

From page 5

C. All Other Preference Shares	—	—
D. Perpetual Subordinated Debt	—	—
E. Exchange Equalisation Account	2,441	1,445
Sub Total	25,066	13,223
Grand Total	241,814	168,968

The actual Core Capital of the Bank was 21.67% on 31/12/99 and 15.57% on 31/12/98 of Risk-Weighted Assets. Total required capital of the Risk-Weighted Assets as of 31/12/99 was 20.55% and as of 31/12/98 was 11.56%.

Classification of Loans and Advances

Type of Loan	31.12.99	% of Total Loans & Advances	31.12.98	% of Total Loans & Advances
A. Unclassified	2,039,743	97.89%	1,177,842	99.07
B. Classified	—	—	—	—
i. Sub Standard	18,925	0.90%	584	0.05
ii. Doubtful	15,392	0.74%	7,407	0.62
iii. Bad & Loss	9,482	0.45%	—	—

Total Classified Loans and Advances

Particulars	31.12.99	31.12.98
Provision for Loans and Advances	2,039,743	1,177,842
Provision Required	27,389	13,782
Provision Made	27,389	13,782

DESCRIPTION OF PROPERTY

The bank's business premises are principally carried out on rented premises but it has purchased 1/30 undivided and undemarcated shares of 10 Kathas of land i.e. 5.33 chatak at Fathia Plaza, 7 Green Road, Dhaka with the ground floor having 3288 sq ft of space valuing Tk. 13,671,500. Further preparation for purchasing the 1st floor of the same building measuring 5,150 sq ft valuing Tk. 20,913,000 is almost complete. The bank also has 1253 acres of land at Chakraborty, Muzaffar, Thana-Roygon, District-Sirajgonj valuing Tk. 2,111,623 for its abajul hat project. The Khaitan number of the land is 493,501 and Dag Number is 324.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION**Internal and External Sources of Cash**

Particulars	31.12.99	31.12.98
Share Capital	200,000	126,000
Share Money Deposit	—	23,490
Reserves	16,748	6,255
Retained Earnings	216,748	155,745
Sub Total	423,500	211,500
External Sources of Cash:		
Deposits	3,826,699	2,029,055
Borrowings from other Banks	73,018	39,797
Other Payable	73,018	39,797
Other Liabilities	73,018	39,797
Sub Total	3,973,027	2,072,741
Grand Total	4,189,775	2,233,486

Material Changes from Period to Period

Description	1999	1998
Commission, Exchange & Brokerage	19,684,526	13,583,450
Net profit from sale of Investment	411,199,942	80,441,330
Other Receipts	9,273,429	79,943,663
Sub Total	420,958,000	274,000,000
Other Expenditure	4,189,775	2,233,486
Grand Total	425,147,225	276,233,486

The Audited income statement for the last three years are as follows:

Description	1999	1998
Commission, Exchange & Brokerage	19,684,526	13,583,450
Net profit from sale of Investment	411,199,942	80,441,330
Other Receipts	9,273,429	79,943,663
Sub Total	420,958,000	274,000,000
Other Expenditure	4,189,775	2,233,486
Grand Total	425,147,225	276,233,486

Return from investment increased due to increased in volume of business in relation to previous years mainly in investment income from MURABAH (Commercial) and MURABAH post import finance.

Operating Expenses

A comparative operating expense position of the Company for the last three years is as follows:

Description	1999	1998
Profit paid to Profit/Loss Sharing Depositors	320,770,423	92,637,084
Salaries & Allowances and Provision Fund (Including Salaries and allowances paid to Chief Executive for the year 1999 Tk. 960,000)	30,258,133	19,275,153
Directors' Fees and Committee Members' Fees and Expenses	596,438	1,046,494
Rent, Taxes, Insurance & Lighting etc.	8,765,518	7,092,544
Postage, Telegrams, Telephones & Stamps	30,318	34,572
Auditors' Fees	3,668,127	2,809,570
Depreciation on and Repairs to the Banking Companies' Property	31,500	26,000
Stationery, Printing, Advertisement etc.	6,207,166	5,088,919
Other Expenditure	1,474,628	1,422,038
Grand Total	378,981,031	154,722,056

Investment in Shares and Debentures

The acquisition value of Bank's investment in shares of 8th Mutual Fund of ICB as on 31.12.99 is Tk. 61,600. The value of the investment at the current market price is Tk. 76,384 as per the rate on 17/06/2000.

Seasonal Aspect

In general there is no seasonal impact on the business of the Bank.

Known Trends, Events or Uncertainties

Political unrest, Harat, Inflation and Flood are the events that may affect Bank's business.

Change in the assets of the Company used to pay off the liabilities.

No asset of the Company has been used to pay off the liabilities.

Loans taken from subsidiary or associate company

The Company has no subsidiary or associate company.

Future Contractual Liabilities

The bank has no future contractual obligation other than obligation under the contract of LC liabilities and bank guarantee. The Bank has a plan to open twenty (20) branches in the next two (2) years subject to the approval from Bangladesh Bank. The following capital expenditure has been planned tentatively for the purpose.

Description	Amount (Tk.)
Land and Land Development	14,000,000
Building and Other Civil Construction	29,000,000
Computer Hardware & Printer	2,500,000
Air Conditioners	2,000,000
Generator & Substation	1,500,000
Note Counting Machine	1,000,000
Furniture & Fixture	5,000,000
Decoration of the Branches	5,000,000
Total	60,000,000

VAT, Income Tax, Customs duty or other tax liability

The bank has paid Income Tax as per its Tax Return to the Tax Authority for all the past years. Assessment of Income Tax has been completed for the years 1995, 1996, and assessment of income tax 1997 and 1998 are in process.

Sources of VAT, Income Tax, Customs duty and other tax liabilities are to be paid

Unpaid income tax liabilities will be paid from the operation of the Company.

Financial and Lease Commitment

The Bank has no Financial and Lease Certificate issued to others.

Contingent Liabilities

If contingent liabilities turn into real liability shown in Balance Sheet at 31st December, 1999, in such situation net Profit will be adversely affected. It will also adversely affect the Cash flow of the Bank.

Personnel Related Schemes

Development of human resources is an important policy of the Bank, which is effected through company's internal and external programs like as training on general banking, investment operation, foreign exchange operation, micro credit etc.

The bank has applied for certified copy of return of allotment to the Registrar of Joint Stock Companies and Firms, Dhaka which is under process.

Break down of expenses for Issue Manager/Under-writers

Following payment to be made to the Issue Manager & Underwriters

1) Issue management fee of Tk. 150,000 (0.05%) of the total issue of Tk. 60 million will be paid to Salcom Securities And Management Limited.

2) Underwriting commission will be 0.10% of the amount under-written. Take up commission 0.1% on the amount remaining unsubscribed will be paid to the underwriters.

No reimbursement of company's assets and liabilities.

Transaction between holding company and the issuer

SOCIAL INVESTMENT BANK LIMITED is not a subsidiary of any holding company. Hence no transaction has taken place.

Declaration for a banking company

We hereby declare that all requirements as specified in the Bank Companies Act, 1991 (Act No. 14 of 1991) as amended upto 1997 have been adhered to.

Sd/- Prof. Dr. M. A. Mannan H. E. Dr. Abdulah Omar Naseef H. E. Dr. Hamid Al-Gabid

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

Sd/- H. E. Ahmed M. Salah Jamjom Mohd. Shah Alam Director

Sd/- Ajah Mohammed Nesaruddin Ahmed Akbar Sobhan Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Sd/- Ajah Nasiruddin Kamaluddin Ahmed Director

Prospectus

16.	Handard Laboratories (Waqf) Bangladesh Ltd.	20.08.96
17.	M. A. Mannan (Waqf) Bangladesh Ltd.	20.08.96
18.	Mr. Md. Amin Uddin	20.08.96
19.	Mrs. Zohra Alam	25.09.97
20.	Mr. Sadat Sobhan	25.09.97
21.	BSIF (Represented by Mr. Kazi Rezaul Rahman)	20.08.96
22.	Mr. Md. Humayun Kabir Khan	06.08.96
23.	Alhaj Mohammad Afzal Hossain	09.09.99
24.	Mr. Noor-A-Alam Chowdhury	09.09.99
25.	Mr. Mohammed Shamsuzzaman	09.09.99
26.	Mr. Munshi Akhtaruzzaman	09.09.99
27.	Mr. Md. Sayedur Rahman	09.09.99

Family Relationship among the Directors

No.	Name of the Shareholder/Director	Address	Relationship
1.	Prof. Dr. M. A. Mannan	Megh Mallik, 97, Shraward Avenue, Dhaka-1212	Husband of Mrs. Nargis Mannan, Director of SIBL
2.	Mrs. Nargis Mannan	Director of SIBL	W/O Prof. Dr. M. A. Mannan, Founder Chairman SIBL
3.	Dr. Nargis Mannan Siddique	Director of SIBL	D/O Prof. Dr. M. A. Mannan, Founder Chairman SIBL
4.	Dr. Chahid Mannan	Director of SIBL	S/O Prof. Dr. M. A. Mannan, Founder Chairman SIBL

5.	Mr. Md. Shah Alam	Road # 19, House # 86, Agnabad, CTO, Agnabad, CTO	Husband of Mrs. Zohra Alam, Director of SIBL
6.	Mrs. Zohra Alam	Road # 19, House # 86, Agnabad, CTO, Agnabad, CTO	W/O Mr. Md. Shah Alam, Director of SIBL
7.	Mr. Ahmed Akbar Sobhan	House # 12 (New) 27 (old) Dharmad Road 3A, Dhaka	F/O Mr. Sadat Sobhan, Director of SIBL
8.	Mr. Sadat Sobhan	Road # 12, House # 12, Dharmad Road 3A, Dhaka	S/O Mr. Ahmed Akbar Sobhan, Director of SIBL
9.	Dr. J. H. Gazi	Road # 5, House # 80, Block-F, Barani, Dhaka	F/O Gazi Saifullah & Gazi Anis Ahsan
10.	Mr. Gazi Saifullah	1712, Bluster Avenue, Wilmeton, New Jersey 06004 USA	S/O Dr. J. H. Gazi
11.	Mr. Gazi Anis Ahsan	1712, Bluster Avenue, Wilmeton, New Jersey 06004 USA	W/O Mr. Gazi Saifullah
12.	Mrs. Roshana Habibullah	1712, Bluster Avenue, Wilmeton, New Jersey 06004 USA	W/O Mr. Gazi Saifullah
13.	Dr. Mohammad Habibullah	1712, Bluster Avenue, Wilmeton, New Jersey 06004 USA	W/O Mr. Gazi Saifullah
14.	Ahmadul Nesaruddin	House # 14/1D, Ziggala Road 3A, Dhaka	W/O Ahmadul Nesaruddin, Director of SIBL
15.	Mrs. Shamshun Nahar Begum	House # 14/1D, Ziggala Road 3A, Dhaka	W/O Ahmadul Nesaruddin, Director of SIBL
16.	Mr. Gias Mahmud Rait	House # 14/1D, Ziggala Road 3A, Dhaka	S/O Ahmadul Nesaruddin, Director of SIBL
17.	Mr. Abdul Awal Pathary	House # 27, House # 2, Block-F, Barani, Dhaka	H/O Fatema Begum, Shareholder of SIBL
18.	Mrs. Fatema Begum	House # 27, House # 2, Block-F, Barani, Dhaka	W/O Mr. Abdul Awal Pathary, Shareholder of SIBL

CIB Report from Bangladesh Bank on Sponsors/Directors/Shareholders of the Bank

Out of 46 Sponsors/Directors/Shareholders, one Director named Mr. Afzal Hossain is a loan defaulter having overdue loan liabilities amounting Tk. 34,000 million approximately with Islamic Bank Bangladesh Ltd. Foreign Exchange Branch, Dhaka.

INVOLVEMENT OF OFFICERS AND DIRECTORS IN CERTAIN LEGAL PROCEEDINGS

Four Directors namely Al-Haj Md. Annuh Haque, Dr. J.H. Gazi, M. N. Amin and Al-Haj A.K.M. Saikatul Islam have lost their Directorship from the board of the Bank under section 17(1) of the Banking Companies Act, 1991 due to the Bank loan default. However, they are continuing to remain shareholders of the Bank. Related information are furnished below.

No.	Name	Share of shares held	Amount	Loan outstanding with SIBL as on 31.12.99	Outstanding on vacated date
1.	Al-Haj Md. Annuh Haque	4500	4,500,000	2,250	17.02.98
2.	Dr. J. H. Gazi	500	500,000	0.25%	20.11.97
3.	Mr. M. N. Amin	2512	2,512,000	1.25%	11.11.97
4.	Al-Haj A.K.M. Saikatul Islam	2500	2,500,000	1.25%	24.86

Since they are not repaying the Bank loan, the Bank initiated legal action.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Special arrangement of Directors with the Company

The company did not have any special arrangement/commitment with its directors and there was no such transaction during the last 4 years.

Loans Given/Taken

The Company did not take any loans from any director. However, loans that have been taken from the Bank by the directors or companies where directors have interest are given below:

No.	Name of the Directors	Loan outstanding with SIBL as on 31.12.99
1.	Alhaj Mohammad Nesaruddin	24,600
2.	Mr. Abdul Awal Pathary	25,000
3.	Mr. Kamaluddin Ahmed BA	1,268
4.	Alhaj Mohammad Afzal Hossain	32,400
	Total	93,268

This is in addition to the loan default of the two shareholder mentioned in the table above.

It can be mentioned here that all the above outstanding loans are unclassified.

Bank Loan Status of the Directors

The loan and advances allowed in the names of different companies in which the Directors are interested stands unclassified as on 31st December, 1999 are as follows:

remain shareholders of the Bank. Related information are furnished below:						
Sl No.	Name	No. of shares held	Amount	% of share holdings	Loan outstanding with SIBL as on 31.12.99	Directorship vacated date
1.	Al-haj Md. Aynul Haque	4500	4,500,000	2.25%	—	17.02.98
2.	Dr. I. H. Ceyl	500	5,000,000	0.05%	—	—