shafiq Bin Abdullah (Managing Director and CEO) of ICBIBL and Mr. Anik Simanto (Director, Commercial and Area Operations) of Bproperty signed the agreement on behalf of their respective organizations. Apart from them, Mr. Arpit Vinodbhai Parikh (COO), Mr. Md. Tareq-Us-Salam (HOIRM), and Engr. Saki Ahmed (EO) from ICBIBL along with Mr. Khan Tanjeel Ahmed (General Manager, Product and Growth) and Mr. Md Imran Munna (Manager, Mortgage Solution) from Bproperty were present at the signing ceremony.



## Cash Management Wing

In today's competitive financial environment, effective cash management has become a critical success factor. 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.

## Strategies and initiatives

Banking industry passed a challenging year in 2022 due to certain external shocks aggravated by governance issues in some banks as well as the war between Russia-Ukraine. To face this situation and protect the Bank's revenue, the 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. ICIBL 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 campaigns to improve the deposit mobilization. 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. 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 ICIBL. 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 ICIBL.

### **Administration and Property Department**

ICB Islamic Bank Ltd. is equipped with Administration and Property Department to provide logistic support to all branches of the bank for smooth functioning and ensuring proper maintenance of all equipment, machinery, transport and installations. This department also provide printing stationary items to all the branches for maintaining equal standard.

APD also provides ID card and Corporate Robi SIM to authorized bank officials. Printing of business cards centrally done by APD for the appointment holders. Dhaka branches greatly depend on solving urgent electric problem, CCTV connectivity, disturbance of local people, land telephone operation through PABX, making new signage for bank's branding and employment of security personnel to give security coverage to bank as per Bangladesh Bank compliance instruction.

APD always maintains operation state of branch DBBL Guns and ensuring renewal of gun licenses with test firing regularly. Requirement of Armed Security Guard is raised to HRD for recruitment and ensure training of newly recruited guards.

All instructions of Bangladesh Bank on compliance issues are also implemented by APD in the branch premises within reasonable time limit.

APD plays a decisive role in signing lease agreements with land owners for branches and Head Office premises and opening new branches or shifting branches to new locations with the approval of Bangladesh Bank. Implementation of management's cost reduction initiative and better business opportunities are always remain as main focus of APD for branch shifting. All non-banking assets are rented out to various business houses to generate income for the bank.

Renewal of Trade License, payment of holding tax, Municipality tax and City Corporation taxes are regularly paid on due dates and same is ensured by APD.

Fire insurance policies against fixed assets of head office and branches are taken by obtaining competitive offers from 'A' grade insurance companies. Apart from this, money insurance policies for Vault/Safe (CIS), Cash on Counter (COC), Cash in Transit (CIT) and ATMs of all branches are taken on annual basis. While branches exceeding Cash in Vault/Safe (CIS) limit after daily transaction, APD immediately provide insurance coverage.

Generally, Cash in Transit (CIT) is conducted by bank's vehicle. But for branches in Dhaka, 3rd party is engaged for cash carrying.

Keeping in view to minimize the maintenance cost of vehicles APD auctioned out old cars which were incurring huge maintenance cost. Auction sell proceeds are being used for buying new cars. Due to Bank's poor financial condition limited numbers of old cars are still maintained to augment CIT support to the branches and business related visits.

This department remains at urgent notice to provide all kinds of support to the branches and bank management in need.

### **Green Banking**

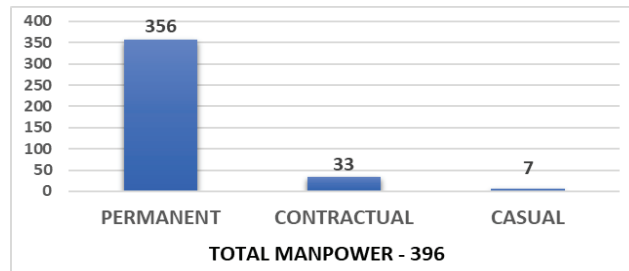
Since we have one world and one chance to protect it, ICB Islamic Bank makes continuous efforts to contribute its best to the environment. ICIBL believes in improving social awareness in reducing wastes, reusing the resources, recycling the processes and re-using whenever possible. ICB Islamic Bank has adopted a comprehensive policy on Green Banking.

The policy includes in-house green banking practices for reduction of use of water, electricity, paper etc. ICIBL 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”. ICIBL’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

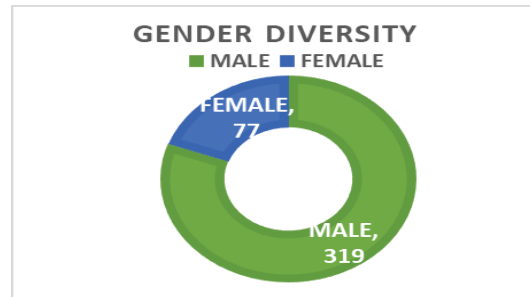
Human Resources are important for banks as banking is a service industry where management of people and management of risk are two most challenging factors. Thus, without efficient and skilled manpower efficient risk management may not be possible. ICB Islamic Bank Ltd. ends the year 2022 with a workforce of 396. This workforce is the driving force that runs 33 Branches including Head Office of the Bank.

### Status of Manpower



### Gender Diversity

Among 396 workforce, 19.45% are female and 80.55% are male.



### Zone-wise Manpower

The total workforce of 396 are now operating at different Zones of Bangladesh.

MANPOWER STATUS	NO.	%
DHAKA	264	66.7%
CHITTAGONG	37	9.3%
SYLHET	36	9.1%
KHULNA	35	8.8%
RAJSHAHI	18	4.5%
BARISHAL	6	1.5%
<b>TOTAL</b>	<b>396</b>	<b>100.0%</b>

### Average Age

The average age of Manpower of the Bank was 42.41 years (as on 31.12.2022)

### Observe the National Mourning Day 2022 marking the 47<sup>th</sup> death anniversary of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman

ICBIBL observed the National Mourning Day of 15 August 2022 in heart breaking emotion showing highest gratitude to the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman. In observing the day all staff including sub staff compulsorily wore Black badge on 16 August 2022 (Tuesday) as a symbol of mourning.

Later, a Tree Plantation Ceremony was held at the roof top of T.K. Bhaban, 13 Kazi Nazrul Islam Avenue on August 29, 2022 (Monday) by our honorable MD and CEO, Mr. Muhammad Shafiq Bin Abdullah in presence of all Head of Departments.



**Branch employees of Dhaka Zone Branches wore Black Badge as a symbol of mourning**



**The high officials of the Bank were present during the Tree Plantation Program**

After that, a Doa Mahfil program was arranged at our Head office (15<sup>th</sup> floor) after Zohr Prayer on August 29, 2022 (Monday) for the peace and salvation of departed soul of Bangabandhu Sheikh Mujibur Rahman and his family members.

Food was distributed to 375 orphans of Ashrafal Madaris and Orphanage, Tejkunipara, Tejgaon on August 31, 2022 (Wednesday) by our honorable MD and CEO, Mr. Muhammad Shafiq Bin Abdullah with the presence of Captain Syed Sakhawat Hossain (Retd.), Mr. Ahmed Ullah, Mr. Parvez Yousuf Chowdhury, Mr. Md. Tareq Us Salam from Head Office. Before distributing food, a special prayer was conducted by the orphans for the peace and salvation of departed soul of Bangabandhu Sheikh Mujibur Rahman and his family members.



**Doa Mahfil arranged at Head Office**



**The MD and CEO distributed food after special prayer to the orphans**

Finally, a Zoom Conference was conducted for all staffs (Head Office and Branch officials) on August 31, 2022 (Wednesday) where we discussed on the colorific life of Bangabandhu Sheikh Mujibur Rahman.



**Zoom Conference to discuss on the colorific life of Bangabandhu by wearing black badge**



## Training and Development

To increase the job knowledge of the employee, our HR Department organized several in house training during the year 2022 through offline and online platform.

ICBIBL organized a training program on "Anti Money Laundering and Combating Financing of Terrorism (AML and CFT) and Trade Based Money Laundering" for all of its Head Office officials and 33 Branch officials. The training was held on 02/04/2022 (Saturday) at Head Office of the Bank and all Branch Officials attended through online platform ZOOM from their respective Branches. The training session was conducted by Ms. Farzana Akhter, Deputy General Manager of Bangladesh Bank Training Academy (BBTA).

Besides that, a training program on "Shariah Based Islamic Banking" was held on 29/11/2022 (Tuesday) at ICB Islamic Bank Ltd. Head Office, TK Bhaban, Kawran Bazar, Dhaka. Mr. Mohammad Abdul Awwal Sarker, Member, Shariah Supervisory Committee, ICB Islamic Bank Limited, (Director General, Al-Arafah Islami Bank Training and Research Institute, Former Executive Director, Bangladesh Bank) shared his knowledge with the participants on the above-mentioned training topic. Participants from Dhaka Branches Managers, Relationship Managers, and the Head of the Departments participated in person while outside Dhaka city branches participated through an online platform.



**Ms. Farzana Akhter, DGM, BBTA with Executive Level of our Bank**



**The trainer Mr. Abdul Awwal Sarker discussed on "Shariah Based Islamic Banking"**

During the year 2022, ICBIBL also arranged training on "Foundation Course-Know your job" for its newly appointed CSO/Cash Officers from different branches. Twenty Nine (29) officials developed their job related knowledge through this training. Our experienced Head of Departments were the resource persons of the training.



**During the training session of Foundation Course- Know your Job**

A Training Program on "Awareness Program on Automated FC Clearing in RTGS System" was conducted at ICB Islamic Bank Ltd. HO TK Bhaban Kawran Bazar Dhaka. Training was conducted by Mr Zainul Abedin, Joint Director FRTMD of Bangladesh Bank and Mr. Md. MahubSadique, Assistant Director PSD of Bangladesh Bank. Participants from Dhaka branches participated in person while outside Dhaka city branches participated through online platform.

A training on "Increase Capability to detect real note, increase awareness to prevent fake note and the necessary actions to be taken after detecting fake note" was organized for all of our cash related officials from Branches including Branch Managers and Operations Managers. It was conducted by Noor Mohammad Sheikh, General Manager, Bangladesh Bank Training Academy (BBTA).



**During the training session of regarding fake note detection**



**During the training session on Automated FC Clearing in RTGS System**

### Employee Engagement Program

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



**Eid Ul Adha Celebration of Head office Officials**



**Hangout Plan on weekend of Branch Officials with higher Management**



**Town Hall Meeting**

### **Integrity Award**

As per BRPD circular no-08 of Bangladesh Bank dated August 08, 2018, all scheduled Banks need to provide integrity award to its staff in every financial year. According to the Integrity Award giving policy of ICIBL, we awarded four (04) employees in different categories by giving a certificate and prize money equivalent to one (01) month basic salary for the year 2021-2022.



**Integrity Award Winners for the year 2020-2021**

### **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 ICIBL. Every person with Bkash account can withdraw cash amount from any ATM booth of the Bank. ICIBL 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**

ICIBL 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 2022 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/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 Director will retire in the 36<sup>th</sup> Annual General Meeting:

### **Ms. Lee Ooi Kim**

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

**Mr. Datuk Mohd. Nasir Bin Ali** tendered his resignation as Director from the Board of ICBIBL. The Board accepted his resignation with effect from the date of 35<sup>th</sup> AGM of ICBIBL.

After successful completion of 09 (nine) years Ms. Hashimah Binti Ismail retired as Director from the Board of ICBIBL on 22-Feb-2023.

The Board of Directors and regulatory authorities accorded approval for appointment of Mr. Tan Seng Chye as a Director of ICBIBL subject to approval of the Shareholders at the 36<sup>th</sup> Annual General Meeting 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 thanks M/s. Shafiq Basak 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 - 2022 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



**Mr. Aklif Bin Amir**

Chairman (Interim)

Dhaka

28 March 2023