

Financial Statements - 2009



Islami Bank Bangladesh Limited

Based on Islamic Shariah

Auditors' Report

TO THE SHAREHOLDERS OF ISLAMI BANK BANGLADESH LIMITED

We have audited the accompanying balance sheet of Islami Bank Bangladesh Limited as of 31 December 2009 and the related profit & loss account, statement of cash flows, statement of changes in equity and notes to the financial statements for the year then ended. These financial statements are the responsibility of the management of the Bank. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope:

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the affairs of the bank as of December 31, 2009 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Bank Company Act 1991, the rules & regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

We also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books of account and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- the Bank's balance sheet, profit and loss account dealt with by the report are in agreement with the books of account and returns;
- the expenditure incurred was for the purposes of the Bank's business;
- the financial position of the Bank at December 31, 2009 and the profit for the year then ended have been properly reflected in the financial statements; the financial statements have been prepared in accordance with the generally accepted accounting principles;
- the financial statements have been drawn up in conformity with the Bank Company Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- adequate provisions have been made for investments which are in our opinion, doubtful of recovery;
- the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanations required by us have been received and found satisfactory;
- 80% of the risk-weighted assets have been reviewed spending over 5100 person hours.

Howlader Yunus & Co.
Chartered Accountants
Dated, Dhaka, March 29, 2010

Aziz Halim Khair Choudhury
Chartered Accountants

Other Commitments

Documentary Credits and Short Term Trade Related Transactions	-	-
Forward Assets Purchased and Forward Deposits Placed	-	-
Undrawn Note Issuance and Revolving Underwriting Facilities	-	-
Undrawn Formal Standby Facilities, Credit Lines and other Commitments	-	-
Total	62,335,645,984	57,138,055,986

The accompanying notes 1 to 43 form an integral part of these Financial Statements

Md. Shahidul Islam Director
Engr. Md. Eskander Ali Khan Director
ATM Ataur Rahman Director
M. Fariduddin Ahmed Managing Director

Howlader Yunus & Co. Chartered Accountants
Aziz Halim Khair Choudhury Chartered Accountants

Financial Highlights of the Bank

S.No.	Particulars	2009	2008
1	Paid-up Capital	6,178.00	4,752.00
2	Total Capital (Equity)	23,619.81	18,572.08
3	Capital Surplus/ (deficit)	3,344.16	1,243.14
4	Total Assets (excluding contra)	278,302.84	230,879.14
5	Total Deposits	244,292.14	202,115.45
6	Total Investments (excluding Investment in Shares / Securities)	214,615.80	180,053.94
7	Total Contingent Liabilities and Commitments	62,335.65	57,138.06
8	Investment Deposit Ratio	87.85%	89.08%
9	Percentage of Classified Investment against Total General Investments	2.36%	2.39%
10	Profit after Tax & Provision	3,403.55	2,674.80
11	Amount of Classified Investment during current year	752.27	65.11
12	Provision kept against Classified Investments	2,490.00	1,883.43
13	Provision Surplus / (deficit)	-	-
14	Cost of Fund	8.76%	9.56%
15	Profit Earning Assets	200,349.24	175,271.22
16	Non-Profit Earning Assets	77,953.60	55,607.92
17	Return on Investments	10.40%	11.31%
18	Return on Assets	1.34%	1.27%
19	Income from Investments	21,485.69	19,952.59
20	Earnings Per Share (Taka)	55.10	43.30
21	Net Income Per Share (Taka)	55.10	43.30
22	Price Earning Ratio (Times)	10.73	10.78

Profit & Loss Account

For the year ended December 31, 2009

Particulars	Note	Amount in Taka	
		2009	2008
Investment Income	25.0	21,370,531,603	19,543,835,472
Profit Paid on Deposits	26.0	(13,076,894,556)	(12,162,098,921)
Net Investment Income		8,293,637,047	7,381,736,551
Income from Investments in Shares & Securities	27.0	115,163,000	408,756,167
Commission, Exchange & Brokerage Income	28.0	3,437,201,409	3,341,978,388
Other Operating Income	29.0	480,961,024	461,762,990
Total Operating Income		12,326,862,480	11,594,234,096
Operating Expenses			
Salary & Allowances		3,149,068,585	2,834,358,181
Rent, Taxes, Insurances, Electricity etc.	30.0	336,713,118	292,347,265
Legal Expenses		11,389,222	13,563,309
Postage, Stamps, Telecommunication etc.	31.0	88,234,680	87,745,947
Stationery, Printing, Advertisement etc.	32.0	111,869,773	101,722,324
Chief Executive's Salary & Fees		4,280,000	3,628,387
Directors' Fees & Expenses	33.0	8,028,938	8,669,347
Shariah Council's Meeting Fees & Expenses	34.0	2,247,399	1,510,116
Auditors' Fees		1,045,000	721,050
Charges on Investment Losses		-	-
Depreciation and Repair of Bank's Assets	35.0	276,017,211	223,779,748
Zakat Expenses		172,426,659	132,429,645
Other Expenses	36.0	384,653,824	415,330,179
Total Operating Expenses		4545,974,409	4,115,805,498
Profit/(Loss) before Provision		7,780,888,071	7,478,428,598
Provision for Investments & Off-Balance Sheet Items (Note 19.2, 19.3 & 19.4)		1,263,029,818	1,118,209,229
Provision for diminution in value of Investments in Shares		-	-
Other Provisions	19.5	200,000	12,386,000
Total Provision		1,263,229,818	1,130,595,229
Total Profit/(Loss) before Taxes		6,517,658,253	6,347,833,369
Provision for Income Taxes:			
Current Tax	19.6	3,086,406,379	3,647,236,601
Deferred Tax	20.0	27,700,000	25,800,000
Net Profit/(Loss) after Tax		3,403,551,874	2,674,796,768
Retained Earnings from previous year		-	-
Add: Net Profit after Tax		3,403,551,874	2,674,796,768
Profit available for Appropriation		3,403,551,874	2,674,796,768
Less: Appropriation			
Statutory Reserve		1,303,531,651	1,269,566,674
General Reserve		246,740,223	(20,369,906)
Retained Earnings (Proposed Dividend)	37.0	1,853,280,000	1,425,600,000
Earnings per Share (EPS)	39.0	55.10	43.30

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Engr. Md. Eskander Ali Khan Director
ATM Ataur Rahman Director
M. Fariduddin Ahmed Managing Director

Howlader Yunus & Co. Chartered Accountants
Aziz Halim Khair Choudhury Chartered Accountants

Balance Sheet

as at December 31, 2009

Particulars	Note	Amount in Taka as at December 31,	
		2009	2008
PROPERTY AND ASSETS			
Cash in Hand	7.0	37,485,668,446	31,330,319,841
Cash in Hand (including Foreign Currency)		2,480,772,445	3,107,360,415
Balance with Bangladesh Bank & its Agent Banks (including Foreign Currency)		35,004,896,001	28,222,959,426
Balance with other Banks & Financial Institutions	8.0	7,678,373,370	5,623,181,755
In Bangladesh		5,858,578,551	1,318,730,016
Outside Bangladesh		1,819,794,819	4,304,451,739
Placement with Banks & other Financial Institutions		-	-
Investments in Shares & Securities	9.0	11,136,610,399	7,532,610,399
Government		11,112,000,000	7,508,000,000
Others		24,610,399	24,610,399
Investments	10.0	214,615,801,272	180,053,935,732
General Investments etc.		202,885,879,274	169,830,762,745
Bills Purchased & Discounted	11.0	11,729,921,998	10,223,172,987
Fixed Assets including Premises	12.0	6,512,363,381	4,407,218,653
Other Assets	13.0	874,022,838	1,931,868,964
Non - Banking Assets		-	-
Total Assets		278,302,839,706	230,879,135,344
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions		-	-
Deposits & Other Accounts	14.0	244,292,144,333	202,115,445,098
Mudaraba Savings Deposits		95,081,551,200	77,498,413,122
Mudaraba Term Deposits		45,268,007,944	36,706,852,995
Other Mudaraba Deposits	15.0	77,602,499,902	64,871,980,113
Al-Wadeeah Current and Other Deposit Accounts	16.0	23,794,371,681	20,730,160,629
Bills Payable	17.0	2,545,713,606	2,308,038,239
Mudaraba Perpetual Bond	18.0	3,000,000,000	3,000,000,000
Other Liabilities	19.0	10,739,191,843	11,564,938,590
Deferred Tax Liabilities/(Assets)	20.0	165,959,677	138,259,677
Total Liabilities		258,197,295,853	216,818,643,365
Capital / Share-holders' Equity		20,105,543,853	14,060,491,979
Paid - up Capital	21.0	6,177,600,000	4,752,000,000
Statutory Reserve	22.0	6,244,022,554	4,940,490,903
Other Reserves	23.0	5,830,641,299	2,942,401,076
Retained Earnings (Proposed Dividend)		1,853,280,000	1,425,600,000
Total Liabilities & Shareholders' Equity		278,302,839,706	230,879,135,344
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances & Endorsements		-	-
Letters of Guarantee	24.0	5,919,111,754	6,381,619,673
Irrevocable Letters of Credit (including Back to Back Bills)		46,093,518,651	31,815,458,547
Bills for Collection		9,853,690,675	18,886,207,604
Other Contingent Liabilities		469,324,904	54,770,162
Total		62,335,645,984	57,138,055,986

Statement of Changes in Equity

For the year ended December 31, 2009

(Amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	Statutory Reserve	General/ Other Reserves *	Assets Rev. Reserves	Revaluation Reserves of Securities	Retained Earnings	Total
Balance as at 01 January 2009	4,752,000,000	1,989,633	4,940,490,903	190,451,443	2,275,960,000	474,000,000	1,425,600,000	14,060,491,979
Changes in Accounting Policy: Restated Balance	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of Revaluation of Properties	-	-	-	-	2,037,500,000	-	-	2,037,500,000
Surplus/(deficit) on account of revaluation of investments (Shares & Securities)	-	-	-	-	-	604,000,000	-	604,000,000
Currency Translation Differences	-	-	-	-	-	-	-	-
Net Gain and Losses not recognized in the Income statement	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	1,303,531,651	246,740,223	-	-	1,853,280,000	3,403,551,874
Dividend : (Bonus Share)	-	-	-	-	-	-	(1,425,600,000)	-
Issue of Share Capital	1,425,600,000	-	-	-	-	-	-	-
Total Shareholders' Equity as on 31 December, 2009	6,177,600,000	1,989,633	6,244,022,554	437,191,666	4,313,460,000	1,078,000,000	1,853,280,000	20,105,543,853
Add : Mudaraba Perpetual Bond	-	-	-	-	-	-	-	3,000,000,000
Add : General Provision for Unclassified Investments and Off- Balance Sheet Items	-	-	-	3,210,000,000	-	-	-	3,210,000,000
Less : 50.00% of Assets Revaluation Reserve	-	-	-	-	2,156,730,000	-	-	2,156,730,000
Less : 50.00% of Revaluation Reserve of Securities	-	-	-	-	-	539,000,000	-	539,000,000
Total Equity as on 31 December 2009	6,177,600,000	1,989,633	6,244,022,554	3,647,191,666	2,156,730,000	539,000,000	1,853,280,000	23,619,813,853

*Note : General / Other Reserves

	2009	2008
General Reserve	366,786,525	120,046,302
Dividend Equalization Account	32,000,000	32,000,000
Exchange Equalization Account	38,405,141	38,405,141
Total	437,191,666	190,451,443

Howlader Yunus & Co. Chartered Accountants
Aziz Halim Khair Choudhury Chartered Accountants
Md. Shahidul Islam Director
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M. Fariduddin Ahmed Managing Director

Liquidity Statement

Assets & Liabilities Analysis as at December 31, 2009

(Amount in Taka)

Particulars	Up to 1 Month					Total 31.12.2009	Total 31.12.2008
	1	2	3	4	5		
ASSETS							
Cash in Hand		2,480,772,445	-	-	-	2,480,772,445	3,107,360,415
Balance with other Banks & Financial Institutions		25,609,961,623	11,524,482,730	5,548,825,018	-	42,683,269,371	33,846,141,181
Placement with Banks & other Financial Institutions		-	-	-	-	-	-
Investments (in Shares & Securities)		-	2,000,000,000	8,000,000,000	-	11,136,610,399	7,532,610,399
General Investments etc.		15,023,106,089	19,315,422,114	64,384,740,382	68,677,056,407	47,215,478,280	180,053,935,732
Fixed Assets including Premises, (Land & Building)		-	-	255,261,973	500,146,376	6,512,363,381	4,407,218,653
Furniture and Fixtures		-	-	-	-	-	-
Other Assets		485,082,675	97,860,558	152,953,996	131,103,426</		