



Financial Statements - 2009

Islami Bank Bangladesh Limited

Provision for Tax for the year ended on 31.12.2009 has been made as per prevailing rates applicable on the net Profit considering income tax on Provision made against Classified, Un-classified investments, Off-balance sheet items, Other Assets, etc. Estimated Tax on Perquisites, Depreciation on revalued amount, tax on provision on off-balance investment as per Section 120 of Income Tax Ordinance, 1994 and claims for VAT have been shown as Contingent Liabilities as at December 31, 2009 against which Reference Applications/Appeals/Petition have been filed at Commissioner (Appeal), Appellate Tribunal and High Court level. Income Tax Assessments have been completed at the Deputy Commissioner level up to the Accounting year 2007 and provisional assessment for the year 2008 has been completed at Deputy Commissioner's Tax level.

as at December 31,

	2009	2008
19.7 Profit Rent/ Compensation Suspense Account		
i) Balance at the beginning of the year	613,761,653	619,387,646
ii) Amount transferred to Suspense Account during the year	3,023,137,110	416,253,085
iii) Amount recovered from Suspense Account during the year	(2,681,946,331)	(412,696,594)
iv) Amount Written-Off / waived during the year	(5,593,491)	(9,182,484)
Balance at the end of the year	949,338,941	613,761,653

19.8 IB General Account

Un-reconciled Entries of Inter Branch Transactions in Bangladesh

Age	Number	Amount in Taka	Amount in Taka
i) Up to 3 months	3,970	529,585,233	-
ii) Over 3 months but not more than 6 months	-	-	-
iii) More than 6 months	-	-	-
Total (i+ii+iii)	3,970	529,585,233	-

Up to 29.03.2010 all the outstanding entries in the above mentioned IB General Account have been fully adjusted.

19.8.1 Un-reconciled Entries of Inter Branch Transactions outside Bangladesh

Age	Number	Amount in Taka	Amount in Taka
i) Up to 3 months	-	-	-
ii) Over 3 months but not more than 6 months	-	-	-
iii) More than 6 months	-	-	-
Total (i+ii+iii)	-	-	-

19.9 Others

i) Provident Fund Collection Account	-	40
ii) Benevolent Fund Collection Account	-	611
iii) Superannuation Fund Collection Account	-	344
Total	-	995

20.0 Deferred Tax Liabilities

At the beginning of the year	138,259,677	112,459,677
Add: Addition during the year	27,700,000	25,800,000
Exchange difference	-	-
At the end of the year	165,959,677	138,259,677

Provision for Deferred Tax has been made on all temporary differences between the Tax Base and the Carrying Amounts for financial reporting purpose as per Bangladesh Accounting Standard (BAS)-12 'Income Taxes'. Tax base represents the written down value of Assets with adjustment used for tax purpose. Tax rate prevailing at the Balance Sheet date is used to determine Deferred Tax.

21.0 Share Capital

21.1 Authorized Capital

The Authorized Capital of the Bank is Tk. 10,000,000,000 divided into 100,000,000 Ordinary Shares of Tk. 100 each.

21.2 Paid up Capital

The Shareholders of the Bank in their 26th Annual General Meeting held on August 14, 2009 approved 30% Stock Dividend (Bonus Share) for the year 2008, thus Paid-up Capital of the Bank was increased from Tk. 4,752.00 million to Tk. 6,177.60 million during the year 2009; as detailed below:

47,520,000 Ordinary Shares of Tk. 100 each	4,752,000,000
14,256,000 Ordinary Shares of Tk. 100 each issued as Bonus Share	1,425,600,000
Total	6,177,600,000

a) The Paid-up Capital of the Bank was Tk. 6,177,600,000 divided into 61,776,000 Ordinary Shares of Tk. 100 each fully subscribed by:

Particulars	no of Shares as on 31 Dec. 2009	% to Total	2009	2008
(i) Sponsors/ Promoters	24,375,677	39.46%	2,437,567,700	1,876,859,000
(ii) General Public	37,399,543	60.53%	3,739,954,300	2,875,081,000
(iii) Government of the People's Republic of Bangladesh**	780	0.01%	78,000	60,000
Sub Total (a)	61,776,000	100.00%	6,177,600,000	4,752,000,000

** The shares have already been sold by the Government of Bangladesh but no transfer has been made in share register of the Bank as yet.

b) Break up of Share holding and percentage thereof

Holdings	No. of Shareholders	Total Holdings/ No. of Shares	(%)
Less than 500 Shares	47,315	3,793,803	6.14%
500 to 5,000 Shares	4,249	5,453,118	8.83%
5,001 to 10,000 Shares	293	2,043,426	3.31%
10,001 to 20,000 Shares	145	2,047,199	3.31%
20,001 to 30,000 Shares	47	1,139,920	1.84%
30,001 to 40,000 Shares	28	973,871	1.58%
40,001 to 50,000 Shares	11	492,299	0.80%
50,001 to 100,000 Shares	32	2,226,645	3.60%
100,001 Shares & above	44	43,605,719	70.59%
Total	52,164	61,776,000	100.00%

21.3 Capital (Equity) Adequacy Ratio

The Capital Adequacy Ratio of the Bank has been calculated as per BRPD Circular No. 10 dated November 25, 2002 which was subsequently amended as per BRPD Circular No.03 dated May 09, 2004, BRPD Circular No. 07 dated August 28, 2006, 05 dated May 14, 2007 & 03 dated March 12, 2008 issued by Bangladesh Bank.

	(in Million Taka)	(in Million Taka)
Total Assets including Off-Balance Sheet Items	340,638.49	288,017.19
Total Risk Weighted Assets (RWA)	202,756.56	173,289.43
A) Required Equity (based on 10.00% total Risk Weighted Assets)	20,275.66	17,328.94
Actual Capital / Equity		
i) Core Capital (C)	14,675.67	11,272.12
ii) Supplementary Capital (D)	8,944.14	7,299.96
B. Total Equity (i + ii)	23,619.81	18,572.08
Surplus Equity (B-A)	3,344.15	1,243.14
C) Core Capital (Tier-1)		
i) Paid Up Capital	6,177.60	4,752.00
ii) Share Premium	1.99	1.99
iii) Statutory Reserve	6,244.02	4,940.49
iv) General Reserve	366.78	120.04
v) Dividend Equalization Account	32.00	32.00
vi) Retained Earnings / proposed dividend	1,853.28	1,425.60
Sub Total (C)	14,675.67	11,272.12
D) Core Capital (as against required minimum 5.00%)	7.24%	6.50%
i) Supplementary Capital	2,700.00	2,315.74
ii) General Provision on Unclassified Investment	510.00	570.83
iii) General Provision on Off-Balance Sheet Items	2,156.73	1,137.98
iv) Assets Revaluation Reserve (50.00%)	38.41	38.41
v) Exchange Equalization Account	538.00	237.00
vi) Revaluation Reserve of Securities (50.00%)	3,000.00	3,000.00
Mudaraba Perpetual Bond (Maximum 30.00% of Core Capital)	8,944.14	7,299.96
Sub Total (D)	23,619.81	18,572.08
Grand Total (C+D)	23,619.81	18,572.08
Actual Capital (as against required minimum 10.00%)	11.65%	10.72%

E. Breakdown of Gross Risk-Weighted Assets (RWA) in the various categories of risk-weights

Risk Weights (Both Balance Sheet & Off-Balance Sheet Items)	Principal Amount 2009	Risk-Weighted Assets 2009	Principal Amount 2008	Risk-Weighted Assets 2008
0%	71,249.58	-	43,947.02	-
20%	164.45	32.89	64.45	12.89
50%	19,850.15	9,925.07	19,458.28	9,729.14
100%	192,798.60	192,798.60	163,547.40	163,547.40
Total	284,062.78	202,756.56	227,017.15	173,289.43

20% of Net Profit is transferred to Statutory Reserve Account each year until the Cumulative balance equal to the amount of Paid up Capital Account as per Section 24 of the Bank Company Act 1991.

23.0 Others Reserves

a) General Reserve

Opening Balance	120,046,302	140,416,208
Add: Addition (Adjustment) made this year	246,740,223	(20,369,906)
Sub total (i)	366,786,525	120,046,302
b) Share Premium	1,989,633	1,989,633
c) Exchange Equalization Account	38,405,141	38,405,141
d) Assets Revaluation Reserve (Note 23.1)	4,313,460,000	2,275,960,000
e) Dividend Equalization Account	32,000,000	32,000,000
f) Revaluation Reserve of Securities (Note 23.2)	1,078,000,000	474,000,000
Sub total (ii)	5,463,854,774	2,822,354,774
Grand Total (i + ii)	5,830,641,299	2,942,401,076

23.1 Assets Revaluation Reserve

Opening balance	2,275,960,000	2,275,960,000
Addition during the year	2,037,500,000	-
Adjustment during the year	-	-
Closing balance	4,313,460,000	2,275,960,000

23.2 Revaluation Reserve of Securities

Opening balance	474,000,000	307,950,000
Adjustment during the year	(307,950,000)	-
Revaluation made during the year	604,000,000	474,000,000
Closing balance	1,078,000,000	474,000,000

24.0 Letter of Guarantee

(a) Claim against the Bank which is not acknowledged as debt
(b) Money for which the Bank is contingently liable in respect of guarantees issued favouring:

i) Directors	-	-
ii) Government	2,758,374,462	2,504,474,624
iii) Bank and other Financial Institutions	3,688,000	16,262,119
iv) Others	3,157,039,292	3,860,882,930
Total	5,918,111,754	6,381,619,673

24.1 Security Pledged against Mudaraba Perpetual Bond (MPB) Liabilities of Tk. 3,000 Million:

Bai Murabaha	11,716,348,719	11,726,139,621
Musharaka / Musharaka Documentary Bills	551,795,666	322,262,802
Bai Muajjal	947,204,133	947,650,753
Hire Purchase under Shirkatul Melek	7,129,471,361	5,817,020,909
Bai Salam	139,095,563	76,198,702
Mudaraba	9,269,200	9,269,200
Bal -A/- Sarf (FDB / FCD) / Inland Bills Purchased	85,254,693	290,287,900
Others	717,497,997	301,740,283
Sub Total (i)	21,277,668,122	19,491,033,669

24.2 Profit on Deposits with other Banks & Financial Institutions

(a) In Bangladesh	90,878,343	39,710,086
(b) Outside Bangladesh	1,985,138	13,019,717
Sub Total (ii)	92,863,481	52,801,803
Grand Total (i + ii)	21,370,531,603	19,543,835,472

Investment Income includes Profit/ Rent Suspense of Tk. 717,497,997/- realized during the year.

25.1 Investment Income derived from the fund deployed by

i) Mudaraba Deposits	19,002,130,000	10,817,100,000
ii) Other Deposits/Fund	1,609,790,000	5,824,590,000
Total	20,611,920,000	16,641,690,000

Amount in Taka Year to December 31,

	2009	2008
26.0 Profit Paid on Deposits		
i) Profit paid on Mudaraba Savings Deposit	3,656,615,331	3,313,240,603
ii) Profit paid on Mudaraba Term Deposit Account	3,033,088,325	2,917,471,631
iii) Profit paid on other Mudaraba Deposits	6,016,790,900	5,508,746,607
iv) Profit paid on Placement	-	8,640,080
v) Profit paid on Mudaraba Perpetual Bond (MPB)	370,500,000	414,000,000
Total	13,076,994,556	12,162,088,921

The Mudaraba Depositors are entitled to get minimum 65% of Investment Income earned through deployment of Mudaraba Fund as per weightages. In 2009, 68.07% of profit earned through deployment of Mudaraba Fund has been distributed/provided to the Mudaraba depositors & MPB holders. It may be mentioned here that in some Mudaraba Deposits, additional rate was allowed over the rate arrived as per weightages. An additional amount equivalent to 10.00% of the rate of dividend has been provided for MPB holders of the Bank for the year 2009.

27.0 Income From Investments in Shares & Securities

i. Inside Bangladesh		
Bangladesh Government Investment Bond (BGIB)	112,000,000	406,756,167
Bangladesh Shipping Corporation (BSC)	2,000,000	2,000,000
Central Depository Bangladesh Ltd. (CDBL)	1,000,000	-
Sub Total (i)	115,000,000	408,756,167
ii. Outside Bangladesh	-	-
Sub Total (ii)	-	-
Grand Total (i+ii)	115,000,000	408,756,167

28.0 Commission, Exchange & Brokerage Income

i) Commission Income	1,711,363,510	1,633,458,043
ii) Exchange Income (Note 28.1)	1,714,174,799	1,704,065,713
iii) Brokerage Income	11,663,100	4,454,632
Total	3,437,201,409	3,341,978,388

28.1 Exchange Income

Gross Exchange gain	1,714,174,799	1,704,065,713
Less: Exchange loss	-	-
Net Exchange gain	1,714,174,799	1,704,065,713

29.0 Other Operating Income

i) Rent on Locker	3,136,919	2,959,546
ii) Telephone/Trunk Call Charge recovered	41,724,881	37,616,716
iii) P&T Charge recovered	54,463,587	51,969,282
iv) Legal Expenses recovered	1,104,172	3,477,679
v) E & TA Fees recovered	1,017,204	1,508,935
vi) Income from ATM & SWIFT	78,796,891	69,606,630
vii) Incidental Charges recovered	4,663,349	8,881,578
viii) Service Charges recovered	11,900,625	10,072,340
ix) Rent on Premises realised	2,659,642	1,309,836
x) Sale proceeds of Tender Schedule	5,678,086	1,434,347
xi) Profit on sale of Bank's Car	3,249,862	7,275,218
xii) Written-off Investment Recovery	200,605,086	193,088,125
xiii) Recruitment Fees recovered	19,412,500	5,672,373
xiv) Profit / (loss) due to change in profit rate	52,548,220	66,880,405
Total	480,961,024	461,762,990

29.1 Income From Dealing Securities

Income from Dealing Securities	N/A	N/A
Less: Loss from Dealing Securities	-	-

29.2 Income From Dealing Investment

Income from Dealing Investment	N/A	N/A
Less: Loss from Dealing Investment	-	-

29.3 Income from Fluctuation

Income from Profit Fluctuation	N/A	N/A
Less: Loss from Profit Fluctuation	-	-

30.0 Rent, Taxes, Insurances, Electricity etc.

i) Rent, Rates and Taxes	104,776,544	90,984,066
ii) Insurance	144,045,452	125,227,516
iii) Electricity and Lighting	87,891,122	76,135,683
Total	336,713,118	292,347,265

31.0 Postage, Stamps, Telecommunications etc.

i) Postage	32,762,903	30,896,685
ii) SWIFT Charges	20,091,203	13,944,808
iii) Telephone	27,876,486	36,891,271
iv) Fax & Internet	7,482,614	5,975,600
v) Stamps	11,474	37,583
Total	88,234,680	87,745,947

32.0 Stationery, Printing and Advertisement etc.

i) Paper & Table Stationery	13,033,520	12,642,391
ii) Printing and Stationery (Registers and Forms)	68,534,870	49,643,854
iii) Advertisement & Publicity	30,301,383	39,436,079
Total	111,869,773	101,722,324