

*Strictly Private & Confidential*

# INFORMATION MEMORANDUM

**IBBL Fourth Mudaraba Redeemable Non-Convertible  
Unsecured Subordinated Bond of BDT 8,000 million**

**Issuer: Islami Bank Bangladesh Limited**



**Islami Bank  
Bangladesh Limited**

**Head Office:**

Islami Bank Tower  
40 Dilkusha Commercial Area  
Dhaka-1000, Bangladesh

**Trustee: DBH Finance PLC.**



**Type of Security:** Floating Rate, Unsecured, Non-convertible, Redeemable,  
Subordinated, BASEL III compliant Debt Instrument (i.e. Bond) for inclusion in Tier 2  
Regulatory Capital

**Total Face Value:** Up to BDT 8,000 million  
**Face Value of Each Bonds is:** BDT 10,00,000.00  
**Issue Price of Each Bonds is:** BDT 10,00,000.00

**Number of Securities:** 8,000 units  
**Total Issue Amount:** BDT 8,000,000,000.00

**Profit rate and YTM:** Floating

**Issue Date of IM:** \_\_\_\_\_

**Credit Rating status of the Issue:** AA+

**Issuer's Long-Term Rating:** AAA **Outlook:** Stable

28 NOV 2022

"If you have any query about this document, you may consult the issuer and the trustee."

**Mandated Lead Arranger: Standard Chartered Bank**

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Md. Ashraf Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

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J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

28 NOV 2022

Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

## ARRANGER'S DISCLAIMER

Islami Bank Bangladesh Limited (the "**Issuer**") has authorized Standard Chartered Bank ("**Standard Chartered**" or the "**Arranger**") to distribute this Information Memorandum (IM) in connection with the proposed transaction outlined in it (the "**Transaction**") and the Bonds proposed to be issued in the Transaction (the "**Bond**").

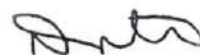
"**Standard Chartered Bank**" means Standard Chartered and any group, subsidiary, associate or affiliate of Standard Chartered and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

Islami Bank Bangladesh Limited has prepared this Information Memorandum (IM) and the Arranger has relied on the information provided by the Issuer and such information has not been independently verified by the Arranger. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Bonds. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions there from. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.

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## ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. The Issue of Mudaraba Unsecured Subordinated Floating Rate Bonds is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Bonds issue to the public in general. Apart from this Information Memorandum, no Information Memorandum or prospectus has been prepared in connection with the offering of this issue.

This Information Memorandum has been prepared to provide general information about the issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Bonds issue. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither does this Information Memorandum nor any other information supplied in connection with the Bonds issue is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any Bonds. Each potential investor contemplating the purchase of any Bonds should make his/her own independent investigation of the financial condition and affairs of the issuer and his/her own appraisal of the creditworthiness of the issuer.

Potential investors should consult their own financial, legal, tax, and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The information relating to the company contained in this Information Memorandum is believed by the issuing company to be accurate in all respects as to the date hereof.

It is the responsibility of potential investors to also ensure that they will sell/transfer these Bonds in strict accordance with this Information Memorandum and other applicable laws. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the Bonds of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the issuer.

The contents of this Information Memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the issuer till the time the Information Memorandum comes within public domain. Notwithstanding the foregoing, a Bondholder may provide this Information Memorandum to a potential investor for the sole purpose of transferring the bonds.

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Each person receiving this Information Memorandum acknowledges that:

- Such person has been afforded an opportunity to request and to review and has reviewed and received this Information Memorandum and all additional information considered by an individual to be necessary to verify the accuracy or to supplement the information herein; and
- Such person has not relied on any intermediary that may be associated with the issuance of the bonds in connection with his/her investigation of the accuracy of such information or his/her investment decision.

The issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the issuer. Neither the delivery of this Information Memorandum nor any sale of Bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the issuer since the date hereof.

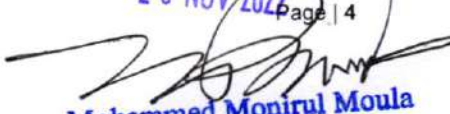
This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Bonds or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the Bonds may be restricted by law in certain jurisdiction. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.

The Tier 2 Bonds is different from fixed deposit particularly that it is not covered by deposit insurance and may not be a suitable investment for all investors.

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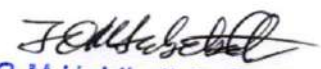
  
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**CONTACT LIST****ISSUER: ISLAMI BANK BANGLADESH LIMITED (IBBL)**

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Company Secretary

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**TRUSTEE: DBH FINANCE PLC.**

**Mr. Jashim Uddin FCS**  
Company Secretary, Head of Corporate Affairs &  
Compliance Officer (Trustee)

**Registered Office:**  
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**MANDATED LEAD ARRANGER: STANDARD CHARTERED BANK, BANGLADESH**

**Md. Maroof Ur Rahman Mazumder**  
Executive Director & Head of Capital Markets, Bangladesh

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**LETTER OF AUTHORITY**

28 November, 2022

**Mr. Md. Maroof Ur Rahman Mazumder**  
 Executive Director & Head of Capital Markets  
 Standard Chartered Bank  
 67, Gulshan Avenue  
 Gulshan, Dhaka-1212

**LETTER OF AUTHORITY**

Dear Sir,

We refer to the Issue of BDT 8,000 million of IBBL Fourth Mudaraba Redeemable Non-Convertible Unsecured Subordinated Floating Rate Bonds (the "Bonds") which, you (the Arranger) are arranging at our request, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum"):

Islami Bank Bangladesh Limited (the "Issuer"), the undersigned, confirms that:

- Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which investors may require in order to evaluate the issuer's business.
- The forecasts contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- The information (including forecast) in the Information Memorandum fairly represents the basis on which the Issuer and its shareholders are proceeding with the business.

The Issuer does not however make any express of implied representation of warranty as to the fairness, accuracy, or completeness of the information (including statements of opinion) or forecasts. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the Bonds documents and no representations or warranties other than those specially set forth on the Bonds documents shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors who may subscribe the Bonds. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective participants (including their relevant staff members and board of directors) to whom the Information Memorandum shall be placed, and we confirm our consent to the distribution of "Information Memorandum" and other relevant documents to prospective investors distributed in this manner.

Yours sincerely,

Sd/-

**Mohammed Monirul Moula**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited

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**Nasimul Baten**  
 Managing Director & CEO  
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### 3. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

The following matters should be considered carefully before making any investment decision with respect to the Issuer or the bonds. This Section contains a list of risks usually associated with the Issuer and the bonds that it is issuing. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences. This list of risk factors is not meant to be a comprehensive description of all risks which may be relevant to a decision to invest in the bonds. It does not take into consideration an investor's specific knowledge and/or understanding about the risks typically associated with the Issuer and the purchase and ownership of the bonds. You are advised to review the risks below, if necessary, with the assistance of your own professional advisors, prior to making any investment decisions. If any of the risks described materialize, they could have a serious effect on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the bonds to be issued.

#### A. Interest Rate Risks

Interest rate risk is the risk where changes in market profit rates might adversely affect bank's financial condition. Changes in profit rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of profit rate risk for a bank and is often gauged by comprising the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.

The short-term impact of changes in profit rates is on the bank's Net Profit (Interest) Income (NII). In a longer term, changes in profit rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other profit rate sensitive position.

#### Management Perception

The Bank adopted traditional Gap analysis for assessing impact on profit perspective (earnings perspective) and Duration Analysis for assessing the impact on the Economic Value of Equity (Economic Value Perspective).

##### Gap Analysis:

Gap analysis is the cash flow analysis of the gap between the interest income earned on a Bank's assets and the profit (interest) paid on its liabilities over a particular period of time. Under this approach, Bank reports the gaps between the Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) in each maturity bucket on its Balance Sheet. Rate sensitivity means the assets and liabilities are re-priced at current market profit (interest) rate within a certain maturity bucket.

##### Duration Analysis:

Duration is the time-weighted average maturity of the present value of these instruments to change profit rates and therefore reflects on the economic value i.e. the present value of shareholders' equity of the Bank.

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## B. Exchange Rate Risks

Foreign exchange risk is the risk that a business' financial performance or financial position will be impacted by fluctuations in the exchange rates between currencies. The risk can manifest itself through a bank's holdings of assets (or liabilities) with net payment streams denominated in a foreign currency. Foreign exchange rate fluctuations alter the domestic currency values of such assets. Foreign exchange risk is not confined to proprietary positions taken by a bank and client driven transactions but can also arise from known profit flows in foreign currency, and provisions for bad debts denominated in foreign currency. It is important that these exposures are identified and, where necessary, hedged, on a timely basis with the proper mitigants at place.

### Management Perception

IBBL has established Risk Tolerance limits for foreign exchange exposure with the directives of Bangladesh Bank in order to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are managed within acceptable parameters.

## C. Non-Repayment Risks

Non-repayment risk is defined as the potential risk that a bank's borrower or counterparty may fail to meet its obligations in accordance with agreed terms, resulting into an adverse impact on the quality of bank's assets and profitability. Non-repayment risk also refers to the bank's risk of having its cash flows interrupted when a borrower fails to make their repayment. Such a scenario results into having the loan classified in separate categories, the extreme one being Non-Performing Loans (NPL) which adversely impacts the bank's profitability due to higher required provisioning.

In the case of an unpaid loan, non-repayment risk can result in the loss of both interest on the debt and unpaid principal, whereas in the case of an unpaid account receivable, there is no loss of interest. In both cases, the party granting the credit may also incur incremental collection costs.

### Management Perception

IBBL believes that a key component of a disciplined investment (credit) culture is adherence to internal policies and procedures. Hence comprehensive investment policies and guidelines have been established in the bank to always ensure quality and transparency of investment decisions. The Board of Directors has approved the Investment Policy for the Bank where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company, group and area) and risk management strategy have been described/stated in detail. Investment policy is being regularly updated to cope up with the changing global and domestic economic scenarios.

## D. Prepayment, Call or Refunding Risks

Call risk is the risk that the Bonds an investor has invested in will be redeemed by the issuer before its maturity date, thereby raising the risk for the investor as they would have to reinvest the redeemed amount at a much lower rate or in an unfavorable investing market scenario. If the Bonds is called at or close to par value, as is usually the case, investors who paid premium for their Bonds also risk a loss of principal. In reality, prices of callable Bonds are unlikely to move much above the call price if lower interest rates make the Bonds likely to be called.

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### Management Perception

Since this is the fourth issue of Bonds of its nature (i.e. redeemable) by IBBL and this particular Bonds issue has no prepayment, call or refunding options thus, it does not impose risk to the Issuer.

### E. Security Risks

The risk of loss arising from errors in the nature, quantity, pricing, or characteristics of collateral securing a transaction with credit risk. Institutions that actively accept and deliver collateral and are unable to manage the process accurately are susceptible to loss.

### Management Perception

Since this is an unsecured Bonds, this particular risk is not applicable here.

### F. Liquidity Risks

Liquidity is a bank's ability to meet its cash and collateral obligations without sustaining unacceptable losses. Liquidity risk refers to how a bank's inability to meet its obligations (whether real or perceived) threatens its financial position or existence. Institutions manage their liquidity risk through effective asset liability management (ALM).

### Management Perception

Islami Bank Bangladesh Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of managing the liquidity risk of the bank lies with Treasury Division. Different key ratios including LCR and NSFR are regularly discussed in monthly meeting of ALCO of the Bank. The committee meets at least once in every month to review LCR, NSFR report and overall liquidity position of the bank. Treasury Division maintains liquidity based on current liquidity position anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

### G. Management Risks

The risk associated with the management in charge of running the company. Ineffective, myopic, or inadequate strategies undertaken by the management hurt the shareholders and in turn, expose the company to management risk. Lack of proper succession planning and experience of the management are also some key variables in considering the said risk.

### Management Perception

IBBL is one of the leading Islamic banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. IBBL has a sound management system that is not only efficient but also dynamic in taking appropriate decision to make the organization more effective, vibrant and result oriented. Therefore, with the strong leaderships and structured corporate set-up the management risk is not a matter of concern at all for the steady and sustainable growth of IBBL.

### H. Operational Risks

Operational risk is the risk of loss due to failed internal processes or external events at an organization. Operational risk involves the legal and compliance risks in response to the disruption of day-to-day business operations. It also involves risk of losses suffered by the institutions stemming from the operational errors or mismatches in the process flows inherent in the lines of businesses.

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Due to rising customer expectations, increasing regulatory requirements, proliferating financial engineering, uprising technological innovation, and mounting competition, banks and financial institutions are undergoing changes. This has increased the probability of failure or mistakes from the operational point of view that can result in increased focus on managing operational risks.

### Management Perception

The policy for operational risks including internal control and compliance risk is approved by the Board taking into account the relevant guidelines of Bangladesh Bank. In order to review the operation and compliance of statutory requirements, Internal Control & Compliance Division undertakes various measures including periodical and special audits on the affairs of the branches and departments at head office. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division of the bank to protect and safeguard the interest of all stakeholders.

### I. Business Risks

Business risk is the possibility that an organization's operations or competitive environment will cause it to generate financial results that are worse than expected. An entity with high business risk should be operated in a more conservative manner, keeping the debt level as low as possible. Business risk is influenced by a lot of factors, including revenue, costs, competition, and overall economic climate and government regulations.

### Management Perception

The Bank has a robust risk management system to counter any adverse business risk. Most business risks have been covered in investment, Liquidity and profit rate Risk. To counter and mitigate business risk, the following mitigation measures are in place:

- Regular review of impact of global & domestic economic changes meltdown and taking appropriate measures.
- Innovative and convenient financial products and services.
- Taking prompt action on customer complaints.
- Frequent assessment of client's satisfaction
- Regular review of performance against budget and targets.
- Review and analysis of competitors' performance.
- Regular review on different government regulations & make prompt action to cope up with those regulations.

Prevention of risk by forecasting future market condition gives IBBL competitive edge over other competitors in the local market. In order to mitigate prospective risks of the market, the ALCO team regularly assesses the market information. This assessment updates the Management about the current market situation, growth of certain industries, current global phenomena, price index of raw materials, refinance scheme taken by central bank and regulatory steps taken by various regulatory bodies. This also helps to make future prediction on any industry and the market as a whole.

### J. Industry Risks

Industry risk is the systematic risk inherent in a particular industry affecting all the entities. The risk can manifest itself through increased competition in the industry, threats of substitutes, bargaining power of supply chain entities etc. Macro-economic conditions also impact the ecosystem of the industry a particular company is a part of. Specially for the financial sector, there can be certain economic events or anomalies that adversely affect the industry sending it on a decline.

### Management Perception

**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.

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Md. Ashraf Raque, FCA  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka

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**J Q M Habibullah, FCS**  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka

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**Mohammed Monirul Moula**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



IBBL constantly keeps watch on ever changing economic and business environment which sometimes leads some industry risk as well as opportunity and banks has taken prompt & proactive action for avoiding probable risk and grabbing the opportunity. IBBL has always been careful in offering Innovative, convenient and cost-effective financial products and services which flexibility in nature and by the way minimizes its industry risk exposure. Since its inception the bank contributes significantly in harnessing deposits by launching different attractive schemes befitting the requirement of different segment of customers. The bank actively encourages feedback from the customers and regard complaints as constructive comments that helps to build customer relationships and improve business situation. The Bank has also succeeded in diversifying its business portfolio across the thrust sectors of the economy and always takes special care for utmost value addition in clientele services.

#### K. Market and Technology-related Risks

Market risk is defined as the potential impact of adverse price movements such as benchmark rates, foreign exchange rates, and equity prices on the economic value of an asset i.e. the current or prospective threat to the Bank's earnings due to movements in market prices, i.e. prices of securities, commodities, profit rates and foreign exchange rates. Market risk exposure of IBBL is explicit in portfolios of securities/equities and instruments that are actively traded.

We are living in an era of information and communication technology and banks have become more technology driven these days. Use of computer, internet has become a common practice in the banking industry. There are certain risks involved in the use of technology. This risk may arise from malfunction of system, failure of network, shortage of skilled /trained manpower, lack of knowledge about the use of technology, virus attack, hacking etc.

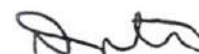
#### Management Perception

The Treasury Division manages market risk covering liquidity, profit rate and foreign exchange with oversight from Asset Liability Management Committee (ALCO) comprising Senior Executives of the Bank. ALCO is headed by the Managing Director.

To manage IT related risk, IBBL has adopted Core Banking Software "**electronic Integrated Banking System (e-IBS)**", own developed full-fledged centralized core banking systems. IBBL is already running a Data Center at bank's own premises at Dilkusha since 2005. The bank has also secured its data through Disaster Recovery Site (DRS) located at Savar since 2009 to make sure that the bank will not lose any data in case of any disaster occurs. Moreover, IBBL has established in 2013 a Hot Disaster Recovery (Hot DRS), a replica of data center, at Kakrail for uninterrupted real-time online banking and most secured data storage.

IBBL has an IT Audit and Security team formed as per the Central Bank's Guideline. It is conducting IT Audit in each branch on a periodic basis and providing suggestions to higher management. IT Division is also managing IT related training programs to make sure that employees are aware of IT risk related issues. Besides, the bank has taken initiatives for capacity building of IT officials of the bank through providing appropriate training. Last year the bank has arranged more than fifty IT related training and workshop for the employee of IBBL.

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#### L. Risks Related to Potential or Existing Government Regulations

Excessive growth of Risk Weighted Assets against the growth of eligible regulatory capital of Islami Bank Bangladesh Limited might breach the Bangladesh Bank's criteria of minimum capital requirement. Also, the Bank might fail to comply with the laws, regulations or codes applicable to the financial services industry.

#### Management Perception

Internal Control and Compliance of IBBL works to achieve effectiveness and efficiency of operations, reliable financial reporting and compliance with laws and regulations. Pillar 1 and Pillar 2 of Basel-III Accord also focused on operational risk and supervisory review respectively attaching considerable importance to internal control & compliance and on supervision & monitoring. As prescribed in the Bangladesh Bank core risk guideline on Internal Control & Compliance, Management Committee of IBBL reviews the overall effectiveness of internal control system.

#### M. Risks Related to Potential Changes in Global or National Policies

**Risk associated with any potential global issues (i.e. a global financial crisis or a massive volatility in an international currency) or a national policy change (i.e. regulatory changes made by the Bangladesh Bank or the Bangladesh Securities and Exchange Commission).**

#### Management Perception

Since this security would be issued in the local market, potential global changes are unlikely to have any impact on the security issued. Moreover, IBBL has a robust risk management team and has the capability to adapt to any local/global scenario that might affect the local market.


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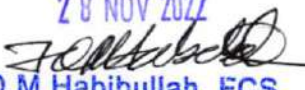
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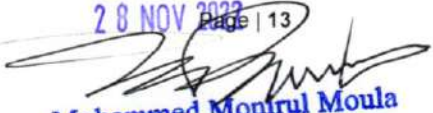
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#### 4. DETAILED DESCRIPTION AND INFORMATION OF ISSUER'S APPLICATION

As per Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021  
Schedule A (part I)

##### 1. Particular of the Issuer:

(a)	Name of the Issuer	:	Islami Bank Bangladesh Limited
(b)	Legal status of the Issuer	:	Public Limited Company under the Companies Act, 1994 (Act No. 18 of 1994) and also is governed by the Banking Companies Act 1991.
(c)	Details of contact information	:	J Q M Habibullah, FCS Additional Managing Director and Company Secretary Mobile: 01713046179 Email: jgmfc@gmail.com
(d)	Date of incorporation or registration	:	13 March 1983
(e)	Date of commencement of business	:	30 March 1983
(f)	Authorized capital	:	BDT 20,000,000,000 as at 30 September, 2022
(g)	Paid-up capital	:	BDT 16,099,906,680 as at 30 September, 2022
(h)	Total equity	:	BDT 66,636,475,676 as at 30 September, 2022
(i)	Total liabilities	:	BDT 1,756,162,342,610 as at 30 September, 2022
(j)	Total financial obligations	:	BDT 1,756,162,342,610 as at 30 September, 2022
(k)	Total assets	:	BDT 1,822,798,818,286 as at 30 September, 2022
(l)	Total tangible Assets of the issuer	:	BDT 18,417,835,676 as at 30 September, 2022
(m)	Net Worth of the issuer	:	BDT 66,636,475,676 as at 30 September, 2022
(n)	Others	:	Not Applicable

1. **Particulars of Issue Manager:** Not applicable

##### 2. Particulars of the Issue:

(a)	Name of the issue	:	IBBL Fourth Mudaraba Redeemable Non-Convertible Unsecured Subordinated Bond of BDT 8,000 million.
(b)	Type of instruments to be issued	:	BASEL III compliant Tier 2 Debt instruments for inclusion in Tier 2 Capital for capital adequacy purposes.
(c)	Purpose of the issue	:	Augmenting Tier 2 Capital (As per the terms defined in Basel III Regulations/Guidelines/Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Issuer (i.e. Bank) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.
(d)	Number of securities and total size of the issue to be offered	:	8,000 units/Bonds and total size up to BDT 8,000 million.
(e)	Face Value and Issue Price:	:	BDT 10,00,000/- (Taka ten lac) only per Bonds at par.
(f)	Coupon Rate or rate of profit pr discount rate and yield to maturity (YTM)	:	<b>Coupon Rate to be calculated by Benchmark (Reference) rate plus coupon margin as under:</b>  <b>Benchmark Rate:</b> The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of Full-fledged Shariah based Banks (excluding any foreign Islami Bank and 2 category Islami Bank listed with stock exchanges) to be collected semi-annually. The profit rates of all Full-fledged Shariah based Banks to be collected from latest available Announced



		<p>Interest Rate Chart of the Scheduled Banks (Deposit Rate) published by Bangladesh Bank in its website. After each financial year end, the issuer will give adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.</p> <p>The Benchmark rate will be calculated by the Trustee and notified to the Issuer and all Investors on every Profit Reset Date.</p> <p><b>Coupon Margin:</b></p> <p>Investors will get an additional profit rate of 2.00% per annum to be paid semi-annually along with the benchmark profit by the issuer for the respective investments in the Mudaraba Subordinated Bonds.</p>																											
(g)	Tenor or maturity	: 07 years.																											
(h)	Details of conversion/exchange option features	: Not applicable as the bond is Non-Convertible.																											
(i)	Mode of redemption or conversion/exchange	<p>To be redeemed at par in 5 equal annual instalments starting from end of 3rd year from the subscription closing date/deemed date of allotment and each 12 months from thereafter as per following table</p> <table border="1"> <thead> <tr> <th colspan="3">Issue Size (BDT) 8,000,000,000</th></tr> <tr> <th>Years</th><th>Repayment (BDT)</th><th>Balance</th></tr> </thead> <tbody> <tr> <td>End of 1<sup>st</sup> year</td><td>-</td><td>8,000,000,000</td></tr> <tr> <td>End of 2<sup>nd</sup> year</td><td>-</td><td>8,000,000,000</td></tr> <tr> <td>End of 3<sup>rd</sup> year</td><td>1,600,000,000</td><td>6,400,000,000</td></tr> <tr> <td>End of 4<sup>th</sup> year</td><td>1,600,000,000</td><td>4,800,000,000</td></tr> <tr> <td>End of 5<sup>th</sup> year</td><td>1,600,000,000</td><td>3,200,000,000</td></tr> <tr> <td>End of 6<sup>th</sup> year</td><td>1,600,000,000</td><td>1,600,000,000</td></tr> <tr> <td>End of 7<sup>th</sup> year</td><td>1,600,000,000</td><td>0</td></tr> </tbody> </table>	Issue Size (BDT) 8,000,000,000			Years	Repayment (BDT)	Balance	End of 1 <sup>st</sup> year	-	8,000,000,000	End of 2 <sup>nd</sup> year	-	8,000,000,000	End of 3 <sup>rd</sup> year	1,600,000,000	6,400,000,000	End of 4 <sup>th</sup> year	1,600,000,000	4,800,000,000	End of 5 <sup>th</sup> year	1,600,000,000	3,200,000,000	End of 6 <sup>th</sup> year	1,600,000,000	1,600,000,000	End of 7 <sup>th</sup> year	1,600,000,000	0
Issue Size (BDT) 8,000,000,000																													
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End of 6 <sup>th</sup> year	1,600,000,000	1,600,000,000																											
End of 7 <sup>th</sup> year	1,600,000,000	0																											
(j)	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	: Redemption Premium /Discount -Not applicable and call or put option- Not applicable.																											
(k)	Rate of return	: Floating Rate and total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin 2.00% p.a. to be paid semi-annually.																											
(l)	Applicable tax rate	: As per applicable Tax Laws of Bangladesh.																											
(m)	Default protection mechanism (details of credit enhancement arrangement/ agreement, redemption reserve, sinking fund etc.), if Any	: Not applicable but Penalty rate on delay repayment at a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument as per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021.																											
(n)	Type of collateral securities being offered, if any	: Unsecured.																											

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(o)	<b>Status of securities holders in case of priority of payment</b>	: The Claims of the Investors/Bondholders shall: (i) be superior to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bonds (MPB) of BDT 3,000 million; (iv) pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 (AT1) Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and (v) neither be secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.  Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.
(p)	<b>Period within which securities to be issued</b>	: Within 6 (six) months of regulatory approval in Single or Multiple Tranches.
(q)	<b>Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)</b>	: Proposed to be listed on Alternative Trading Board (ATB) or main board or under other arrangements of stock exchange(s), if required as per instructions/guidelines/rules of the regulators only.
(r)	<b>Others</b>	: Not Applicable.

### 3. Particulars of the Trustee:

(a)	<b>Name of the trustee</b>	: DBH Finance PLC.
(b)	<b>Paid-up capital of the trustee</b>	: BDT 1,772.64 Million (As on 31 December 2021)
(c)	<b>Net worth of the trustee</b>	: BDT 7,244.13 Million (as of 31 December 2021)
(d)	<b>Name of the issue(s) where performing as trustee</b>	: 1. UCB 5th Subordinated Bond BDT 10 Billion 2. 5th PBL Subordinated Bond BDT 6 Billion 3. IDLC Venture Capital Fund BDT 450Million
(e)	<b>Others</b>	: Not Applicable

  
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 Managing Director & CEO  
 DBH Finance PLC.

  
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 AMD & Company Secretary  
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 Head Office, Dhaka.

  
 Mohammed Monirul Moulana  
 Managing Director & CEO  
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 Head Office, Dhaka.



**4. Particulars of the Credit Rating Company:**

(a)	Name of credit rating company	:	Credit Rating Information and Services Limited										
(b)	Credit rating status of the issuer or originator	:	Long Term rating: AAA Short Term Rating: ST-1 Outlook: Stable										
(c)	Credit rating status of the issue	:	AA+										
(d)	Periodical surveillance rating shall be done by the said rating company in line with the provisions of the Credit Rating Companies Rules, 1996	:	Complied										
(e)	The issue shall not be rated below the minimum investment grade of triple 'BBB' or equivalent rating in the long term and "ST-3" or equivalent rating in the short term	:	Complied										
(f)	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	:	<b>Issuer Rating:</b> Date of Declaration: 06 July, 2022 Valid till: 05 July, 2023 <b>Issue Rating:</b> Date of Declaration: June 23, 2022 Valid Till: 22 June, 2023										
(g)	Latest default rate of the credit rating company	:	0.00% for AA grade but 2.283% investment grade AAA-BBB. (source: <a href="https://www.crislbd.com">https://www.crislbd.com</a> )										
(h)	Average time to default of the rated category	:	0.00% (source: <a href="https://www.crislbd.com/page/default-statistics">https://www.crislbd.com/page/default-statistics</a> )										
(i)	Rating trigger if any	:	"BBB" in long term and "ST-3" in short term										
(j)	Others	:	<b>Risk Premium</b> In case a downgrade of credit rating under surveillance rating, Risk Premium to be Added as under: <table><tr><th>Issue Rating</th><th>Risk Premium to be Added</th></tr><tr><td>BB</td><td>0.25%</td></tr><tr><td>B</td><td>0.50%</td></tr><tr><td>C</td><td>0.75%</td></tr><tr><td>D</td><td>1.00%</td></tr></table>	Issue Rating	Risk Premium to be Added	BB	0.25%	B	0.50%	C	0.75%	D	1.00%
Issue Rating	Risk Premium to be Added												
BB	0.25%												
B	0.50%												
C	0.75%												
D	1.00%												

**5. Particulars of originators, if any:** Not applicable

*[Signature]*  
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 Head Office, Dhaka

*[Signature]*  
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**6. Particulars of other contractual parties:**

(a)	<b>Name of the Mandated Lead Arranger (MLA)</b>	:	<b>Standard Chartered Bank</b> acting through its Bangladesh Branch
	<b>Legal status of the Mandated Lead Arranger</b>	:	Foreign Commercial Bank
	<b>Details of contact information of the Mandated Lead Arranger</b>	:	<b>Md. Maroof Ur Rahman Mazumder</b> Executive Director & Head of Capital Markets, Bangladesh. Address: Level 3, 67 Gulshan Avenue, Dhaka – 1212
(d)	<b>Legal Advisor</b>	:	Mr. Md. Mydul Haque Khan, Barrister-at-Law & Advocate, Supreme Court of Bangladesh and Partner – Lex Juris, e-mail:mydulkhan@lexjurisbd.com Mobile: +8801768054385, +8801912888553
(c)	<b>Depository</b>	:	Central Depository Bangladesh Limited (CDBL).
(d)	<b>Registrar</b>	:	<b>DBH Finance PLC.</b>
(e)	<b>Paying Agent</b>	:	Landmark Building (9th Floor)
(f)	<b>Transfer Agent</b>	:	12-14 Gulshan North C/A, Gulshan 2, Dhaka-1212. Tel:+88 02 222282112, E-mail: dbh@dbhfinance.com

The Bonds are proposed to be listed on Alternative Trading Board (ATB) of Stock Exchange(s) as per rule 19 of BSEC (Debt Securities) Rules, 2021 and Bank shall make listing application and obtain listing permission upon available of ATB platform by the Stock Exchange(s). Therefore, the appointed Trustee **DBH Finance PLC.** shall also perform the roles/responsibilities of a Registrar, Paying Agent and Transfer Agent besides the roles and responsibilities of Trustee until listing with ATB.

  
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## 5. DETAILS OF THE UTILIZATION OF PROCEEDS


Islami Bank Bangladesh Limited (i.e., the Issuer) has planned to issue BDT 8,000 million of IBBL Fourth Mudaraba Redeemable Non-Convertible Unsecured Subordinated Bonds for augmenting Tier 2 Capital (As per the terms defined in Basel III Regulations/Guidelines/ Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Bank (i.e. Issuer) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.

The funds being raised by the Issuer (i.e. IBBL) through the present Issue are not meant for financing any particular project. The Bank (i.e. the Issuer) shall utilize the proceeds of the Issue for its regular business activities. The Issuer (i.e. Bank) shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Securities and Exchange Commission.

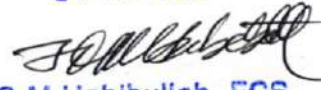
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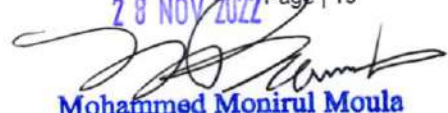
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## 6. FEATURES OF THE DEBT SECURITY TO BE ISSUED

### a. Basic Features of the Instrument

1	Issuer	Islami Bank Bangladesh Limited (the "IBBL"/ the "Bank"/ the "Issuer").	
2	Name of the Issue/ Security/ Instrument	IBBL Fourth Mudaraba Redeemable Non-Convertible Subordinated Bond of BDT 8,000 million.	
3	Issue Type	BASEL III compliant Tier 2 Debt instruments for inclusion in Tier 2 Capital for capital adequacy purposes.	
4	Issue size	BDT 800,00,00,000/- only (Taka eight hundred crore).	
5	Face Value/ Issue Price	BDT 10,00,000/- (Taka Ten Lac or one million) only per Bond at par.	
6	Number of Issuing Unit	8,000 units/bonds.	
7	Mode of Issue	Private offer/placement basis in Demat form only.	
8	Market Lot	For Individual	01(one) unit/bond
		For other than Individual	10(ten) units and in multiples of 01 unit/ bond thereafter.
9	Minimum Application	For Individual	BDT 10 lac (i.e. one million) only.
		For other than Individual	BDT 1 crore (i.e. ten million) only.
10	Tenor	07 years (i.e. 84 months from the subscription closing date/deemed date of allotment).	
11	Nature of Instrument and status of the Bond	Unsecured, Subordinated, Non-Convertible, Fully paid up, Redeemable Bond which will be operated under Mudaraba Principle of Islami Shari'ah. Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.	
12	Purposes and Objectives	Augmenting <b>Tier 2 Capital</b> (As per the terms defined in Basel III Regulations/Guidelines/Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Issuer (i.e. Bank) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.	
13	Redemption date	Redeemable after 3 years from the deemed date of allotment/ Issue Date.	
14	Details of the utilization of the proceeds	The funds being raised by the Issuer (i.e. Bank) through the present Issue are not meant for financing any particular project. The Bank (i.e. the Issuer) shall utilize the proceeds of the Issue for its regular business activities. The Issuer (i.e. Bank) shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC).	
15	Security	Unsecured without any credit enhancement. The obligation is not a deposit and is not insured by any deposit insurance scheme.	
16	Deemed Date of Allotment/Issue Date	On the subscription closing date of the present Issue upon realisation of proceeds of subscription money in the designated bank account(s).	
17	Proposed Listing	Proposed to be listed, only if required as per instructions/guidelines/ rules of the regulator(s), on Alternative Trading Board (ATB) or main board or other arrangements of stock exchange(s).	

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18	Seniority of Claims/ Seniority of the Instrument/ Claim Settlement in the event of Liquidation or Wind-up/ Ranking among the claimant	<p>The Claims of the Bondholders shall:</p> <ul style="list-style-type: none"> <li>(i) be superior to the claims of investors in equity shares;</li> <li>(ii) be subordinated to the claims of depositors and general creditors of the bank;</li> <li>(iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument <b>Mudaraba Perpetual Bond (MPB) of BDT 3,000 million</b>;</li> <li>(iv) pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 (AT1) Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and</li> <li>(v) neither be secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.</li> </ul> <p>Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.</p>
19	Re-capitalization	Nothing contained in this term-sheet or in any transaction documents (i.e. documents to be executed by the Issuer in connection with the Issue including but not limited to trust deed, offer letter and subscription agreement, etc.) shall hinder re-capitalization by the Issuer.
20	Depository	Central Depository Bangladesh Limited (CDBL).
21	Prohibition on Purchase/ Funding in Bond	Neither the Bank (i.e. Issuer) nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) will purchase the instrument, nor can the Bank directly or indirectly will fund the purchase of the instrument. The same restriction will also apply to the employees' retirement benefit funds of the Issuer (i.e. Issuing Bank). The Issuer/IBBL/Bank will also not grant advances against the security of the instrument issued by them.
22	Profit/Coupon Type	Floating Rate calculated by Benchmark (Reference) Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin.
23	Benchmark (Reference) Profit Rate/ Coupon Rate	<p>The <b>average</b> of most recent month's published <b>highest</b> Mudaraba Term Deposit <b>profit rates in 6 months tenor</b> of Full-fledged <b>Shariah based Banks</b> (excluding any foreign Islami Bank and "Z" category Islami Bank listed with stock exchanges) to be applied semi-annually. The profit rates of all Full-fledged Shariah based banks to be collected from latest available Announced Interest Rate Chart of the Scheduled Banks (Deposit Rate) published by Bangladesh Bank in its website. After each financial year end, the issuer will give adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.</p> <p>The Benchmark rate will be calculated by the Trustee and notified to the Issuer and all Investors on every Profit Reset Date.</p>
24	Additional Profit/ Coupon Rate	Investors will get an additional profit rate of <b>2.00% per annum</b> to be paid semi-annually along with the benchmark profit by the issuer for the respective investments in the Mudaraba Subordinated Bonds.
25	Profit/Coupon Payment Frequency	Semi-annually subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income-tax Ordinance, 1984, or any other statutory modification or re-enactment thereof.

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26	Profit/Coupon Payment Dates	First Profit Payment Date shall commence on Deemed date of allotment/subscription closing Date and ending on last Business Day of the sixth month and shall be paid from the date of receipt of the funds/ from the date of realisation of cheque(s)/ proceeds to one day prior to the ending on last Business Day of the sixth month from the deemed date of allotment/Issue Date and thereafter shall occur after every six months till final redemption. However, last Profit Payment Date shall be the Maturity Date.
27	Profit/Coupon rate Reset date/ Profit rate/Coupon Rate determination date	The first rate will be determined at the date of the issuance of the bond or subscription closing date or deemed date of allotment whichever comes first. From thereon, the rate will be re-fixed semi-annually on 05(five) business days before the first day of any profit/coupon period for which a rate of return/coupon/profit is to be determined.
28	Computation of Profit/ Coupon/Day count Basis	The total Profit/Coupon for each of the Profit/Coupon periods shall be computed as per actual day count/365 days irrespective of leap year on the face value of principal outstanding at the coupon/profit rate till final redemption.
29	Settlement	Payment of Rate of Return/ Coupon/Profit and repayment/ redemption of principal shall be made by the way of cheque(s)/ warrant(s)/demand draft(s)/Bank Payment Order(s)/credit through direct credit/BACPS/BD-RTGS/BEFTN mechanism or any other permitted method at the discretion of the Issuer/IBBL/Bank.
30	Record Date	15 (Fifteen) days prior to the redemption date or each Coupon Payment Date (as the case may be). In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date. All bondholders who are registered at Central Depository Bangladesh Limited, or if the bond are not deposited in the depository, the persons whose name is recorded in the registers of the Issuer/Bank/Trustee as on the relevant coupon/profit payment Record Date are eligible to receive coupon/profit for that relevant period.
31	Penalty rate on delay repayment (as fixed by the BSEC)	At a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument As per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021.
32	Applicable Bangladesh Bank Guidelines	The Bond are being made in pursuance of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 ( herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria for Subordinated Debt to Qualify as Tier 2 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bond and terms and conditions of the Bond will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time.
33	Governing Law and Jurisdiction	The Bond is governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh.
34	Shari'ah Approval	Assent from Shari'ah Supervisory Committee of the Issuer has been obtained.
35	Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Issuer (i.e. IBBL/ the Bank) will issue the Bond.

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36	Validity of the Consent (to be issued by BSEC)	The consent for issuance of securities under private offer shall remain valid for 06 (six) months from the date of consent or for such a period as determined by the BSEC in the consent letter.
37	BDT	All references to "BDT" or "Tk." are to the Bangladeshi Taka, the official currency of Bangladesh where Tk. 1 Crore equal to Tk. 10 Million.
38	Basel Accords	Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II, and III.
39	Basel III	Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: <ul style="list-style-type: none"> <li>(i) minimum capital requirements, which seek to refine the present measurement framework;</li> <li>(ii) supervisory review of an institution's capital adequacy and internal assessment process; and</li> <li>(iii) market discipline through effective disclosure to encourage safe and sound banking practices.</li> </ul>
40	Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines- 2014	BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for criteria for inclusion of instruments in regulatory capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III).  In the case of any discrepancy or inconsistency between the terms of the Bond or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines as per Bangladesh Bank shall prevail. The issue of Bond and the terms and conditions of the Bond will primarily be subject to and govern by the applicable guidelines issued by the Bangladesh Bank from time to time and the Rules and Regulations of Bangladesh Securities and Exchange Commission as amended from time to time.

#### **6(b) Rate of Return, Yield to Maturity, Coupon/Discount Rate:**

Floating Rate and total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin @2.00% per annum on the outstanding balance of the Bonds to be paid semi-annually.

#### **6(c) Transferability/Liquidity:**

Transfer and transmission of the Bonds shall be subject to the Depositories Act, 1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.

#### **6(d) Prepayment, Call, Refunding, Conversion Feature:**

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Not applicable

**6(e) Early redemption or late redemption:**

Early redemption-Not applicable but Penalty rate on delay repayment (as fixed by the Regulator@ 2% (two percent) per annum above the usual rate of return of the debt instrument as per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021.

**6(f) Tax Features:**

Deduction of tax at source at the rates prevailing from time to time under the provisions of the Income-tax Ordinance, 1984, or any other statutory modification or re-enactment thereof

**6(f) Cost related to the issue**

Estimated Cost/Expenses related to the Issue (other than regular coupon /profit payments to the bondholders) will be as under:

Particulars	Basis of Calculation	Amount in BDT
<b>BSEC fees:</b>		
Application Fee to BSEC	Fixed	10,000/-
Consent Fee to BSEC	@ 0.10% of Issue size	80,00,000/-
<b>The estimated cost (fees) for 3<sup>rd</sup> Parties involvements:</b>		
Trustee fee	Trustee fee BDT 3,00,000/- only (excl. VAT) per year with trust management fee (i.e. annual fee, application fee and registration fee, etc.) at actual.	
Arranger fee	@0.80% (excl. VAT) of total Issue size, i.e. Max. BDT 6,40,00,000/- only.	
Credit Rating Agency fee	BDT 1,65,000/-only (excl. VAT) per year.	
Legal Consultant fee	BDT 1,50,000/- only (excl. VAT) and for all ancillary cost to be borne by the Bank at actual.	
CDBL fee	Approximate BDT 2.00 million for 1 <sup>st</sup> year but at actual for 1 <sup>st</sup> year and subsequent years for admission, documentation and distribution fee, refundable security money, annual fee and monthly fee.	
<b>Expenses related to registration, printing and miscellaneous:</b>		
Trust Deed Registration and Miscellaneous Expenses at SRO	Approximate BDT 1.50 million (Max.) but at actual with applicable Govt. fee, VAT & Tax.	
Printing prospectus, provisional certificates, etc.	Approximate BDT 5,00,000/- (Max.) but at actual.	
<b>N.B.</b> (i) Listing expenses as per Alternative Trading Board rules may be applicable as and when declared by the Exchanges. (ii) Regulatory fee may be subject to amendments by the respective regulators.		

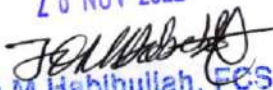
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**6(h) Repayment Schedule**

To be redeemed at par in 5 equal annual instalments starting from end of 3<sup>rd</sup> year from the subscription closing date/deemed date of allotment and each 12 months from thereafter as per following table:

No. of Installment	Installment due (In Months)	End of the Year	Total Repayment (in BDT)	Principal Outstanding (in BDT)
N/A	12	1 <sup>st</sup>	Nil	800,00,00,000
N/A	24	2 <sup>nd</sup>	Nil	800,00,00,000
1	36	3 <sup>rd</sup>	160,00,00,000	640,00 00 000
2	48	4 <sup>th</sup>	160,00,00,000	480,00,00,000
3	60	5 <sup>th</sup>	160,00,00,000	320,00,00,000
4	72	6 <sup>th</sup>	160,00,00,000	160,00,00,000
5	84	7 <sup>th</sup>	160,00,00,000	Nil
<b>Total</b>			<b>800,00,00,000</b>	

**6(i) Call or put option, and premium or discount thereof, if any:**

Not applicable

**6(j) Credit enhancement or guarantee, if any:**

Not applicable

**6(k) Enforcement of Charges over securities**

At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 66<sup>2</sup>/<sub>3</sub> per cent in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

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## 7. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

The issue is unsecured subordinated Bonds hence no charge on Assets to be created.

The Claims of the Bondholders shall:

- (i) be superior to the claims of investors in equity shares;
- (ii) be subordinated to the claims of depositors and general creditors of the bank;
- (iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bonds (MPB) of BDT 3,000 million;
- (iv) Pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 (AT1) Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and
- (v) neither be secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.

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## 8. RIGHTS & OBLIGATIONS OF THE ISSUER

- **Issue of the Bonds:** Upon receipt of amount in accordance with the Subscription Agreement to be entered with each investor the Issuer shall issue Bonds in electronic dematerialized form as per the CDBL Bye Laws akin to a Bonds Certificate subject to and in accordance with the provisions of the Trust Deed, Agency Agreement and the Subscription Agreement. The Issuer shall apply to the Central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/Bonds in order to enable the Bondholders to hold and transfer their respective units/Bonds in dematerialized form.
- **Covenant to Repay** -The Issuer has obligation that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in accordance with the terms and conditions of the Bonds in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the terms and conditions of the Bonds) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee on the relevant dates provided for in the terms and conditions profit on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:
  - (i) every payment of principal or profit in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
  - (ii) if any payment of principal or profit in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
  - (iii) in any case where payment of the whole or any part of the principal amount due in respect of any Bonds is improperly withheld or refused upon due presentation of a Bonds Certificate, profit shall accrue at applicable profit rate for the Bonds on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the terms and conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

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- **Observe instruction of the Trustee** - At any time after any Event of Default shall have occurred, the Issuer shall comply with the instruction of the Trustee subject to provision of the terms and conditions of the Bonds.
- **Observe Bonds Documents** - The Issuer shall have obligation to comply with, perform and observe all those provisions of Trust Deed, the Agency Agreement, the terms and conditions of the Bonds which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively.
- **Observe Applicable Law** - The Issuer shall have obligation to comply with, perform and observe all those provisions of the applicable law including but is not limited the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.
- **Books of Account** - The Issuer shall at all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;
- **Notice of Event of Default** - The Issuer shall give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;
- **Corporate Governance** - The Issuer shall ensure that it and each member of its Group comply in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Securities and Exchange Commission.
- **Information** - So far as permitted by applicable law, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;
- **Execution of further Documents** - So far as permitted by applicable law, the Issuer shall at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of Trust Deed;

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- **Notices to Bondholders** – The Issuer shall send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;
- **Notification of non-payment** – The Issuer shall notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;
- **Notification of late payment** - In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;
- **Notification of redemption or repayment** – The Issuer shall within 14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bonds, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;
- **Obligation of Agents** – The Issuer shall Observe and ensure agents comply with its obligations under the Agency Agreement; maintain the Register; and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds;
- **Authorized Signatories** – The Issuer shall upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and
- **Payments** – The Issuer shall Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.
- **Future Issuance of Bonds**-The Issuer shall be entitled, from time to time, to make further issue of Bonds and/or Bonds and other such instruments to the public/members of the Issuer / banks / financial institutions / bodies corporate /mutual funds and / or any other person(s) of the above without obtaining the approval of the Bondholders and/or the Trustee, subjected to prior approval of BSEC or any concerned authority.
- **Audited Financials and Annual General Meeting** - The Issuer shall complete audit of its financial statements and hold its annual general meeting within such period as may be specified by the BSEC. If no such period is prescribed, Issuer shall complete audit of its financial statements and hold its general meeting in accordance with law of its jurisdiction of incorporation.

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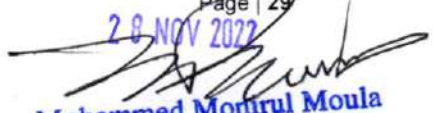
  
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## 9. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Rights of the Trustee of Unsecured Non-Convertible Floating Rate Mudaraba Subordinated Bonds are, inter alia:

- **Trustee's determination:** The Trustee may determine whether or not a default in the performance or observance by the Issuer of any Obligation under the provisions of the Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.
- **Determination of questions:** The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.
- **Trustee's discretion:** The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.
- **Trustee's consent:** Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.
- **Conversion of currency:** Where it is necessary or desirable for any purpose in connection with the Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Deed or required by law) be converted at such rate or rates available to the Trustee on the relevant date, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Bondholders.
- **Application of proceeds:** The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bonds Certificate to the persons entitled to it.
- **Error of judgment:** The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.
- **Agents:** The Trustee may, in the conduct of the trusts of the Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other

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Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.

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Mohammed Monirul Molla  
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Md. Ashraful Naque, FCA  
 EVP, Head of FAD & CFO  
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 FAD, Head Office, Dhaka.

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professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person.

- **Delegation:** The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and having exercised reasonable care in so doing, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate provided that the Trustee had exercised reasonable care in the appointment of such delegate.
- **Custodians and nominees:** The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person; the Trustee is not Obligated to appoint a custodian if the Trustee invests in securities payable to bearer.

**Confidential information:** The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Obligations of the Trustee of Unsecured Non-Convertible Floating Rate Mudaraba Subordinated Bonds are, inter alia:

- to hold the benefit of the covenants made by the Issuer in the Trust Deed and the Conditions on trust for the Bondholders;
- to open such accounts as the Trustee deems necessary for discharging the functions of Trustee;

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Managing Director & CEO  
DBN Finance PLC.

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- to keep the money and assets representing the Trust Assets (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time and in accordance with the terms of the Trust Deed;
- to undertake all such actions for the recoveries of any outstanding payments in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to manage and administer the Bonds in accordance with the terms of the Trust Deed and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to convene any meeting of the Bondholders in accordance with the provisions of the Trust Deed and the Conditions, and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- to implement, give effect to and facilitate the Conditions and such other documents, deeds and agreements in contemplation thereof or in connection therewith;
- upon receipt of the instructions of such requisite majority of the Bondholders in accordance with the terms of the Trust Deed, to sell or otherwise dispose of the Trust Assets and close any bank accounts that may have been opened in pursuance of the Trust Deed after the distribution of amounts standing to their credit; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above provisions unless such acts require the prior consent of the Bondholders in accordance with the terms of the Trust Deed.

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**Mohammed Monirul Moula**  
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## 10. RIGHTS & OBLIGATIONS OF THE ARRANGER

The Issuer has appointed Standard Chartered Bank acting through its Bangladesh Branch as the Mandated Lead Arranger of the proposed Bonds.

Rights and Obligations of the Arranger of the Non-Convertible Floating Rate Subordinated Bonds include:

- Due diligence of the issue prior to submission of the proposed Bonds to external parties.
- Coordinate and provide integral support for preparation of Information Memorandum and appointment of relevant parties.
- Ensure proper documentation completion and compliance with regulatory requirements, prior to submission to regulators.
- Engage with regulators and Issuer for approval of the Bonds.
- Support due diligence of prospective investors for investing in the Bonds.
- Complete documentation of the Bonds prior to subscription of the Bonds.
- Monitor compliance with conditions precedent prior to issuance of the Bonds.

## 11. RIGHTS & OBLIGATIONS OF THE CREDIT RATING AGENCY

For the purpose of conducting the Bond Rating Service for the IBBL Fourth Mudaraba Redeemable Non-Convertible Subordinated Bond having issue size of BDT 8,000,000,000 (BDT eight thousand million) (which shall be referred to as "Rated Subject") the Issuer has appointed Credit Rating Information and Services Limited the ("Credit Rating Agency" or "CRA") under the terms and covenants as detailed under Credit Rating Agency Agreement dated \_\_\_\_\_ executed by and between the Issuer and the CRA to be conducted as per the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022 issued by the BSEC and the Standard Methodology and Ethical Code of the CRA etc.

Moreover, for providing the requested rating services for the Rated Subject, the Issuer agrees to make payment to the CRA as per the payment schedule mentioned under Credit Rating Agency Agreement dated \_\_\_\_\_, up to end of bond maturity for any debt instrument as per requirements of the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022.

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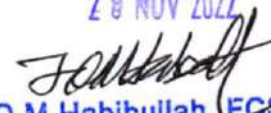
  
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 Mohammed Monirul Molla  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

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## 12. RIGHTS & OBLIGATIONS OF THE LEGAL COUNSEL

Pursuant to the Letter issued under Ref. \_\_\_\_\_ dated \_\_\_\_\_ the Issuer agrees to appoint Lex Juris as the Legal Counsel of the IBBL Fourth Mudaraba Redeemable Non-Convertible Subordinated Bond in order to provide legal advice and legal assistance or any other legal services deliverables to the Issuer in relation to the issuance as per the following scope:

- (a) Draft, negotiate and finalize Trust Deed, Subscription Agreements and other ancillary documents in relation to the Bond Issuance;
- (b) Review of applications to be made by the Issuer to relevant Regulators;
- (c) Provide necessary legal opinion on various issues as required upon execution of the Bond Documents;
- (d) Assist with registering the required agreements, documents and related forms with the respective authorities and entities; and
- (e) Attend meetings, telephone calls, discussions, correspondences, perusals and any other services incidental to the completion of the transaction in various stages for the issuance of Bond.

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### 13. RIGHTS OF THE INVESTORS

Rights and Obligations of the eligible Investors of Unsecured Non-Convertible Floating Rate Mudaraba Subordinated Bonds are, inter alia:

- **Ownership of the Bonds:** Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bonds as the absolute owner of such Bonds, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bonds (whether or not the Bonds shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bonds Certificate issued in respect of that Bonds) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary. The Register/CDBL records shall be prima facie evidence of any matter in relation to the ownership of the Bonds. All payments made to any such Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Bonds.
- **Right to receive payment –** *Subject to terms and conditions of the Bonds, each Bondholder shall have a right to receive payment of principal amount of the Bonds on the redemption date and profit amount of the Bonds on each profit Payment Date.*
- **Transfer of Bonds –***Subject to terms and conditions of the Bonds Documents each Bondholder shall have the right to transfer the Bonds freely*
- **Basic Rights:** Basic rights of the Bondholders / Investors include but are not limited to: (i) secure methods of ownership registration; (ii) obtain relevant information on the company on a timely and regular basis; (iii) participate and vote in Bondholders' meetings. Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.

The rights of the eligible investors are ensured through the "Trust Deed".

- **Rights of the Mudaraba Subordinated:** The rights of the holders of Bonds against the Issuer (including for principal and profit) are Subordinated and junior in right of payment to its Obligations (a) to its depositors, (b) under bankers' acceptances and letters of credit issued by the Issuer, (c) to Senior Creditors (including the Bangladesh Bank and the Deposit Insurance Trust Fund). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of Bonds or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such Obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior Obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank pari passu with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer, the unpaid principal thereof and any unpaid premium, if any, and profit before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any Obligations of the Issuer ranking junior to the Bonds.

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## 14. DESCRIPTION OF THE ISSUER: ISLAMI BANK BANGLADESH LIMITED

Islami Bank Bangladesh Limited (IBBL) is a Joint Venture Public Limited Company engaged in commercial banking business based on Islamic Shari'ah based banking with 42.6249% foreign shareholding. IBBL has the largest branch network with a total of 386 branches, 228 sub-branches and 2693 agent outlets among the private sector banks in Bangladesh. It was established on the 13 March 1983 as the first Islamic Bank in the South-East Asia. The bank is listed with both the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

### A. CAPITAL STRUCTURE

- **Authorized capital:** BDT 20,000,000,000 (as of 30 September, 2022)
- **Paid-up capital:** BDT 16,099,906,680 (as of 30 September, 2022)

#### Shareholding Structure

Sl.	Shareholder Type	31 Dec 2021		30 September, 2022	
		Amount in BDT	Shareholding %	Amount in BDT	Shareholding %
1.	Local Sponsors/Directors	4,712,754,100	29.27%	5,315,545,189	33.02%
2.	Foreign Sponsors	3,549,268,560	22.05%	3,549,272,727	22.05%
3.	Foreign Shareholders	3,281,920,450	20.38%	3,313,296,395	20.58%
4.	Government of the People's Republic of Bangladesh	203,170	0.0013%	209,299	0.0013%
5.	Institutions (Excluding Foreigners)	2,482,587,240	15.42%	2,301,690,959	14.30%
6.	General Public	2,073,173,160	12.88%	1,619,892,111	10.06%
<b>Total</b>		<b>16,099,906,680</b>	<b>100%</b>	<b>16,099,906,680</b>	<b>100%</b>

Particulars	30 September, 2022	
	Amount	% of Total Assets
<b>Liabilities</b>		
Placement from Banks & other Financial Institutions	63,479,452,658	3.48%
Deposits and other Accounts	1,528,605,372,641	83.86%
Mudaraba Subordinated Bonds	30,600,000,000	1.68%
Other Liabilities	132,000,209,493	7.24%
Deferred Tax Liabilities	1,477,307,818	0.08%
<b>Total Liabilities</b>	<b>1,756,162,342,610</b>	<b>96.34%</b>
<b>Capital/Shareholders' Equity</b>		
Paid up capital	16,099,906,680	0.88%
Statutory reserve	20,735,466,258	1.14%
Other Reserves	26,237,440,927	1.44%
Retained earnings	3,563,661,811	0.20%
Non-controlling interest		
<b>Total Shareholders' Equity</b>	<b>66,636,475,676</b>	<b>3.66%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,822,798,818,286</b>	<b>100.00%</b>

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Managing Director & CEO  
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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



**Total Regulatory Capital of IBBL as of 30 September, 2022**

Particulars	Amount in BDT Million
Total Risk Weighted Assets (RWA)	969,681.16
Core Capital- Tier- I	57,131.01
Supplementary Capital (Tier- II)	11,000.00
Regulatory Capital (Tier I, II & III)	102,849.47
Statutory Capital (Paid up Capital & Statutory Reserve)	<b>36,835.37</b>
Equity/Capital Surplus/(Decit)	(18,360.66)
<b>Capital Adequacy Ratio</b>	<b>10.61%</b>

**B. BUSINESS OF THE ISSUER, ISLAMI BANK BANGLADESH LIMITED**

Islami Bank Bangladesh Limited (IBBL) was incorporated on March 13, 1983, as a public limited company under the Companies Act 1913 as the first Shari'ah based scheduled commercial bank in the South East Asia. The Bank started commercial operation on March 30, 1983(formally inaugurated on August 12, 1983) under the ambit of Banking Company Ordinance 1962 (later on Banking Companies Act, 1991) as the first interest free Shari'ah based commercial bank with a mission to establish Islamic Banking through the introduction of a welfare-oriented banking systems. Naturally, its modus operandi is substantially different from those of other conventional commercial banks. The bank was promoted by 19 local sponsors. It is listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

All kinds of commercial banking services are provided by the Bank to the customers following the principles of Islamic Shari'ah, the provisions of the Bank Companies Act, 1991 as amended, Bangladesh Bank's directives and directives of other regulatory authorities.

The principal place of business is the Registered Office of the Bank situated at Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh. The Bank carries out its business activities through its Head Office in Dhaka, 16 Zonal Offices, 386 Branches including 73 Authorized Dealer (AD) Branches, 228 Subbranches and 3 Off-shore Banking Units (OBUs) in Bangladesh with 20,813 no's manpower/employee. Moreover, it has strong ATM network with more than 13,000 shared ATM booths, 2,000 own ATM and 727 CRM, 126 IDM, & 2,693 Agent Banking outlets throughout the country. All the branches of the bank run on Islamic Shari'ah base. To achieve competitive advantage, IBBL is using state-of-art banking software, which enables the bank to perform real time banking service to the clients. All products and services are backed by IT infrastructure, which are upgrading on continuous basis.

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*Nasimul Baten*  
 Nasimul Baten  
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## Subsidiaries of the Bank

### Islami Bank Securities Limited (IBSL)

As per Bangladesh Securities and Exchange Commission's (BSEC) Letter No. SEC/Reg/CSE/MB/2009/444 dated 20.12.2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07.02.2010; the Bank established a subsidiary Company named "Islami Bank Securities Limited" to operate stockbroker and stock dealer activities.

The share capital of Islami Bank Securities Ltd. is Tk. 2,700,000,000/- divided into 2,700,000 shares of Tk.1,000/- each out of which share capital of the bank is Tk.2,699,856,000/- divided into 2,699,856 shares of Tk.1,000/- each which represent 99.995% of total share of the subsidiary company

IBSL was incorporated on 22.03.2010 and date of commencement of business was 23.05.2010. Required capital was transferred to IBSL on 25.05.2010 which is operating business under the license issued by the Bangladesh Securities & Exchange Commission (BSEC). As a stockbroker, IBSL acts as an agent in the purchase and sale of Shari'ah approved listed securities and realizes commission on transactions in accordance with approved commission schedule.

### Islami Bank Capital Management Limited (IBCML)

As per Bangladesh Bank BRPD Circular No. 12 dated 14.10.2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07.02.2010, the Bank established another subsidiary Company named "Islami Bank Capital Management Limited" to operate portfolio management, underwriting, issue management etc.

The share capital of Islami Bank Capital Management Ltd. is Tk.300,000,000/- divided into 300,000 shares of Tk.1,000/- each, out of which share capital of the bank is Tk.299,993,000/- divided into 299,993 shares of Tk.1,000/- each which represent 99.998% of total share of the subsidiary Company. The company has obtained Merchant Banker Registration Certificate on 31.03.2019 from Bangladesh Securities & Exchange Commission (BSEC) to operate the activities of Issue Manager/Underwriting/Portfolio manager.

### IBBL Exchange Singapore Pte. Ltd.

IBBL Exchange Singapore Pte. Ltd. has been incorporated in Singapore, as a subsidiary of Islami Bank Bangladesh Limited for remittance services and things incidental thereto under the Companies Act, CAP. 50 of the Republic of Singapore. Till 31 December 2020, no share capital of the subsidiary has been paid by its parent company i.e. Islami Bank Bangladesh Limited. Therefore, the financial statements of IBBL Exchange Singapore Pte. Ltd have not been prepared and accordingly not consolidated with that of the parent i.e. the bank.

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### Product and Services:

Islamic Bank Bangladesh Limited provides all kinds of commercial banking services as well as various deposit and investment schemes as like as other private commercial banks. The Bank conducts its business on the Shari'ah principles of Mudaraba, Musharaka, Bai-Murabaha, Bai-Muajjal, Hire Purchase under Shirkatul Melk, Bai-Salam, Bai-as-Sarf and Bai-Istijrar etc. There is an independent Shari'ah Supervisory Committee in the bank which ensures that the activities of the Bank are being conducted following Shari'ah principles. IBBL's products and services include deposit products (local & foreign currency), investment products, welfare-oriented deposit and investment schemes, offshore banking unit (OBU) products, remittance services, alternative delivery channel products, online banking facilities, locker services etc.

Deposit Products include Al-Wadeeah Current Account, Mudaraba Savings Account, Mudaraba Special Notice Account, Mudaraba Special Savings (Pension) Account, Mudaraba Term Deposit Account, Students Mudaraba Saving Account, Mudaraba Farmers Savings Account, Mudaraba Waqf Cash Deposit Scheme, Mudaraba Hajj Savings Account, Mudaraba Muhar Savings Deposit Account, Mudaraba Foreign Currency Account, Mudaraba Exporters' Retention Quota Account etc.

Investment Products include Bai-Murabaha, Bai-Muajjal, Bai-Salam, Bai-as Sarf, Bai-Istijrar etc. It has 23 diversified investment schemes i.e. Household Durable Scheme, Real Estate Investment Program, Car Investment Scheme, Investment Scheme for Doctors, Solar Panel Investment Scheme, Women Entrepreneur Investment Scheme, Work Order Financing Scheme, Light Engineering Investment Scheme, Cluster Investment Scheme, Freelancer Investment Scheme etc.

IBBL has been conducting collateral free micro-investment program namely Rural Development Scheme (RDS) among the rural poor people covering more than 11 lac members in more than 22,000 villages of the country where 92% beneficiaries are women.

IBBL has wide variety of Alternative Delivery Channel Products which includes ATM services, Islamic Bank Deposit Machine (IDM), Sheba Ghar, Phone Banking, SMS Banking, i-Banking, mCash, IBBL iSmart, CellFin, e-Commerce Payment Gateway (iPaySafe), IBBL Contact Centre, Centralized Investment Proposal Processing System (CIPPS), Legal Affairs Management System (LAMS), RTGS etc. and various card products i.e. ATM/VISA Debit Card, Khidmah Credit Card, Hajj Card, Travel Card, Remittance Card, Business Expense Card etc.

IBBL provides wide range of foreign business products for Import, Export, Foreign Remittance and other necessary services relating to Foreign Exchange and Foreign trade. The common products & services are Murabaha Post Import, Murabaha Import Bills, Musharaka Documentary Bill (MDB), Letter of Credit, Back-to-Back Letter of Credit and export bills collection etc.

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## C. MANAGEMENT

### Board of Directors

The Bank's Board comprises of 20 members including four Independent Directors and the Managing Director & CEO as ex-officio. Prof. Md. Nazmul Hassan, PhD is the present Chairman of the Bank. The Board is involved in policy formulations, strategic direction setting, business plan approval, approval of financial position and results and review of various activities and also providing necessary directions to the management for conducting businesses in a competitive and profitable manner by managing risks and complying with the regulatory requirements. The Board has three sub committees, namely the Executive Committee, Audit Committee and Risk Management Committee.

### Executive Committee (EC)

The Executive Committee of the Board has 7 members and is headed by Prof. Dr. Md. Salim Uddin, FCA FCMA as Chairman. The Executive Committee reviews all the credit proposals beyond the delegation of management and approve loans, other than large loans (10% or above of regularly capital). Large loans are recommended by the EC for approval by the Board. It is also responsible for administration, investment aspect, expansion of business etc. The Board confirms the decision of all Executive Committee meetings and assesses the operational results.

### Audit Committee

The Audit Committee of the Board was duly constituted by the Bank comprising of 5 members of the Board of Directors. The Committee is headed by Mr. Mohammad Solaiman, FCA, Independent Director as Chairman as per the revised corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC). The committee reviews and monitors regulatory compliance, financial reporting, internal control & internal audit functions, and other operational activities.

### Risk Management Committee

The Risk Management Committee of the Board has 5 members and is headed by Major General (Retd.) Engr. Abdul Matin as Chairman. The Committee reviews stress testing as per Bangladesh Bank guideline for examining the bank's capacity for managing future shocks as well as deals with all potential risks that might occur in future. The Committee also reviews the risk appetite capacity of the Bank commensurate with its capital base, stress test results and implementation of Bank's ICAAP etc. The decisions/resolutions of the Committee are submitted to Bangladesh Bank for regulatory compliance. The resolutions were also disseminated to all concerned of the Bank for ensuring compliance and implementation.

### Shari'ah Supervisory Committee

The Shari'ah Supervisory Committee of the Board has 12 members and is headed by Professor Dr. Mohammad Gias Uddin Talukder as Chairman. The Shari'ah Supervisory Committee of the Bank plays a vital role in framing and exerting policy for strict adherence of Shari'ah principles in the Bank. The committee gives opinions and guidelines to implement and comply of Shari'ah principles in all activities of the bank particularly in the modes of investment. The Committee is governed by a by-laws approved by the Board of Directors. As part of major responsibilities of the Committee, Shari'ah inspections is also conducted in all the branches under its direct supervision to ensure Shari'ah compliance in all activities of the bank.

### Board of Directors

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Md. Ashraful Haque, FCA  
 EVP, Head of F&D & CFO  
 Islami Bank Bangladesh Limited  
 F&D, Head Office, Dhaka.

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 J Q M Habibullah, FCS  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

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 Mohammed Monirul Moula  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

28 NOV 2022  
 Nasimul Baten  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



SL.	Name of Director of the Board	Status
1.	<b>Professor Md. Nazmul Hassan, PhD</b> Representative of Armada Spinning Mills Limited	Chairman
2.	<b>Mr. Yousif Abdullah Al-Rajhi</b>	Vice-Chairman
3.	<b>Mr. Md. Shahabuddin</b> Representative of JMC Builders Limited	Vice Chairman
4.	<b>Professor Dr. Md. Salim Uddin, FCA, FCMA</b> Representative of Mortaza Assets Limited	Director & Chairman EC
5.	<b>Major General (Retd.) Engr. Abdul Matin</b> Representative of Paradise International Limited	Director & Chairman RMC
6.	<b>Mr. Mohammad Solaiman, FCA</b>	Independent Director & Chairman AC
7.	<b>Dr. Areef Suleman</b> Representative of Islamic Development Bank, Jeddah, KSA	Director
8.	<b>Professor Dr. Md. Sirajul Karim</b> Representative of Excel Dyeing & Printing Limited	Director
9.	<b>Professor Md. Kamal Uddin, PhD</b>	Independent Director
10.	<b>Mr. Md. Joynal Abedin</b> Representative of ABC Ventures Limited	Director
11.	<b>Professor Dr. Qazi Shahidul Alam</b> Representative of Platinum Endeavors Limited	Director
12.	<b>Mr. Musaid Abdullah A Al-Rajhi</b> Representative of Arabsas Travel & Tourist Agency, KSA	Director
13.	<b>Mr. Syed Abu Asad</b> Representative of Excelsior Impex Company Limited	Director
14.	<b>Dr. Tanveer Ahmad</b> Representative of Marsa Food & Beverage Limited	Director
15.	<b>Mr. Md. Quamrul Hasan</b> Representative of Grand Business Limited	Director
16.	<b>Professor Dr. Mohammad Saleh Jahur</b>	Independent Director
17.	<b>Professor Dr. Md. Fashiul Alam</b>	Independent Director
18.	<b>Mr. Khurshid-Ul-Alam</b> Representative of Lionhead Business Resources Limited	Director
19.	<b>Mr. Mohammed Nasir Uddin, FCMA</b> Representative of BLU International Limited	Director
20.	<b>Md Kamal Hossain Gazi</b>	Director

**Executive Committee**

SL.	Name of Member	Designation
1.	Prof. Dr. Md. Salim Uddin, FCA, FCMA	Chairman
2.	Mr. Yousif Abdullah Al-Rajhi	Member
3.	Dr. Tanveer Ahmad	Member
4.	Mr. Md. Quamrul Hasan	Member
5.	Mr. Syed Abu Asad	Member
6.	Professor Dr. Mohammad Saleh Jahur	Member
7.	Professor Dr. Md. Fashiul Alam	Member

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Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

**Audit Committee**

SL.	Name of Member	Designation
1.	Mr. Mohammad Solaiman, FCA	Chairman
2.	Mr. Md. Shahabuddin	Member
3.	Md Kamal Uddin	Member
4.	Mr. Khurshid-UI-Alam	Member
5.	Mr. Mohammed Nasir Uddin, FCMA	Member

**Risk Management Committee**

SL.	Name of Member	Designation
1.	Major General (Retd.) Engr. Abdul Matin	Chairman
2.	Dr. Areef Suleman	Member
3.	Professor Dr. Md. Sirajul Karim	Member
4.	Mr. Md. Joynal Abedin	Member
5.	Dr Qazi Shahidul Alam	Member

**Shari'ah Supervisory Committee**

SL.	Name of Member	Designation
1.	Professor Dr. Mohammad Gias Uddin Talukder	Chairman
2.	Mufti Sayeed Ahmed	Vice-Chairman
3.	Prof. Dr. Mohammad Abdus Samad	Member Secretary
4.	Dr. Md. Ruhul Amin Rabbani	Member
5.	Mr. Abdur Raquib	Member
6.	Dr. Hasan Mohammad Moinuddin	Member
7.	Dr. Mohammad Manzur-e-Elahi	Member
8.	Moulana Mohiuddin Rabbani	Member
9.	Professor Md. Mozahidul Islam Chowdhury	Member
10.	Dr. Mohammad Saifullah	Member
11.	Mufti Mohammad Muhibullahil Baqee	Member
12.	Mr. Mohammad Harunur Rashid	Member

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Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.

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Mohammed Monirul Mousa  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



**Management Committee:**

IBBL has a dedicated MANCOM Body comprising with senior executives and headed by the Managing Director & CEO. The MANCOM members have long and diversified experience in different roles of banking entrusted with the key operations of the Bank. MANCOM is the highest decision and policy making authority of the management. Following are the members of MANCOM:

Sl.	Name & Designation	Status
1.	Mr. Mohammed Monirul Moula, Managing Director & CEO	Chairman
2.	Mr. Muhammad Qaisar Ali, Additional Managing Director - I	Member
3.	Mr. Md. Omar Faruk Khan, Additional Managing Director - II	Member
4.	Mr. J Q M Habibullah, FCS, Additional Managing Director -III & Company Secretary	Member Secretary
5.	Mr. Md. Atlat Hossain, Deputy Managing Director	Member
6.	Mr. Md. Nayer Azam, Deputy Managing Director	Member
7.	Mr. Md. Siddiqur Rahman, Deputy Managing Director	Member
8.	Mr. Mohammad Jamal Uddin Mazumder, Deputy Managing Director	Member
9.	Mr. Abul Faiz Muhammad Kamaluddin, Deputy Managing Director	Member
10.	Mr. Mohammed Shabbir, Deputy Managing Director	Member
11.	Mr. Taher Ahmed Chowdhury, CAMLCO	Member
12.	Md. Mostafizur Rahman Siddiquee, CHRO	Member
13.	Mr. Md. Mahboob Alam, Senior Executive Vice President, RIW-I	Member
14.	Mr. Mohammad Ullah, Senior Executive Vice President, IMW	Member
15.	Mr. G. M. Mohd. Gias Uddin Quader, Senior Executive Vice President, CIW-II	Member
16.	Mr. A.S.M Rezaul Karim, Senior Executive Vice President, RIW-II	Member
17.	Mr. Md Rafiqul Islam, Senior Executive Vice President, ITW	Member
18.	Mr. Mifta Uddin, Senior Executive Vice President, CIW-I	Member
19.	Mr. Md. Ashraful Haque, FCA, EVP & Chief Financial Officer, FAD	Member


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 Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.

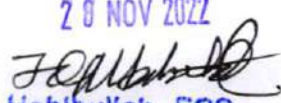
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 AMD & Company Secretary  
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 Head Office, Dhaka.

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 Mohammed Monirul Moula  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

#### D. DESCRIPTION OF ENCUMBERED AND UNENCUMBERED ASSETS WITH VALUE THEREOF

The value of the assets of IBBL (stand-alone) comprising of Cash, Investments, Placements, Fixed Assets including premises, non-banking assets, etc. is **BDT 1,822,798,818,286** only as on September 30, 2022. Of this amount, encumbered fixed assets (land, building and floor area) value is **BDT 7,486,211,524 only** as on as on September 30, 2022 against the Fixed Assets mortgaged to Investment Corporation of Bangladesh (ICB) in consideration of ICB to act as a Trustee for Mudaraba Perpetual Bonds (MPB) of BDT 3,000 million issued by IBBL. The remaining value of assets of **BDT 1,815,312,606,762 only** is unencumbered.

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 Managing Director & CEO  
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## E. BRIEF PROFILE OF THE DIRECTORS/OWNERS OF THE ISSUER

### **Professor Md. Nazmul Hassan, Ph.D** **Chairman**

Professor Md. Nazmul Hassan is the Chairman of Board of Directors of Islami Bank Bangladesh Limited and he represents Armada Spinning Mills Limited as Director on the Bank's Board. He is also the Chairman of Islami Bank Foundation. Dr. Hassan started his career as a Lecturer in Dhaka University back in 1975. Then he completed his MS and Ph.D. with major in Agricultural Economics and Development Economics respectively. There after he was appointed as Professor, Institute of Nutrition and Food Science, University of Dhaka in 1993 and has now been holding a faculty position at Brown University, USA. He held many important research and teaching positions throughout his long professional career of about forty-four years. He worked as Consultant at Cornell University, USA in its Food System Development Research and served on Ph.D. Committees there. He was also a Visiting Professor at the Royal Agricultural University, Denmark and a Consultant at the International Food Policy Research Institute and Academy for Educational Development, Washington DC. USA. In addition, he collaborated with few more Universities in USA including Yale and Harvard on matters of research and has over one hundred influential publications in peer reviewed outlets to his credit.

### **Yousif Abdullah Al-Rajhi** **Vice Chairman**

Mr. Yousif Abdullah Al-Rajhi is a Vice Chairman of the Board of Directors of the Bank. He completed his graduation in Business Administration majoring in Economics & Political Science from King Saud University, KSA in 1986. Then he obtained MA degree in Development Administration from Western Michigan University, USA in 1991. He also completed Internal Auditor Course, Chain Management & Leadership Course and Speed Reading and Development Round Attendance Certificate Course. Mr. Yousif is General Manager-cum CEO of Al-Rajhi Company for Industry and Trade, KSA with 29 years of work exposure including banking career with Al-Rajhi Banking and Investment Corporation. He is also a board member of many shareholder Corps in Saudi Arabia and outside. He visited various eastern and western countries of the world and participated in many international seminars, symposia and conferences.

### **Md. Shahabuddin** **Vice Chairman**

Md. Shahabuddin is a Vice Chairman of the Board of Directors of the Bank. He represents JMC Builders Limited in the Board of Directors of Islami Bank Bangladesh Limited. He completed his M.Sc. Degree from Rajshahi University in 1974. Then he obtained L.L.B. Degree from Rajshahi University in 1975. He is a Heroic Freedom Fighter and one of the upholders of Liberation Flag at own district Pabna in the glorious Liberation War, 1971.

Mr. Shahabuddin started his career as an Advocate in the year 1979 and later joined in Judicial Service in 1982 and was Senior District Judge till 2006. He also discharged his duties as Chairman of Labor Court in 2006, Lawyer of Bangladesh Supreme Court during 2008-2011 and Commissioner of Anti Corruption Commission during March, 2011 to March, 2016. He successfully performed various important assignments during his service period including Member of Judicial Inquiry Committee, Chairman of Judicial Inquiry Commission and a lot more. He was the general secretary of Judicial Service Association of Bangladesh.

Mr. Shahabuddin visited various countries of the world and participated in many local and international seminars, symposium, workshops and conferences on Case Management and Court Management organized by Judicial Training Academy. He attended as representative of Bangladesh at International

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 Managing Director & CEO  
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Seminar in Beijing, capital of China, organized by Commonwealth on Prevailing Law in Bangladesh, etc. He also attended in a security seminar held in Washington U.S.A. in the year 2000 as Director of Prime Minister Office. He also worked as a Journalist of Daily Banglar Bani during 1980-1982. He is also engaged in various social, educational and cultural organizations of the country.

**Professor Dr. Md. Salim Uddin, FCA, FCMA**  
**Director & Chairman, Executive Committee**

Professor Dr. Md. Salim Uddin, FCA, FCMA is the director of Islami Bank Bangladesh Limited. He is the Chairman of the Executive Committee. Mr. Uddin is a Fellow Chartered Accountant (FCA), Fellow Cost & Management Accountant (FCMA), and Certified Public Finance Accountant (CPFA). As Professional Accountant, he is fellow member of three professional accounting bodies which are: (i) the Institute of Chartered Accountants of Bangladesh-ICAB (ii) the Institute of Cost and Management Accountants of Bangladesh-ICMAB and (iii) the Chartered Institute of Public Finance & Accountancy-CIPFA, UK. He obtained his Honours in Commerce and Master in Accounting from the University of Chittagong. He was all through a brilliant student and stood First in the First class of M. Com Final examination. He joined in the department of Accounting of the same University in 1994 as a lecturer and has been promoted to the posts of Assistant Professor, Associate Professor and Professor in 1996, 2002 and 2010 respectively. He did his PhD on "Application of International Financial Reporting Standards-IFRS in Bangladesh".

In 1999 he went to Belgium to study MBA at the University of Brussels and obtained his MBA degree with the grade of distinction. Before joining the University of Chittagong, he joined the Government College for a very short time after qualifying Bangladesh Civil Service-BCS Examination in 1993. Now he is a faculty member, Professor in the Department of Accounting, University of Chittagong, Chittagong, Bangladesh.

He was an Independent Director of The Chittagong Stock Exchange-CSE appointed by the Government. He was also an Independent Director of Premier Bank Ltd and Director of Rupali Investment Ltd. Lastly; he was a Director of Rupali Bank Ltd- a nationalized commercial bank appointed by the Government. At present, he is Chairman of Bangladesh House Building Finance Corporation-BHBFC.

He has been working as Financial Consultant/Adviser in the different organisations since 1993 and gathered vast experiences in the field of designing accounting system, auditing and assurance practices, project management, project financing through debt and equity, business negotiation and regulatory compliance etc., Mr. Salim has keen interest in theoretical and applied research. His main areas of interest are International Accounting, IAS/IFRS, Forensic Accounting, Creative Accounting and Capital Market. He has more than sixty research publications at home and abroad in various fields of Accounting and Finance. He also actively participated and presented valuable papers in many national and international seminars, training programs and workshops. He attended an extensive training program on IFRS and ISA during July-August, 2008 in the UK funded by World Bank jointly organized by Ministry of Commerce, Bangladesh and ICAEW, UK.

He worked and completed a project on E-Brokerage in Belgium and gathered experience in negotiating international business and finalising contract. For the above purposes he widely visited USA, UK, Japan, France, Germany, Belgium, Netherlands, Luxembourg, Turkey, Saudi Arabia, UAE, Singapore, Hong Kong, China, Malaysia, Thailand, India, Nepal.

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**Major General (Rtd.) Engr. Abdul Matin, afwc, psc, ptsc, FIEB, MIEEE, MDS, MWS**  
**Director & Chairman, Risk Management Committee**

Major General (Rtd.) Engr. Abdul Matin is the Chairman of Risk Management Committee of Islami Bank Bangladesh Limited as the representative of Paradise International Limited. He was one of the Principal Staff Officer at Army Head Quarters and served Bangladesh Army in different capacities. He was the Chairman of the Committee for preparation of specifications of National Smart Identity Card under the Election Commission of Bangladesh. He played an important role in policy making of Bangladesh Election Commission, Bangladesh Road Transport Authority, Bangladesh Ordnance Factory, Bangladesh Machine Tools Factory and Bangladesh University of Professionals and different national and international institutions. He obtained B.Sc. (Engineering) degree from Bangladesh University of Engineering and Technology (BUET) and Masters Degree on War Studies and Masters Degree in Defense Studies from National University. He is also a graduate of Chittagong University.

Major General (Rtd.) Engr. Abdul Matin participated in mine clearance operation in Kuwait after the gulf war and received honorary certificate from Kuwait Authority on successful completion of the operation. He visited many countries related to Government assignments. He actively participated in modernizing Bangladesh Army. He is a fellow of Engineering Institute of Bangladesh and member of International Institute of Electrical & Electronics Engineers. He completed Armed Forces War Course, Staff Course, Technical Staff Course and Capstone Course beside other mandatory courses and Training. He completed Radar specialization course from China. He served Army Golf club as Senior Vice President from 2011 to 2014.

**Dr. Areef Suleman**  
**Director**

Dr Suleman is currently the Director Economic Research and Institutional Learning at the Islamic Development Bank (IsDB) in Jeddah, Saudi Arabia. In this capacity, he heads the team providing thought leadership in all matters related to economic policy, socio-economic research and knowledge management needed to support initiatives of IsDB and its Member Countries. Dr. Suleman has a distinguished career in formulating and leading the implementation of high-level strategies, policies and programmes from the firm through to the global level to achieve measurable results. His career is marked by consistent advancement through positions of increased responsibility and impact with leading international development organizations.

He has a PhD in Economics along with a Masters in Business Leadership and a Masters in Commerce.

Dr. Suleman's career began in post-apartheid South Africa where he was instrumental in developing inclusive growth-oriented strategies. Prior to joining the IsDB, Dr. Suleman functioned as CEO of a Government Fund to foster innovation in South Africa. He was responsible for jointly establishing and managing the consulting arm of South Africa's premier development finance institution wherein he managed their consulting services on the African continent.

Dr. Areef Suleman represents Islamic Development Bank (IDB), Jeddah, KSA in the Board of Directors of Islami Bank Bangladesh Ltd. He is also a Director of Islami Bank Securities Limited and Islami Bank Foundation.

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 Managing Director & CEO  
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 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

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**Professor Dr. Md. Sirajul Karim**  
**Director**

Professor Dr. Md. Sirajul Karim is a Director of Islami Bank Bangladesh Limited as representative of Excel Dyeing and Printing Ltd. He started his career as Chemist in Karnaphuli Paper Mills Ltd., Chandraghona and then joined as Research Chemist in Pakistan Council of Scientific and Industrial Research and then as a Lecturer in Bangladesh Agricultural University, Mymensingh in 1971. He was promoted to Professor and was there till 2009. At present he is the Professor of Chemistry and Chairman of Basic Science Department of Prime Asia University, Banani, Dhaka. He obtained B.Sc. (Hons), M.Sc. (Applied Chemistry) and Ph.D. degree from the University of Dhaka. He obtained Post Doctorate Fellow from the University of Karlstad, Sweden. He was engaged as Guest Scientist, Senior Visiting Scientist and Visiting Professor in different universities including University of Darmstadt, Germany, University of Karlstad Sweden and Abo Akademy University, Finland. He participated in different seminars and training programs both at home and abroad. Prof. Karim has written many books including primary, secondary and tertiary levels. He is also an author of a few books of poems and short stories. Dr. Karim has evaluated a few techniques for pulping and bleaching in the field of paper science and technology. He has large number of publications in different journals at home and abroad.

**Professor Md. Kamal Uddin, Ph.D**  
**Independent Director**

Professor Md. Kamal Uddin, PhD is an Independent Director of the Bank. He has been serving as "Treasurer" of University of Dhaka since June 2012. Professor Kamal started his career as Lecturer in the Department of Marketing in 1993 in University of Dhaka. Now he is a Professor of Department of International Business of University of Dhaka. He was a student of Dhaka College and obtained B. Com (Hons.) and M. Com from University of Dhaka. He did M. Econ and PhD in Development Economics from Osaka University, Japan. He was Postgraduate Researcher in Kyoto University, Post-doctoral researcher in Cambridge University and University of Nice. His current research interests include Competition of Telecommunications and International Capital Movements. Many of his research papers are published in national and international Journals. He was elected treasurer of DUTA and other important executive bodies of University of Dhaka. Prof. Kamal believes innovative persons must have 3Cs- Competency, Commitment and Character.

Prof. Kamal has been serving as an Independent Expert Member in Minimum Wage Board of Labor and Employment Ministry of Bangladesh since 2010. He also served as Director in the Board of Directors of Bangladesh Biman Airlines for 2014 and 2015. Few of his other involvements are Member of Finance Committee of University Grants Commission (UGC), Member of Finance Committee, University of Dhaka and Member, Governing Body, Dhaka School of Bank Management. Prof. Kamal has visited many countries, few are like USA, China, Japan, UK, France, Italy, Germany other EU countries, Thailand, Malaysia, Vietnam, India, Dubai, and participated in many international seminars, symposiums & conferences. He is from Brahmanbaria.

**Md. Joynal Abedin**  
**Director**

Md. Joynal Abedin is a director of the Bank as representative of ABC Ventures Limited. He started his career at Bangladesh Krishi Bank as a Probationary Officer in 1977. He was Managing Director (C. C) of Bangladesh Krishi Bank and Deputy Managing Director of Rupali Bank Limited and served Janata Bank as General Manager. An associate of Institute of Bankers Bangladesh, Md. Joynal Abedin participated in different seminars in home and abroad including International Conference on Investment Project Management in Turkey. He presided over the meeting of hoisting liberation flag at Sreenagar on 13th March, 1971. He fought in the liberation war. He is a researcher on Liberation War

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Affairs in Asiatic Society of Bangladesh. He is life-member of Bangla Academy, Bangladesh Arthoniti Samity, Sir J.C. Bose Foundation and member of Officers Club, Dhaka and General Secretary of Bikrampur Foundation. He graduated from the University of Dhaka. He is the Author of Muktijudder Diary, Muktijuddey Bikrampur, Muktijudder Prottasha & Prapti, Karmojiboner Smriti, Kabirer Muktijuddo, Ujaner Jatri and Bankey Sharetherohajerden. He edited Akattorer Srinagar, Kingbodanti Purus Abdul Hakim Bikrampur and Chief Editor of Maa (a collection of mother). He presented 10 articles in the national seminar of Bangladesh Economic Association. He is also the column writer in the Daily Newspaper. He receives 22 awards/padak for social work and research on Liberation War Affairs.

**Professor Dr. Qazi Shahidul Alam**  
**Director**

Professor Qazi Shahidul Alam is a Director of the Bank representing Platinum Endeavours Limited. Currently, he is the Chairman of the Governing Body of the Uttara Adhunik Medical College, Vice Chairman of Islami Bank Foundation, Chairman in the Governing Body of Islami Bank Medical College of Rajshahi, Chairman of the Hospital Committee of the Islami Bank Foundation, Professor of Orthopedic Surgery at Anwar Khan Modern Medical College, Member of the Senate at BSMMU (Bangabandhu Sheikh Mujib Medical University), member of the Governing Board at Sirajul Islam Medical College, member Trustee Board of the BNSB (Bangladesh National Society for Blind) Hospital in Khulna, and member of the Executive Committee of the BMA (Bangladesh Medical Association).

Professor Dr. Alam graduated from Dhaka Medical College in 1972. In 1980, he obtained D. Orthopedic Surgery from the University of Vienna and Master of Surgery on Orthopedic Surgery in 1985 from the University of Dhaka. Subsequently he was conferred a Fellow of the International College of Surgeons USA in 1987. He has received advanced training in Orthopedic Surgery at The Johns Hopkins Medical Institutions, USA, Advanced Training in Tissue Culture and Bone Banking--Atomic Energy Commission of Tyain, China through the International Atomic Energy Commission, and has been WHO Fellow in Indonesia.

Professor Alam has served the Government of Bangladesh in various capacities at Dhaka Medical College and the National Institute of Trauma and Rehabilitation and was Founder Chairman and Professor, Orthopedic Surgery at BSMMU, Director, Shaheed Suhrawardy Hospital and Director, Medical Education, Directorate General of Health Service.

Professor Alam holds the distinction of being General Secretary, Dhaka Medical College Students Union, 1972 (first election after independence), Convener, Bangladesh Medical Internee Association, 1973, President, Dhaka Medical College Teachers' Association, 1991-1994 (2 terms), Secretary General, Bangladesh Medical Association, 1994-96, President, Bangladesh Orthopedic Society, 1997-2001 (2 terms), Secretary, PROKRACHI (Professional Association of Engineers, Doctors and Agriculturists), 1995-97, Founder President, Postgraduate Doctors' Society of Bangladesh, 1998-2001 and is currently President, Bangladesh Patients Welfare Fund.

Bangladesh Medical Association (BMA) through Prime Minister Sheikh Hasina, awarded a Gold Medal to Professor Alam in April 2011 for his devotion and dedication to Medical Service.

Professor Alam is a well-travelled person, has presented innumerable scientific papers and Chaired Scientific Sessions at National and International Conferences at home and abroad.

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**Nasimul Baten**  
 Managing Director & CEO  
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**Mohammed Monirul Moula**  
 Managing Director & CEO  
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 Head Office, Dhaka.



**Dr. Tanveer Ahmad**  
**Director**

Dr. Tanveer Ahmad is a Director of the Bank representing Marsa Food & Beverage Limited. He completed his MBBS Degree from University of Science & Technology, Chittagong in 2009. Then he obtained MD (Doctor of Medicine) in Cardiology from Bangabandhu Sheikh Mujib Medical University in 2017. He founded T A Trading in 2003. He joined as Assistant Registrar in the Department of Medicine, University of Science & Technology, Chittagong in 2012 before joining Sir Salimullah Medical College & Hospital & Mitford as a post Graduate Fellow. At present he has been working in United Hospital, first as a Fellow Cardiologist in 2017 and later on as a Specialist in the Department of Cardiology.

Dr. Tanveer is the owner of T A Trading and Managing Director of Infinia Knit Fabrics Ltd. & Paradise International Ltd. He manages and supervises the concerned institutions.

Dr. Tanveer visited various countries of the world and participated in various seminars and workshops conducted at National and International level by various local organizations including Bangladesh Society of Cardiology, Transnational (TNCS), BIT and Multinationals (MNCs), American College of Cardiology (ACC) workshops. He also volunteered for the free medical camp and relief work in various rural areas of Bangladesh. He is a Life member of Bangladesh Cardiac Society and a General member of Bangladesh Intervention Cardiac Society. He is involved in a number of research studies and his thesis work on young patients with cardiovascular diseases was published in Bangladesh Heart Journal.

He is also engaged in various social, educational and cultural organizations of the country.

**Musaid Abdullah A Al-Rajhi**  
**Director**

Mr. Musaid Abdullah A Al-Rajhi represents Arabsas Travel & Tourist Agency, Kingdom of Saudi Arabia (K.S.A.) in the Board of Directors of Islami Bank Bangladesh Limited. He is a Business Graduate from Institute of Business Administration, Riyadh, K.S.A. in the year 1988. He has long 27 years of working experience during which he served as Branch Manager at Al-Rajhi Bank, General Manager at Al Rajhi Foam & Plastic Factory Ltd. and General Manager at Afnan Water Factory Ltd. A talented and successful businessman, presently he runs the Abdullah Abdul Aziz Al Rajhi & Sons Real Estate Development Co. being its General Manager since 2007. He visited various countries of the world and participated in many international seminars, symposia and conferences.

**Syed Abu Asad**  
**Director**

Mr. Syed Abu Asad is a Director of Islami Bank Bangladesh Limited. He represents Excelsior Impex Company Limited in the Board of Directors of Islami Bank Bangladesh Limited. He has completed B. Com (Hons) & M. Com. (Finance) Degree from Dhaka University in 1980. Mr. Abu Asad was a brilliant student and stood 6<sup>th</sup> in S.S.C Commerce in Jashore Board. He is also a Diplomaed Associate of IBB.

Mr. Abu Asad started his career in Banking Service in 1983 in Rupali Bank Limited as Senior Officer and served as Head of the Branch - many branches of local and overseas. He has also served as General Manager in Khulna Division, Local Office, Dhaka South and Head Office, Dhaka. He was awarded many appreciation letters, for achieving Deposit and Recovery Target, in Different Branches and Division. He was promoted to the post of Deputy Managing Director and posted at Sonali Bank Limited, Head Office, Dhaka. Lastly, he was promoted to the post of Managing Director and posted at

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Md. Asifur Haque, FCA  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka

J Q M Habibullah FCS  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka

Mohammed Monirul Molla  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

Mohammed Monirul Baten  
 Managing Director & CEO  
 DBH Finance PLC.



Rajshahi Krishi Unnayan Bank. He has vast experience in Branch Banking, Foreign Exchange and Industrial Credit in Banking profession.

Mr. Abu Asad visited various countries of the world participated in many seminars, workshops & training programmes at home and abroad such as Correspondent Banking in Thailand, Letter of Credit and UCP-500, E-Banking Workshop Training, Information Technology in Banking & Islami Banking and Finance in Pakistan. He is also engaged in various social, educational and cultural organizations of the country.

**Md. Quamrul Hasan**  
**Director**

Md. Quamrul Hasan represents Grand Business Limited in the Board of Directors of Islami Bank Bangladesh Limited. He is also an Independent Director of Eastern Lubricants Blenders Limited (ELBL) a subsidiary of Bangladesh Petroleum Corporation (BPC). He completed his M.B.A (Marketing) from Royal Roads University, British Columbia, Canada and BSS (Hon's) M.S.S, Economics from University of Dhaka.

Mr. Hasan started his career as Zonal In-Charge, Alpha Tobacco Co. Ltd. in 1984. Before joining the Board of Directors of Islami Bank Bangladesh Limited, he completed his long journey with Meghna Petroleum Ltd. from 1988 to 2018 in various areas of job responsibility. Lastly, he was the Managing Director and CEO, Jamuna Oil Co. Ltd, Chittagong, (A subsidiary of Bangladesh Petroleum Corporation).

Besides, he was the Director of different Companies like; Mobil Jamuna Bangladesh BD Ltd., Omera Gas1 Ltd., Omera Petroleum Ltd. and Omera Cylinder Ltd.

Mr. Hasan has a diverse marketing background on petroleum and FMCG products. He is fully conversant with marketing and business development of FMCG Products. He has also an excellent interpersonal skill, believes in encouraging people and initiative in work for organizational development.

Mr. Hasan is a life member of Greater Faridpur Chakurijibi Samity, Dhaka University Alumni Association (DUAA), Bangladesh Economic association (BEA) and Joint secretary, Dhaka University Economics Department Alumni Association (DUEA).

Mr. Hasan visited various countries of the world and participated in many seminars, workshops & training programmes at home and abroad such as Leadership Excellence in Malaysia, Merchandising Skills in UAE, Treasury & Trade Solutions in Kuala Lumpur, Malaysia and Persuasive Selling Skills in Dubai, UAE and also attended training course in Sri Lanka, Thailand, India, Australia, Kingdom of Saudi Arabia and Singapore. He is also engaged in various social, educational and cultural organizations of the country.

**Professor Dr. Mohammad Saleh Jahur**  
**Independent Director**

Professor Dr. Mohammad Saleh Jahur is an Independent Director of the Bank. He is a Professor of Accounting and Banking in the department of Finance, University of Chittagong. He started his career as Lecturer in the Department of Finance in 1993. Before, joining the university, He worked at MIDAS (an NGO; now a financial institution) and Bangladesh Petroleum Corporation (an Autonomous Government Organization) as executive. He also completed BCS successfully but did not join.

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Nasimul Baten  
 Managing Director & CEO  
 DBL Finance PLC.

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 AMD & Company Secretary  
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 Head Office, Dhaka.

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Mohammed Monirul Moula  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

Md. Ashraf Haque, FCA  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 FAD, Head Office, Dhaka.



Dr. Jahur completed all academic programs –SSC, HSC, B. Com (Hons.) in Accounting, and M. Com in Accounting with outstanding results. He did his Ph.D. on Lease Financing in Bangladesh Study of Policy and Performance under the joint supervision of Professor Dr. S.P.Singh and Professor Dr. Manoj Anand in University Business School, Punjab, India under ICCR Scholarship of Government of India in 2000-2002. He did a diploma on Financial Reporting Standards and Assurance under the World Bank Scholarship at London, United Kingdom in 2008. He also studied on Green Productivity for Industry under the scholarship of METI, Japan in 2013. He also worked in Chartered Accountancy Firm for five months.

He is a continuous researcher, working in the area of corporate finance, stock market and industrial productivity for many years. He has a good number of articles published at home and abroad. He also participated many seminars and conference as paper presenter, discussant, and session chair at home and abroad. Besides, eleven students got awarded with M. Phil. and Ph.D. under his supervision from the University of Chittagong and about fourteen students are pursuing M. Phil. and Ph.D. at universities in Bangladesh and Malaysia under his supervision/Joint supervision at present.

Mr. Jahur successfully implemented the projects titled "Grameen Bank and Socio-Economic Changes—A Study of Select Loanees" and "Higher Education Quality Enhancement Project" awarded by German Cultural Center-Goethe institute, Dhaka, and University Grants Commission, World Bank & Government of the People's Republic of Bangladesh respectively. Besides, he worked as Editor of Capital Market Journal-Vision and Academic Journal-of Faculty of Business Administration of University of Chittagong.

Professor Jahur served as an Advisor to Chittagong Capital Limited-a Brokerage of Chittagong Stock Exchange, Bangladesh and GPH Ispat Limited for three years from 2009 to 2012. He worked as an Independent Director of GPH Ispat Limited for two terms (6 years) i. e. from 2012 to 2018. He has also been working as an Independent Director of Hakkani Pulp and Paper Mills Limited since September 2017. He is a member of Chittagong Club Limited, Chittagong and Life Member at Ma O Shishu Hospital Limited, Chittagong & Chittagong Diabetics Association, Khulshi, and Chittagong. Prof. Jahur has visited many countries and participated in many international seminars, symposiums & conferences.

**Professor Dr. Md. Fashiul Alam**  
**Independent Director**

Professor Dr. Md. Fashiul Alam is an Independent Director of the Bank. Currently, he is the Dean of Faculty of Business Studies, Port City International University, Chittagong. He was the Professor of Department of Management and Dean of Faculty of Commerce & Chairman of Department of Management, University of Chittagong and the former Vice Chancellor, Feni University. He was also the Senior Research Fellow, Institute of Business Management, Karachi, Pakistan. He obtained B. Com Hons and M. Com Degree in Management from the University of Chittagong and stood first in order of merit in both examinations. As an Indian Government Scholar, he earned Ph. D in 1982 on 'Collective Bargaining in Bangladesh Jute Industry' from the University of Punjab, Chandigarh. He did Post-Doctoral Research from AOAS, University of London, UK as a Commonwealth Academic Staff Fellow in 1991-92. He was also a Visiting Scholar in 2009 at University of Texas A & M, USA.

Dr. Alam participated in the Australian Academy of Business Leadership sponsored SIBR Conference 2015, Sydney, Australia, April 17-20, 2015, 8<sup>th</sup> SKM Symposium and 2<sup>nd</sup> CBSM Conference, Magdeburg, Germany, September 17-20, 2013, Canada International Conference on Education (CICE, 012) CICE-2012 held in June 18-21, 2012 at University of Guelph, Canada and others in France, USA, China, South Korea, Malaysia, Taiwan, Bahrain during his professional tenure.

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 Managing Director & CEO  
 DBH Finance PLC.  
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Mr. Alam has travelling experience in different countries like United Kingdom, Saudi Arabia, France, USA, India, South Korea, Thailand, Malaysia, UAE, Qatar, Pakistan, China, Sri Lanka, Oman, Bahrain, Singapore, Taiwan, Canada, Turkey, Germany, Switzerland, Hong Kong, Australia and has language proficiency in Bengali, English, Arabic, Urdu and Hindi.

Dr. Alam is well known as a reputed scholar, potential academia, creative researcher, efficient administrator, dedicated social worker and a man of high dignity and distinct personality. His fields of specialization cover mainly HRM, HRD, Industrial Relations, and Strategic Management. Besides holding a long experience of pursuing research in management and allied fields and conducting project work, he is an author of 41 articles published in reputed and recognized national and international journals.

He is as an Independent Director of the Peninsula Chittagong Limited since 2014. He was founder & Chairman of Nazmul-Jahan Foundation and Chairman of Sitakunda Foundation (A Social & Development Organization), Estd, in 1998. He is also the founder & President of Hill-Side Public School & Technical College (Estd. 2000) situated near Chittagong University.

He was Secretary General of Bangladesh Federation of University Teachers' Association in 1994 and President of Chittagong University Teachers Association in 1993 and 1994.

#### **Khurshid-UI-Alam** **Director**

Khurshid-UI-Alam is a Director of Islami Bank Bangladesh Limited as representative of Lionhead Business Resources Limited. He started his career as Assistant Director, Bangladesh Bank in 1976 and retired as Executive Director in 2009. He worked successfully as Managing Director of Security Printing Press (BD) Limited, a subsidiary company of Bangladesh Bank. He obtained B.A (Hons.) and M.A in Economics from Dhaka University in 1972 and 1974 respectively and he also obtained his M.A in Economics from University of New England, New South Wales, Australia in 1986. Besides, during his tenure in Bangladesh Bank he has attended course works and High-level seminar in IMF Training Institute in Washington in the year 1998 and 2002, undertaken study tour in Peru & Bolivia under the sponsorship of MFI & DFID and study tour in Malaysia & Indonesia under the sponsorship of US AID. He also attended Top level conferences on High Security Printing in Switzerland, Germany, Shanghai and Bangkok.

Mr. Alam has a career that spans over four decades in the banking sector, two of the prominent Private Universities (i.e., East West University and University of Liberal Arts Bangladesh) and other multidisciplinary fields, he has seen himself grow in terms of aptitude and managed to demonstrate his expertise as a professional regardless of the field or task. As Chairman of the Audit Committee and Member of Risk Management Committee of Pubali Bank, his significant contribution to elevate the financial management aspect to a new height in respect of asset quality of the bank has incessantly been acknowledged and appreciated. He accomplished his duty as Deputy Managing Director of Pubali Bank Limited from 2009 to 2011. He has remained consistently successful in delivering what was expected from him. He has worked in result-oriented comportment knowing there was always room for improvement and thus have managed to attain the highest level of competency at work. With ample co-operation, he has succeeded in bringing prosperity to the department and the institute, at large, where he has offered his services. Letting his action do the talking and abiding by his norms, morals and an obdurate wall of integrity in any line of work, he has performed in a Specific, Measurable, Achievable, Realistic Time-bound (SMART) manner in order to achieve the goals set in the core strategic management policy. His work experiences have collectively enriched his knowledge of work in the financial sector and other related areas where he was entrusted with specific responsibilities.

Mr. Alam is a Life Member of Bangladesh Economic Association and Bangladesh Bank Colony Scout Group, Chattogram.

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 AMD & Company Secretary  
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 Head Office, Dhaka.

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Mohammed Monirul Moulana  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

Nasimul Baten  
 Managing Director & CEO  
 DEB Finance PLC.

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**Mohammad Solaiman, FCA**  
**Independent Director & Chairman, Audit Committee**

Mohammad Solaiman FCA is an Independent Director of the Bank. He is a Commerce Graduate under the University of Chittagong and stood First Class First in order of merit in the year 1971. He passed SSC Examination in First Division in the year 1967 and HSC Examination in the year 1969 securing 10th position jointly in order of merit under Cumilla Board. Mr. Mohammad Solaiman qualified as Chartered Accountant in the year 1978 from the Institute of Chartered Accountants of Bangladesh (ICAB) and became associate member of the Institute in the same year. After qualifying professional examination Mr. Solaiman started his career as Public Accountant as a Partner of Muhammad Shaheedullah & Co., Chartered Accountants and continued till the year 1984. He then started accountancy profession under the name and style Mohammad Solaiman & Co., Chartered Accountants and continued till the end of the year 1993.

He then joined Government service as Accountant Member of Taxes Appellate Tribunal on contract basis for one year. The Government, being highly satisfied with his sincerity, punctuality, efficiency and devotion to duties, was pleased to extend his contract for consecutive three terms. Thereafter, he faced Public Service Commission and got success therein. The Government of Bangladesh appointed him as Accountant Member ((Ex-Officio Joint Secretary) of Taxes Appellate Tribunal under Internal Resource Division (IRD), Ministry of Finance on permanent basis. Mr. Mohammad Solaiman was subsequently promoted to the top post of the Taxes Appellate Tribunal, the highest fact finding authority of the Income Tax Department as President (Ex-Officio Additional Secretary) Ministry of Finance, Government of the Peoples Republic of Bangladesh.

Mr. Solaiman is the only Chartered Accountant in Bangladesh who was fortunate to hold the position of Accountant Member and President of Taxes Appellate Tribunal on permanent basis. He retired from the Government Service in the end of the year 2008.

After retirement, Mr. Solaiman started accountancy profession as Public Accountant under the name and style M. Solaiman & Co., Chartered Accountants. During his long 41 years' professional experience, he successfully acted both in Bar and Bench of taxation law with high dignity and reputation. He acted as External Auditors, Internal Auditors, Tax Advisor, Company Law Advisor and Consultant of so many clients at Corporate and non-corporate sectors. He participated in many seminars, conferences and workshops related to accountancy profession both at home and abroad. Mr. Solaiman is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) bearing enrollment number 161.

He travelled different countries of the world. He is associated with some social and religious activities in the country. He has behind him wife and two sons.

**Mohammed Nasir Uddin, FCMA**  
**Director**

Mohammed Nasir Uddin FCMA is a Director of Islami Bank Bangladesh Limited as representative of BLU International Limited. He is the Group General Manager (Chief of Finance & Accounts) of Bay Group. He obtained M. Com (Master of Commerce) in Accounting from Dhaka University in 1990. He also obtained CIMA Adv. Dip MA (UK) from Chartered Institute of Management Accounts (CIMA) of London, U. K in 2012 and CMA & FCMA from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) in 1995.

Mr. Nasir started his career as Manager (Audit) in Sunman Group. Mr. Nasir has a career that spans over 27 (Twenty-Seven) years in the field of Industry namely Sunman Group, Monno Group of Industries, MEB Group, Saad Musa Group, S.A Group, Opex & Sinha Textile Group etc. in different

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 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

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Mohammed Monirul Moulana  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.  
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capacities particularly worked as Corporate Sr. GM & Group CFO for 14 years. He has also sector wise experience arena specially, export-oriented sector like Garments, Composite Textile, Ceramics, Leather & Foot Wear etc. Mr. Nasir participated in many National and international seminars, symposiums & conferences. His work experiences have collectively enriched his knowledge of work in the financial sector.

Mr. Nasir has a career objective to play Strategic & Management role in Accounts, Finance and Audit activities, Project & Working Capital financing, Fund administration, Strategic "Cost Management, Establish Risk based Internal Control & Audit System.

**Md. Kamal Hossain Gazi**  
**Director**

Md. Kamal Hossain Gazi, Deputy Managing Director, Investment Corporation of Bangladesh has been nominated Director of Islami Bank Bangladesh Limited (IBBL). He completed his graduation and post-graduation degrees in the Discipline of Marketing from the University of Dhaka. He is also a Diplomaed Associate of IBB.

Mr. Kamal Hossain Gazi started his career at Investment Corporation of Bangladesh (ICB) in 1987 as Senior Officer and served in different capacities as Department & Division Head, as well as Branch Head of ICB Bogra, Khulna & Chittagong branch.

Mr. Gazi successfully participated in many seminars, workshop & training programmed at home and abroad. Recently he has visited India for a training programmed on 'Corporate Governance' arranged by NIBM, Pune. He also holds Ex-officio position of Chairman, board of directors of ICB Asset Management Company Limited, a subsidiary of ICB.

**Mohammed Monirul Moula**  
**Managing Director & CEO**

Mohammed Monirul Moula, a seasoned banker and dynamic leader has recently been appointed as the Managing Director & CEO of Islami Bank Bangladesh Limited. Prior to playing the role of Managing Director & CEO he worked with Bank in the Capacity of Additional Managing Director as well as the Head of many core wings of the Bank. In the basket of portfolio, he held the position of Head of Corporate Investment (Credit) Wing, Head of International Banking Wing and Head of Retail Investment Wing, Head of Chittagong South Zone & Head of leading branches. He joined the bank as Probationary Officer on March 06, 1986. During his vast versatile banking career of over 34 years, Mr. Monirul gained extensive banking experience and developed wide range of expertise in almost all business areas.

While he was leading the Corporate Investment (Credit) Wing as Additional Managing Director, he notably looked after the affairs of Corporate Finance, Structured Finance, Sustainable Finance, Credit Administration, Asset Management and Credit Risk Management of the Bank. He also took the helm of Retail Investment Wing where his deep concentration was on SME Finance, Retail, Consumer & Real Estate Investment (Finance) and such. Mr. Monirul was the Chairman of Investment (Credit) Committee and member of Management Committee (MANCOM) and Asset Liability Committee (ALCO).

Mr. Moula has enriched his experience by working in various branches like Agrabad Corporate Branch, Chowmuhan Branch, Pahartali Branch, Anderkillah Branch, Cox's Bazar Branch, Hathazari Branch. He was also the Head of Chittagong North Zone. He played significant role to run bank's SME functions smoothly and efficiently. Bank Management awarded him with Letter of Appreciation for his great contribution in reducing Non-Performing Investment (Loan).

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**Mohammed Monirul Moula**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

**Md. Ashraf Haque, FCA**  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.

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He was born in a noble Muslim family in Bangladesh in 1963. He obtained Bachelor of Social Science (B.S.S) degree with Honors in 1983 and Master of Social Science (M.S.S) in Economics in 1984 from the University of Chittagong. Recently, he has been awarded prestigious certificate on 'Domestic and International Factoring from Factors Chain International (FCI), Netherlands. He is also a Diplomaed Associate of the Institute of Bankers Bangladesh (DAIBB).

Mr. Monirul has optimum exposure & training in all areas of Banking in many countries including Thailand, Bahrain, Italy, Sri Lanka, KSA, Myanmar, Morocco, Malaysia, Indonesia, UAE & such.

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*Nasimul Baten*  
 Nasimul Baten  
 Managing Director & CEO  
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 Md. Ashraf Haque, FCA  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 FAD, Head Office, Dhaka

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*J Q M Habibullah*  
 J Q M Habibullah, FCS  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

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*Mohammed Monirul Moula*  
 Mohammed Monirul Moula  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



## F. BRIEF DESCRIPTION OF ASSETS AND LIABILITIES

### Assets (as of 30 September, 2022)

#### Cash, Bank Balances, Money at Call on Short Notice and Investments

Items	Total Asset	% of Total Asset
Cash in hand	28,244,389,473	1.55%
Balance with other banks and financial institutions	64,831,309,245	3.56%
Placement with banks & other financial institutions	149,500,702,119	8.20%
Investments in Shares & Securities	99,137,093,371	5.44%
Investments	1,444,677,154,438	79.26%
Fixed assets including Premises	18,417,835,676	1.01%
Other assets	17,990,333,965	0.99%
Non-banking Assets		
<b>Total Assets</b>	<b>1,822,798,818,286</b>	<b>100.00%</b>

#### Investments

Item	Amount in BDT
General investments, etc.	1,339,894,237,991
Bills purchased & discounted	104,782,916,447
<b>Total</b>	<b>1,444,677,154,438</b>

#### Fixed Assets

Item	Amount in BDT
<b>Fixed Assets including premises</b>	<b>18,417,835,676</b>

#### Other Assets

Item	Amount in BDT
Stock of stationery in hand	220,163,369
Stamps in hand	33,593,865
Advance rent paid	555,153,828
Security deposits account	27,236,411
Suspense	1,418,332,689
Advance against expenses	40,298,493
Pre-paid expense-OBUE	17,895,409
Accrued income	2,494,630,495
IB General account	7,085,623,496
F.C. clearing adjustment	1,462,531,147
mCash adjustment	2,189,220,822

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Nasimul Baten  
 Managing Director & CEO  
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 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

Item	Amount in BDT
Dividend income receivable	-
Master card receivable	39,303,667
ATM receivable	252,810,953
eWallet Receivable	221,533,023
POS Receivable	930,114,017
Advance against capital expenditure	813,041,370
Others	188,850,910
<b>Total</b>	<b>17,990,333,964</b>

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**Liabilities (as of 30 September, 2022)****Placement from Banks & Other Financial Institutions**

Item	Amount in BDT
Borrowing from Abroad- OBU	27,850,122,100
Borrowing from other banks in Bangladesh	35,629,330,558
Placement from Bangladesh Bank	
<b>Total</b>	<b>63,479,452,658</b>

**Deposits & Other Accounts**

Items	Amount in BDT
Mudaraba savings deposits	526,530,089,682
Mudaraba Term deposits	544,497,909,962
Other Mudaraba deposits	295,779,102,578
Al-Wadeeah current & other deposit accounts	148,485,826,473
Bills payable	13,312,443,945
<b>Total Deposits &amp; Other Accounts</b>	<b>1,528,605,372,641</b>

**Mudaraba Bonds**

Items	Amount in BDT
Perpetual Bonds	11,000,000,000
Redeemable Subordinated Bonds	19,600,000,000
<b>Total</b>	<b>30,600,000,000</b>

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## G. BRIEF DESCRIPTION OF PREVIOUSLY ISSUED BONDS OR SECURITIES

### 1. Perpetual Bonds:

Islami Bank Bangladesh Limited has issued following 02(two) Perpetual Bonds:

#### (f) Mudaraba Perpetual Bonds (MPB)

Mudaraba Perpetual Bonds (MPB) was issued by the Bank under the mudaraba principles of Islamic Shari'ah as per approval of Bangladesh Bank Letter No. BRPD (P-1)661/14(a)/2006-1437 dated 07.05.2006 and Bangladesh Securities and Exchange Commission Letter No. SEC/CI/CPLC-118/2006/385 & SEC/CI/RPO-01/2007/386 both dated 10.06.2007. The Investment Corporation of Bangladesh (ICB) is the Trustee of the MPB. The MPB is listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. and trading of the same started from 25 November 2007. It is treated as a component of Additional Tier-I Capital (AT-I). The instrument subordinated to the claims of other creditors and depositors. In the case of liquidation, the subordinated Bondholders would be paid just before paying to the shareholders assuming there are assets to distribute after all other liabilities and debts have been paid. The Mudaraba Perpetual Bonds (MPB) is perpetual in nature i.e. infinite maturity. Profit paid against Mudaraba Perpetual Bonds is the final profit rate of 8 (eight) years Mudaraba Savings Bonds and an additional amount equivalent to 10.00% of the rate of dividend declared for the respective year.

#### Salient Features of Mudaraba Perpetual Bonds of Islami Bank Bangladesh Limited:

- (i) It has no redemption facility & pre-determined interest rates.
- (ii) Term: Perpetual (no maturity period).
- (iii) MPB is secured Bonds and listed with both Bourses of the country and will remain freely transferable depending on the market demand.
- (iv) MPB is being treated as a Tier-I Capital.
- (v) Profit Distribution:
  - MPB will carry 1.25 weightage for distribution of profit.
  - Not less than 65% of the income generated by deployment of MPB fund and
  - An additional rate of profit equivalent to 10% of the rate of dividend declared by the Islami Bank Bangladesh Limited every year. No portion of dividend will be distributed to the MPB holders.
- (vi) MPB was rated as A+ by Credit Rating Information and Services Limited (CRISL).
- (vii) Trustee is Investment Corporation of Bangladesh (ICB).
- (viii) Manager to the Issue was: ICB Capital Management Limited (A subsidiary company of ICB)
- (ix) The outstanding balance as of 31 December 2021 is BDT 3,000 million.
- (x) Coupon/Profit Rate for the year 2021 is 6.91%

#### (g) IBBL 2<sup>nd</sup> Perpetual Mudaraba Bonds

IBBL 2<sup>nd</sup> Perpetual Mudaraba Bond of Tk. 800 crore, BASEL III compliant Perpetual Debt Instrument, was issued as per approval of Bangladesh Bank letter no. BRPD (BFIS) 661/14B (P)/2021/7134 dated 22 August, 2021 and as per consent of Bangladesh Securities and Exchange Commission letter no. BSEC/CI/DS-153/2021/508 dated September 05, 2021. Total issue size Tk. 800 crore, out of which Tk. 717.584 crore was subscribed by the investors (i.e. Bondholders) and received as subscription (Tk. 80 crore through Public Offer/Issue and Tk. 637.584 crore through Private Offer/Placement) by 31<sup>st</sup> December 2021. BDT 800 crore were fully subscribed by the investors (i.e. Bondholders) and has been received (fully paid-up) as subscription by 28 March, 2022.

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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

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Mohammed Monirul Moulana  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

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The public offer/issue portion of Tk. 80 crore is listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. This Mudaraba Bonds is Perpetual, Floating rate, Unsecured, Contingent Convertible on pre-specified trigger point, Coupon/Profit Discretion, Subordinated, Non-Cumulative and the claims of the Bondholders are to be subordinated to the claims of depositors and general creditors of the Bank and the Bank has full discretion at all times to cancel distributions/payments to the Bondholder/ investors subject to common equity holders' dividend stopper clause.

IBBL 2<sup>nd</sup> Perpetual Mudaraba Bond was issued for the purpose of augmenting Additional Tier 1 (AT-1) Capital, strengthening Bank's capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.

**Salient Features of IBBL 2<sup>nd</sup> Perpetual Mudaraba Bond:**

1	Issue size	BDT 800,00,00,000 only.
2	Face Value/ Issue Price	BDT 5,000 only per Bonds.
3	Mode of Issue	BDT 720,00,00,000 only (90% of total Issue size) for private placement/offer and BDT 80,00,00,000 only (10% of total Issue size) for public issue/offer.
4	Nature of Instrument and status of the Bonds	Unsecured debt instrument. The Bonds are neither secured nor covered by a guarantee of the Issuer (i.e. the Bank) nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bondholders vis-à-vis other creditors of the Issuer (i.e. the Bank). Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.
5	Issuance Mode	Dematerialized form.
6	Convertibility	Contingent Convertible on pre-specified trigger point (as fixed/ to be fixed by the Bangladesh Bank/regulator(s) from time to time).
7	Trustee	<b>SBL Capital Management Limited.</b>
8	Benchmark Profit Rate/ Coupon Rate/	The Rate of return/profit (coupon rate) of this Bonds is calculated based on the latest available published deposit rate in Bangladesh Bank website. The average of yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st Generation, 2nd Generation and 3rd Generation banks only) will be considered, excluding foreign Islamic banks and any Z-category Islamic Banks enlisted in capital market, for Benchmark Profit Rate fixation plus additional 2.50% per annum. Furthermore, if any Islamic bank goes into OTC Market/ delisted, that will be excluded from rate of return calculation as well.
9	Additional profit rate/ margin with Benchmark Rate	<b>2.50% p.a.</b>
10	Coupon Range (i.e. floor rate and ceiling rate)	Return Ceiling: 10% Return Floor: 6% (subject to having available distributable profit)
11	Coupon/Profit Rate for the year 2021	<b>7.88%</b>
12	Coupon/Profit Rate determined for the year 2022	<b>7.87%</b>
13	Credit rating at the time of Issue	AA+ by Alpha Credit Rating Limited
14	Outstanding as on 30/09/2022	BDT 8,000.00 million

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## 2. BASEL III compliant Tier 2 Debt Instruments (i.e. Bonds)

Islami Bank Bangladesh Limited has issued 04(four) BASEL III compliant Tier 2 Debt instruments (i.e. Bonds) for inclusion in Tier 2 Capital for capital adequacy purposes in the year 2017, 2018, 2019 and 2020 for BDT 5,000 million, 7,000 million, 6,000 million and 6,000 million respectively through private placement with a face value of BDT 10,000,000 each Bonds under Mudaraba Principles of Islamic Shari'ah after obtaining approvals from Bangladesh Bank as well as Bangladesh Securities and Exchange Commission. Those Bonds are fully paid up with fixed maturity period which is qualified as Tier 2 Regulatory Capital of the Bank as per Qualifying criteria stated in Annex 4 of Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) issued by Bangladesh Bank. The obligations of those issued Bonds are not insured by any deposit insurance scheme. The Bonds specific features of the Tier 2 subordinated Bonds issued by the Bank are stated hereunder:

### (i) 1<sup>st</sup> Mudaraba Redeemable Subordinated Tier 2 Bonds (2017):

1	Name of the Issue	IBBL Mudaraba Redeemable Non-Convertible Subordinated Bonds
2	Issue Size	BDT 5,000 million
3	Issue date	26 September, 2017
4	Final Redemption Date	25 September, 2024
5	Nature of the Instrument	Unsecured, Subordinated, Floating Rate, 07 (seven) years, non-listed, Non-Convertible, Fully paid up, Taxable, Redeemable Tier 2 Bonds under Mudaraba Principle of Islami Shari'ah.
6	Coupon/Profit rate mechanism	The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate of the issuer plus an additional profit rate as described in below mechanism:- <b>Benchmark Mudaraba Term Deposit profit:</b> The issuer's <b>prevailing Mudaraba Term Deposit profit rate</b> (Provisional) <b>in 6 months tenor</b> ; to be applied semiannually. The profit amount shall be adjusted on completion of each accounting year after declaration of final rate of profit. If the actual profit is higher than the provisional profit, bank will credit the excess amount to the Bondholders and if it is lower than the provisional rate, bank will realize the same from the Bondholders. <b>Additional profit Rate:</b> Investors will get an indicative/provisional additional profit amount equivalent to <b>2.00</b> per cent per annum on the outstanding balance of the Bonds to be paid semiannually from pre-tax profit/operating income of the Issuer (i.e. from Bank's portion of profit).
7	Coupon rate for 1 <sup>st</sup> profit period	5.80%+2.00%=7.80%
8	Final Profit Rate for 2021	5.02%+2.00%=7.02%
9	Current period coupon rate	5.76%+2.00%=7.76%
10	Trustee	Green Delta Insurance Company Limited.
11	Credit rating at the time of Issue	AA by Emerging Credit Rating Limited.
12	Outstanding as on 30/09/2022	BDT 2,000 million.

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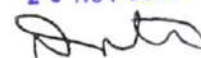
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(ii) **2<sup>nd</sup> Mudaraba Redeemable Subordinated Tier 2 Bonds (2018):**

1	Name of the Issue	IBBL 2 <sup>nd</sup> Mudaraba Redeemable Non-Convertible Subordinated Bonds
2	Issue Size	BDT 7,000 million
3	Issue date	24 December, 2018
4	Final Redemption Date	23 December, 2025
5	Nature of the Instrument	Unsecured, Subordinated, Floating Rate, 07 (seven) years, non-listed, Non-Convertible, Fully paid up, Taxable, Redeemable Tier 2 Bonds under Mudaraba Principle of Islami Shari'ah.
6	Coupon/Profit rate mechanism	<p>The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate of the issuer (i.e. IBBL) plus an additional profit rate as described in below mechanism:-</p> <p><b><u>Benchmark Mudaraba Term Deposit profit:</u></b> The issuer's (i.e. IBBL) <b>prevailing highest Mudaraba Term Deposit profit rate (Provisional) in 6 months tenor</b> to be applied semiannually. The profit amount shall be adjusted on completion of each accounting year after declaration of final rate of profit. If the actual profit is higher than the provisional profit, IBBL (i.e. Issuer) will credit the excess amount to the Bondholders and if it is lower than the provisional rate, IBBL (i.e. Issuer) will realize the same from the Bondholders.</p> <p><b><u>Additional profit Rate:</u></b> Investors will get an indicative/provisional additional profit amount equivalent to <b>2.00</b> per cent per annum on the outstanding balance of the Bonds to be paid semiannually from pre-tax profit/operating income of the Issuer (i.e. from Bank's portion of profit).</p>
7	Coupon rate for 1 <sup>st</sup> profit period	$6.50\% + 2.00\% = 8.50\%$
8	Final Profit Rate for 2021	$5.02\% + 2.00\% = 7.02\%$
9	Current period coupon rate	$5.63\% + 2.00\% = 7.63\%$
10	Trustee	Green Delta Insurance Company Limited.
11	Credit rating at the time of Issue	AA+ by Emerging Credit Rating Limited
12	Outstanding as on 30/09/2022	BDT 5,600 million.

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(iii) **1<sup>st</sup> Tranche Issue of 3<sup>rd</sup> Mudaraba Redeemable Subordinated Tier 2 Bond (2019):**

1	Name of the Issue	1 <sup>st</sup> Tranche Issue of IBBL 3 <sup>rd</sup> Mudaraba Redeemable Non-Convertible Subordinated Bonds
2	Issue Size	BDT 6,000 million
3	Issue date	10 December, 2019
4	Final Redemption Date	09 December, 2026
5	Nature of the Instrument	Unsecured, Subordinated, Floating Rate, 07 (seven) years, non-listed, Non-Convertible, Fully paid up, Taxable, Redeemable Tier 2 Bonds under Mudaraba Principle of Islami Shari'ah.
6	Coupon/Profit rate mechanism	<p>The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate plus a predetermined additional profit rate as described in below mechanism: -</p> <p><b>Benchmark Mudaraba Term Deposit profit:</b></p> <p>The average of immediate past month highest profit rates of Mudaraba Term Deposit Account in 6 months tenor of all Islami Banks in Bangladesh to be applied semi-annually for Benchmark Profit Rate fixation. The profit rates of Banks to be collected from Announced Interest/Profit Rate Chart of the Scheduled Banks (Deposit Rate)" published by Bangladesh Bank in its website.</p> <p>The provisional profit amount shall be adjusted on completion of each accounting year after declaration of all Islami Bank's final profit rate of 6 months term deposit account. If the actual profit (i.e. the average of approved/declared final rate of 6 months term deposit account of all Islami Banks) is higher than the applied provisional profit rate in the respective year, the Issuer will credit the excess amount to the Bondholders and if it is lower than the applied provisional rate, the Issuer will realize the same from the Bondholders.</p> <p>The Benchmark rate will be notified / calculated by the Trustee semi-annually on every Profit Rate Determination Date throughout tenor of the Bonds and notified to the Issuer and all Investors on every Profit Rate Determination Date.</p> <p><b>Additional profit Rate:</b></p> <p>Investors will get an indicative/provisional additional profit amount equivalent to 1.75 percent per annum on the outstanding balance of the Bonds to be paid semi-annually from pre-tax profit/operating income of the Issuer (i.e. from Bank's portion of profit).</p>
7	Coupon rate for 1 <sup>st</sup> profit period	7.91%+1.75%=9.66%
8	Final Profit Rate for 2021	N/A
9	Current period coupon rate	5.77%+1.75%=7.52%
10	Trustee	Green Delta Insurance Company Limited
11	Credit rating at the time of Issue	AA+ by Alpha Credit Rating Limited
12	Outstanding as on 30/09/2022	BDT 6,000 million

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(iv) **2<sup>nd</sup> Tranche Issue of 3<sup>rd</sup> Mudaraba Redeemable Subordinated Tier 2 Bond (2020):**

1	Name of the Issue	2 <sup>nd</sup> Tranche Issue of IBBL 3 <sup>rd</sup> Mudaraba Redeemable Non-Convertible Subordinated Bonds
2	Issue Size	BDT 6,000 million
3	Issue date	15 December, 2020
4	Final Redemption Date	14 December, 2027
5	Nature of the Instrument	Unsecured, Subordinated, Floating Rate, 07 (seven) years, non-listed, Non-Convertible, Fully paid up, Taxable, Redeemable Tier 2 Bonds under Mudaraba Principle of Islami Shari'ah.
6	Coupon/Profit rate mechanism	<p>The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate plus a predetermined additional profit rate as described in below mechanism:</p> <p><b><u>Benchmark Mudaraba Term Deposit profit:</u></b></p> <p>The average of most recent month's published highest profit rates of Mudaraba Term Deposit Account in 6 months tenor of all Islami Banks in Bangladesh to be applied semi-annually for Benchmark Profit Rate fixation. The profit rates of Islami Banks to be collected from Announced Interest(Profit) Rate Chart of the Scheduled Banks (Deposit Rate) published by Bangladesh Bank in its website.</p> <p>The provisional profit amount shall be adjusted on completion of each accounting year after declaration of all Islami Bank's final profit rate of 6 months term deposit account. If the actual profit (i.e. the average of approved/declared final rate of 6 months term deposit account of all Islami Banks) is higher than the applied provisional profit rate in the respective year, the Issuer will credit the excess amount to the Bondholders and if it is lower than the applied provisional rate, the Issuer will realize the same from the Bondholders.</p> <p>The Benchmark rate will be notified/calculated by the Trustee semi-annually on every Profit Rate Determination Date throughout the tenor of the Bonds and notified to the Issuer and all Investors/Bondholders on every Profit Rate Determination Date.</p> <p><b><u>Additional profit Rate:</u></b></p> <p>Investors will get an indicative/provisional additional profit amount equivalent to 2.00% percent per annum on the outstanding balance of the Bonds to be paid semi-annually from pre-tax profit/operating income of the Issuer (i.e. from Bank's portion of profit).</p>
7	Coupon rate for 1 <sup>st</sup> profit period	5.53%+2.00%=7.53%
8	Final Profit Rate for 2021	N/A
9	Current period coupon rate	5.77%+2.00%=7.77%
10	Trustee	Green Delta Insurance Company Limited
11	Credit rating at the time of Issue	AA+ by Emerging Credit Rating Limited
12	Outstanding as on 30/09/2022	BDT 6,000 million

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### Right Issue and Evaluation of Paid-Up-Capital

After establishment in 1983 the bank raised its share capital through the initial public offering of shares in 1985. Subsequently, the first right share was issued in 1989, 2nd right share was issued in 1996, 3rd right share was issued in 2000 and 4th right share was issued in 2003 to enhance its capital base. Moreover, the paid-up capital of Islami Bank Bangladesh Limited was also raised by way of issuing bonus shares in several times.

The evaluation of paid-up capital of the bank is depicted as hereunder:

Year	Particulars(Taka in BDT Million)	Increase	Total
1983	Initial Capital	0.50	0.50
1983	Sponsors (56 million Foreign, 11.50 million Bangladeshi, 4 million Govt. of Bangladesh)	71.50	72.00
1985	I.P.O (Bangladesh)	8.00	80.00
1990	1 <sup>st</sup> Rights/1989 (1R:1)	80.00	160.00
1996	2 <sup>nd</sup> Rights/1996 (1R:1)	160.00	320.00
2001	3 <sup>rd</sup> Rights/2000 (1R:1)	320.00	640.00
2003	4 <sup>th</sup> Rights/2003 (2R:1)	1,280.00	1,920.00
2004	Bonus/2003 (1B:5) – Stock Dividend @20%	384.00	2,304.00
2005	Bonus/2004 (1B:5) – Stock Dividend @20%	460.80	2,764.80
2006	Bonus/200 (1B:4) – Stock Dividend @25%	691.20	3,456.00
2007	Bonus/2006 (1B:10) – Stock Dividend @10%	345.60	3,801.60
2008	Bonus/2007 (1B:4) – Stock Dividend @25%	950.40	4,752.00
2009	Bonus/2008 (3B:10) – Stock Dividend @30%	1,425.60	6,177.60
2010	Bonus/2009 (1B:5) – Stock Dividend @20%	1,235.52	7,413.12
2011	Bonus/2010 (35B:100) – Stock Dividend @35%	2,594.59	10,007.71
2012	Bonus/2011 (1B:4) – Stock Dividend @25%	2,501.93	12,509.64
2013	Bonus/2012 (17B:100) – Stock Dividend @17%	2,126.64	14,636.28
2014	Bonus/2013 (10B:100) – Stock Dividend @10%	1463.63	16,099.91

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**15. AUDITOR'S REPORT ALONG WITH AUDITED FINANCIAL  
STATEMENTS OF THE ISSUER, ISLAMI BANK BANGLADESH  
LIMITED**

20 NOV 2022


  
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Managing Director & CEO  
DBH Finance PLC.

  
20 NOV 2022  
Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**a. Auditor's Report (as of September 30, 2022)**

কে. এম. হাসান এন্ড কোং  
**K. M. HASAN & CO.**  
Chartered Accountants

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website: www.kmhasan.com.bd



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**Independent Auditor's Report**  
**To the Board of Directors of Islami Bank Bangladesh Limited**  
**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Islami Bank Bangladesh Limited and its subsidiaries (the "Group") as well as the separate financial statements of Islami Bank Bangladesh Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 September 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the period then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 30 September 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and 3 and comply with the Bank Companies Act, 1991 (as amended up to date), the Companies Act, 1994 (as amended up to date), the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for the period 30 September 2022. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditor's opinion thereon, and we do not provide a separate opinion on these matters.

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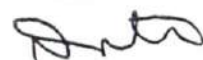


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Key audit matters	Our response to key audit matters
<b>Measurement of provision for investments</b>	
<p>The process for estimating the provision for investments portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>Bangladesh Bank vide BRPD circular no. 14 dated 22 June 2022, instructed banks to keep additional 1.5% provision for CMSME and 2% provision for other investments for clients who have taken the deferral facility and the provision will be shown as special general provision- COVID 19.</p> <p>At period end the Group reported total gross Investments of BDT 1,439,657 million (2021: BDT 1,186,173 million) and provision for investments of BDT 54,880 million excluding provision for Off-balance sheet exposure (2021: BDT 51,087 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, Investments disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators; and</li> <li>• Reviewed quarterly Classification of Investments;</li> </ul> <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>• Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.</li> </ul>
See notes no 9 and 11.1 to the financial statements	
<b>Recognition of Investment income</b>	
<p>Recognition of investment income has significant influence on financial statements and performance of the Bank.</p> <p>We identify recognition of investment income as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of investment income by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of investment income.</p> <p>We performed test of control in place to measure and recognize investment income.</p> <p>We have also performed substantive procedure to check whether investment income is recognized completely and accurately.</p>

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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

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Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka

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J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022

Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

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<p>Bangladesh Bank through BRPD circular no. 14 dated 22 June 2022, allowed banks to recognize accrued investment income on investments upon realizing 60% of dues amount from July '22 to September 22. At period end the Group reported total Investment income of BDT 63,044 million (2021: BDT 52,713 million)</p>	<p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Considering the current uncertainty in economic activity for ongoing COVID impact along with Russia and Ukraine war, the recognition of investment income following BRPD circular no. 14 dated 22 June 2022, there is an inherent risk that the actual recovery of accrued investment income from clients who enjoyed deferral benefit could be materially different in future.</p>
See note no. 16 to the financial statements	
<b>Implementation of IFRS 16 Leases</b>	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
See notes no. fixed assets, 11 and 21 to the financial statements	
<b>Impairment assessment of unquoted investments</b>	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.</p>



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**Mohammed Monirul Moula**  
 Managing Director & CEO  
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indirect unobservable market data and hence require an elevated level of judgment.	<p>We tested a sample of investments valuation as at 30 September 2022 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 8 to the financial statements	
<b>IT systems and controls</b>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
<b>Legal and regulatory matters</b>	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the</p>




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Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.	provisions, and tested the completeness and accuracy of the underlying information.  We also assessed the Bank's provisions and contingent liabilities disclosure.
--	--

#### Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our Auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's report.

Our opinion on the consolidated and separate financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended up to date), and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.



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*Mohammed Monirul Moufa*  
**Mohammed Monirul Moufa**  
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In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

#### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.




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**Mohammed Monirul Moula**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 (as amended up to date), the Securities and Exchange Rules 2020, the Bank Companies Act, 1991 (as amended up to date), and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
- (iii) consolidated financial statements of the Bank include two subsidiaries, namely Islami Bank Securities Limited and Islami Bank Capital Management Limited reflect total assets of BDT 1,823,933 million as at 30 September 2022 and total operating income of BDT 36,659 million for the period of 30 September 2022. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the period;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

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**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.


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**Md. Ashrafur Raque, FCA**  
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 Islami Bank Bangladesh Limited

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 AMD & Company Secretary  
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**Mohammed Monirul Molla**  
 Managing Director & CEO  
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 Head Office, Dhaka.

- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,500 person hours; and
- (xii) capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.


Place: Dhaka, Bangladesh  
Dated: 15 November 2022

  
**K. M. HASAN & CO.**  
Chartered Accountants

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28 NOV 2022

  
**Md. Ashrafur Haque, FCA**  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited

*For and on behalf of the company*

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**J. Q. M. Habibullah, FCS**  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

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**Mohammed Monirul Moula**  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**b. Balance Sheet (as of September 30, 2022)**

Islami Bank Bangladesh Limited			
Balance Sheet			
As at 30 September 2022			
		(Amount in Taka)	
	Note	As at 30 September 2022	As at 31 December 2021
<b>Property and assets</b>			
Cash in hand	6.0	93,075,698,717	246,163,386,116
Cash in hand (including foreign currency)	6.1	28,244,389,473	22,100,995,009
Balance with Bangladesh Bank & its agent bank(s) (including foreign)	6.2	64,831,309,245	224,062,391,107
Balance with other banks & financial institutions	7.0	149,500,702,119	76,156,107,566
In Bangladesh	7.i	128,477,104,314	61,571,659,434
Outside Bangladesh	7.ii	21,023,597,805	14,584,448,132
Placement with banks & other financial institutions		-	-
Investments in shares & securities	8.0	99,137,093,371	94,819,400,466
Government	8.1	80,462,864,181	75,352,686,843
Others	8.2	18,674,229,190	19,466,713,623
Investments	9.0	1,444,677,154,438	1,191,173,000,246
General investments etc.	9.1	1,339,894,237,991	1,137,670,855,057
Bills purchased & discounted	9.2	104,782,916,447	53,502,145,189
Fixed assets including premises		18,417,835,676	18,378,446,533
Other assets	10.0	17,990,333,965	9,302,458,646
Non - banking assets		-	-
<b>Total property and assets</b>		<b>1,822,798,818,286</b>	<b>1,635,992,799,574</b>
<b>Liabilities and capital</b>			
<b>Liabilities</b>			
Placement from banks & other financial institutions		63,479,452,658	36,765,300,000
Deposits & other accounts		1,528,605,372,641	1,381,979,529,497
Mudaraba savings deposits		526,530,089,682	476,757,049,557
Mudaraba term deposits		544,497,909,962	489,073,408,476
Other mudaraba deposits		295,779,102,578	282,106,861,930
Al-wade'ah current and other deposit accounts		148,485,826,473	125,924,721,060
Bills payable		13,312,443,945	8,117,488,474
Mudaraba Bond		30,600,000,000	30,775,840,000
Mudaraba perpetual bond		11,000,000,000	10,175,840,000
Mudaraba redeemable subordinated bond		19,600,000,000	20,600,000,000
Other liabilities	11.0	132,000,209,493	120,327,845,671
Deferred tax liabilities		1,477,307,818	1,582,990,129
<b>Total liabilities</b>		<b>1,756,162,342,610</b>	<b>1,571,431,505,297</b>
<b>Capital/shareholders' equity</b>		<b>66,636,475,676</b>	<b>64,561,294,277</b>
Paid - up capital	12.2	16,099,906,630	16,099,906,680
Statutory reserve	14.0	20,735,466,258	20,735,466,258
Other reserves	15.0	26,237,440,927	26,115,930,671
Retained earnings		3,563,661,811	1,609,990,688
<b>Total liabilities &amp; shareholders' equity</b>		<b>1,822,798,818,286</b>	<b>1,635,992,799,574</b>

28 NOV 2022

Md. Ashraf Haque, FCA  
EVP, Head of FAD & CFO  
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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**Islami Bank Bangladesh Limited**  
**Balance Sheet**  
 As at 30 September 2022

Particulars	Note	(Amount in Taka)	
		As at 30 September 2022	As at 31 December 2021
<b>Off-balance Sheet Items</b>			
<b>Contingent liabilities</b>			
Acceptances & endorsements		-	-
Letters of guarantee		30,112,468,075	29,281,985,371
Irrevocable letters of credit (including back to back bills)		234,338,616,220	190,036,120,468
Bills for collection		53,255,794,365	45,519,344,775
Other contingent liabilities		8,174,045	8,174,045
<b>Total</b>		<b>317,715,052,706</b>	<b>264,845,624,679</b>
<b>Other commitments</b>			
Documentary credits, short term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>317,715,052,706</b>	<b>264,845,624,679</b>
<b>Net Asset Value (NAV) per share</b>	<b>22(n)</b>	<b>41.39</b>	<b>40.10</b>

The annexed notes form an integral part of these financial report.

  
 Chairman

  
 Director

  
 Director

  
 Managing Director & CEO

This is the balance sheet referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
 Dated: 15 November 2022

  
 K. M. HASAN & CO.  
 Chartered Accountants



28 NOV 2022

  
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 EYP, Head of F&D & CFO  
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 Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.

28 NOV 2022

  
 Mohammed Monirul Moula  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



**c. Consolidated Balance Sheet (as of September 30, 2022)**
**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Balance Sheet**  
 As at 30 September 2022

		(Amount in Taka)	
Nota	As at 30 September 2022	As at 31 December 2021	
<b>Property and assets</b>			
Cash in hand	6(a) 93,075,722,794	246,163,452,756	
Cash in hand (including foreign currency)	6(a)(i) 28,244,413,550	22,101,061,649	
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	6(a)(ii) 64,831,309,245	224,062,391,107	
<b>Balance with other banks &amp; financial institutions</b>	7(a) 154,503,966,942	80,968,445,974	
In Bangladesh	133,480,369,137	66,383,997,842	
Outside Bangladesh	21,023,597,805	14,584,448,132	
<b>Placement with banks &amp; other financial institutions</b>	8(a) 100,098,793,405	95,651,798,804	
<b>Investments in shares &amp; securities</b>	8(a)(i) 80,462,884,181	75,352,686,843	
Government	8(a)(ii) 19,635,929,224	20,299,111,961	
Others	1,439,657,154,438	1,186,173,000,246	
<b>Investments</b>	9.1(a) 1,334,874,237,991	1,132,670,855,057	
General investments etc.	9.2(a) 104,782,916,447	53,502,145,189	
Bills purchased & discounted	18,435,891,659	18,397,103,217	
<b>Fixed assets including premises</b>	10(a) 18,161,947,021	9,315,773,066	
Other assets			
Non - banking assets			
<b>Total property and assets</b>	1,823,933,476,259	1,636,669,574,064	
<b>Liabilities and capital</b>			
<b>Liabilities</b>			
<b>Placement from banks &amp; other financial institutions</b>	63,479,452,658	36,765,300,000	
<b>Deposits &amp; other accounts</b>	1,527,771,802,628	1,380,849,221,889	
Mudaraba savings deposits	526,478,109,902	476,486,444,598	
Mudaraba term deposits	543,817,908,699	488,217,932,723	
Other mudaraba deposits	295,774,085,106	282,105,508,078	
Al-wadeesh current and other deposit accounts	148,389,253,975	125,921,848,016	
Bills payable	13,312,443,945	8,117,488,474	
<b>Mudaraba Bond</b>	30,600,000,000	30,775,840,000	
Mudaraba perpetual bond	11,300,000,000	10,175,840,000	
Mudaraba redeemable subordinated bond	19,300,000,000	20,600,000,000	
<b>Other liabilities</b>	11(a) 132,536,936,733	120,971,862,923	
<b>Deferred tax liabilities</b>	1,475,103,657	1,580,687,903	
<b>Total liabilities</b>	1,755,863,295,676	1,570,942,912,715	
<b>Capital/shareholders' equity</b>			
<b>Paid - up capital</b>	12.2 16,099,906,680	16,099,906,680	
<b>Statutory reserve</b>	14.0 20,735,466,258	20,735,466,258	
<b>Other reserves</b>	26,293,258,602	26,141,424,690	
<b>Retained earnings</b>	9,941,249,531	2,749,579,142	
<b>Non-controlling interest</b>	299,513	284,579	
<b>Total liabilities &amp; shareholders' equity</b>	1,823,933,476,259	1,636,669,574,064	

28 NOV 2022

Md. Ashraful Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka

28 NOV 2022

J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Mohammed Monirul Moulah  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Balance Sheet**  
**As at 30 September 2022**

Note	(Amount in Taka)	
	As at 30 September 2022	As at 31 December 2021
<b>Off-balance Sheet Items</b>		
<b>Contingent liabilities</b>		
Acceptances & endorsements	-	-
Letters of guarantee	30,112,468,075	29,281,985,371
Irrevocable letters of credit (including back to back bills)	234,338,616,220	190,035,120,488
Bills for collection	53,255,794,365	45,519,344,775
Other contingent liabilities	8,174,045	8,174,045
<b>Total</b>	<b>317,715,052,706</b>	<b>264,845,624,679</b>
<b>Other commitments</b>		
Documentary credits, short term and trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance, revolving and underwriting facilities	-	-
Undrawn formal standby facilities, credit lines & other commitments	-	-
<b>Total</b>	<b>317,715,052,706</b>	<b>264,845,624,679</b>
<b>Total off-balance sheet items including contingent liabilities</b>	<b>317,715,052,706</b>	<b>264,845,624,679</b>
<b>Consolidated Net Asset Value (NAV) per share</b>	<b>42.28</b>	<b>40.82</b>

The annexed notes form an integral part of these financial report.

  
Chairman

  
Director

  
Director

  
Managing Director & CEO


This is the consolidated balance sheet referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

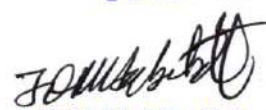
  
K. M. HASAN & CO.  
Chartered Accountants



28 NOV 2022

  
Md. Ashraful Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022

  
J. Q. M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022

  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

  
Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka



**d. Profit & Loss Accounts (as of September 30, 2022)**

Islami Bank Bangladesh Limited Profit & Loss Account For the 3rd Quarter ended 30 September 2022					(Amount in Taka)	
Particulars	Note	01 January to 30 September 2022	01 January to 30 September 2021	01 July to 30 September 2022	01 July to 30 September 2021	
<b>Operating Income</b>						
Investment income	16.0	63,114,502,465	54,713,475,311	33,575,446,567	16,593,758,279	
Profit paid on murabah deposits		(40,583,344,475)	(32,841,519,523)	(15,281,179,537)	(10,940,920,094)	
<b>Net investment income</b>		<b>22,531,157,989</b>	<b>19,871,955,787</b>	<b>7,294,267,030</b>	<b>5,652,838,184</b>	
Income from investments in shares & securities		1,910,927,693	1,562,960,012	812,948,851	730,305,657	
Commission, exchange & brokerage income	17.0	6,815,648,313	4,732,093,231	1,714,297,511	1,726,208,271	
Other operating income		5,160,185,646	4,881,284,609	1,493,924,551	836,405,619	
<b>Total operating income</b>		<b>30,225,932,641</b>	<b>31,048,794,640</b>	<b>11,315,447,943</b>	<b>8,945,739,732</b>	
<b>Operating expenses</b>						
Salary & allowances		14,243,553,912	12,252,376,671	5,198,181,503	4,303,185,569	
Rent, taxes, insurances, electricity etc.	18.0	1,767,019,853	1,559,028,145	634,907,007	555,093,167	
Legal expenses		6,377,349	5,201,484	1,942,490	1,030,476	
Postage, stamps and telecommunication etc.	19.0	136,012,434	101,233,118	52,025,849	36,747,639	
Stationery, printing and advertisement etc.	20.0	163,033,370	168,854,705	57,914,939	43,373,341	
Chief executive's salary & fees		14,143,500	12,570,000	4,660,500	4,510,000	
Directors' fees & expenses		807,556	957,052	252,318	123,250	
Shariah supervisory committee's fees & expenses		1,430,065	1,010,740	555,320	421,140	
Auditors' fees		2,507,500	2,587,500	862,500	862,500	
Depreciation and repair to bank's assets	21.0	1,107,899,360	952,492,995	372,661,407	381,646,639	
Zakat expenses		728,242,384	671,185,473	242,749,128	223,728,491	
Other expenses		4,088,415,425	3,255,834,491	1,314,867,807	1,005,639,768	
<b>Total operating expenses</b>		<b>27,279,529,710</b>	<b>18,934,348,883</b>	<b>7,881,500,795</b>	<b>6,556,371,679</b>	
<b>Profit/(loss) before provision</b>		<b>13,946,402,931</b>	<b>12,114,445,757</b>	<b>3,433,947,148</b>	<b>2,389,367,753</b>	
Provision for investments & off-balance sheet items	11.1	4,221,590,000	3,422,290,000	1,191,840,000	802,280,000	
Provision for distribution in value of investments in shares		168,236,734	-	74,671,734	(5,157,000)	
Other provisions		(68,223,431)	94,080,908	(103,407,605)	(3,939,838)	
<b>Total provision</b>		<b>4,341,203,202</b>	<b>3,516,350,508</b>	<b>1,163,104,129</b>	<b>787,183,162</b>	
<b>Total profit/(loss) before taxes</b>		<b>9,605,199,628</b>	<b>8,598,095,249</b>	<b>2,270,763,019</b>	<b>1,602,184,591</b>	
<b>Provision for taxation for the period</b>		<b>5,503,223,330</b>	<b>4,974,307,113</b>	<b>1,360,715,168</b>	<b>1,118,228,225</b>	
Current tax	11.3	5,599,465,486	4,983,011,430	1,397,467,845	1,126,618,592	
Deferred tax		(96,242,158)	(3,704,317)	(26,752,679)	(8,390,367)	
<b>Net profit/(loss) after tax</b>		<b>4,101,976,298</b>	<b>3,623,788,136</b>	<b>902,047,853</b>	<b>483,956,366</b>	
Retained earnings from previous year/period		1,609,990,668	1,609,990,668	2,856,524,866	3,179,871,087	
Revaluation reserve of securities transferred to retained earnings		30,451,680	-	-	-	
Acid: Net profit after tax		4,101,976,298	3,623,788,136	902,047,853	483,956,366	
Acid: Excess depreciation on revalued amount of building transferred from Assets revaluation reserve to retained earnings		58,838,813	59,804,972	19,685,358	19,845,605	
<b>Profit available for appropriation</b>		<b>5,811,257,459</b>	<b>5,293,663,776</b>	<b>3,778,258,177</b>	<b>3,683,673,108</b>	
<b>Appropriation:</b>		<b>5,811,257,459</b>	<b>5,293,663,776</b>	<b>3,778,258,177</b>	<b>3,683,673,108</b>	
Statutory reserve	14.0	-	-	-	-	
General reserve		-	-	-	-	
Dividend		1,609,990,668	1,609,990,668	-	-	
Start up Fund		41,019,763	-	9,020,478	-	
Coupon/Dividend for perpetual bond holders		596,585,217	-	205,575,888	-	
Retained earnings		3,563,661,811	3,683,673,108	3,563,661,811	3,683,673,108	
<b>Earnings Per Share (EPS)</b>	23(a)	<b>2.55</b>	<b>2.25</b>	<b>0.56</b>	<b>0.30</b>	

The annexed notes form an integral part of these financial report.

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

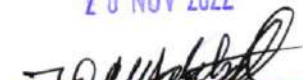
This is the Profit &amp; Loss Account referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Date: 15 November 2022
  
K.M. HASAN & CO.  
Chartered Accountants  
28 NOV 2022


17

  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

  
Md. Ashraful Haque, FCA  
EVP, Head of EAD & CFO  
Islami Bank Bangladesh Limited  
28 NOV 2022

  
J. M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.  
28 NOV 2022

  
Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.  
28 NOV 2022

**e. Consolidated Profit & Loss Accounts (as of September 30, 2022)**
**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Profit & Loss Account**  
**For the 3rd Quarter ended 30 September 2022**

	(Amount in Taka)			
Note	01 January to 30 September 2022	01 January to 30 September 2021	01 July to 30 September 2022	01 July to 30 September 2021
Operating income				
Investment income	63,044,701,483	52,713,476,311	23,525,945,505	16,593,758,279
Profit paid on murabahah deposits	(40,338,035,097)	(32,810,040,935)	(16,265,116,538)	(10,973,011,030)
Net investment income	22,506,646,386	19,903,435,355	7,240,829,047	5,620,747,248
Income from investments in shares & securities	2,366,399,785	2,230,554,416	949,131,481	1,028,434,755
Commission, exchange & brokerage income	6,648,957,363	4,780,198,105	1,726,089,337	1,749,736,824
Other operating income	5,137,646,759	4,889,199,824	1,485,105,964	825,475,156
Total operating income	36,659,650,293	31,783,387,700	11,400,755,829	9,275,193,463
Operating expenses				
Salary & allowances	14,277,304,446	12,283,755,247	5,210,426,268	4,314,373,729
Rent, taxes, insurance, electricity etc.	1,702,447,729	1,563,298,330	636,768,968	556,159,261
Legal expenses	6,377,349	5,426,617	1,942,490	1,038,775
Postage, stamps and telecommunication etc.	136,463,848	101,638,204	52,218,501	36,888,597
Stationery, printing and advertisement etc.	163,276,575	109,534,326	58,016,467	41,876,624
Chief executive's salary & fees	14,143,500	13,570,000	4,660,500	4,510,600
Directors' fees & expenses	2,345,641	2,425,605	1,194,416	999,718
Shareholders' supervisory committee's fees & expenses	1,430,065	1,010,740	555,370	431,140
Auditors' fees	2,587,500	2,587,500	862,500	862,500
Depreciation and repair to bank's assets	1,113,201,499	964,901,479	374,284,417	386,007,745
Zakat expenses	728,247,384	671,185,473	242,749,128	221,728,491
Other expenses	4,099,628,157	3,391,044,354	1,253,104,029	1,063,087,514
Total operating expenses	22,377,253,693	19,110,377,084	7,836,902,984	6,626,564,103
Profit/(loss) before provision	14,322,396,600	12,673,009,816	3,563,852,845	2,648,629,360
Provision for investments & off-balance sheet items	4,221,590,000	1,422,200,000	1,191,840,000	802,280,000
Provision for distribution in value of investments in shares	220,628,758	(203,645,998)	94,632,655	(249,008,530)
Other provisions	(68,257,543)	94,060,508	(103,041,217)	(9,929,838)
Total provision	4,373,961,215	3,312,704,510	1,183,439,938	543,331,632
Total profit/(loss) before taxes	9,948,435,385	9,360,305,306	2,380,422,907	2,105,297,728
Provision for taxation for the period	5,578,161,252	5,064,241,593	1,397,158,433	1,155,858,578
Current tax	5,674,305,343	5,072,464,697	1,425,896,412	1,164,045,795
Deferred tax	(96,144,091)	(8,223,104)	(28,237,979)	(8,187,217)
Net profit/(loss) after tax	4,370,274,133	4,296,063,713	983,263,474	949,639,150
Net profit after tax attributable to:				
Equity holders of IBBL	4,370,259,193	4,296,013,942	983,258,754	949,599,978
Non-controlling interest	14,834	49,770	4,720	39,172
Retained earnings from previous year/period	2,749,529,143	2,606,770,640	4,157,991,785	4,383,241,753
Revaluation reserve of securities transferred to retained earnings	30,491,680	-	-	-
Amort. net profit after tax (attributable to equity holders of IBBL)	4,370,259,193	4,296,013,942	983,258,754	949,599,978
Amort. excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained profit available for appropriation	60,836,813	59,894,972	19,685,358	19,845,655
Profit available for appropriation	7,219,168,834	6,962,677,554	5,155,845,897	5,352,686,886
Appropriation:				
Statutory reserve	-	-	-	88,821,381
General reserve	30,323,656	88,821,501	-	-
Dividend	1,609,990,668	1,609,990,668	-	-
Start up Fund	41,019,763	-	9,020,478	-
Coupon/Dividend for perpetual bond holders	596,585,217	-	205,575,889	-
Retained earnings	4,941,249,533	5,263,865,305	4,941,249,533	5,263,865,305
Consolidated Earnings Per share (EPS)	2.71	2.67	0.61	0.59

The annexed notes form an integral part of these financial report.

  
Chairman

  
Director

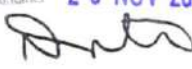
  
Director

  
Managing Director & CEO

This is the Consolidated Profit &amp; Loss Account referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

  
K. M. HASAN & CO.  
Chartered Accountants  
28 NOV 2022

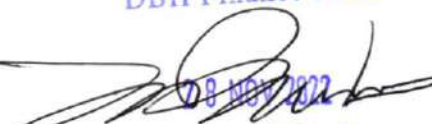
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

  
Md. Ashraf Haque, FCA  
EVP, Head of FAD & CFO

Islami Bank Bangladesh Limited &amp; Confidential

  
28 NOV 2022  
J. C. M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

  
28 NOV 2022  
Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**f. Cash Flow Statements (as of September 30, 2022)**

Islami Bank Bangladesh Limited		
Cash Flow Statement		
For the 3rd Quarter ended 30 September 2022		
	(Amount in Taka)	
Note	01 January to 30 September 2022	01 January to 30 September 2021
<b>Cash flows from operating activities</b>		
Investment income	59,858,327,072	51,957,300,918
Profit paid on mudaraba deposits	(38,101,557,128)	(32,218,643,209)
Income/dividend receipt from investments in shares & securities	755,039,759	2,734,524,958
Fees & commission receipt in cash	6,615,648,313	4,732,093,221
Recovery from written off investments	78,789,723	40,565,177
Payments to employees	(15,384,153,144)	(13,275,433,237)
Cash payments to suppliers	(281,348,154)	(297,044,384)
Income tax paid	(5,500,202,967)	(5,382,180,715)
Receipts from other operating activities	3,955,144,100	2,936,052,762
Payments for other operating activities	(5,602,825,413)	(4,683,950,246)
<b>(i) Operating profit before changes in operating assets and liabilities</b>	<b>6,392,862,161</b>	<b>6,544,185,255</b>
<b>Changes in operating assets and liabilities</b>		
Increase/(decrease) of statutory deposits	-	-
Increase/(decrease) of net trading securities	-	-
Increase/(decrease) of placement to other banks	-	-
Increase/(decrease) of investments to customers	(253,504,154,192)	(59,160,331,989)
Increase/(decrease) of other assets	(8,687,875,319)	2,373,576,435
Increase/(decrease) of placement from other banks	26,714,152,658	(13,783,793,312)
Increase/(decrease) of deposits from other banks	(974,762,273)	535,017,660
Increase/(decrease) of deposits received from customers	147,600,605,417	147,829,275,458
Increase/(decrease) of other liabilities account of customers	-	-
Increase/(decrease) of trading liabilities	-	-
Increase/(decrease) of other liabilities	9,912,798,795	7,963,939,423
<b>(ii) Cash flows from operating assets and liabilities</b>	<b>(78,939,235,002)</b>	<b>85,757,683,676</b>
<b>Net cash flows from operating activities (A)=(i+ii)</b>	<b>(72,546,372,840)</b>	<b>92,301,868,931</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of securities	-	-
Payment for purchase of securities/BGIB	(4,465,062,505)	(13,165,244,630)
Payment for purchase of securities/membership	-	-
Purchase/sale of property, plants & equipments	(962,991,746)	(1,868,114,253)
Purchase/sale of subsidiaries	-	-
<b>Net Cash flows from investing activities (B)</b>	<b>(5,428,054,250)</b>	<b>(15,033,358,884)</b>
<b>Cash flows from financing activities</b>		
Receipts from issue of debt instruments	824,160,000	-
Payment for redemption/ profit of debt instruments	(1,000,000,000)	(1,000,000,000)
Receipts from issuing ordinary share/ rights share	-	-
Dividend paid in Cash	(1,609,990,668)	(1,609,990,668)
<b>Net cash flows from financing activities (C)</b>	<b>(1,785,830,668)</b>	<b>(2,609,990,668)</b>
<b>Net Increase/(decrease) in cash (A+B+C)</b>	<b>(79,760,257,759)</b>	<b>74,658,519,379</b>
Add/(less): effects of exchange rate changes on cash & cash equivalent	17,164,914	10,884,889
Add: cash & cash equivalents at beginning of the year	322,319,493,681	275,217,126,291
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>242,576,400,836</b>	<b>349,886,530,559</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>24(a) (45.06)</b>	<b>57.33</b>

  
Chairman

  
Director


  
Director

  
Managing Director & CEO

This is cash flow statement referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

28 NOV 2022


Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Md. Ashrafur Rahe, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

28 NOV 2022

J. Q. M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.28 NOV 2022  
Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**g. Consolidated Cash Flow Statements (as of September 30, 2022)**
**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the 3rd Quarter ended 30 September 2022**

	(Amount in Taka)	
Note	01 January to 30 September 2022	01 January to 30 September 2021
<b>Cash flows from operating activities</b>		
Investment income	59,788,526,090	51,957,300,918
Profit paid on mudaraba deposits	(38,056,267,749)	(32,187,161,641)
Income/ dividend receipt from investments in shares & securities	1,022,496,649	3,338,891,976
Fees & commission receipt in cash	6,648,957,363	4,780,198,105
Recovery from written off investments	78,789,723	40,565,177
Payments to employees	(15,408,127,616)	(13,298,519,018)
Cash payments to suppliers	(281,543,147)	(297,273,303)
Income tax paid	(5,589,320,976)	(5,472,890,882)
Receipts from other operating activities	3,956,599,225	2,987,595,362
Payments for other operating activities	(5,632,636,504)	(4,835,455,630)
<b>(i) Operating profit before changes in operating assets</b>	<b>6,527,472,858</b>	<b>7,013,248,064</b>
<b>Changes in operating assets and liabilities</b>		
Increase/(decrease) of statutory deposits	(129,301,696)	(1,282,916,691)
(Increase)/decrease of net trading securities	(253,504,154,192)	(58,732,519,053)
(Increase)/decrease of placement to other banks	(8,693,840,321)	2,391,806,554
(Increase)/decrease of investments to customers	26,714,152,658	(13,783,793,312)
(Increase)/decrease of other assets	(974,762,273)	535,017,660
Increase/(decrease) of placement from other banks	147,600,605,417	147,095,766,890
Increase/(decrease) of deposits from other banks		
Increase/(decrease) of deposits received from customers		
Increase/(decrease) of other liabilities account of customers		
Increase/(decrease) of trading liabilities	10,407,475,640	10,349,658,375
Increase/(decrease) of other liabilities	(78,579,824,766)	86,573,020,425
<b>(ii) Cash flows from operating assets and liabilities</b>	<b>(72,052,351,908)</b>	<b>93,586,266,489</b>
<b>Net cash flows from operating activities (A)=(i+ii)</b>		
<b>Cash flows from investing activities</b>		
Proceeds from sale of securities	7,593,058,829	13,637,682,229
Payment for purchase of securities/BGIB	(4,454,840,821)	(13,331,266,636)
Payment for purchase of securities/membership	(7,905,614,371)	(14,029,785,427)
Purchase/sale of property, plants & equipments	(963,803,159)	(1,869,581,871)
Purchase/sale of subsidiaries		
<b>Net Cash flows from investing activities (B)</b>	<b>(5,731,199,521)</b>	<b>(15,592,951,766)</b>
<b>Cash flows from financing activities</b>		
Receipts from issue of debt instruments	824,160,000	(1,000,000,000)
Payment for redemption of debt instruments	(1,000,000,000)	
Receipts from issuing ordinary share/ rights share	(1,609,982,478)	(1,609,990,668)
Dividend paid in Cash	(1,785,822,478)	(2,609,990,668)
<b>Net cash flows from financing activities (C)</b>	<b>(79,569,373,907)</b>	<b>75,383,326,055</b>
<b>Net increase/(decrease) in cash (A+B+C)</b>	<b>17,164,914</b>	<b>10,804,889</b>
Add/(less): Effects of exchange rate changes on cash & cash equivalent	327,131,698,729	280,218,077,981
<b>Add: cash &amp; cash equivalents at beginning of the year</b>	<b>247,579,689,736</b>	<b>355,612,288,925</b>
<b>Cash &amp; cash equivalents at the end of the period</b>		
<b>Consolidated Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>24(b) (44.75)</b>	<b>58.13</b>

The annexed notes form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

This is the consolidated cash flow statement referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 15 November 2022



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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

For the detailed Audited Financials as of September 30, 2022, please see Annexure-3.

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Md. Ashrafur Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
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J.C.M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

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Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

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## 16. COMPARATIVE FINANCIAL STATEMENTS

Comparative Key Financial Statement of Islami Bank Bangladesh and its subsidiaries for the last 3 years Limited is as below.

### a. Consolidated Balance Sheet

Particulars (Taka in BDT million)	30.09.2022	31.12.2021	31.12.2020	31.12.2019
<b>Property and Assets</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
Cash in hand	93,076	246,163	213,784	75,854
Cash in hand (Including Foreign Currencies)	28,244	22,101	18,747	15,024
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	64,831	224,062	195,037	60,830
Balance with other Banks and Financial Institutions	154,504	80,968	66,434	91,425
Inside Bangladesh	133,480	66,383	49,886	71,323
Outside Bangladesh	21,203	14,584	16,548	20,102
Investments in Shares & Securities	100,099	95,651	74,420	54,098
Government	80,463	75,352	56,103	40,111
Others	19,636	20,299	18,317	13,987
Investments	1,439,657	1,186,173	1,030,588	894,223
General Investment etc.	1,334,874	1,132,670	975,111	861,459
Bills Purchased and Discounted	104,783	53,502	55,477	32,764
Fixed Assets Including Premises	18,436	18,397	17,828	16,199
Other Assets	18,162	9,315	14,568	10,382
Non-Banking Assets				
Total Property and Assets	1,823,933	1,636,669	1,417,622	1,142,182
<b>Liabilities and Capital</b>				
<b>Liabilities</b>				
Placement from other Banks & Financial Institutions	63,479	36,765	44,469	28,849
Deposits and Other Accounts	1,527,772	1,380,849	1,178,657	945,834
Mudaraba Savings Deposits	526,478	476,486	392,705	313,110
Mudaraba Term Deposits	543,818	488,217	431,074	335,260
Other Mudaraba Deposits	295,774	282,105	245,966	207,026
Al-Wadeeah Current & Other Deposit Accounts	148,389	125,921	104,166	83,789
Bills Payable	13,312	8,117	4,960	6,648
Mudaraba Bonds	30,600	30,776	26,000	21,000
Mudaraba perpetual Bonds	11,000	10,175	3,000	3,000
Mudaraba redeemable subordinated Bonds	19,600	20,600	23,000	18,000
Other Liabilities	132,537	120,971	104,066	85,445
Deferred Tax Liabilities	1,475	1,580	1,605	1,681
Total Liabilities	1,755,863	1,570,942	1,355,012	1,082,808
Capital/Shareholders' Equity	68,070	65,726	62,610	59,374
Paid-up Capital	16,100	16,100	16,100	16,100
Statutory Reserve	20,735	20,735	19,735	18,735
Other reserves	26,293	26,141	24,168	22,206

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DBH Finance PLC.

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J. M. Rahman, FCS  
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Islami Bank Bangladesh Limited  
Head Office, Dhaka.

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Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



Retained Earnings	4,941	2,749	2,607	2,332
Non-controlling interest	0.3	0.3	0.3	0.3
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,823,933</b>	<b>1,636,669</b>	<b>1,417,622</b>	<b>1,142,182</b>

## b. Consolidated Profit and Loss Account

(Amount in million Taka)

Particulars	30.09.2022	31.12.2021	31.12.2020	31.12.2019
		Taka	Taka	Taka
<b>Operating Income</b>				
Investment Income	63,045	73,268	74,173	75,612
Less: Profit paid on Mudaraba Deposits	-40,538	-44,885	-44,770	-44,928
Net Investment Income	<u>22,507</u>	<u>28,382</u>	<u>29,403</u>	<u>30,685</u>
Income from Investments in Shares/Securities	2,366	2,740	2,228	1,809
Commission, Exchange and Brokerage	6,649	7,337	4,741	6,195
Other Operating Income	5,138	5,574	3,926	5,103
	<u>14,153</u>	<u>15,652</u>	<u>10,896</u>	<u>13,106</u>
<b>Total Operating Income</b>	<b><u>36,660</u></b>	<b><u>44,035</u></b>	<b><u>40,299</u></b>	<b><u>43,791</u></b>
<b>Operating Expenses</b>				
Salaries and allowances & contribution to P.F	14,277	17,343	16,617	15,123
Directors fees & expenses	2	5	7	21
Shariah Supervisory Committee's fees & expenses	1	1	2	3
Rent, taxes, insurance and lighting etc.	1,792	1,669	1,238	1,520
Postage, telegram, telephone and stamp etc.	136	102	75	59
Legal charges	6	8	10	17
Auditors' fee	3	4	4	5
Salary & Allowances to the Managing Director	14	17	14	14
Depreciation and repairs to the bank's properties	1,113	1,640	1,491	970
Stationery, printing & advertisement etc.	163	244	257	256
Zakat expenses	728	894	817	719
Other expenses	4,099	4,925	4,439	2,622
<b>Total Operating Expenses</b>	<b><u>22,337</u></b>	<b><u>26,857</u></b>	<b><u>24,973</u></b>	<b><u>21,328</u></b>
<b>Profit/ (Loss) before Provision</b>	<b>14,322</b>	<b>17,177</b>	<b>15,326</b>	<b>22,463</b>
<b>Provision against Investments &amp; Contingent Liabilities</b>	<b>4,222</b>	<b>5,072</b>	<b>4,408</b>	<b>7,335</b>
Provision for diminution in value of investment	221	313	-541	655
Other Provision	-68	45	366	64
<b>Total Provision</b>	<b>4,374</b>	<b>5,431</b>	<b>4,233</b>	<b>8,053</b>

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Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.

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Total Profit/ (Loss) before Taxes	9,948	11,745	11,093	14,410
Provision for Taxation				
<b>Current Tax</b>	5,674	6,936	6,340	8,903
<b>Deferred Tax</b>	-96	2	-42	26
	<b>5,578</b>	<b>6,938</b>	<b>6,298</b>	8,929
Net Profit/ (Loss) after Tax	4,370	4,807	4,796	5,481
Net Profit after tax attributable to:				
<b>Equity holders of the IBBL</b>	4,370	4,807	4,796	5,481
<b>Non-controlling Interest</b>	0	0	0	0
Profit for the year	4,370	4,807	4,796	5,481
Retained earnings from previous year	2,750	2,606	2,332	2,180
<b>Add: Net profit after tax (attributable to equity holders of IBBL)</b>	4,370	4,807	4,796	5,481
<b>Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings</b>	69	87	90	92
<b>Profit available for appropriation</b>	<b><u>7,219</u></b>	<b><u>7,604</u></b>	<b><u>7,217</u></b>	<b><u>7,753</u></b>
Appropriation:				
Statutory Reserve	-	1,000	1,000	1,000
General reserve	30	1,974	2,001	2,810
Dividend (previous year)	1,610	1,610	1,610	1,610
Start-up Fund	41	46	-	-
Coupon/dividend on perpetual Bonds	597	224	-	-
Retained earnings	4,941	2,749	2,607	2,332

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**Nasimul Baten**  
 Managing Director & CEO  
 OBH Finance PLC.

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 Head Office, Dhaka.

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**Mohammed Monirul Moula**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

## c. Consolidated Cash Flow Statement

(Amount in million Taka)

Particulars	30.09.2022	31.12.2021	31.12.2020	31.12.2019
<b>Cash flows from operating activities</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
Investment income	59,789	67,268	67,173	68,216
Profit paid on mudaraba deposits	-38,056	-44,962	-46,410	-41,388
Income/ dividend receipt from investments in shares & securities	1,022	3,676	2,299	882
Fees & commission receipt in cash	6,649	7,337	4,741	6,195
Recovery from written off investments	79	93	115	82
Payments to employees	-15,408	-17,001	-16,426	-15,874
Cash payments to suppliers	-281	-497	-334	-377
Income tax paid	-5,589	-7,365	-6,668	-7,232
Receipts from other operating activities	3,957	6,206	4,424	5,144
Payments for other operating activities	-5,633	-6,714	-5,744	-4,208
<b>(i) Operating profit before changes in operating assets</b>	<b><u>6,527</u></b>	<b><u>8,040</u></b>	<b><u>3,168</u></b>	<b><u>11,440</u></b>
<b>Changes in operating assets and liabilities</b>				
Increase/(decrease) of statutory deposits	-	-	-	-
(Increase)/decrease of net trading securities	-129	-126	-127	-5
(Increase)/decrease of placement to other banks	-	-	-	-
(Increase)/decrease of investments to customers	-253,504	-150,885	-131,575	-88,463
(Increase)/decrease of other assets	-8,694	5,245	-4,235	-784
Increase/(decrease) of placement from other banks	26,714	-7,704	15,620	-8,965
Increase/(decrease) of deposits from other banks	-975	1,122	33	84
Increase/(decrease) of deposits received from customers	147,601	200,033	232,405	123,250
Increase/(decrease) of other liabilities account of customers	-	-	-	0
Increase/(decrease) of trading liabilities	-	-	-	0
Increase/(decrease) of other liabilities	10,407	11,122	17,444	10,230
<b>(ii) Cash flows from operating assets and liabilities</b>	<b><u>78,580</u></b>	<b><u>58,807</u></b>	<b><u>129,566</u></b>	<b><u>35,347</u></b>
<b>Net cash flows from operating activities (A)=(i+ii)</b>	<b><u>72,052</u></b>	<b><u>66,848</u></b>	<b><u>132,734</u></b>	<b><u>46,786</u></b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of securities	7,593	-14,309	-13,567	-8,689
Payment for purchase of securities/BGIB	-4,455	-6,749	-6,750	-4,451
Placement to Islamic Refinance Fund Account	-	-	0	0
Payment for purchase of securities/member	-7,906	-	0	0
Purchase/sale of property, plants & equipment's	-964	-2,040	-2,879	-1,616
Purchase/sale of subsidiaries	-	-	0	0
<b>Net Cash flows from investing activities (B)</b>	<b><u>-5,731</u></b>	<b><u>-23,099</u></b>	<b><u>-23,196</u></b>	<b><u>-14,756</u></b>
<b>Cash flows from financing activities</b>				
Receipts from issue of debt instruments	824	7,175	6,000	6,000
Payment for redemption of debt	-1,000	-2,400	-1,000	0

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 Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.  
 Md. Ashraful Haque, FCA  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 FAD, Head Office, Dhaka

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 J. E. M. Hossain, FCS  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka

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 Mohammed Monirul Moula  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



instruments				
Receipts from issuing ordinary share/ right share	-	-	0	0
Dividend paid in cash	-1,610	-1,609	-1,610	-1,610
<b>Net cash flows from financing activities (C)</b>	<b>-1,786</b>	<b>3,165</b>	<b>3,390</b>	<b>4,390</b>
<b>Net increase/(decrease) in cash (A+B+C)</b>	<b>-79,569</b>	<b>46,914</b>	<b>112,927</b>	<b>36,420</b>
Add/(less): effects of exchange rate changes on cash & cash equivalent	17	-0.7	12	-4
Add: cash & cash equivalents at beginning of the year	327,580	280,218	167,279	130,863
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>247,580</b>	<b>327,131</b>	<b>280,218</b>	<b>167,279</b>

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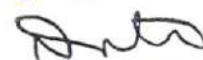
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Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.

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Mohammed Monirul Moula  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
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## 17. RATIOS FOR THE LAST THREE ACCOUNTING YEARS

Key Ratios for Islami Bank Bangladesh Limited for last three years and for September 30, 2022 are as follows.

Particulars	2019	2020	2021	30.09.2022
Investment Deposit Ratio		80.42%	79.74%	85.18%
Debt to Equity Ratio	1,846.22%	2,199.57%	2,434.02%	2635%
Debt to Total Asset Ratio	94.86%	95.65%	96.05%	96%
Operating Income Ratio	49.01%	47%	49.09%	49%
Net Income Ratio	6.05%	5.35%	5.26%	5.60%
Net Operating Cash flow to Net Income	870.77%	2,934.43%	1,437.32%	-1769%
Total Debt to Tangible Assets Ratio	6,762.65%	7,702.13%	8,652.30%	10478%
Cost Income Ratio	75%	82%	81%	86%
Gross Profit Ratio	49.01%	47%	49.09%	45%
Cost of Fund	8.31%	7.03%	6.17%	6.23%
Non-Performing Investment Ratio	3.82%	3.41%	3.31%	3.48%
Tier 1 Capital Ratio%	8.6%	8.6%	9.0%	7.026%
Tier 2 Capital Ratio%	4.4%	5.0%	4.5%	3.58%
Capital Adequacy Ratio%	12.95%	13.55%	13.54%	10.61%
ROE (Return on Equity)	9.39%	7.38%	7.19%	6.30%
ROA (Return on Asset)	0.50%	0.35%	0.30%	0.24%
Cost of Fund	8.31%	7.03%	6.17%	6.23%
SLR (Statutory liquidity reserve ratio)	6.88%	19.86%	19.84%	7.54%
CRR (Cash reserve ratio)	6.17%	17.05%	16.48%	5.77%
Price Earnings Ratio (Times)	5.77	9.54	11.11	12.86
EPS (Earnings per Share in BDT) *	3.31	2.81	2.88	2.55
NAV (Net Assets Value) per share in BDT*	36.43	38.27	40.10	41.39
Cash Dividend (%)	10%	10%	10%	

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Head Office, Dhaka.

Nasimul Baten  
Managing Director & CEO

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Mohammed Momrul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

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## 18. CREDIT RATING REPORT OF THE ISSUE AND THE ISSUER

**Credit Rating of the Issue: Non-Convertible Privately Placed Issue of BDT 8,000 million of IBBL Fourth Mudaraba Redeemable Subordinated Bonds**

Date of Declaration	Valid Till	Issue Rating	Rated By	Outlook
June 23, 2022	June 22, 2023	AA+	CRISL*	Stable

\*CRISL-Credit Rating Information and Services Limited

**Credit Rating of Issuer: Islami Bank Bangladesh Limited**

Date of Declaration	Valid Till	Rating Action	Long Term	Short Term	Rated By	Outlook
July 06, 2022	July 05, 2023	Initial	AAA	ST-1	ECRL*	Stable

\*ECRL-Emerging Credit Rating Limited

Credit Rating Report of Islami Bank Bangladesh Limited Non-Convertible Privately Placed Issue of Fourth Mudaraba Subordinated Bonds has been done by Credit Rating Information and Services Limited based on Audited Financial Statements up to 31 December 2021 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

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Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

## 19. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

### CRISL Rating's Default Matrix:

CRISL three years CDR for corporate under investment grade (AAA to BBB) stood at 2.28% with no default at AAA and AA rating notch.

The CDR at single A and BBB notch stood at 1.53% and 3.39% respectively which signifies that CRISL investment grade default is quite low against the backdrop of increasing default loan in the industry.

Calculation of Weighted Average MDR (wMDR) for 2014, 2015, 2016			
	wMDR for year 1	wMDR for Year 2	wMDR for Year 3
AAA	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%
A	0.35%	0.23%	0.12%
BBB	0.80%	0.88%	0.57%
<b>Investment Grade (AAA-BBB)</b>	<b>0.55%</b>	<b>0.56%</b>	<b>0.34%</b>
BB	2.99%	4.69%	1.59%
B	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%
C	0.00%	0.00%	100.00%
Calculation of 3-years Cumulative Default Rate (CDR3) for 2014, 2015, 2016			
	CDR3		
AAA	0.00%		
AA	0.00%		
A	0.69%		
BBB	2.23%		
<b>Investment Grade (AAA-BBB)</b>	<b>1.444%</b>		
BB	9.01%		
B	0.00%		
CCC	0.00%		
CC	0.00%		
C	100.00%		

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### CRISL Rating's Transition Matrix

Transition Metric shows the percentage of rating changes to total rated entities for a particular time period. The transition of ratings may be upwards or downwards in the scale. For example, an A rated Bonds, over a period of time, might be downgraded to next lower scale BBB or upgraded to AA in view of change in forecasted fundamentals and other prevailing market factors. Transition Metrics are helpful for managing credit risks, structuring and pricing of debt. These rates also indicate the accuracy (or inaccuracy) of rating agencies in forecasting the probability of default.

CRISL Corporate Rating Transition Matrix (2014-2019)

	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	7.58%	84.85%	7.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0.00%	14.77%	81.82%	2.65%	0.38%	0.00%	0.38%	0.00%	0.00%	0.00%
BBB	0.00%	0.33%	18.33%	76.67%	4.34%	0.33%	0.00%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	9.09%	81.82%	9.09%	0.00%	0.00%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CRISL Corporate Rating Transition Matrix (2016-2020)

	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	91.86%	8.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0.00%	8.98%	%	4.19%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	12.93%	85.36%	1.71%	0.00%	0.00%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	14.29%	80.95%	0.00%	4.76%	0.00%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	0.00%	80%	20.00%	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

28 NOV 2022



**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.


28 NOV 2022

  
**Md. Ashraful Haque, FCA**  
EVP, Head of F&D & CFO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022

  
**J. Q. M. Habibullah, FCS**  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022

  
**Mohammed Monirul Molla**  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

## 20. DESCRIPTION OF THE TRUSTEE: DBH FINANCE PLC.

DBH Finance PLC. is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country. After commencing operation in 1996 the company has registered commendable growth in creating home ownership in Dhaka and other major cities of the country. At the same time, the company has been playing an active role in promoting the real estate sector to the large cross sections of prospective clients who had but yet unfulfilled dream of owning a home.

Among all Banks and Financial Institutions of Bangladesh only DBH has been rated the highest 'AAA' credit rating for 16th consecutive years. The level of credit rating provides a very important indication of the financial safety, security and strength of the concerned Bank or Financial Institution and is particularly relevant to its depositors and other investors such as shareholders and lenders.

- Incorporated as public ltd. Company: May 11, 1996
- Date of certificate of commencement of business: May 11, 1996
- License from Bangladesh Bank: July 15, 1996
- Initial public offering (IPO): March, 2008
- Stock exchange listings: 24th April, 2008

• Business lines:

i) The principal activities of the Company during the year were providing loans for construction of houses, purchases of flats or houses, extension and improvement of existing houses or flats and purchase of housing plots.

ii) The Company has also various investment and financing products like term deposit scheme, cumulative deposit, triple money deposit, double money deposit, annual income deposit, quarterly income deposit, monthly income deposit, easy way deposit, profit first deposit etc. for its individual and corporate clients.

- Authorized Capital: BDT. 2,000,000,000/- (as of 31 December 2021)
- Paid up Capital: BDT 1,772,639,680/- (as of 31 December 2021)
- Institutional Sponsor of: DBH 1st Mutual Fund (Inception date 4th February, 2010)
- Net Worth: BDT 7,244,131,090/-

**Vision:**

To be the leading financial institution in the country with satisfied customers and employees and to generate value for our shareholders while contributing to the wellbeing of the society

**Mission:**

To strengthen the society of the country by continually expanding home ownership

**Core Values:**

- Honesty, integrity and ethics in all aspects of business
- Outstanding service to the customer, above all else
- Individual opportunity, responsibility and reward based on merit
- Hard work and continuous self-improvement, never being satisfied
- Respect and concern for the individual employee

**Strategic Objective:**

- Focus on building deep and long-standing relationships with our clients, customers as well as real-estate developers, and constantly look to improve the quality of our products and services.
- Focus on developing our human resource talents.
- Ensure balanced growth with a disciplined approach to the management of risks and costs.
- Ensure adequate capital and liquidity to sustain our business over the long term.

28 NOV 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Md. Ashraful Haque, FCA  
EVP, Head of F&D & CFO  
Islami Bank Bangladesh Limited  
F&D, Head Office, Dhaka.

28 NOV 2022  
**J Q M Habibullah, FCS**  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022  
**Mohammed Monirul Molla**  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Operational & Financial Highlights:**

Operational Highlights	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Loan approvals	15,198	8,632	8,934	7,527	10,896
Loan disbursement	14,711	10,273	10,112	7,028	10,803
Cumulative disbursement	93,001	103,274	113,386	120,414	131,217
Cumulative sanction	97,148	105,780	114,714	122,241	133,137

Financial Highlights	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Profit before tax	1,492	1,607	1,555	1,498	1,721
Profit after tax	949	1,048	1,073	891	1,044
Shareholders' fund	4,358	5,040	5,809	6,431	7,244
Total deposit	41,188	43,319	43,411	43,827	43,978
Long term borrowing	2,610	2,219	1,954	1,709	2,223
Loan portfolio	42,243	43,848	44,522	42,750	43,831
Total balance sheet size	54,581	57,499	59,280	58,607	60,279
NPL ratio (%)	0.27%	0.30%	0.45%	0.41%	0.63%
Return on equity (average equity)	23.88%	22.30%	19.79%	14.56%	15.27%
Earnings per share	7.79	8.60	8.04	5.78	5.89
Earnings per share (restated)	5.35	5.91	6.05	5.03	5.89
Book value per share	35.76	41.36	43.36	41.72	40.87
Dividend cover ratio	2.60	2.46	2.30	1.93	2.36

**Shareholding Position:**

Group Name	No. of Share holders	No. of Shares	Percent (%)
Sponsors/ Directors	5	90,973,942	51.32
General Public	8,405	19,874,009	11.21
Financial Institutions & other Companies	242	32,158,162	18.14
Foreign investors	15	34,257,855	19.33
<b>Total:</b>	<b>8,667</b>	<b>177,263,968</b>	<b>100.00</b>

28 NOV 2022

  
**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.

28 NOV 2022

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**Md. Ashraful Haque, FCA**  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 FAD, Head Office, Dhaka

28 NOV 2022  
  
**J. M. Habibullah, FCS**  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka

28 NOV 2022  
  
**Mohammed Monirul Moulana**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

### **Business Activities:**

DBH Finance PLC. is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country.

DBH is the major player in the housing finance sector in Bangladesh since 1997 and remains one of the leading non-bank financial institutions. Today, we are an acclaimed brand for a high level of customer service; and respected for ethics, values and corporate governance. We have developed an attractive suite of products that cater to all customer segments, with our primary focus to strengthen the society by expanding home ownership. By leveraging our understanding of customers from different economic segments, we are today in a position to extend a range of products and services in loans through our specialized team members.

DBH is the only Financial institution with exclusive focus in housing finance. DBH provides loans for Flat Purchase, Construction, Extension, Renovation, Group construction, Home equity loan.

Besides, DBH has kept its focus on deposit collection as its main source of funding mechanism. As a result, DBH has managed to fund over 80% of its home loan operation through deposit. At present the Company offers a diverse deposit product line including Annual Income Deposit, Monthly Income Deposit, Quarterly Income Deposit, Cumulative Deposit, DBH Platinum Deposit and Day-wise Deposit.

### **Board of Directors:**

<b>Name of the Directors</b>	<b>Designation</b>
Mr. Nasir A. Choudhury	Chairman
Dr. AMR Chowdhury	Vice Chairman
Ms. Mehreen Hassan, Bar-at-Law	Director
Mr. Md. Mujibur Rahman	Director
Mr. Syed Moinuddin Ahmed	Director
Mr. M. Anisul Haque, FCMA	Director
Mr. Mohammad Anisur Rahman	Director
Ms. Rasheda K. Choudhury	Independent Director
Major General Syeed Ahmed, BP (Retd.)	Independent Director

*For Due Diligence Certificate of the Trustee, please refer to Annexure 2.*

28 NOV 2022

*[Signature]*

**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.

28 NOV 2022

*[Signature]*  
 Md. Ashraf Uddin, FCA  
 Strictly Private & Confidential  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 FAD, Head Office, Dhaka

28 NOV 2022

*[Signature]*  
**J. Q. M. Habibullah, FCS**  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Finance Office, Dhaka

28 NOV 2022

*[Signature]*  
**Mohammed Monirul Molla**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



## 21. MODUS OPERANDI OF THE ISSUE

Any Scheduled Bank, Corporate, Financial Institutions and/or Insurance Companies duly registered in Bangladesh and operating its business under the license or approval duly issued by the respective competent authority or institution of the Government of Bangladesh will be eligible to invest in this Bonds.

### a. Application Procedure:

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors.

### Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement on the Closing Date, duly execute and deliver to the Bondholder a Bonds Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.

### Undertaking to Subscribe

The investor will, subject to and in accordance with the provisions of the Subscription Agreement on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

### Closing

#### *Subscription and Closing*

Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

**Investor Representation Letter:** On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.

**Payment of net issue proceeds:** On each Closing Date, the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

### Bonds Certificates:

**Registration:** On each Closing Date, the Issuer shall procure that the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the Subscription Agreement and are registered in name of the Bondholders. The Bonds shall be issued in electronic dematerialized form as per the CDBL Bye Laws. The Bank shall make necessary depository arrangements with Central Depository Bangladesh Limited (CDBL) for issue and holding of Bonds in dematerialized form.

**Issue:** After Closing Date, the Issuer shall apply to the Central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/Bonds in order to enable the Bondholders to hold and transfer their respective units/Bonds in dematerialized form.

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**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.

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**Mohammed Monirul Moula**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

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28 NOV 2022  
 Confidential  
**MD. Ashraful Haque, FCA**  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 FAD, Head Office, Dhaka

28 NOV 2022

**MD. Monirul Hossain, FCS**  
 Joint Managing Director & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka

**b. Allotment:**

On the closing date, to be determined, the Issuer shall allot and issue the Bonds, in registered form in a minimum denomination of BDT 10,00,000 and integral multiples thereof. The Register records shall be prima facie evidence of any matter in relation to the ownership of the Bonds. Each of the Issuer and the Trustee may deem and treat the registered holder of a Bond as the absolute owner of such Bonds, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bonds. All payments made to any such Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Bonds

The beneficiary account (i.e., BO account) of the investor(s) with Central Depository Bangladesh Limited (CDBL) will be given credit after closing of the transaction/deemed date of allotment. The credit in the BO account will be akin to the Letter of Allotment. After completion of all formalities, such credit in the BO account will be akin to a Bonds certificate (each a "**Bonds Certificate**"). Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bonds as the absolute owner of such Bonds, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bonds (whether or not the Bonds shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bonds Certificate issued in respect of that Bonds) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.

**c. Refund:**

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.

**d. Transfer:**

Subject to the terms and conditions as to be implemented in the Trust Deed, a Bonds may be transferred to another person in Bangladesh (a "Transferee") subject to and in accordance with the rules/ procedures as prescribed by Central Depository Bangladesh Limited (CDBL) and other applicable laws and rules notified in respect thereof. The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held electronic form. The seller should give delivery instructions containing details of the buyer's BO account to his depository participant/ TREC Holders of Stock Exchanges.

He transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, profit/coupon will be paid/redemption will be made to the person, whose name appears in the records of Depository/CDBL. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank (i.e. Issuer).

*[Signature]* 28 NOV 2022

**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.

28 NOV 2022

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**Md. Ashraful Haque, FCA**  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 FAD Head Office, Dhaka

28 NOV 2022

**MD. HABIBULLAH, FCS**  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Dhaka

28 NOV 2022

**Mohammed Monirul Molla**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



#### e. Trading or Listing with Stock Exchange

The Bonds will be issued on private placement basis among the Eligible Investors. It will not be issued publicly and hence will not be listed on the Stock Exchange. Subject to regulatory approval for trading on the Alternative Trading Board, the Bonds may be traded after issuance as per trading guidelines of the relevant exchange.

#### f. Repayment and Coupon Payment:

Unless previously redeemed or purchased and cancelled, the principal on the Bonds will be amortized and paid annually on a pro rata basis to the Bondholder in instalments of 20% per year commencing at the third anniversary of the Bonds from the Issue Date. The final maturity of the Bonds will be at the end of seventh year of the Bonds from the Issue Date. Payments on the Bonds shall be made without deduction for or on account of taxes in Bangladesh.

To be redeemed in 5 equal annual Instalments starting from end of 3<sup>rd</sup> year and each 12 months from thereafter as per following table for the Bonds: -

**Redemption Schedule**

Issue Size (BDT)	8,000,000,000	
Years	Repayment (BDT)	Balance
End of 1 <sup>st</sup> year	-	8,000,000,000
End of 2 <sup>nd</sup> year	-	8,000,000,000
End of 3 <sup>rd</sup> year	1,600,000,000	6,400,000,000
End of 4 <sup>th</sup> year	1,600,000,000	4,800,000,000
End of 5 <sup>th</sup> year	1,600,000,000	3,200,000,000
End of 6 <sup>th</sup> year	1,600,000,000	1,600,000,000
End of 7 <sup>th</sup> year	1,600,000,000	0

As per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021, incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.

Profit on the "Bonds" is to be paid semi-annual basis on the profit payment dates. First Profit Payment Date shall commence on Deemed date of allotment/subsorption closing Date and ending on last Business Day of the sixth month and shall be paid from the date of receipt of the funds/ from the date of realisation of cheque(s)/ proceeds to one day prior to the ending on last Business Day of the sixth month from the deemed date of allotment/Issue Date and thereafter shall occur after every six months till final redemption. However, last Profit Payment Date shall be the Maturity Date.

The total Profit/Coupon for each of the Profit/Coupon periods shall be computed as per actual day count/365 days irrespective of leap year on the face value of principal outstanding at the coupon/profit rate till final redemption.

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Md. Ashraful Haque, FCA  
EVP, Head of F&D & CFO  
Islami Bank Bangladesh Limited  
F&D, Head Office, Dhaka

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J. M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

Page 199

**g. Redemption or conversion or exchange:**

The Bonds will be fully redeemed. There is no option of convertibility or exchange of the Bonds. The Bonds is to be redeemed in 5 equal annual Instalments starting from the end of the 3<sup>rd</sup> year and each 12 months thereafter as per the table given above.

**h. Details of conversion or exchange option exercise procedures, if applicable:**

The Bonds is non-convertible and fully redeemable, hence conversion or exchange options are not applicable for this issue.

**i. Bondholder not a Shareholder**

The Bondholders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders through the Trustee for their consideration.

**j. Termination and final settlement of the proposed Bonds:**Date of Commencement of the Trust:

The Trust hereby created shall be established from the date of Trust Deed.

Date of Termination and final settlement of the Trust (Bonds):

The Trust shall continue to exist until all liabilities including the principal, premium (if any) and profit are repaid in full in accordance with the terms and conditions of the Bonds and Trust Deed.

28 NOV 2022



**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

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**Md. Ashraful Karim, FCA**  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka

28 NOV 2022

**J Q M Habibullah, FCS**  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022

**Mohammed Monirul Hossain**  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

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## 22. DETAILS OF FEE STRUCTURE AND EXPENSES

The issuance of this Bond will incur following fees and expenses:

Fee Type	Party to be Paid	Fee Structure/Amount
Regulatory Fees	Bangladesh Securities and Exchange Commission	<ul style="list-style-type: none"> <li>➤ <b>Application Fee to BSEC:</b> BDT 10,000/- only.</li> <li>➤ <b>Consent Fee to BSEC:</b> BDT 80,00,000/- only (i.e. 0.10% on the Face Value)</li> </ul>
Trustee Fee	DBH Finance PLC.	Trustee fee BDT 3,00,000/- only per year with trust management fee (i.e. annual fee, application fee and registration fee, etc.) at actual.
Credit Rating Fee	Credit Rating Information and Services Limited	BDT 1,65,000/- only per year.
Legal Expenses	Barrister Md. Mydul Haque Khan, Advocate, Supreme Court of Bangladesh and Partner-Lex Juris (a law firm)	BDT 1,50,000/- only (excl. VAT) and for all ancillary cost (i.e., notarization, registration, filing, non-judicial stamp, cartridge paper, printing, etc.) to be borne by the Bank at actual.
Bond Issuance/ Demat fee	CDBL	Approximate BDT 2.00 million for 1 <sup>st</sup> year but at actual for 1 <sup>st</sup> year and subsequent years for admission, documentation and distribution fee, refundable security money, annual fee and monthly fee.
Miscellaneous	Other Expenses	Approximate BDT 2.00 million (Max.) but at actual with applicable Govt. fee, VAT & Tax for Trust Deed Registration and Miscellaneous Expenses at SRO, printing prospectus, provisional certificates, etc.
Arrangement Fee	Appointed Arranger(s)	Up to BDT 64.00 million (i.e. 0.80% of the Face Value Amount of the Bond to be issued)

All fees are quoted net of applicable VAT. Listing expenses as per Alternative Trading Board rules may be applicable as and when declared by the Exchanges. Regulatory fee may be subject to amendments by the respective regulators.

28 NOV 2022

*[Signature]*

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

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*[Signature]*  
**Md. Ashraful Haque, FCA**  
EVP, Head of F&D & QFO  
Islami Bank Bangladesh Limited  
F&D, Head Office, Dhaka

28 NOV 2022

*[Signature]*  
**J. O. M. Habibullah, FCS**  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka


28 NOV 2022

*[Signature]*  
**Mohammed Monirul Molla**  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

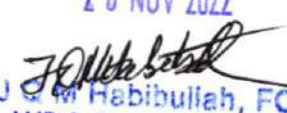
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**ANNEXURE 1: DECLARATION ABOUT THE RESPONSIBILITY OF THE  
DIRECTORS, INCLUDING THE CEO OF THE ISSUER OR ORIGINATOR IN  
RESPECT OF THE INFORMATION MEMORANDUM**

28 NOV 2022

  
Md. Ashtadul Haque, FCA  
EVP, Head of MD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.


28 NOV 2022

  
J. M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

28 NOV 2022

  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

  
Mohammed Monirul Moul  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.





ইসলামী ব্যাংক বাংলাদেশ লিমিটেড

Islami Bank Bangladesh Limited

Managing Director's Secretariat

**Annexure- I**

**Declaration about the responsibility of the CEO of the issuer or originator in respect of the information memorandum**

**[Rule 4(2)(a)]**

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

**Mohammed Monirul Moula**  
Managing Director & CEO

Date: 28 November, 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.


**ANNEXURE 2: DUE DILIGENCE CERTIFICATE OF TRUSTEE**

28 NOV 2022



**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022




**Md. Ashraful Haque, FCA**  
EVP, Head of Risk & Compliance  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka

28 NOV 2022



**J Q M Habibullah, FCS**  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022



**Mohammed Monirul Moula**  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



Due diligence certificate of the Trustee

DBH Finance PLC. (DBH)

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance 800 numbers of IBBL Fourth Mudaraba Redeemable, Non-Convertible, Unsecured Subordinated Bond of BDT 10,000,000 (Ten Million Taka) each of Islami Bank Bangladesh Limited.

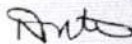
We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

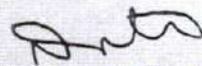
- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM: N/A;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee



Managing Director & CEO  
DBH Finance PLC. (DBH)  
Date: November 07, 2022

28 NOV 2022



Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Md. Ashrafur Haque, FCA  
EVP, Head of F&D & CFO  
Islami Bank Bangladesh Limited  
F&D, Head Office, Dhaka.

28 NOV 2022


J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

28 NOV 2022

Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**ANNEXURE 3: AUDITED FINANCIAL STATEMENTS OF ISLAMI BANK  
BANGLADESH LIMITED FOR THE YEAR ENDED 30 SEPTEMBER, 2022**

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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

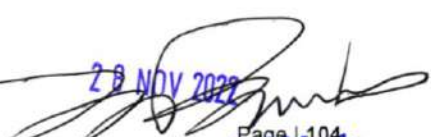
28 NOV 2022

  
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EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

28 NOV 2022

  
J G M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

28 NOV 2022

  
Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.




**Independent Auditor's Report and  
Consolidated Audited Financial Statements  
Of  
Islami Bank Bangladesh Limited**  
As at and for the period ended 30 September 2022

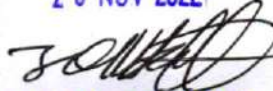
28 NOV 2022

  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.


28 NOV 2022

  
Md. Ashraf Haque, FCA  
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Head Office, Dhaka.

28 NOV 2022

  
Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**Independent Auditor's Report**  
**To the Board of Directors of Islami Bank Bangladesh Limited**  
**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Islami Bank Bangladesh Limited and its subsidiaries (the "Group") as well as the separate financial statements of Islami Bank Bangladesh Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 September 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the period then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 30 September 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and 3 and comply with the Bank Companies Act, 1991 (as amended up to date), the Companies Act, 1994 (as amended up to date), the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for the period 30 September 2022. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditor's opinion thereon, and we do not provide a separate opinion on these matters.

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AMD & Company Secretary  
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Head Office, Dhaka.

28 NOV 2022  
Nasimul Baten  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



Key audit matters	Our response to key audit matters
<b>Measurement of provision for investments</b>	
<p>The process for estimating the provision for investments portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>Bangladesh Bank vide BRPD circular no. 14 dated 22 June 2022, instructed banks to keep additional 1.5% provision for CMSME and 2% provision for other investments for clients who have taken the deferral facility and the provision will be shown as special general provision- COVID 19.</p> <p>At period end the Group reported total gross Investments of BDT 1,439,657 million (2021: BDT 1,186,173 million) and provision for investments of BDT 54,880 million excluding provision for Off-balance sheet exposure (2021: BDT 51,087 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, investments disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators; and</li> <li>• Reviewed quarterly Classification of Investments;</li> </ul> <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>• Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.</li> </ul>
See notes no 9 and 11.1 to the financial statements	
<b>Recognition of Investment income</b>	
<p>Recognition of investment income has significant influence on financial statements and performance of the Bank.</p> <p>We identify recognition of investment income as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of investment income by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of investment income.</p> <p>We performed test of control in place to measure and recognize investment income.</p> <p>We have also performed substantive procedure to check whether investment income is recognized completely and accurately.</p>

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Nasimul Baten  
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28 NOV 2022



<p>Bangladesh Bank through BRPD circular no. 14 dated 22 June 2022, allowed banks to recognize accrued investment income on investments upon realizing 60% of dues amount from July '22 to September 22.</p> <p>At period end the Group reported total Investment income of BDT 63,044 million (2021: BDT 52,713 million)</p>	<p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Considering the current uncertainty in economic activity for ongoing COVID impact along with Russia and Ukraine war, the recognition of investment income following BRPD circular no. 14 dated 22 June 2022, there is an inherent risk that the actual recovery of accrued investment income from clients who enjoyed deferral benefit could be materially different in future.</p>
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See note no. 16 to the financial statements

#### Implementation of IFRS 16 Leases

IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.

Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.

In responding to the identified key audit matter, we completed the following audit procedures:

Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;

Assessed the appropriateness of the discount rates applied in determining lease liabilities;

Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and

Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.

See notes no. fixed assets, 11 and 21 to the financial statements

#### Impairment assessment of unquoted investments

In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or

We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.

28 NOV 2022

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28 NOV 2022

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Islami Bank Bangladesh Limited  
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indirect unobservable market data and hence require an elevated level of judgment.	<p>We tested a sample of investments valuation as at 30 September 2022 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
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See note no 8 to the financial statements

### IT systems and controls

<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
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### Legal and regulatory matters

<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the</p>
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28 NOV 2022

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Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Bank's provisions and contingent liabilities disclosure.

### Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our Auditor's' report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's' report.

Our opinion on the consolidated and separate financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended up to date), and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

28 NOV 2022

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In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

28 NOV 2022

*Nasimul Baten*

Nasimul Baten  
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## Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 (as amended up to date), the Securities and Exchange Rules 2020, the Bank Companies Act, 1991 (as amended up to date), and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) consolidated financial statements of the Bank include two subsidiaries, namely Islami Bank Securities Limited and Islami Bank Capital Management Limited reflect total assets of BDT 1,823,933 million as at 30 September 2022 and total operating income of BDT 36,659 million for the period of 30 September 2022. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the period;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;



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- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,500 person hours; and
- (xii) capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.

**Place: Dhaka, Bangladesh**  
**Dated: 15 November 2022**

  
**K. M. HASAN & CO.**  
Chartered Accountants

**28 NOV 2022**

  
**Md. Ashraful Haque, FCA**  
EVP Head of FAD & CFO  
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FAD, Head Office, Dhaka.

**28 NOV 2022**

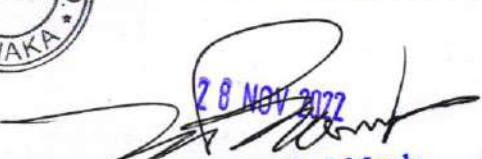
  
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**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Balance Sheet**  
**As at 30 September 2022**

		(Amount in Taka)	
Note	As at 30 September 2022	As at 31 December 2021	
<b>Property and assets</b>			
<b>Cash in hand</b>	<b>6(a)</b>	<b>93,075,722,794</b>	<b>246,163,452,756</b>
Cash in hand (including foreign currency)	6(a)(i)	28,244,413,550	22,101,061,649
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	6(a)(ii)	64,831,309,245	224,062,391,107
<b>Balance with other banks &amp; financial institutions</b>	<b>7(a)</b>	<b>154,503,966,942</b>	<b>80,968,445,974</b>
In Bangladesh		133,480,369,137	66,383,997,842
Outside Bangladesh		21,023,597,805	14,584,448,132
<b>Placement with banks &amp; other financial institutions</b>	<b>8(a)</b>	<b>100,098,793,405</b>	<b>95,651,798,804</b>
<b>Investments in shares &amp; securities</b>	<b>8(a)(i)</b>	<b>80,462,864,181</b>	<b>75,352,686,843</b>
Government	8(a)(ii)	19,635,929,224	20,299,111,961
Others			
<b>Investments</b>		<b>1,439,657,154,438</b>	<b>1,186,173,000,246</b>
General investments etc.	9.1(a)	1,334,874,237,991	1,132,670,855,057
Bills purchased & discounted	9.2(a)	104,782,916,447	53,502,145,189
<b>Fixed assets including premises</b>		<b>18,435,891,659</b>	<b>18,397,103,217</b>
<b>Other assets</b>	<b>10(a)</b>	<b>18,161,947,021</b>	<b>9,315,773,066</b>
<b>Non - banking assets</b>		-	-
<b>Total property and assets</b>		<b>1,823,933,476,259</b>	<b>1,636,669,574,064</b>
<b>Liabilities and capital</b>			
<b>Liabilities</b>			
<b>Placement from banks &amp; other financial institutions</b>		<b>63,479,452,658</b>	<b>36,765,300,000</b>
<b>Deposits &amp; other accounts</b>		<b>1,527,771,802,628</b>	<b>1,380,849,221,889</b>
Mudaraba savings deposits		526,478,109,902	476,486,444,598
Mudaraba term deposits		543,817,908,699	488,217,932,723
Other mudaraba deposits		295,774,086,106	282,105,508,078
Al-wadeeah current and other deposit accounts		148,389,253,975	125,921,848,016
Bills payable		13,312,443,945	8,117,488,474
<b>Mudaraba Bond</b>		<b>30,600,000,000</b>	<b>30,775,840,000</b>
Mudaraba perpetual bond		11,000,000,000	10,175,840,000
Mudaraba redeemable subordinated bond		19,600,000,000	20,600,000,000
<b>Other liabilities</b>	<b>11(a)</b>	<b>132,536,936,733</b>	<b>120,971,862,923</b>
<b>Deferred tax liabilities</b>		<b>1,475,103,657</b>	<b>1,580,687,903</b>
<b>Total liabilities</b>		<b>1,755,863,295,676</b>	<b>1,570,942,912,715</b>
<b>Capital/shareholders' equity</b>		<b>68,070,180,583</b>	<b>65,726,661,349</b>
Paid - up capital	12.2	16,099,906,680	16,099,906,680
Statutory reserve	14.0	20,735,466,258	20,735,466,258
Other reserves		26,293,258,602	26,141,424,690
Retained earnings		4,941,249,531	2,749,579,142
Non-controlling interest		299,513	284,579
<b>Total liabilities &amp; shareholders' equity</b>		<b>1,823,933,476,259</b>	<b>1,636,669,574,064</b>

28 NOV 2022  
Md. Ashrafur Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022  
J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka



28 NOV 2022  
Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

28 NOV 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Balance Sheet**  
**As at 30 September 2022**

(Amount in Taka)

**Off-balance Sheet Items**

**Contingent liabilities**

Acceptances & endorsements  
Letters of guarantee  
Irrevocable letters of credit (including back to back bills)  
Bills for collection  
Other contingent liabilities  
**Total**

Note	As at 30 September 2022	As at 31 December 2021
	-	-
	30,112,468,075	29,281,985,371
	234,338,616,220	190,036,120,488
	53,255,794,365	45,519,344,775
	8,174,045	8,174,045
	<b>317,715,052,706</b>	<b>264,845,624,679</b>

**Other commitments**

Documentary credits, short term and trade related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance, revolving and underwriting facilities  
Undrawn formal standby facilities, credit lines & other commitments  
**Total**

-	-
-	-
-	-
-	-
-	-
<b>317,715,052,706</b>	<b>264,845,624,679</b>

**Total off-balance sheet items including contingent liabilities**


**Consolidated Net Asset Value (NAV) per share**

22(b)

42.28

40.82

The annexed notes form an integral part of these financial report.

  
Chairman

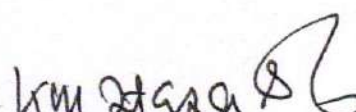
  
Director

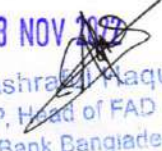
  
Director

  
Managing Director & CEO

This is the consolidated balance sheet referred to in our separate report of even date.

**Place: Dhaka, Bangladesh**  
**Dated: 15 November 2022**

  
**K. M. HASAN & CO.**  
Chartered Accountants

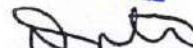
**28 NOV 2022**  
  
Md. Ashraful Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

**28 NOV 2022**  
  
J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**28 NOV 2022**  
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

**28 NOV 2022**



Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

**28 NOV 2022**

  
Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Profit & Loss Account**  
**For the 3rd Quarter ended 30 September 2022**

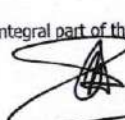
(Amount in Taka)

Note	01 January to 30 September 2022	01 January to 30 September 2021	01 July to 30 September 2022	01 July to 30 September 2021
<b>Operating income</b>				
Investment income	63,044,701,483	52,713,476,311	23,505,645,585	16,593,758,279
Profit paid on mudaraba deposits	(40,538,055,097)	(32,810,040,955)	(16,265,116,538)	(10,923,011,030)
<b>Net investment income</b>	<b>22,506,646,386</b>	<b>19,903,435,355</b>	<b>7,240,529,047</b>	<b>5,670,747,248</b>
Income from investments in shares & securities	2,366,399,785	2,230,554,416	948,431,481	1,029,434,795
Commission, exchange & brokerage income	6,648,957,363	4,780,198,105	1,726,689,337	1,749,736,024
Other operating income	5,137,646,759	4,869,199,824	1,485,105,964	825,475,396
<b>Total operating income</b>	<b>36,659,650,293</b>	<b>31,783,387,700</b>	<b>11,400,755,829</b>	<b>9,275,393,463</b>
<b>Operating expenses</b>				
Salary & allowances	14,277,304,446	12,283,755,247	5,210,426,268	4,314,373,729
Rent, taxes, insurances, electricity etc.	1,792,447,729	1,563,298,330	636,788,968	556,159,261
Legal expenses	6,377,349	5,426,617	1,942,490	1,038,775
Postage, stamps and telecommunication etc.	136,463,848	101,638,204	52,218,501	36,888,597
Stationery, printing and advertisement etc.	163,276,575	109,534,326	58,016,467	43,876,634
Chief executive's salary & fees	14,143,500	13,570,000	4,660,500	4,510,000
Directors' fees & expenses	2,345,641	2,425,605	1,294,416	999,718
Shari'ah supervisory committee's fees & expenses	1,430,065	1,010,740	555,320	431,140
Auditors' fees	2,587,500	2,587,500	862,500	862,500
Depreciation and repair to bank's assets	1,113,201,499	964,901,479	374,284,417	380,607,745
Zakat expenses	728,247,384	671,185,473	242,749,128	223,728,491
Other expenses	4,099,428,157	3,391,044,364	1,253,104,009	1,063,087,514
<b>Total operating expenses</b>	<b>22,337,253,693</b>	<b>19,110,377,884</b>	<b>7,836,902,984</b>	<b>6,626,564,103</b>
<b>Profit/(loss) before provision</b>	<b>14,322,396,600</b>	<b>12,673,009,816</b>	<b>3,563,852,845</b>	<b>2,648,829,360</b>
Provision for investments & off-balance sheet items	4,221,590,000	3,422,290,000	1,191,840,000	802,280,000
Provision for diminution in value of investments in shares	220,628,758	(203,645,998)	94,632,655	(249,008,530)
Other provisions	(68,257,543)	94,060,508	(103,041,717)	(9,939,838)
<b>Total provision</b>	<b>4,373,961,215</b>	<b>3,312,704,510</b>	<b>1,183,430,938</b>	<b>543,331,632</b>
<b>Total profit/(loss) before taxes</b>	<b>9,948,435,385</b>	<b>9,360,305,306</b>	<b>2,380,421,907</b>	<b>2,105,497,728</b>
<b>Provision for taxation for the period</b>	<b>5,578,161,252</b>	<b>5,064,241,593</b>	<b>1,397,158,433</b>	<b>1,155,858,578</b>
Current tax	5,674,305,343	5,072,464,697	1,425,896,412	1,164,045,795
Deferred tax	(96,144,091)	(8,223,104)	(28,737,979)	(8,187,217)
<b>Net profit/(loss) after tax</b>	<b>4,370,274,133</b>	<b>4,296,063,713</b>	<b>983,263,474</b>	<b>949,639,150</b>
<b>Net profit after tax attributable to:</b>	<b>4,370,274,133</b>	<b>4,296,063,713</b>	<b>983,263,474</b>	<b>949,639,150</b>
Equity holders of IBBL	4,370,259,199	4,296,013,942	983,258,754	949,599,978
Non-controlling interest	14,934	49,770	4,721	49,363
Retained earnings from previous year/period	2,749,579,142	2,606,778,640	4,152,901,785	4,383,241,253
Revaluation reserve of securities transferred to retained earnings	30,491,680	-	-	-
Add: Net profit after tax (attributable to equity holders of IBBL)	4,370,259,199	4,296,013,942	983,258,754	949,599,978
Add: Excess depreciation on revalued amount of building transferred from Assets revaluation reserve to retained	68,838,813	59,884,972	19,685,358	19,845,655
<b>Profit available for appropriation</b>	<b>7,219,168,834</b>	<b>6,962,677,554</b>	<b>5,155,845,897</b>	<b>5,352,686,886</b>
<b>Appropriation:</b>	<b>7,219,168,834</b>	<b>6,962,677,554</b>	<b>5,155,845,897</b>	<b>5,352,686,886</b>
Statutory reserve	-	-	-	-
General reserve	30,323,656	88,821,581	-	88,821,581
Dividend	1,609,990,668	1,609,990,668	-	-
Start up Fund	41,019,763	-	9,020,478	-
Coupon/Dividend for perpetual bond holders	596,585,217	-	205,575,889	-
Retained earnings	4,941,249,531	5,263,865,305	4,941,249,531	5,263,865,305
<b>Consolidated Earnings Per share (EPS)</b>	<b>2.71</b>	<b>2.67</b>	<b>0.61</b>	<b>0.59</b>

The annexed notes form an integral part of these financial report.

  
Chairman

  
Director


  
Director

  
Managing Director & CEO

This is the Consolidated Profit & Loss Account referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

  
28 NOV 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC

  
K. M. HASAN & CO.  
Chartered Accountants

28 NOV 2022  
Md. Ashraf Alique, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

28 NOV 2022  
J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



28 NOV 2022  
Mouhammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Cash Flow Statement**  
For the 3rd Quarter ended 30 September 2022

(Amount in Taka)

Note	01 January to 30 September 2022	01 January to 30 September 2021
<b>Cash flows from operating activities</b>		
Investment income	59,788,526,090	51,957,300,918
Profit paid on mudaraba deposits	(38,056,267,749)	(32,187,164,641)
Income/ dividend receipt from investments in shares & securities	1,022,496,649	3,338,891,976
Fees & commission receipt in cash	6,648,957,363	4,780,198,105
Recovery from written off investments	78,789,723	40,565,177
Payments to employees	(15,408,127,816)	(13,298,519,018)
Cash payments to suppliers	(281,543,147)	(297,273,303)
Income tax paid	(5,589,320,976)	(5,472,890,882)
Receipts from other operating activities	3,956,599,225	2,987,595,362
Payments for other operating activities	(5,632,636,504)	(4,835,455,630)
<b>(i) Operating profit before changes in operating assets</b>	<b>6,527,472,858</b>	<b>7,013,248,064</b>
<b>Changes in operating assets and liabilities</b>		
Increase/(decrease) of statutory deposits	-	-
(Increase)/decrease of net trading securities	(129,301,696)	(1,282,916,691)
(Increase)/decrease of placement to other banks	-	-
(Increase)/decrease of investments to customers	(253,504,154,192)	(58,732,519,053)
(Increase)/decrease of other assets	(8,693,840,321)	2,391,806,554
Increase/(decrease) of placement from other banks	26,714,152,658	(13,783,793,312)
Increase/(decrease) of deposits from other banks	(974,762,273)	535,017,660
Increase/(decrease) of deposits received from customers	147,600,605,417	147,095,766,890
Increase/(decrease) of other liabilities account of customers	-	-
Increase/(decrease) of trading liabilities	-	-
Increase/(decrease) of other liabilities	10,407,475,640	10,349,658,375
<b>(ii) Cash flows from operating assets and liabilities</b>	<b>(78,579,824,766)</b>	<b>86,573,020,425</b>
<b>Net cash flows from operating activities (A)=(i+ii)</b>	<b>(72,052,351,908)</b>	<b>93,586,268,489</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of securities	7,593,058,829	13,637,682,229
Payment for purchase of securities/BGIIIB	(4,454,840,821)	(13,331,266,696)
Payment for purchase of securities/membership	(7,905,614,371)	(14,029,785,427)
Purchase/sale of property, plants & equipments	(963,803,159)	(1,869,581,871)
Purchase/sale of subsidiaries	-	-
<b>Net Cash flows from investing activities (B)</b>	<b>(5,731,199,521)</b>	<b>(15,592,951,766)</b>
<b>Cash flows from financing activities</b>		
Receipts from issue of debt instruments	824,160,000	-
Payment for redemption of debt instruments	(1,000,000,000)	(1,000,000,000)
Receipts from issuing ordinary share/ rights share	-	-
Dividend paid in Cash	(1,609,982,478)	(1,609,990,668)
<b>Net cash flows from financing activities (C)</b>	<b>(1,785,822,478)</b>	<b>(2,609,990,668)</b>
<b>Net increase/(decrease) in cash (A+B+C)</b>	<b>(79,569,373,907)</b>	<b>75,383,326,055</b>
Add/(less): Effects of exchange rate changes on cash & cash equivalent	17,164,914	10,884,889
Add: cash & cash equivalents at beginning of the year	327,131,898,729	280,218,077,981
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>247,579,689,736</b>	<b>355,612,288,925</b>
<b>Consolidated Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>24(b) (44.75)</b>	<b>58.13</b>

The annexed notes form an integral part of these financial statements.

28 NOV 2022  
Chairman

Director

Director  
Managing Director & CEO

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

Md. Ashraful Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

28 NOV 2022  
J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



28 NOV 2022  
Mohammed Monirul Mousa  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
For the 3rd Quarter ended 30 September 2022

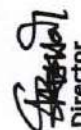
Particulars	Paid-up capital	Share premium	Statutory reserve	General/other reserves *	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Non-controlling interest	(Amount in Taka)	
									01 January 2022	30 September 2022
Balance as at 01 January 2022	16,099,906,680	1,989,633	20,735,466,258	16,941,188,982	9,071,295,675	126,950,400	2,748,579,142	284,579	65,726,661,349	65,726,661,349
Depreciation adjustment & Deferred tax impact	-	-	-	-	(43,024,258)	-	68,838,813	-	25,814,555	-
Surplus/ (deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-
Surplus/ (deficit) on account of revaluation of investments (shares & securities)	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	17,164,914	-	-	-	-	147,369,600	17,164,914
Revaluation reserve of securities transferred to retained earnings	-	-	-	-	-	-	30,491,680	-	-	30,491,680
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	4,370,259,199	14,934	4,370,274,133	-
Transfer to reserve	-	-	-	30,323,656	-	-	(30,323,656)	-	-	-
Dividend:	-	-	-	-	-	-	-	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	(1,609,990,668)	-	(1,609,990,668)	-
Start-up Fund transferred from retained earnings	-	-	-	-	-	-	(41,019,763)	-	(41,019,763)	-
Coupon/dividend on perpetual bond	-	-	-	-	-	-	(596,585,217)	-	(596,585,217)	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-	-
Total shareholders' equity as on 30 September 2022	16,099,906,680	1,989,633	20,735,466,258	16,988,677,552	9,028,271,417	274,320,000	4,941,249,531	299,513	68,070,180,583	68,070,180,583
Total shareholders' equity as on 30 September 2021	16,099,906,680	1,989,633	19,735,466,258	14,978,393,061	9,088,477,153	85,622,400	5,352,686,886	324,750	65,342,866,821	65,342,866,821
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	-	11,000,000,000	11,000,000,000
Add: Subordinated bond	-	-	-	-	-	-	-	-	16,000,000,000	16,000,000,000
Add: General provision for unclassified investments and off-balance sheet items (Note-3.2)	-	-	-	18,718,470,000	-	-	-	-	18,718,470,000	-
Less: Excess tier-II capital	-	-	-	-	-	-	-	-	-	-
Less: Intangible assets	-	-	-	(202,877,224)	-	-	-	-	(202,877,224)	-
Less: Assets revaluation reserve (Note-3.2)	-	-	-	-	(9,028,271,417)	-	-	-	(9,028,271,417)	-
Less: Revaluation reserve of securities (Note-3.2)	-	-	-	-	-	(274,320,000)	-	-	-	(274,320,000)
Total equity as on 30 September 2022	16,099,906,680	1,989,633	20,735,466,258	35,504,270,328	-	-	4,941,249,531	299,513	104,283,181,943	104,283,181,943
Total equity as on 30 September 2021	16,099,906,680	1,989,633	19,735,466,258	29,031,112,193	-	-	5,352,686,886	324,750	92,244,784,809	92,244,784,809

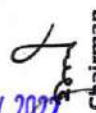
*Note: General/other reserves		01.01.2022	30.09.2021
General reserve		16,891,561,656	12,916,498,733
Dividend equalization		32,000,000	32,000,000
Currency translation differences (Translation reserve)		17,627,126	14,268,775
Total		16,941,188,982	12,962,767,508

  
**Managing Director & CEO**

  
**Director**



  
**Director**

  
**Chairman**

**Mohammed Monirul Molla**  
**Managing Director & CEO**  
**Islami Bank Bangladesh Limited**  
**Head Office, Dhaka:**

**J G M Habibullah, FCS**  
**AMD & Company Secretary**  
**Islami Bank Bangladesh Limited**  
**Head Office, Dhaka.**

**Md. Ashraf Haque, FCA**  
**EVP, Head of FAD & CFO**  
**Islami Bank Bangladesh Limited**  
**FAD, Head Office, Dhaka.**

**Place: Dhaka, Bangladesh**  
**Dated: 15 November 2022**



**Islami Bank Bangladesh Limited**  
**Balance Sheet**  
**As at 30 September 2022**

		(Amount in Taka)	
	Note	As at 30 September 2022	As at 31 December 2021
<b>Property and assets</b>			
<b>Cash in hand</b>	<b>6.0</b>	<b>93,075,698,717</b>	<b>246,163,386,116</b>
Cash in hand (including foreign currency)	6.1	28,244,389,473	22,100,995,009
Balance with Bangladesh Bank & its agent bank(s) (including foreign)	6.2	64,831,309,245	224,062,391,107
<b>Balance with other banks &amp; financial institutions</b>	<b>7.0</b>	<b>149,500,702,119</b>	<b>76,156,107,566</b>
In Bangladesh	7.i	128,477,104,314	61,571,659,434
Outside Bangladesh	7.ii	21,023,597,805	14,584,448,132
<b>Placement with banks &amp; other financial institutions</b>			
<b>Investments in shares &amp; securities</b>	<b>8.0</b>	<b>99,137,093,371</b>	<b>94,819,400,466</b>
Government	8.1	80,462,864,181	75,352,686,843
Others	8.2	18,674,229,190	19,466,713,623
<b>Investments</b>	<b>9.0</b>	<b>1,444,677,154,438</b>	<b>1,191,173,000,246</b>
General investments etc.	9.1	1,339,894,237,991	1,137,670,855,057
Bills purchased & discounted	9.2	104,782,916,447	53,502,145,189
<b>Fixed assets including premises</b>		<b>18,417,835,676</b>	<b>18,378,446,533</b>
<b>Other assets</b>	<b>10.0</b>	<b>17,990,333,965</b>	<b>9,302,458,646</b>
<b>Non - banking assets</b>			
<b>Total property and assets</b>		<b>1,822,798,818,286</b>	<b>1,635,992,799,574</b>
<b>Liabilities and capital</b>			
<b>Liabilities</b>			
<b>Placement from banks &amp; other financial institutions</b>		<b>63,479,452,658</b>	<b>36,765,300,000</b>
<b>Deposits &amp; other accounts</b>		<b>1,528,605,372,641</b>	<b>1,381,979,529,497</b>
Mudaraba savings deposits		526,530,089,682	476,757,049,557
Mudaraba term deposits		544,497,909,962	489,073,408,476
Other mudaraba deposits		295,779,102,578	282,106,861,930
Al- wadeeah current and other deposit accounts		148,485,826,473	125,924,721,060
Bills payable		13,312,443,945	8,117,488,474
<b>Mudaraba Bond</b>		<b>30,600,000,000</b>	<b>30,775,840,000</b>
Mudaraba perpetual bond		11,000,000,000	10,175,840,000
Mudaraba redeemable subordinated bond		19,600,000,000	20,600,000,000
<b>Other liabilities</b>	<b>11.0</b>	<b>132,000,209,493</b>	<b>120,327,845,671</b>
<b>Deferred tax liabilities</b>		<b>1,477,307,818</b>	<b>1,582,990,129</b>
<b>Total liabilities</b>		<b>1,756,162,342,610</b>	<b>1,571,431,505,297</b>
<b>Capital/shareholders' equity</b>		<b>66,636,475,676</b>	<b>64,561,294,277</b>
Paid - up capital	12.2	16,099,906,680	16,099,906,680
Statutory reserve	14.0	20,735,466,258	20,735,466,258
Other reserves	15.0	26,237,440,927	26,115,930,671
Retained earnings		3,563,661,811	1,609,990,668
<b>Total liabilities &amp; shareholders' equity</b>		<b>1,822,798,818,286</b>	<b>1,635,992,799,574</b>

28 NOV 2022

Md. Ashrafur Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

28 NOV 2022

J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



28 NOV 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**Islami Bank Bangladesh Limited**  
**Balance Sheet**  
**As at 30 September 2022**

Particulars	Note	(Amount in Taka)	
		As at 30 September 2022	As at 31 December 2021
<b>Off-balance Sheet Items</b>			
<b>Contingent liabilities</b>			
Acceptances & endorsements		-	-
Letters of guarantee		30,112,468,075	29,281,985,371
Irrevocable letters of credit (including back to back bills)		234,338,616,220	190,036,120,488
Bills for collection		53,255,794,365	45,519,344,775
Other contingent liabilities		8,174,045	8,174,045
<b>Total</b>		<b>317,715,052,706</b>	<b>264,845,624,679</b>
<b>Other commitments</b>			
Documentary credits, short term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>317,715,052,706</b>	<b>264,845,624,679</b>
<b>Net Asset Value (NAV) per share</b>	<b>22(a)</b>	<b>41.39</b>	<b>40.10</b>

The annexed notes form an integral part of these financial report.

  
Chairman

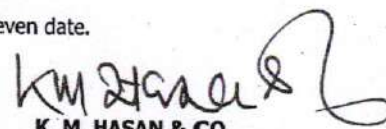
  
Director

  
Director

  
Managing Director & CEO

This is the balance sheet referred to in our separate report of even date.


Place: Dhaka, Bangladesh  
Dated: 15 November 2022

  
**K. M. HASAN & CO.**  
Chartered Accountants

28 NOV 2022

  
Md. Ashraf Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

28 NOV 2022

  
J Q M Habibullah, FCS  
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Head Office, Dhaka.



28 NOV 2022  
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

  
Mohammed Monirul Meula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Islami Bank Bangladesh Limited**  
**Profit & Loss Account**  
For the 3rd Quarter ended 30 September 2022

(Amount in Taka)

Particulars	Note	01 January to 30 September 2022	01 January to 30 September 2021	01 July to 30 September 2022	01 July to 30 September 2021
<b>Operating income</b>					
Investment income	16.0	63,114,502,465	52,713,476,311	23,575,446,567	16,593,758,279
Profit paid on mudaraba deposits		(40,583,344,476)	(32,841,519,523)	(16,281,179,537)	(10,940,930,094)
<b>Net investment income</b>		<b>22,531,157,989</b>	<b>19,871,956,787</b>	<b>7,294,267,030</b>	<b>5,652,828,184</b>
Income from investments in shares & securities		1,918,927,693	1,562,960,012	812,948,851	730,305,657
Commission, exchange & brokerage income	17.0	6,615,648,313	4,732,093,231	1,714,297,511	1,726,200,271
Other operating income		5,160,198,646	4,881,784,609	1,493,934,551	836,405,619
<b>Total operating income</b>		<b>36,225,932,641</b>	<b>31,048,794,640</b>	<b>11,315,447,943</b>	<b>8,945,739,732</b>
<b>Operating expenses</b>					
Salary & allowances		14,243,553,912	12,252,376,671	5,198,181,500	4,303,185,569
Rent, taxes, insurances, electricity etc.	18.0	1,787,019,853	1,559,028,145	634,907,007	555,093,167
Legal expenses		6,377,349	5,201,484	1,942,490	1,030,476
Postage, stamps and telecommunication etc.	19.0	136,013,434	101,233,118	52,025,849	36,747,639
Stationery, printing and advertisement etc.	20.0	163,033,370	108,854,205	57,914,939	43,373,341
Chief executive's salary & fees		14,143,500	13,570,000	4,660,500	4,510,000
Directors' fees & expenses		807,558	967,062	252,348	123,250
Shari'ah supervisory committee's fees & expenses		1,430,065	1,010,740	555,320	431,140
Auditors' fees		2,587,500	2,587,500	862,500	862,500
Depreciation and repair to bank's assets	21.0	1,107,899,360	962,499,995	372,661,407	381,646,639
Zakat expenses		728,247,384	671,185,473	242,749,128	223,728,491
Other expenses		4,088,416,425	3,255,834,491	1,314,867,807	1,005,639,768
<b>Total operating expenses</b>		<b>22,279,529,710</b>	<b>18,934,348,883</b>	<b>7,881,580,795</b>	<b>6,556,371,979</b>
<b>Profit/(loss) before provision</b>		<b>13,946,402,931</b>	<b>12,114,445,757</b>	<b>3,433,867,148</b>	<b>2,389,367,753</b>
Provision for investments & off- balance sheet items	11.1	4,221,590,000	3,422,290,000	1,191,840,000	802,280,000
Provision for diminution in value of investments in shares		188,236,734	-	74,671,734	(5,157,000)
Other provisions		(68,623,431)	94,060,508	(103,407,605)	(9,939,838)
<b>Total provision</b>		<b>4,341,203,303</b>	<b>3,516,350,508</b>	<b>1,163,104,129</b>	<b>787,183,162</b>
<b>Total profit/(loss) before taxes</b>		<b>9,605,199,628</b>	<b>8,598,095,249</b>	<b>2,270,763,019</b>	<b>1,602,184,591</b>
<b>Provision for taxation for the period</b>		<b>5,503,223,330</b>	<b>4,974,307,113</b>	<b>1,368,715,166</b>	<b>1,118,228,225</b>
Current tax	11.3	5,599,465,486	4,983,011,430	1,397,467,845	1,126,618,592
Deferred tax		(96,242,156)	(8,704,317)	(28,752,679)	(8,390,367)
<b>Net profit/(loss) after tax</b>		<b>4,101,976,298</b>	<b>3,623,788,136</b>	<b>902,047,853</b>	<b>483,956,366</b>
Retained earnings from previous year/period		1,609,990,668	1,609,990,668	2,856,524,966	3,179,871,087
Revaluation reserve of securities transferred to retained earnings		30,451,680	-	-	-
Add: Net profit after tax		4,101,976,298	3,623,788,136	902,047,853	483,956,366
Add: Excess depreciation on revalued amount of building transferred from Assets revaluation reserve to retained earnings		68,838,813	59,884,972	19,685,358	19,845,655
<b>Profit available for appropriation</b>		<b>5,811,257,459</b>	<b>5,293,663,776</b>	<b>3,778,258,177</b>	<b>3,683,673,108</b>
<b>Appropriation:</b>		<b>5,811,257,459</b>	<b>5,293,663,776</b>	<b>3,778,258,177</b>	<b>3,683,673,108</b>
Statutory reserve	14.0	-	-	-	-
General reserve		-	-	-	-
Dividend		1,609,990,668	1,609,990,668	-	-
Start up Fund		41,019,763	-	9,020,478	-
Coupon/Dividend for perpetual bond holders		596,585,217	-	205,575,888	-
Retained earnings		3,563,661,811	3,683,673,108	3,563,661,811	3,683,673,108
<b>Earnings Per Share (EPS)</b>	<b>23(a)</b>	<b>2.55</b>	<b>2.25</b>	<b>0.56</b>	<b>0.30</b>

The annexed notes form an integral part of these financial report.

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

This is the Profit & Loss Account referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

28 NOV 2022  
  
Md. Ashraf Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

28 NOV 2022  
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.  
28 NOV 2022  
  
J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



28 NOV 2022  
  
K. M. HASAN & CO.  
Chartered Accountants  
28 NOV 2022  
  
Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Islami Bank Bangladesh Limited**  
**Cash Flow Statement**  
For the 3rd Quarter ended 30 September 2022

(Amount in Taka)

	01 January to 30 September 2022	01 January to 30 September 2021
<b>Cash flows from operating activities</b>		
Investment income	59,858,327,072	51,957,300,918
Profit paid on mudaraba deposits	(38,101,557,128)	(32,218,643,209)
Income/dividend receipt from investments in shares & securities	755,039,759	2,734,524,958
Fees & commission receipt in cash	6,615,648,313	4,732,093,231
Recovery from written off investments	78,789,723	40,565,177
Payments to employees	(15,384,153,144)	(13,275,433,237)
Cash payments to suppliers	(281,348,154)	(297,044,384)
Income tax paid	(5,500,202,967)	(5,382,180,715)
Receipts from other operating activities	3,955,144,100	2,936,952,762
Payments for other operating activities	(5,602,825,413)	(4,683,950,246)
<b>(i) Operating profit before changes in operating assets</b>	<b>6,392,862,161</b>	<b>6,544,185,255</b>
<b>Changes in operating assets and liabilities</b>		
Increase/(decrease) of statutory deposits	-	-
(Increase)/decrease of net trading securities	-	-
(Increase)/decrease of placement to other banks	-	-
(Increase)/decrease of investments to customers	(253,504,154,192)	(59,160,331,989)
(Increase)/decrease of other assets	(8,687,875,319)	2,373,576,435
Increase/(decrease) of placement from other banks	26,714,152,658	(13,783,793,312)
Increase/(decrease) of deposits from other banks	(974,762,273)	535,017,660
Increase/(decrease) of deposits received from customers	147,600,605,417	147,829,275,458
Increase/(decrease) of other liabilities account of customers	-	-
Increase/(decrease) of trading liabilities	-	-
Increase/(decrease) of other liabilities	9,912,798,706	7,963,939,423
<b>(ii) Cash flows from operating assets and liabilities</b>	<b>(78,939,235,002)</b>	<b>85,757,683,676</b>
<b>Net cash flows from operating activities (A)=(i+ii)</b>	<b>(72,546,372,840)</b>	<b>92,301,868,931</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of securities	-	-
Payment for purchase of securities/BGIIB	(4,465,062,505)	(13,165,244,630)
Payment for purchase of securities/membership	-	-
Purchase/sale of property, plants & equipments	(962,991,746)	(1,868,114,253)
Purchase/sale of subsidiaries	-	-
<b>Net Cash flows from investing activities (B)</b>	<b>(5,428,054,250)</b>	<b>(15,033,358,884)</b>
<b>Cash flows from financing activities</b>		
Receipts from issue of debt instruments	824,160,000	-
Payment for redemption/ profit of debt instruments	(1,000,000,000)	(1,000,000,000)
Receipts from issuing ordinary share/ rights share	-	-
Dividend paid in Cash	(1,609,990,668)	(1,609,990,668)
<b>Net cash flows from financing activities (C)</b>	<b>(1,785,830,668)</b>	<b>(2,609,990,668)</b>
<b>Net increase/(decrease) in cash (A+B+C)</b>	<b>(79,760,257,759)</b>	<b>74,658,519,379</b>
Add/(less): effects of exchange rate changes on cash & cash equivalent	17,164,914	10,884,889
Add: cash & cash equivalents at beginning of the year	322,319,493,681	275,217,126,291
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>242,576,400,836</b>	<b>349,886,530,559</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>24(a) (45.06)</b>	<b>57.33</b>

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

This is cash flow statement referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

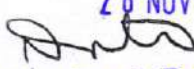
28 NOV 2022

  
Md. Ashraf Hossain, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

28 NOV 2022  
  
J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



28 NOV 2022  
  
Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

28 NOV 2022  
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.




**Islami Bank Bangladesh Limited**  
**Statement of Changes in Equity**  
For the 3rd Quarter ended 30 September 2022

Particulars	Paid-up capital	Share premium	Statutory reserve	General/other reserves*	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	(Amount in Taka)
	2	3	4	5	6	7	8	01 January to 30 September 2022
Balance as at 01 January 2022	16,099,906,680	1,989,633	20,735,466,258	16,915,694,963	9,071,295,675	126,950,400	1,609,990,668	37,210,813
Depreciation adjustment & Deferred tax impact	-	-	-	-	(43,024,258)	-	68,838,813	25,814,555
Surplus/ (deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/ (deficit) on account of revaluation of investments (shares & securities)	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Revaluation reserve of securities transferred to retained earnings	-	-	-	17,164,914	-	147,369,600	-	147,369,600
Net gain and losses not recognized in the Income statement	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	30,451,680	30,451,680
Transfer to reserve	-	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	4,101,976,298	4,101,976,298
Bonus shares	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-
Start-up Fund transferred from retained earnings	-	-	-	-	-	-	-	-
Coupon/dividend on perpetual bond	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-
Total shareholders' equity as on 30 September 2021	16,099,906,680	1,989,633	20,735,466,258	16,932,859,877	9,028,271,417	274,320,000	3,563,661,811	66,636,475,676
Total shareholders' equity as on 30 September 2022	16,099,906,680	1,989,633	19,735,466,258	14,978,393,061	9,088,477,153	85,622,400	3,683,673,108	63,673,528,292
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	-
Add: Subordinated bond	-	-	-	-	-	-	-	-
Add: General provision for unclassified investments and off-balance sheet items (Note-3.2)	-	-	-	-	-	-	-	-
Less: Excess tier-II capital	-	-	-	18,718,470,000	-	-	-	18,718,470,000
Less: Intangible assets	-	-	-	-	-	-	-	-
Less: Assets revaluation reserve (Note-3.2)	-	-	-	(202,877,224)	(9,028,271,417)	-	-	(202,877,224)
Less: Revaluation reserve of securities (Note-3.2)	-	-	-	-	-	(274,320,000)	-	(274,320,000)
Total equity as on 30 September 2022	16,099,906,680	1,989,633	20,735,466,258	35,448,452,653	-	-	3,563,661,811	102,849,477,036
Total equity as on 30 September 2021	16,099,906,680	1,989,633	19,735,466,258	29,031,112,193	-	-	3,683,673,108	89,101,197,775

\* Note: General/other reserves

General reserve	01.01.2022	30.09.2021
Dividend equalization	16,866,067,837	12,916,498,733
Currency translation differences (Translation reserve)	32,000,000	32,000,000
Total	17,627,126	14,268,775
	16,915,694,963	12,962,767,508

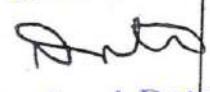
  
Managing Director & CEO

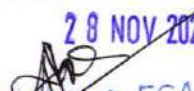
  
Director

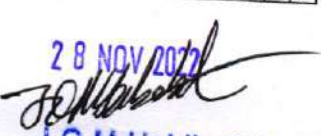


  
Chairman

Place: Dhaka, Bangladesh  
Dated: 15 November 2022

28 NOV 2022  
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022  
  
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28 NOV 2022  
  
Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Notes to the condensed consolidated interim financial report**  
**As at and for the 3rd Quarter ended 30 September 2022**

**1.0 The Bank and its activities**

- 1.1 Islami Bank Bangladesh Limited (hereinafter referred to as "the Bank" or "IBBL") was established as a Public Limited Banking Company in Bangladesh in 1983 as the first Shari'ah based Scheduled Commercial Bank in the South East Asia. Naturally, its modus operandi is substantially different from those of other conventional Commercial Banks. The Bank conducts its business on the Shari'ah principles of Mudaraba, Musharaka, Bai-Murabaha, Bai-Muajjal, Hire Purchase under Shirkatul Melk, Bai-Salam and Bai-as-Sarf etc. There is a Shari'ah Supervisory Committee in the Bank which ensures that the activities of the Bank are being conducted on the

The shares of the Bank are listed with both Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited. The Bank carries out its business activities through its Head Office in Dhaka, 16 Zonal Offices, 386 branches including 73 Authorised Dealer (AD) branches and 228 Sub-branches, 2692 Agent banking outlets and 3 Off-shore Banking Units (OBUs) in Bangladesh. The Principal place of business is the Registered Office of the Bank situated at Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.

This interim financial report as at and for the 3rd Quarter ended 30 September 2022 includes the condensed consolidated and the separate financial report of the Bank. The condensed consolidated interim financial report comprises the financial statements of the Bank and its two subsidiaries - Islami Bank Securities Limited (IBSL) and Islami Bank Capital Management Limited (IBCLM) together referred to as "the Companies".

**1.2 Nature of business/principal activities of the Bank**

All kinds of commercial banking services including Islamic micro-finance under Rural Development Scheme (RDS) and Urban Poor Development Scheme (UPDS), Agent Banking Services, Mobile Financial Services under the "Islami Bank mCash" are provided by the Bank to the customers following the principles of Islamic Shari'ah, the provisions of the Bank Company Act, 1991 as amended, Bangladesh Bank's directives and directives of other regulatory authorities. The Bank also provide services to its clients through currently 3 (three) offshore-banking units (OBUs) located at Head Office Complex Branch, Agrabad Branch and Uttara Branch.

**2.0 Basis of preparation**

**2.1 Statement of compliance**

The operations of the Bank and its subsidiaries are in strict compliance with the rules of Islamic Shari'ah. This condensed consolidated and separate interim financial report for the 3rd Quarter ended 30 September 2022 of the Bank has been prepared in accordance with "IAS: 34 Interim Financial Reporting" and as per Bangladesh Bank (BB) Department of Banking Inspection (DBI) Circular Letter No. 01 dated 24 February 2004, per Rule 13 of Securities & Exchange Rules 1987 and Financial Reporting Act 2015. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Bank since the last annual consolidated and separate financial statements as at and for the year ended 31 December 2021. This condensed consolidated and separate interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial

**2.2 Authorization of the financial statements for issue**

The consolidated and separate interim financial report were reviewed by the audit committee of the Board of the Bank in its 532nd meeting held on 30 October 2022 and was subsequently approved by the Board in its 315th meeting held on the same date.

**2.3 Use of estimates and judgments**

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated and separate interim financial report, significant judgements made by Management in applying the Companies/Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated and separate financial statements as at and for the year ended 31 December 2021.

**2.4 Reporting period**

These condensed consolidated and separate interim financial report of the Bank and its subsidiaries cover up to 3rd Quarter from 1 January 2022 to 30 September 2022.

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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Md. Ashrafur Raheem  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



28 NOV 2022

Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**2.5 Comparative information and rearrangement thereof**

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

**3.0 Significant accounting policies**

Except as described below, the accounting policies applied by the Bank and its Subsidiaries in this condensed consolidated and separate interim financial report are the same as those applied by the Bank and its Subsidiaries in its consolidated and separate financial statements as at and for the year ended 31 December 2021.

**3.1 Income tax expenses**

Provision for taxation has been calculated as per Income Tax Ordinance 1984 and *International Accounting Standard (IAS)-12 "Income Taxes"*.


**4.0 Dividend payments**

The honorable shareholders of the Bank approved 10% cash dividend for the year 2021 in the 39th Annual General Meeting (AGM) of the Bank held on 21st June 2022. The dividend was paid during the 3rd quarter of the year 2022.

**5.0 Events after the reporting period**

There were no material events subsequent to the interim reporting period that have not been reflected in the financial statements for the interim period.

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Nasimul Baten  
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28 NOV 2022



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28 NOV 2022



Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**6.0 Cash in hand**

Cash in hand (including foreign currency) (Note 6.1)  
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency) (Note 6.2)  
**Total**

30.09.2022 Taka	31.12.2021 Taka
28,244,389,473	22,100,995,009
64,831,309,245	224,062,391,107
<b>93,075,698,717</b>	<b>246,163,386,116</b>

**6.1 Cash in hand (including foreign currency)**

In local currency  
In foreign currency  
**Total**

28,232,399,702	21,972,488,125
11,989,771	128,506,884
<b>28,244,389,473</b>	<b>22,100,995,009</b>

**6.2 Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)**

**(a) Balance with Bangladesh Bank**

In local currency  
In foreign currency  
**Sub-total**

63,484,556,700	219,918,197,716
440,406,425	1,554,705,918
<b>63,924,963,124</b>	<b>221,472,903,634</b>

**(b) Balance with Sonali Bank Ltd. (as agent of Bangladesh Bank)**

In local currency  
In foreign currency  
**Sub-total**  
**Total (a+b)**

906,346,120	2,589,487,473
<b>906,346,120</b>	<b>2,589,487,473</b>
<b>64,831,309,245</b>	<b>224,062,391,107</b>

**6(a) Consolidated cash in hand**

**6(a)(i) Cash in hand (including foreign currency)**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Sub total**

28,244,389,473	22,100,995,009
15,000	-
9,077	66,640
<b>28,244,413,550</b>	<b>22,101,061,649</b>

**6(a)(ii) Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Sub total (ii)**  
**Total (i+ii)**

64,831,309,245	224,062,391,107
-	-
<b>64,831,309,245</b>	<b>224,062,391,107</b>
<b>93,075,722,794</b>	<b>246,163,452,756</b>

**7.0 Balance with other banks & financial institutions**

i) In Bangladesh (in AWCA, MSA & MTDR Accounts)  
ii) Outside Bangladesh (in AWCA)  
**Total (i+ii)**

128,477,104,314	61,571,659,434
21,023,597,805	14,584,448,132
<b>149,500,702,119</b>	<b>76,156,107,566</b>

**7(a) Consolidated Balance with other banks & financial institutions**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
Inter-company balances  
**Total**

149,500,702,119	76,156,107,566
5,389,496,642	5,512,393,900
440,806,974	429,313,243
(827,038,793)	(1,129,368,735)
<b>154,503,966,942</b>	<b>80,968,445,974</b>

**8.0 Investments in shares & securities**

Particulars	Remarks	Book value as at 30.09.2022 (Taka)	Book value as at 31.12.2021 (Taka)
<b>8.1 Government</b>			
Bangladesh Shipping Corporation	Quoted	324,800,000	161,056,000
MPETROLEUM	Quoted	212,797,784	9,009,645
BSCCL	Quoted	111,188,395	104,693,428
TITASGAS	Quoted	4,350,232	-
Karmasangsthan Bank	Un-Quoted	10,000,000	10,000,000
Central Depository Bangladesh Ltd.	Un-Quoted	6,277,770	6,277,770
Bangladesh Government Sukuk Bond (Islamic Bond)	Un-Quoted	31,793,450,000	15,061,650,000
Bangladesh Government Islamic Investment Bond (Islamic Bond)	Un-Quoted	48,000,000,000	60,000,000,000
<b>Total Government (8.1)</b>		<b>80,462,864,181</b>	<b>75,352,686,843</b>
<b>8.2 Other than Government</b>		<b>18,674,229,190</b>	<b>19,466,713,623</b>
<b>Total (8.1+8.2)</b>		<b>99,137,093,371</b>	<b>94,819,400,466</b>

**8(a) Consolidated investments in shares & securities**

**8(a)(i) Government**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
Inter-company balances  
**Sub total (i)**

80,462,864,181	75,352,686,843
-	-
-	-
<b>80,462,864,181</b>	<b>75,352,686,843</b>

**8(a)(ii) Others**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
Inter-company balances  
**Sub total (ii)**  
**Total (i+ii)**

18,674,229,190	19,466,713,623
3,605,197,601	3,465,013,233
356,341,433	367,224,105
(2,999,839,000)	(2,999,839,000)
<b>19,635,929,224</b>	<b>20,299,117,961</b>
<b>100,098,793,405</b>	<b>95,651,798,804</b>

28 NOV 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



28 NOV 2022  
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28 NOV 2022

Md. Ashraf Haque  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.



## 9.0 Investments

General investments etc. (Note-9.1)  
Bills purchased & discounted (Note-9.2)  
**Total**

### 9.1 General investments etc.

#### i) In Bangladesh

Bai - Murabaha  
Bai - Muajjal  
Hire Purchase under Shirkatul Melk  
Hire Purchase under Shirkatul Melk (HPSM in FC-OBUE)  
Hire Purchase under Shirkatul Melk (HPSM in FC-GTF)  
Bai-Murabaha Import Bills  
Baim- FC Bills  
Musharaka  
Mudaraba  
Bai - Salam  
Murabaha Foreign Currency Investment  
Quard  
Investment in Khidmah Card (KC)

#### Sub total (i)

#### ii) Out side Bangladesh

Overseas Investment

#### Sub total (ii)

#### Total (i+ii)

### 9.1(a) Consolidated general investments etc.

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
Inter-company balances  
**Total**

### 9.2 Bills purchased & discounted

#### i) In Bangladesh

Musharaka doc. Bill (MDB)

#### ii) Outside Bangladesh

Mudaraba Doc Bill (UPAS)-OBUE

Bai- As- Sarf (FDB)

MDB in FC

#### Sub-total (ii)

#### Total (i+ii)

### 9.2(a) Consolidated bills purchased & discounted

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Total**

### 10.0 Other assets

Stock of stationery in hand  
Stamps in hand  
Advance rent paid  
Security deposits account  
Suspense  
Advance against expenses  
Pre paid Insurance  
Accrued income  
IB General account  
F.C. clearing adjustment  
mCash adjustment  
Dividend Income Receivable  
Master Card Receivable  
ATM Receivable  
eWallet Receivable  
POS Receivable  
Advance against capital expenditure  
Others  
**Total**

### 10(a) Consolidated other assets

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
Inter-company balances  
**Total**

30.09.2022	31.12.2021
Taka	Taka
1,339,894,237,991	1,137,670,855,057
104,782,916,447	53,502,145,189
<b>1,444,677,154,438</b>	<b>1,191,173,000,246</b>

870,751,343,523	706,178,064,578
85,771,941,194	77,957,330,311
229,663,252,882	222,725,969,511
15,569,229,727	12,865,002,198
2,169,730,655	1,226,799,337
13,042,310,011	9,089,787,606
16,273,266,079	15,717,432,354
251,511,994	187,609,673
5,000,549,863	5,000,160,000
19,284,003,127	16,583,101,369
45,870,689,230	33,017,731,333
34,706,937,626	35,957,685,286
1,539,472,079	1,164,181,501
<b>1,339,894,237,991</b>	<b>1,137,670,855,057</b>
-	-
<b>1,339,894,237,991</b>	<b>1,137,670,855,057</b>

1,339,894,237,991	1,137,670,855,057
-	-
(5,020,000,000)	(5,000,000,000)
<b>1,334,874,237,991</b>	<b>1,132,670,855,057</b>

3,804,256,426	4,174,428,428
97,046,034,419	42,775,977,150
1,939,950,907	2,390,700,235
1,992,674,695	4,161,039,376
<b>100,978,660,021</b>	<b>49,327,716,761</b>
<b>104,782,916,447</b>	<b>53,502,145,189</b>

104,782,916,447	53,502,145,189
-	-
<b>104,782,916,447</b>	<b>53,502,145,189</b>

220,163,369	214,254,899
33,593,865	31,965,815
555,153,828	567,441,216
27,236,411	27,093,579
1,418,332,689	862,243,531
40,298,493	88,064,884
17,895,409	7,810,184
2,494,630,495	1,140,782,333
7,085,623,496	4,338,131,014
1,462,531,147	135,732,599
2,189,220,822	215,052,386
-	189,960,227
39,303,667	-
252,810,953	75,951,181
221,533,023	167,573,738
930,114,017	113,989,010
813,041,370	1,125,280,200
188,850,910	131,850
<b>17,990,333,964</b>	<b>9,302,458,646</b>

17,990,333,964	9,302,458,646
132,548,633	135,380,243
46,707,597	37,906,985
(7,639,174)	(169,972,808)
<b>18,461,947,120</b>	<b>9,315,773,066</b>

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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022



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Head Office, Dhaka.

28 NOV 2022

Md. Asimul Haque  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

Mohammed Mohirul Moled  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



# 11.0 Other liabilities

Provision for classified & unclassified investments and off- balance sheet items (Note- 11.1)	
Provision for diminution in value of investments in shares	
Other provisions	
Compensation account	
Profit/ rent /compensation suspense	
Current tax (Note-11.2)	
Zakat payable	
Foreign correspondents charges	
Incentive bonus payable	
Payable against expenditure	
Clearing/BEFTN/RTGS adjustment	
Transfer delivery adjustment	
Payable to PF, BF, SAF & GF	
Deferred/Unearned Airtime Commission	
F.C. Payable for IBBL Cards	
Unclaimed dividend	
Stimulus Fund-Covid 19	
Agri. Refinance COVID-19	
Cover Fund HPSM FC (GTF)	
Automated Challan System	
Lease obligation on ROU assets	
Start-Up Fund for investment	
Others	
<b>Total</b>	

30.09.2022 Taka	31.12.2021 Taka
57,493,359,084	53,271,956,784
188,393,734	157,000
144,111,007	445,731,199
5,802,660,482	5,816,920,339
42,198,856,702	36,175,187,913
13,470,490,512	13,369,984,273
769,333,495	1,287,595,551
36,123,170	21,468,485
236,473,769	1,362,929,501
402,892,121	262,755,460
65,435,532	130,063,556
165,748	45,748
185,983,949	500
280,000	-
14,112,333	14,413,410
20,018,362	23,179,157
869,901,276	1,977,282,570
4,362,031,682	3,050,854,392
2,121,218,533	1,236,788,150
8,264,847	1,822,164
1,394,471,864	1,394,471,864
132,621,873	91,602,110
2,083,009,418	392,635,545
<b>132,000,209,493</b>	<b>120,327,845,671</b>

## 11.1 Provision for un-classified, classified investment and Off-balance sheet items including Off-shore Banking Units (OBU)

### a. Opening balance

General Provision for Unclassified Investment including OBU	
Provision for Classified Investment	
Provision for off - Balance Sheet item	

### b. Total deduction/adjustment from classified investment for the period

#### c. Available balance of provision (a-b)

### d. Provision made during the period

General Provision for Unclassified Investment including OBU	
Provision for Classified Investment	
Provision for Off-Balance Sheet items	

### e. Closing balance (c+d)

General Provision for Unclassified Investment including OBU	
Provision for Classified Investment	
Provision for Off-Balance Sheet items	

<b>53,271,950,000</b>	<b>48,118,570,000</b>
13,857,630,000	10,253,560,000
37,230,270,000	36,297,920,000
2,184,050,000	1,567,090,000
<b>30,000</b>	<b>12,904,040</b>
<b>53,271,920,000</b>	<b>48,105,665,960</b>
<b>4,221,590,000</b>	<b>5,166,284,040</b>
2,248,110,000	3,604,070,000
1,544,800,000	945,254,040
428,680,000	616,960,000
<b>57,493,510,000</b>	<b>53,271,950,000</b>
16,105,740,000	13,857,630,000
38,775,040,000	37,230,270,000
2,612,730,000	2,184,050,000

## 11.2 Current tax liability

Opening balance of provision	
Add: Provision made during the period/year (Note 11.3)	
Add: Other provision made during the period/year	
Less: Settlement for previous period/year	
<b>Total (a)</b>	

### Advance income tax paid

Opening balance of advance tax	
Add: Payment made during the period/year	
Less: Settlement for previous period/year	
<b>Total (b)</b>	

### Net balance as at end of period/year (a-b)

22,021,038,824	20,293,070,116
5,599,465,486	6,800,304,448
1,243,722	1,132,785,550
6,793,297,250	6,205,121,290
<b>20,828,450,781</b>	<b>22,021,038,824</b>

8,651,054,551	7,604,358,763
5,500,202,968	7,251,817,078
6,793,297,250	6,205,121,290
<b>7,357,960,269</b>	<b>8,651,054,551</b>
<b>13,470,490,512</b>	<b>13,369,984,273</b>

## 11.3 Provision for current tax made during the period/year

Income tax @ 37.5% on taxable profit	
Add: Income tax @ 20% on dividend income	
Capital Gain @ 10%	
Less: Provision already kept	
<b>Estimated provision required for the period/year</b>	

### Computation of taxable profit

Profit before tax	
Less: Dividend income	
Less: Capital Gain	
<b>Profit before tax (excluding dividend income and capital gain)</b>	
Add: Inadmissible expenditure	
Less: Further allowable expenditure	
<b>Estimated taxable profit for the period/year</b>	

5,554,267,473	6,700,058,787
33,762,074	72,570,015
11,435,939	27,675,646
<b>5,599,465,486</b>	<b>6,800,304,448</b>

<b>9,605,199,628</b>	<b>11,441,284,869</b>
168,810,370	362,850,073
114,359,391	276,756,459
<b>9,322,029,866</b>	<b>10,801,678,337</b>
6,160,456,006	8,482,381,843
671,105,946	1,417,236,750
<b>14,811,379,926</b>	<b>17,866,823,431</b>

28 NOV 2022

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28 NOV 2022

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Managing Director & CEO  
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11.4 Reconciliation of effective tax rate

30.09.2022		30.09.2021	
%	Taka	%	Taka
	9,605,199,628		11,441,284,869
37.50%	3,601,949,860	37%	4,290,481,826

Factors affecting the tax charge for current year:

Non deductible expenses	23.99%	2,310,171,002.00	25.73%	3,180,893,191.00
Tax exempt income	-2.55%	(251,664,730.00)	-4.96%	(531,463,781.00)
Tax savings from reduced tax rates	-1.30%	(60,990,646.00)	-0.18%	(139,606,789.00)
	58.30%	5,599,465,486	59.44%	6,800,304,447

11(a) Consolidated other liabilities

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
Inter-company balances  
Total

132,000,209,493	120,327,845,671
5,127,120,804	5,369,728,188
429,606,074	432,214,682
(5,019,999,638)	(5,157,925,618)
<b>132,536,936,733</b>	<b>120,971,862,923</b>

28 NOV 2022

*Nasimul Baten*

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

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Head Office, Dhaka



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Head Office, Dhaka.

## 12 Share capital

### 12.1 Authorized capital

The authorized capital of the Bank is Tk. 20,000,000,000 divided into 2,000,000,000 ordinary shares of Tk. 10 each.

### 12.2 Brief history of raising of Paid up capital

Paid-up Capital of the Bank at the end of 3rd quarter ended 30 September 2022 is Tk. 16,099,906,680 divided into 1,609,990,668 ordinary shares of Tk. 10 each.

No. of shares allotted	Date of issue	Face Value	Total allotted Shares (Cumulative Figure)	Total Paid-up Capital (Cumulative Figure)	Particulars
500	13.03.1983	1,000	500	500,000	Initial Capital
9,000	23.03.1983	1,000	9,500	9,500,000	Sponsors subscription
2,500	23.03.1983	1,000	12,000	12,000,000	Local Placement Holders subscription
56,000	23.03.1983	1,000	68,000	68,000,000	Foreign Placement Holders subscription
4,000	10.04.1984	1,000	72,000	72,000,000	Subscribed Bangladesh Bank on behalf of the Government of the Peoples Republic of Bangladesh 10.04.1984 as per approval of the Controller of Capital Issues dated 14.03.1983
8,000	22.08.1985	1,000	80,000	80,000,000	IPO subscription on 22.08.1985
80,000	12.03.1990	1,000	160,000	160,000,000	1 <sup>st</sup> Rights -1989 (1R:1)
160,000	06.10.1996	1,000	320,000	320,000,000	2 <sup>nd</sup> Rights -1996 (1R:1)
320,000	01.03.2001	1,000	640,000	640,000,000	3 <sup>rd</sup> Rights 2000 (1R:1)
1,280,000	08.11.2003	1,000	1,920,000	1,920,000,000	4 <sup>th</sup> Rights 2003 (2R:1)
384,000	27.10.2004	1,000	2,304,000	2,304,000,000	Bonus - 2003 (1R:5) - Stock Dividend @20%
460,800	17.11.2005	1,000	2,764,800	2,764,800,000	Bonus -2004 (1R:5) - Stock Dividend @20%
691,200	17.10.2006	1,000	3,456,000	3,456,000,000	Bonus -2005 (1R:4) - Stock Dividend @25%
345,600	30.10.2007	1,000	3,801,600	3,801,600,000	Bonus -2006 (1R:10) - Stock Dividend @10%
950,400	30.09.2008	1,000	4,752,000	4,752,000,000	Bonus - 2007 (1R:4) - Stock Dividend @25%
	30.11.2008	100	47,520,000	4,752,000,000	IBBL Shares have been changed from Tk.1,000/- to Tk.100/- with a market lot of 10 shares with effect from 30.11.2008
14,256,000	15.09.2009	100	61,776,000	6,177,600,000	Bonus - 2008 (3R:10) - Stock Dividend @30%
12,355,200	02.06.2010	100	74,131,200	7,413,120,000	Bonus 2009 (1R:5) - Stock Dividend @20%
25,945,920	25.05.2011	100	100,077,120	10,007,712,000	Bonus 2010 (35R:100) - Stock Dividend @35%
	04.12.2011	10	1,000,771,200	10,007,712,000	IBBL Shares have been changed from Tk.100/- to Tk.10/- with a market lot of 100 shares with effect from 04.12.2011
250,192,800	27.05.2012	10	1,250,964,000	12,509,640,000	Bonus - 2011 (1R:4) - Stock Dividend @25%
212,663,880	30.05.2013	10	1,463,627,880	14,636,278,800	Bonus - 2012 (17R:100) - Stock Dividend @17%
146,362,788	05.06.2014	10	1,609,990,668	16,099,906,680	Bonus - 2013 (10R:100) - Stock Dividend @10%
<b>Total</b>			<b>1,609,990,668</b>	<b>16,099,906,680</b>	

### 13.0 Capital adequacy as per Basel - III

The Calculation of Capital to Risk-weighted Asset Ratio (CRAR) of the Bank has been done as per the revised Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III) issued by Bangladesh Bank vide BRPD Circular No. 18 dated 21.12.2014.

### 14.0 Statutory reserve

Opening balance  
Add: Addition made this period/year  
Closing balance

30 September 2022 Taka	31 December 2021 Taka
20,735,466,258	19,735,466,258
-	1,000,000,000
<b>20,735,466,258</b>	<b>20,735,466,258</b>

### 15.0 Other reserves

General reserve  
Assets revaluation reserve  
Revaluation reserve of securities  
Translation reserve  
Share premium  
Dividend equalization account

16,866,067,836	16,866,067,837
9,028,271,418	9,071,295,675
274,320,000	126,950,400
34,792,040	17,627,126
1,989,633	1,989,633
32,000,000	32,000,000
<b>26,237,440,927</b>	<b>26,115,930,671</b>

### 16.0 Investment income

Income from general investment  
Profit on deposits with other banks & financial institutions  
Total

01 January to 30 September 2022	01 January to 30 September 2021
58,850,975,862	50,371,390,512
4,263,526,603	2,342,085,799
<b>63,114,502,465</b>	<b>52,713,476,311</b>

### 16(a) Consolidated investment income

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
Inter-company transactions  
Total

63,114,502,465	52,713,476,311
63,114,502,465	52,713,476,311

28 NOV 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

M. Asimul Haque  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

J. O. Habibullah, FCS  
Chartered Accountant  
Secretary  
Islami Bank Bangladesh Limited  
Dhaka.

28 NOV 2022  
Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**17.0 Commission, exchange & brokerage income**

Commission income  
Exchange income  
**Total**

01 January to 30 September 2022	01 January to 30 September 2021
3,855,314,460	3,166,306,711
2,760,333,853	1,565,786,520
<b>6,615,648,313</b>	<b>4,732,093,231</b>

**17(a) Consolidated commission, exchange & brokerage income**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Total**

6,615,648,313	4,732,093,231
33,309,050	48,104,874
<b>6,648,957,363</b>	<b>4,780,198,105</b>

**18.0 Rent, taxes, insurances, electricity etc.**

Rent, rates and taxes  
Insurance  
Electricity and lighting  
**Total**

718,998,992	657,455,083
745,014,892	628,882,931
323,005,969	272,690,131
<b>1,787,019,853</b>	<b>1,559,028,145</b>

**18(a) Consolidated rent, taxes, insurances, electricity etc.**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Total**

1,787,019,853	1,559,028,145
5,427,876	4,172,229
-	97,956
<b>1,792,447,729</b>	<b>1,563,298,330</b>

**19.0 Postage, stamps, telecommunications etc.**

Telephone  
Postage & stamps  
Fax & internet  
**Total**

78,205,422	56,694,846
48,204,498	37,068,283
9,603,513	7,469,989
<b>136,013,434</b>	<b>101,233,118</b>

**19(a) Consolidated postage, stamps and telecommunication etc.**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Total**

136,013,434	101,233,118
277,482	186,278
172,932	218,808
<b>136,463,848</b>	<b>101,638,204</b>

**20.0 Stationery, printing and advertisement etc.**

Paper & table stationery  
Printing and stationery (registers and forms)  
Advertisement & publicity  
**Total**

38,100,941	34,273,599
18,067,614	13,808,480
106,864,815	60,772,126
<b>163,033,370</b>	<b>108,854,205</b>

**20(a) Consolidated stationery, printing and advertisement etc.**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Total**

163,033,370	108,854,205
194,993	228,919
48,212	451,202
<b>163,276,575</b>	<b>109,534,326</b>

**21.0 Depreciation/amortization and repair to bank's assets**

Depreciation/amortization  
Repair of bank's properties/assets  
**Total**

920,257,368	746,349,232
187,641,992	215,550,763
<b>1,107,899,360</b>	<b>962,499,995</b>

**21(a) Consolidated depreciation/amortization and repair to bank's assets**

Islami Bank Bangladesh Limited  
Islami Bank Securities Limited  
Islami Bank Capital Management Limited  
**Total**

1,107,899,360	962,499,995
3,743,227	1,208,917
1,558,912	1,192,567
<b>1,113,201,499</b>	<b>964,901,479</b>

28 NOV 2022

*Nasimul Baten*  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

*Md. Ashraful Haque, FCA*  
Md. Ashraful Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

28 NOV 2022

*J. Q. M. Habibullah, FCS*  
J. Q. M. Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



28 NOV 2022

*Mohammed Monirul Molla*  
Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

## 22.0 Net Assets Value (NAV)

- a) Net Assets of the Bank  
Weighted average number of ordinary share during the period  
**Net Assets Value (NAV) per share of the Bank**
- b) Consolidated Net Assets  
Weighted average number of ordinary share during the period  
**Consolidated Net Assets Value (NAV) per share**

30 September 2022 Taka	31 December 2021 Taka
66,636,475,676	64,561,294,277
1,609,990,668	1,609,990,668
<b>41.39</b>	<b>40.10</b>

68,070,180,583	65,726,661,349
1,609,990,668	1,609,990,668
<b>42.28</b>	<b>40.82</b>

01 January to 30 September 2022 Taka	01 January to 30 September 2021 Taka
--	--

## 23.0 Earnings Per Share (EPS)

- a) Earnings per share of the Bank

Attributable profit for the period  
Weighted average number of ordinary share during the period  
**Basic earnings per share (EPS) of the Bank**

4,101,976,298	3,623,788,136
1,609,990,668	1,609,990,668
<b>2.55</b>	<b>2.25</b>

Diluted earnings per share is not applicable since there is no possibility of dilution of shares during the year/period.

- b) Consolidated earnings per share

Attributable profit for distribution to shareholders of IBBL for the period  
Weighted average number of ordinary share during the period  
**Consolidated basic earnings per share (EPS)**

4,370,274,133	4,296,063,713
1,609,990,668	1,609,990,668
<b>2.71</b>	<b>2.67</b>

## 24.0 Net Operating Cash Flow Per Share (NOCFPS)

- a) Net Operating Cash Flow Per Share (NOCFPS) of the Bank

Net cash flows from operating activities  
Weighted average number of ordinary share during the period  
**Net Operating Cash Flow Per Share (NOCFPS) of the Bank**

(72,546,372,840)	92,301,868,931
1,609,990,668	1,609,990,668
<b>(45.06)</b>	<b>57.33</b>

- b) Consolidated-Net Operating Cash Flow Per Share (NOCFPS)

Consolidated -Net cash flows from operating activities  
Weighted average number of ordinary share during the period  
**Consolidated-Net Operating Cash Flow Per Share (NOCFPS)**

(72,052,351,908)	93,586,268,489
1,609,990,668	1,609,990,668
<b>(44.75)</b>	<b>58.13</b>

The Net Operating Cash Flow Per Share (NOCFPS) on solo basis has significantly decreased by Tk.102.39 than that of previous period mainly due to net cash outflows against investment disburse to customers Tk.194,343.82 million, other assets 11,061.45 million, deposit from other bank Tk. 1,509.88 million and decrease of deposit mobilization from customers Tk. 228.67 million. On the other hand, net cash inflows against placement from other bank Tk. 40,497.94 million and other liabilities Tk. 1,948.87 million during the period i.e. 01 January 2022 to 30 September 2022. However, the cash & cash equivalents balance of the bank is Tk. 242,576.41 million as on 30 September 2022.

**Note:** The reconciliation of net profit with cash flows from operating activities has been presented at Annexure- A.

## 25.0 Consolidated Segment Reporting

The consolidated segment reporting has been shown in Annexure-B.

28 NOV 2022

*Nasimul Baten*

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

Md. Ashrafin Haque, FCA  
EVP, Head of FAD & CFO  
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FAD, Head Office, Dhaka.

28 NOV 2022

J Q M Habibuillah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



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Mohammed Monirul Moul  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**Islami Bank Bangladesh Limited**  
**Reconciliation of Net Profit with Cash Flows from Operating Activities**  
**For the 3rd Quarter ended 30 September 2022**

Amount in Taka

	01 January to 30 September 2022	01 January to 30 September 2021
<b>Profit before tax as per profit and loss accounts</b>	<b>9,605,199,628</b>	<b>8,598,095,249</b>
<b>Adjustment for non cash items</b>		
Provision for investments & off- balance sheet exposures	4,221,590,000	3,422,290,000
Provision for diminution in value of investments in shares	188,236,734	-
Other provisions	(68,623,431)	94,060,508
Depreciation of property plant & equipment	920,257,368	746,949,232
Foreign exchange gain/(Loss)	17,164,914	10,884,889
Profit on sale of the fixed assets	8,476,578	541,067
	<b>5,287,102,162</b>	<b>4,274,725,696</b>
<b>Increase/decrease in operating assets &amp; liabilities</b>		
Investments to customers	(253,504,154,192)	(59,160,331,989)
Other assets	(8,687,875,319)	2,373,576,435
Placement from other banks	26,714,152,658	(13,783,793,312)
Deposits from other banks	(974,762,273)	535,017,660
Deposits received from customers	147,600,605,417	147,829,275,458
Other liabilities	6,913,562,044	7,017,484,449
Income tax paid	(5,500,202,967)	(5,382,180,715)
	<b>(87,438,674,630)</b>	<b>79,429,047,986</b>
<b>Cash flows from operating activities as per cash flow statement</b>	<b>(72,546,372,840)</b>	<b>92,301,868,931</b>

28 NOV 2022



**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.

28 NOV 2022

**Md. Ashraf Haque, FCA**  
 EVP, Head of FAD & CFO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

28 NOV 2022

**J O M Habibullah, FCS**  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.



28 NOV 2022

**Mohammed Monirul Moula**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
 Head Office, Dhaka.

28 NOV 2022

Md. Ashraf Haque, FCA  
EVP Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

**Islami Bank Bangladesh Limited**  
**Consolidated segment reporting**  
**For the 3rd Quarter ended 30 September 2022**

**A. Segmental operating profit and loss**

**Annexure - B**

Particulars	(Amount in Taka)										Consolidated
	Head Office Controlled Branches	Dhaka Central Zone	Dhaka South Zone	Dhaka North Zone	Khulna Zone	Comilla Zone	Rajshahi Zone	Chittagong South Zone	Noakhali Zone	Common	
Investment Income Including Shares & Securities	23,206,560,000	7,344,300,000	980,300,000	1,959,130,000	2,153,430,000	1,031,760,000	3,460,070,000	2,026,040,000	950,710,000	22,298,811,268	65,411,101,268
Profit paid on mudaraba deposits	(3,197,730,000)	(3,032,580,000)	(1,515,320,000)	(2,476,810,000)	(1,443,040,000)	(2,662,260,000)	(1,329,280,000)	(2,042,310,000)	(2,450,370,000)	(20,188,355,097)	(40,538,055,097)
Profit received/(paid) on 18 General Account	(10,055,710,000)	(497,600,000)	1,881,860,000	2,639,770,000	1,131,770,000	4,169,810,000	(334,470,000)	2,027,640,000	3,531,100,000	14,539,890,000	-
<b>Net Investment Income</b>	<b>9,953,120,000</b>	<b>3,814,120,000</b>	<b>1,346,840,000</b>	<b>2,132,090,000</b>	<b>1,832,130,000</b>	<b>2,539,310,000</b>	<b>1,596,320,000</b>	<b>2,011,370,000</b>	<b>2,031,440,000</b>	<b>16,650,336,171</b>	<b>24,873,046,171</b>
Commission, exchange & other income	2,598,390,000	1,278,430,000	260,850,000	482,260,000	355,040,000	230,110,000	384,170,000	222,890,000	240,630,000	5,763,934,122	11,786,604,122
<b>Total operating income</b>	<b>12,551,410,000</b>	<b>5,092,550,000</b>	<b>1,607,690,000</b>	<b>2,574,350,000</b>	<b>2,187,190,000</b>	<b>2,769,430,000</b>	<b>1,980,490,000</b>	<b>2,234,260,000</b>	<b>2,272,070,000</b>	<b>22,414,270,293</b>	<b>36,659,650,293</b>
Total operating expenses	(845,340,000)	(1,043,800,000)	(737,650,000)	(990,170,000)	(851,710,000)	(783,260,000)	(741,410,000)	(803,830,000)	(774,710,000)	(15,608,713,693)	(22,337,253,693)
<b>Operating Profit for the 3rd Quarter ended 30 September 2022</b>	<b>11,706,070,000</b>	<b>4,048,750,000</b>	<b>870,040,000</b>	<b>1,584,180,000</b>	<b>1,335,480,000</b>	<b>1,986,160,000</b>	<b>1,239,080,000</b>	<b>1,428,430,000</b>	<b>1,497,360,000</b>	<b>6,805,556,600</b>	<b>14,322,396,600</b>
<b>Operating Profit for the 3rd Quarter ended 30 September 2021</b>	<b>8,805,090,000</b>	<b>3,415,610,000</b>	<b>934,960,000</b>	<b>1,597,080,000</b>	<b>1,191,480,000</b>	<b>2,032,180,000</b>	<b>620,860,000</b>	<b>1,144,400,000</b>	<b>1,599,740,000</b>	<b>9,865,249,816</b>	<b>12,673,009,816</b>

These are 18 operating segments including subsidiaries for the period ended 30 September 2022. Out of which only 9 are reportable as per IFRS-8 "Operating segments" Hence other non-reportable segments have been shown as under 'Common'.

**Segmental assets and liabilities**

The necessary information regarding assets and liabilities of operating segments (except subsidiaries) are not separable and individually identifiable for this purpose. For this reason the assets and liabilities of the respective segments have not been presented.

28 NOV 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



28 NOV 2022

Mohammed Monirul Moula  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



**ANNEXURE 4: CREDIT RATING REPORT OF THE ISSUE**

28 NOV 2022

  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

28 NOV 2022

28 NOV 2022

  
**Md. Ashraful Haque**  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka

28 NOV 2022  
  
**J Q M Habibullah, FCS**  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka

  
**Mohammed Monirul Moula**  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

**CREDIT RATING REPORT**  
**On**  
**IBBL FOURTH MUDARABA REDEEMABLE NON-CONVERTIBLE SUBORDINATED**  
**BOND OF TK. 8,000.00 MILLION**  
**REPORT: RR/54237/22**

*This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. The rating will be valid for one year from the date of declaration. After the above period, the rating will not carry any validity unless the instrument goes for rating surveillance. CRISL followed Bond Rating Methodology published in CRISL website www.crislbd.com*

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Tel: 9530991-4  
Fax: 88-02-9530995  
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Tanzirul Islam  
tanzir@crislbd.com

**Analysts:**  
Md. Anwar Hossain  
anwar@crislbd.com

Sujon Mia  
sujon@crislbd.com

**Issue Rating:**  
AA+ (Indicative)

**IBBL FOURTH  
MUDARABA  
REDEEMABLE NON-  
CONVERTIBLE  
SUBORDINATED BOND  
OF TK. 8,000.00  
MILLION**

**Issuance Amount:**  
Tk. 8,000.00 million

**Trustee:**  
Bangladesh General  
Insurance Company  
Limited

**Profit Rate:**  
The average of most  
recent month's published  
highest Mudaraba Term  
Deposit profit rates in 6  
months tenor of all Islami  
Banks plus an additional  
profit rate of 2.00% per  
annum to be paid semi-  
annually.

**Placement Process:**  
Private

**Listing:** 28 NOV 2022  
Non-listed

**Nasimul Baten**  
Managing Director & CEO  
IBBL Finance PLC.

Page 1 of 16

Md. Anwarul Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

	Long Term
Issue Rating ( IBBL Mudaraba Subordinated Bond)	AA+(Indicative)
Date of Rating Declaration	June 23, 2022
Rating Validity	June 22, 2023

### 1.0 ISSUE RATING RATIONALE

CRISL has assigned "AA+" rating (pronounced as "Double A plus") to "IBBL Fourth Mudaraba Redeemable Non-Convertible Subordinated Bond of Tk.8,000.00 Million" of Islami Bank Bangladesh Limited. The above rating reflects fundamentals of the issue as well as of the issuer that include attractive profit rate, sound investment profile and diversified business mix of the issuer, issuer's cash flow supporting regular profit payment as well as principal payment etc. However, the above factors are constrained, to some extent, by the feature of the bond which inter alia includes the nature of the bond being unsecured and non-convertible debt instrument, subordination to depositors and other bank liabilities, ensuring effective utilization of bond fund and earning higher profit compared to profit rate, market risk due to restriction on reciprocal holdings etc.

Bonds rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

### 2.0 ISSUE FEATURE: SUBORDINATED INSTRUMENT (Tier II Bond)

Islami Bank Bangladesh Limited (IBBL), the first Islamic Shari'ah based private commercial bank, issued 'IBBL Fourth Mudaraba Redeemable Non-Convertible Subordinated Bond of TK. 8,000.00 Million' (hereinafter referred to as "Bond" or "the issue"), with a tenure of 7 years. The bank issued the same through private placement to potential investors like large private corporate bodies and banks to strengthen the Tier-2 capital base as per Bangladesh Bank directive. The bond is unsecured, redeemable, and non-convertible in nature. The total profit on the Bonds will be calculated by the average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of all Islami Banks plus an additional profit rate of 2.00% per annum to be paid semi-annually. IBBL has regularly paid profit on a semi-annually basis from the date of issue. The principal amount will be redeemed at par in 5 equal annual instalments (Tk.1,600.00 million) starting from end of 3<sup>rd</sup> year from the subscription closing date/deemed date of allotment and each 12 months from thereafter at 20% of the bond value. The issue has been proposed to be transferable but will not be listed with any bourses. The Standard Chartered Bank, Dhaka Branch acted as a mandated lead arranger of this issue and Bangladesh General Insurance Company Limited will be the trustee.

### 3.0 ISSUER SUMMARY-ISLAMI BANK BANGLADESH LIMITED

Islami Bank Bangladesh Limited, the first Islamic Shari'ah based private commercial bank in the South-East Asian region, was incorporated on 13 March, 1983 as a public limited company under the Companies Act 1993 amended at 1994 and operated under the Bank Company Act 1991. The bank was sponsored by few local and foreign corporate bodies, foreign individuals and a group of local businessmen with a paid up capital of Tk.72.00 million and started commercial operations on March 30, 1983. The bank went into Initial Public Offering (IPO) in 1985. The bank is now operating with a paid up capital of Tk.16,099.91 million against an authorized capital of Tk.20,000.00 million as on December 31, 2021. The bank started with the vision to always strive to achieve superior financial performance, be considered as a leading Islamic Bank by reputation and performance. The bank is the pioneer of introducing Islamic banking concept in Bangladesh and created a strong brand image by offering Shari'ah

J Q M Habibullah, FCS  
AMD & Company Secretary  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.

Mohammed Monirul Molla  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
Head Office, Dhaka.



## CREDIT RATING REPORT

### On

## IBBL FOURTH MUDARABA REDEEMABLE NON-CONVERTIBLE SUBORDINATED BOND OF TK. 8,000.00 MILLION

Wide operational network

based investment and deposit products. The bank is also the pioneer in the country in issuing the first ever Mudaraba Perpetual Bond in the secondary market worth of Tk.3.00 billion in 2007. Since its listing, the shares of the bank have been trading with both the bourses as 'A' category. The asset size of the bank (consolidated) stood at Tk.1,636.67 billion at YE2021 against at Tk.1,417.62 billion at YE2020 and general investment stood at Tk.1,186.17 billion at YE2021 against Tk.1,030.59 billion at YE2020. The principal activities of the bank are to offer a wide range of shari'ah based banking products and services to its customers through its Head Office in Dhaka, 16 Zonal Offices, 384 Branches including 70 Authorized Dealer (AD) Branches, 219 Sub Branches and 3 Off-shore Banking Units (OBUs) in Bangladesh. Moreover, it has strong ATM network with more than 13,000 shared ATM booths, 1,860 own ATM and 687 CRM, 126 IDM, & 2,687 Agent Banking outlets throughout the country. The bank has 633 foreign correspondents throughout the world to support international trade. IBBL has two fully owned subsidiary companies namely 'Islami Bank Securities Ltd.', 'Islami Bank Capital Management Ltd. In 2021, The Bank was recognized as sustainable bank in the Sustainability Ranking by Bangladesh Bank, Tax Card Award, Gold Award in Remittance, GIFA Global Islamic Finance Award etc.

Mohammad Nazmul Hassan, is the present Chairman of the Board of Directors. The Management team consists of a group of highly experienced banking professionals and is headed by Mr. Mohammed Monirul Moula as the Managing Director & CEO. The Head Office of the bank is located at its own premises at Islami Bank Tower (18 storied building), 40, Dilkusha Commercial Area, Dhaka-1000.

#### 4.0 THE ISSUE OF SUB-ORDINATION

Unsecured Mudaraba  
Subordinated Bond

The type of bond issued is called Mudaraba Subordinated Bond. The subordination in its normal sense means that the issue is ranked as sub-ordinated to all liabilities of the bank except the liability towards equity holders. Given its subordination clause, it will not carry any security of preferential repayment. However, in case of a worse scenario of bank liquidation, it will have the priority over and above the equity holders. As a consequence, the above bond rating will be based on the inherent strength of the equity.

#### 5.0 TRUSTEE

##### 5.1 Background of Trustee

Trustee Rating AA-

Bangladesh General Insurance Company Limited (BGIC), is one of the first general insurance company in Bangladesh in the private sector providing all classes of insurance in Bangladesh, will be the Trustee of IBBL Fourth Mudaraba Redeemable Non-Convertible Subordinated Bond of Tk.8,000.00 million. BGIC was incorporated as a public limited company on November 01, 1984 and obtained the certificate of commencement of business as on July 29, 1985 under the Companies Act 1913 which was amended in 1994. BGIC has already emerged as a viable and very promising general insurance company in the country. As of May 31, 2022, the paid-up capital stood at Tk.540.27 million against the authorized capital of Tk.1,000.00 million. The shareholding structure revealed that 38.27% held by Sponsors/Directors, 32.88% by general public and rest 28.85% by institutions as on May 31, 2022. The shares of the company have been trading with both the bourses as 'A' category. In YE2020, the company earned a net profit after tax of Tk.101.88 million. Currently, the company has "AA-" rating in the Long Term and ST-2 rating in Short Term. The Head office of BGIC is located at 42, Dilkusha C/A Motijheel, Dhaka-1000. In order to empower the trustee, the draft Trust Deed sets out the rights of the Bondholders and the responsibilities of the Trustee. However, a trust deed between BGIC and IBBL is yet to be finalized.

##### 5.2 Powers, Duties and Rights of Trustee

- Subject to applicable law and terms and conditions of this Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;
- Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any

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breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

- Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide a copy to the Issuer and the Bondholders;
- Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for a redress of grievances of the Bondholders within one month of the date of receipt of the complaints, and he shall keep the BSEC, and the Issuer informed about the number, nature, and other particulars of the complaints received and the manner in which such complaints have been redressed;
- The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;
- The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Mudaraba Bond Certificate to the Bondholders;
- The Trustee shall determine Applicable Profit Rate in accordance with Condition of the Bond;
- The Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;
- Save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable;
- Save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof; and
- The Trustee may sue and may be sued on behalf of the Bondholders.

**5.3 Covenants of Event of Default**

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 66<sup>2</sup>/<sub>3</sub> percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the holders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount and any accrued profit (due and unpaid) if:

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**Mohammed Monirul Molla**  
President and CEO  
Credit Rating Information and Services Ltd.  
Managing Director & CEO  
Islami Bank Bangladesh Limited  
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- A default is made in the payment of any principal or in the payment of any profit due remain unpaid for sixty days from the due date in respect of the Bonds;
- The Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 90 days after written notice of such default shall have been given to the Issuer by the Trustee;
- Any representation or statement made or deemed to be made by the Issuer in any Bond Document or any other document delivered by or on behalf of the Issuer under or in connection with any Bond Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- The Issuer is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend the payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts of the Issuer; an administrator or liquidator of the Issuer is appointed (or application for any such appointment is made);
- An order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders;
- By or under the authority of any government or of the Bangladesh Bank (as the case may be) (a) the management of the Issuer is wholly or partially displaced, or (b) the authority of the Issuer in the conduct of its business is wholly or partially curtailed; or (c) any of the Shares of the Issuer or any material part of its assets is seized, nationalized, expropriated or acquired;
- It rescinds or purports to rescind or repudiates or purports to repudiate a Bond Document or evidences an intention to rescind or repudiate a Bond Document;
- It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;
- Any event or circumstance (or any series of events or circumstances) occurs which the Trustee reasonably believes might have a Material Adverse Effect; or

**5.4 Rights of the Bondholders**

- Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed
- Each Bondholder has the right to receive payment of principal amount on the Redemption Date ;
- Each Bondholder has the right to received profit on the Bond on the Profit Payment Date;
- Each Bondholder has the right to attend meeting of the Bondholders and vote;

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**6.0 MARKET ASPECTS OF ISSUING THE BOND**

The Bangladesh bond market is still in its infancy. One of the main functions of a bond market is to provide long-term finance by creating alternative sources of finance through the capital market. From the investor's point of view, the main purpose of the bond market is to provide a stable source of income to the investors against the volatile capital market. The Bangladesh capital market is yet to be developed as the required platform to create such a bond market is absent. Besides, the investors are more interested in short term gains instead of waiting for a stable return. However, the introduction of Basel III may create a new avenue among the bankers to issue bonds under Tier-1 & Tier-2 capital to support its capital requirement. Bangladesh Bank already circulated the issue principles of the above bonds. Bangladesh Bank has fix-up the maximum deposit rate at 6%, which create the demand of bond due to its higher return.

International bond issuances from Asia amounted to USD 575 billion in 2020. Before 2010, Japan and South Korea were the most active issuer countries, with relatively small international issuance from each country in the rest of Asia. Since 2010 there has been significant increase in issuance volume from China (including Hong Kong), ASEAN and India. During the recent period of uncertainty, the domestic investor base in emerging Asian markets played an important role in supporting local currency (LCY) bond markets. During the pandemic, a number of markets have seen increased ownership of bonds by domestic financial institutions, particularly banks, highlighting the importance of further broadening the domestic investor base. The corporate bond market in Bangladesh is almost non-existent, with only three bonds listed in the prime bourse at present namely APSCL (Ashuganj Power Stations Company Ltd.); Non-Convertible and fully redeemable coupon bearing bond of Tk.6000.00 million, being getting the permission from Bangladesh Security and Exchange Commission (BSEC) in the year 2020. Another listed bond is IBBL Mudaraba Perpetual Bond (first perpetual Shariah based instrument); worth of Tk.3000.00 million and getting the permission from BSEC in the year 2007. Finally, IBBL Mudaraba perpetual bond; worth of Tk.8,000.00 million and getting the permission from BSEC

So far, a good number of commercial banks have issued a subordinated bond. Countries' first subordinated bond is issued by The Brac Bank Ltd. worth of Tk. 3000.00 million (Tk. 2700.00 million from the private placement and remaining Tk.300.00 from public Subscription), is getting the first permission from BSEC in the year 2010, to strengthen their additional Tier-2 capital base. A subordinated bond is a debt security. It is referred to as subordinate because debt providers (lenders) have a subordinate status concerning the normal debt. It is also known as a subordinated loan, debenture, or junior debt that carries a lower-priority claim on the issuer's income or assets than that of other debt.

A few of the banks also declared to issue bonds under Tier-1. The market analysts are also hopeful that such an issue will boost the other banks in issuing Tier-I bonds because the subscribers will earn a stable return from the Tier-1 bond in the face of the existing volatility of the capital market. CRISL, however, views that a good number of mutual funds and other FIs may include the bond in their portfolio for risk minimization through asset diversification. Due to the increase of the Asset Management Companies, they will be very much interested to add Tier-I bonds in their portfolio as Fixed Income Securities.

Perpetual bonds of banks often yield a higher rate than the interest on fixed deposits. The City Bank Ltd. and The Jamuna Bank Ltd. (both have been getting the first permission from BSEC) as well as One Bank and the Mutual Trust Bank's as non-shariah based instruments in the year 2020 for issuing of Tk.400 crore each to strengthen their additional Tier 1 capital base. Only a few banks are going to issue perpetual bonds to meet their long-term capital requirements as well as strengthen the Tier 1 capital base. Like other bonds, even perpetual bonds come attached with the risk of liquidity, credit risk, and interest rate risk. If you are to invest in perpetual bonds, then you have to keep in mind these aspects.

Unlike fixed deposits, perpetual bonds have no guarantee even though they are issued by banks. If a bank's capital dips below certain thresholds due to bad assets, they can skip interest payments on these bonds and even write-down their value. This makes them a lot

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closer to equity than debt. Investors should not become complacent simply because the issuer is a public sector bank.

Non-listing would carry on bank dependency for subscription to the perpetual bonds as the diversified classes of investors have a bare hunger for perpetual bonds without a smooth exit route that the secondary market offers in stock exchanges. Hence, the ongoing issuance of the new perpetual bonds would not help in building a long-sought vibrant bond market

However, the BSEC in its quickest response made listing mandatory for bank-issued perpetual bonds and that will help uphold the idea of banking industry's capitalization alongside creating a secondary bond market.

The central bank guideline, on the other hand, has kept some scope for issuers to call the debt securities after a decade in case of a significant deviation in interest rate between the bond and market rate at that time or some other acceptable reasons.

Under Basel II directive subordinated debt was limited to 30% of Tier-1 capital. But as per Basel III does not give any restriction on raising subordinated debt although Tier-2 capital can be admitted a maximum of up-to 4% of risk weighted asset or 88.89% of common equity Tier-1 capital whichever is higher. This will allow the banks to further extend the capital base through issuing subordinated debt. However, 13% rate of return of the National Savings certificate and the current level of inflation in the market may create a challenge for issuing a subordinated bond.

As per the Global Infrastructure Hub report, Bangladesh needs \$608 billion of investment in infrastructure sectors - water, electricity, telecom, ports, airports, rail, and road - from 2016 to 2040. However, current trends indicate \$417 billion of investment is possible in the aforementioned sectors, thereby leaving a gap of \$192 billion in investments in the period 2016-2040. This gap in the top three sectors, power, telecom, and water sectors, is \$100 billion, \$41 billion, and \$40 billion respectively.

These projects are mostly financed through the government's own fund and multilateral and bilateral funding agencies. But if the government can develop a framework for meeting the funding gap of those projects by issuing long term infrastructure bonds, a new asset class can be created. This might also attract foreign portfolio investments which specialize in infrastructure finances. A new category of mutual funds can be created in the country, which will invest in that type of bond. Considering the current interest rate scenario and the current state of capital market, the bond market can emerge as a knight. Banks, NBFIs and Merchant banks can enhance their fee-based income by working on bond issuances and cover for the losses they are likely to suffer from the lower interest rate in the market and the loss suffered in the capital market.

The Bangladesh bond market has been inactive over the years on account of several issues that have acted as barriers for issuers and investors alike. From the issuer's point of view, the cost of issuance of bonds in Bangladesh is significantly high (1.5%-2% of the total issuance value as compared to approximately 0.2% cost of issuance of bonds in India). Besides, there is an absence of tax benefits or other incentives for the issuers raising funds via the issuance of debt securities. According to The Income Tax Ordinance 1984, any income derived from zero-coupon bonds by a person other than a bank, an insurance company, or a financial institution is exempted from tax. The tax benefit is only applicable if the zero-coupon bond (if issued by the banks, financial institutions, and other companies) is approved by BSEC or Bangladesh Bank.

The regulators lack the necessary infrastructure to perform due diligence of the application received from the issuers. As a result, it takes six months to one year for the issuer to issue bonds. This acts as a major barrier for a project developer who wants to raise funds via the bond market in a short time. Due to the lack of availability of long-term financing options, the project developers either avail funds through bridge financing or avail long-term financing from NBFIs and banks at interest rates of 15% to 18%, which substantially increases the overall project cost. The long-term debt market has witnessed a lack of participation from

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institutional investors as well as individual investors. Institutional investors like banks, insurance companies, and mutual funds prefer to invest in high return low-risk debt securities offered by the government instead of the low return-high risk bond market. The confidence of general investors in the private sector is still low because of the lack of regulatory regime, lack of awareness, and failure to service the interest and principal payment obligations in the past by the issuers. Furthermore, due to the lack of a benchmark yield curve, the presence of a secondary market is almost negligible. Overall, the long-term debt market is yet to emerge as an effective investment avenue to large and small investors as well as position itself as an attractive avenue for the companies to raise funds through the issuance of debt securities.

**7.0 ESTIMATED RETURN FROM MUDARABA SUBORDINATED BOND**

The investors/subscribers are likely to get good return from their investment in the Mudaraba Fourth Subordinated Bond of IBBL.

- The total profit on the Bonds will be calculated by the highest prevailing published six month's tenor Mudaraba Term Deposit profit rate of all Islami Banks plus an additional profit rate of 2.00% per annum.
- As the Mudaraba bond holder will not get any tax benefit from coupon income and effective yield from investment in bond will be unchanged. The bond will be non-convertible bond and the profit will be paid semi-annually.

**8.0 ISSUER CONSIDERATIONS**

As stated earlier, the bond is sub-ordinated to all the liabilities and will rank just above the equity holders, the factors that may influence the bond rating are the fundamentals that stands for the equity. Therefore, CRISL has reviewed the fundamentals of the IBBL as follows:

**8.1 Management Strength**

**8.1.1 Board of Directors**

The Board of IBBL consists of 20 non-executive members including 4 Independent Directors, one each from ICB and Islamic Development Bank and two from Saudi Arabia excluding the Ex-Officio Managing Director. The Board is comprised of experienced members having diverse professional experiences such as Faculty of Brown University, General Manager-cum CEO of Al-Rajhi Company for Industry and Trade, KSA; a senior Professor of Accounting in Chittagong University who is currently the Chairman of Bangladesh House Building Finance Corporation, served Bangladesh Army in different capacities, Vice Chairman of Islamic Foundation, former Deputy Managing Director of Sonali Bank Limited, former Managing Director of Bangladesh Krishi Bank, Professor of Primeasia University, former Professor of Management and Accounting of University of Chittagong, Professor of Department of International Business, Deputy Managing Director of ICB and lawyer which make it balanced while deciding and directing various issues of the bank. Among the Directors, fifteen are representatives of different institutions. The Board is currently Chaired by Mohammad Nazmul Hassan. Mr. Hassan started his career as a Lecturer in Dhaka University back in 1975. Then he completed his MS and Ph.D. with major in Development Economics and Human Nutrition. There after he was appointed as Professor, Institute of Nutrition and Food Science, University of Dhaka in 1993 and has now been holding a faculty position at Brown University, USA. The Board is involved in setting key targets for the bank and monitoring the progress, approving long term strategic plan, appointing key management personnel and adopting sufficient risk management systems to mitigate core risks of the bank. During 2021, the Board conducted 10 meetings. For smooth operation of the bank, the Board formed three committees namely Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC).

**8.1.2 Corporate Management**

The Management Committee of IBBL is headed by Mr. Mohammed Monirul Moula, Managing Director & CEO. Mr. Moula has been serving in the banking sector for around 36 years. In Management Committee, Mr. Moula is aided by two Additional Managing Directors, four

Experienced Top  
Management

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Deputy Managing Directors along with other department heads. The day-to-day banking functions are handled by these professionals having modern banking knowledge and experience. The above management team has the acumen to carry out the objectives of the bank smoothly.

**8.1.3 Shariah Supervisory Committee**

11 members Shari'ah  
Supervisory Committee

In the year 2021, the Shari'ah Supervisory Committee of IBBL is constituted of 12 members headed by Professor Dr. Mohammad Gias Uddin Talukdar, Professor, Department of Arabic, University of Chittagong. The Committee reviews different operational issues and gives independent opinion based on Islamic Shari'ah as well as provides necessary guidelines on different issues, creates awareness about the compliance of Shari'ah, suggests the bank to develop more awareness among the employees and clients about Islamic Banking and to train the employees on different aspects of Shari'ah principles. Moreover, the Committee checked the financial statements of the bank and provided separate report regarding financial statements. In compliance with Shari'ah principle, the brokerage firm of IBBL involves in trading of shares of Shari'ah compliant business.

**8.2 Financial Performance (Consolidated)**

Moderate Financial  
Performance

Overall financial performance of IBBL has been found to be moderate with declining trend in profitability indicators over last couple of years. During the year 2021, the operating profit improved mainly due to increase in commission, exchange gain by 54.76%, net investment income, growth in non-investment income (especially income from investment in other banks, commission on remote transaction, SMS charges, others. Though the operating profit improved during the period, the net profit after tax has almost remained the same from previous year due to decrease in net investment income, increase in operating, provision and tax expenses.

CRISL evaluates the financial performance in terms of Return on Average Asset (ROAA), Return on Average Equity (ROAE) and Net Profit Margin (NPM). Investment income of the bank stood at Tk.73.27 billion indicating 1.22% fall during the year 2021. Against the same, the bank paid on deposit and borrowings of Tk.44.89 billion resulting to net investment income of Tk.28.38 billion in YE2021. During the year 2021, the total operating income increased to Tk.44.04 billion against Tk.40.30 billion in the last year mainly due to increase in commission, exchange gain and other operating income. The above operating income in YE2021 revealed that 64.45% income was generated from net investment income (72.96% in YE2020), 16.66% from commission, exchange & brokerage income (11.77% in YE2020), 12.66% from other operating income (9.74% in YE2020) and rest 6.23% from investment in share and securities (5.53% in YE2020). On the other hand, the operating expenses increased significantly to Tk.26.86 billion in YE2021 against Tk.24.97 billion in YE2020 due to increase expenses in salary & allowances (by Tk.729.32 million), rent, taxes, insurances, electricity (by Tk.431.51 million), other expenses (by Tk.486.14 million included agent banking related expenses by Tk.668.21 million and ATM related expenses by Tk.516.62 million). Subsequently, the operating profit before provision increased by 12.08% to Tk.17.18 billion in YE2021 from Tk.15.33 billion in YE2020. However, increase in provision (by Tk.1.20 billion) and tax expenses, net profit has been found to be stable and stood at Tk.4.81 billion in YE2021 against Tk.4.79 billion in YE2020. Thus, the profitability indicators (such as ROAA, ROAE and NPM) slightly decreased during the year 2021 as the growth in net income was lower than the growth of average asset, equity and investment income. The overall financial indicators have been found to be moderate with declining trend since 2018. The Return on Average Assets (ROAA) stood at 0.31% and Return on Average Equity (ROAE) at 7.49% during the period. Net Profit Margin (NPM) stood at 2.39% in YE2021 against 2.85% of previous year.

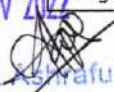
Overall operating efficiency of IBBL has been found to be moderate due to high efficiency ratio. The operating efficiency is reviewed in terms of operating income, operating expenses, cost-to-income ratio and yield per Tk.100 staff cost. Operating income of the bank rose to Tk.44.04 billion during the year 2021 from Tk.40.30 billion during the year 2020 indicating 9.27% growth. Operating expense of the bank increased significantly to Tk.26.88 billion during the year 2021 from Tk.24.97 billion during 2020. As the growth of operating income (9.27%) was higher than the growth of operating expenses (7.55%), efficiency ratio

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decreased slightly to 60.99% in 2021 from 61.97% in 2020 which was still high. Yield per 100 Taka Staff cost increased to Tk.98.94 in 2021 against Tk.92.15 in 2020.

On further analysis, CRISL found that as per the 1<sup>st</sup> quarter unaudited financial statements of 2022, IBBL's net profit after tax increased to Tk.836.79 million against Tk.731.37 million in the 1<sup>st</sup> quarter of 2021 indicating 14.41% growth due to increase in commission, exchange & brokerage income and other operating income. During 1<sup>st</sup> quarter of 2022, the net loan/investment income of the bank increased to Tk.18,701.87 million, the total operating income rose to Tk.11,380.40 million indicating 14.69% of growth compared to the same period in last year.

Moreover, the total loan/investments of the bank increased to Tk.1,188.27 billion as on March 31, 2022 from Tk.1,186.17 billion in YE2021. As of March 31, 2022, the total deposit base of the bank increased to Tk.1,410.57 billion from Tk.1,380.85 billion in December 31, 2021 representing 2.15% growth.

**8.3 Asset Quality (Stand Alone)**

The consolidated assets of IBBL stood at Tk.1,636.67 billion in 2021 against Tk.1,417.62 billion in 2020 representing 15.45% growth during the period. The above assets base has been financed by insider liabilities (Shareholders' equity) of 4.02% and outsider liabilities of 95.98% (Outsider liabilities comprised of 84.37% deposit, 11.61% other liabilities) as on December 31, 2021.

Total general investments of the bank increased to Tk.1,191.17 billion in YE2021 against Tk.1,035.29 billion in YE2020 indicating 15.06% growth. The bank has substantial non-performing investment (NPI) in its portfolio which stood at Tk.39.38 billion as on December 31, 2021 against Tk.35.26 billion as on December 31, 2020. The above was mainly due to significant injection of fresh NPI (Tk.24.93 billion during 2021). However, the above increase was offset by reduction (rescheduled assets, recovery) of Tk.20.80 billion during 2021. During the year 2021, the NPI consisted of 22.90% (YE2020; 18%) under substandard, 12.64% (YE2020; 7.90%) under doubtful and remaining 64.46% (YE2020; 74.10%) under bad/loss investment which reflects some NPI moved to doubtful category. Gross NPI ratio of the bank stood at 3.31% in YE2021 against 3.41% in YE2020. Top 20 default clients held 30.37% total classified investment (Tk.11.96 billion) as on December 31, 2021. The bank has recovered Tk.2.32 billion against classified loan during the year 2021. The bank has no written off during the 2021 and the recovered Tk.93.36 million from written-off investment. CRISL reviews the performance of IBBL over the last couple of the years and revealed that, the bank has conducted significant rescheduled assets and pressurized by fresh NPI with lower recovery performance.

The bank is continuing its focus on trade finance and textile sector and investment increased mainly in trade & commerce, agro-based industries, steel re-rolling, real estate, textile & garments, food & beverage etc. The sectoral portfolio reveals that 31.69% investment was in trade finance followed by 17.99% in agro-based industries, 16.46% in textile & garments, 6.57% in real estate, 5.69% in iron & steel engineering, 2.99% in agricultural sector and rest are segregated to other general investment. During the year 2021, the Bank disbursed maximum investment to Dhaka Division 46.34% (YE2020; 51.29%) followed by Chattogram Division 31.81% (YE2020; 28.06%), Rajshahi Division 9.21% (YE2020; 7.89%), Khulna Division 5.51% (YE2020; 5.79%), Rangpur Division 3.11% (YE2020; 3.00%), Sylhet Division 1.34% (YE2020; 1.48%), Barisal Division 1.32% (YE2020; 1.34%) and Mymensingh Division 1.36% (YE2020; 1.15%). The bank holds significant investment in Dhaka and Chattogram division due to business localization.

The bank's large investment exposure stood at Tk.449.27 billion (funded Tk.287.61 billion and non-funded of Tk.161.65 billion) against 30 clients and 37.87% of total exposure at the YE2021; whereas the same was Tk.292.82 billion (28.41% of total exposure) at the 2020. All large investment exposures are in unclassified. Major contributory sectors in the large investment exposure are textile, RMG, edible oil, sugar and oil refining sectors. Top 20 borrowers held 17.08% total investment and all of them are unclassified.

Moderate asset quality

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 Considerable rescheduled  
assets

Total rescheduled investment of the bank stood at Tk. Tk.17.30 billion (1.40% of total investment) in 2021 against Tk.133.45 billion in 2020. During the year 2021, IBBL recovered after rescheduling of Tk.0.78 billion against the total rescheduled investment of Tk.17.30 billion which represents 5% recovery rate. However, cash recovery of rescheduled investment is not satisfactory. The stress assets of the bank stood at 4.76% of total investment.

**8.4 Liquidity Position**

Good liquidity

The overall liquidity of IBBL has been found to be good during 2021. IBBL is continuing with a good liquid assets portfolio in the balance sheet which includes government securities, balance in hand and other banks etc. IBBL has been maintaining Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR) in line with Bangladesh Bank requirement. The CRR and SLR requirement amounted to Tk.53.36 billion and Tk.73.85 billion respectively as on December 31, 2021 against which IBBL maintained of Tk.219.89 billion and Tk.266.43 billion respectively. The bank kept surplus of Tk.166.52 billion and Tk.192.58 billion for CRR and SLR respectively as on December 31, 2020. The CRR and SLR of IBBL were 16.48% (required 4%) and 19.84% (required 5.50% on daily basis) at year end 2021 respectively. After certain limit of dollar reserve, IBBL has to purchase significant Bangladesh Government Islamic Investment (BGIIB) Bond as per instruction of BB. Consequently, the bank has invested in BGIIB Bond which stood at Tk.60.00 billion in YE2021 against Tk.52.00 billion in YE2020 from which the bank gets insignificant return which adversely impact on profitability. The liquid asset ratio of IBBL stood at 28.39% in 2021 against 27.49% of previous year. Investment/Loan to deposit ratio decreased to 85.90% in YE2021 against 87.42% in YE2020 due to lower growth in general investment than deposit. Liquidity Coverage Ratio (LCR) stood at 311.57% (greater than or equal to 100% is standard) as on December 31, 2021. Moreover, the Net Stable Funding Ratio (NSFR) stood at 107.51% (greater than 100% is standard) as on December 31, 2021.

The maturity analysis of assets and liabilities revealed that IBBL has favorable gap in (0-1) month and (1-3) months maturity buckets. However, (3-12) months maturity buckets has been found unfavorable gap of Tk.126.77 billion. Liquidity gap ratio up to 3 months period stood at 1.30 times and maturity bucket up to 12 months period stood at 1.05 times of liability. Overall gap analysis results in a net liquidity surplus of Tk.61.61 billion as on December 31, 2021. Hence it is expected that the bank will be able to meet its obligations with sufficient cumulative surplus. Moreover, the net operating cash flow stood at Tk.66.68 billion in YE2021 against Tk.132.66 billion in YE2020.

**8.5 Fund Management**

IBBL has been operating with good funding base. The funding mix consists of 84.37% deposits and others; 4.02% shareholders equity; 9.37% provision, tax, other liabilities & Mudaraba Perpetual and redeemable subordinated Bond and rest 2.25% placement from banks and other financial institutions. Total deposits consists of Mudaraba Saving Deposit of Tk.476.48 billion (34.51% of total deposit), Mudaraba Term Deposit of Tk.488.21 billion (35.36% of total deposit), other Mudaraba Deposit Tk.282.10 billion (20.43% of total deposit), Al-wadeeah current and other deposit of Tk.125.92 billion (9.12% of total deposit) and Bills payable of Tk.8.11 billion (0.59% of total deposit). However, in the funding mix, a high-cost term deposit still dominates over low-cost CASA deposit (69.87% of total deposit) as on December 31, 2021. The bank's weighted average cost of fund decreased to 6.17% at YE2021 compared to 7.03% in the previous year.

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with increasing trend***8.6 Capital Adequacy**

Capital to Risk Weighted Asset Ratio (CRAR) of IBBL has been found to be at average level with increasing trend. Though the risk weighted assets have been increasing over the years, increase in regulatory capital keeps the ratio upward. Under risk based capital adequacy framework of Basel-III, the total RWA of the bank stood at TK.725.51 billion as on December 31, 2021 (of which 89.30% was emanated from investment (credit) risk, 8.98% from operational risk) and rest 1.73% from market risk against TK.644.13 billion as on December 31, 2020 indicating 12.63% increase. Against the above, total eligible capital stood at Tk.99.51 billion comprising Tier-1 (core capital) of Tk.66.47 billion and Tier-2 (supplementary capital) of Tk.33.04 billion representing a capital surplus of Tk.8.82 billion over the minimum requirement. The CRAR stood at 13.72% at YE2021 (as against required above 12.50%) against 13.84% at YE2020. The above has been found to be stable despite of increase in risk weighted assets due to issue of Mudaraba Redeemable Subordinated Bond of Tk.6.0 billion in 2020 included in Tier-2 Capital under Basel-III guidelines. Of the above, 9.16% was Tier-1 capital (as against required minimum 6%) and 4.56% was Tier-2 capital.

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**9.00 CAPITAL ADEQUACY CONTINGENCY PLAN FOR NEXT FIVE YEARS**

Following table shows IBBL's hypothetical capital adequacy till year 2026 after issuing with Mudaraba fourth Subordinated bond:


Particulars (Tk. In Millions)	Actual (SOLO) as on	Projected (SOLO basis) as on December 31'				
	2021	2022	2023	2024	2025	2026
<b>Common Equity Tier 1 CET-1</b>	<b>55,345</b>	<b>58,889</b>	<b>63,109</b>	<b>68,259</b>	<b>74,219</b>	<b>81,069</b>
Paid Up Capital	16,100	16,100	16,100	16,100	16,100	16,100
Non-repayable share premium account	2	2	2	2	2	2
Statutory Reserve	20,735	21,735	22,735	23,735	24,735	25,735
Share Premium	---	---	---	---	---	---
General Reserve	16,866	19,410	22,630	26,780	31,740	37,590
Retained earnings	1,610	1,610	1,610	1,610	1,610	1,610
Dividend Equalization Fund	32	32	32	32	32	32
Minority interest in Subsidiaries	---	---	---	---	---	---
<b>Less/Deductions:</b>	<b>216</b>	<b>220</b>	<b>230</b>	<b>250</b>	<b>270</b>	<b>290</b>
Intangible Assets	216	220	230	250	270	290
Regulatory Adjustment as per para 3.4	---	---	---	---	---	---
<b>Additional Tier 1 Capital</b>	<b>10,176</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>
Mudaraba 1st Perpetual Bond	3,000	3,000	3,000	3,000	3,000	3,000
CoCo subordinated 2nd perpetual Bond	7,176	8,000	8,000	8,000	8,000	8,000
<b>Total Tier-1 Capital</b>	<b>65,305</b>	<b>69,669</b>	<b>73,879</b>	<b>79,009</b>	<b>84,949</b>	<b>91,779</b>
<b>Tier-2 Capital</b>	<b>33,042</b>	<b>35,650</b>	<b>34,000</b>	<b>31,850</b>	<b>29,500</b>	<b>29,200</b>
General Provision	16,042	15,450	18,600	21,850	23,500	26,000
Subordinated Bonds	17,000	20,200	15,400	10,000	6,000	3,200
Minority Interest (Annex 2)	---	---	---	---	---	---
Assets & Equity Revaluation Reserve	---	---	---	---	---	---
<b>Less/Deductions:</b>	<b>157</b>	<b>90</b>	---	---	---	---
Regulatory Adjustment as per para 3.4	157	90	---	---	---	---
<b>Total Tier-2 Capital</b>	<b>32,884</b>	<b>35,560</b>	<b>34,000</b>	<b>31,850</b>	<b>29,500</b>	<b>29,200</b>
<b>Total Regulatory/Eligible Capital</b>	<b>98,189</b>	<b>105,229</b>	<b>107,879</b>	<b>110,859</b>	<b>114,449</b>	<b>120,979</b>
Total Risk-weighted Asset (RWA)	725,370	746,600	806,270	813,870	854,780	929,790
<b>Capital to Risk-weighted Asset Ratio (CRAR) %</b>	<b>13.54%</b>	<b>14.09%</b>	<b>13.38%</b>	<b>13.62%</b>	<b>13.39%</b>	<b>13.01%</b>
Total Required Capital @ 12.50% with CCB	<b>90,671</b>	<b>93,325</b>	<b>100,784</b>	<b>101,734</b>	<b>106,848</b>	<b>116,224</b>
<b>Capital Surplus/(Shortfall)</b>	<b>7,518</b>	<b>11,904</b>	<b>7,095</b>	<b>9,125</b>	<b>7,601</b>	<b>4,755</b>

Though, IBBL has proposed capital planning till YE2026, CRISL views that the scenario could be different to some extent considering more regulatory compliance and future uncertainty of Bangladesh economy. Banks may not be able to meet business target in the volatile Bangladesh macro economy.

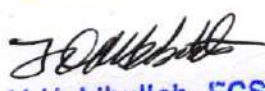
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**10.0 REDEMPTION CAPACITY**

Semi-annual Profit  
Payment

Profit Payment of the bond is payable semi-annually, which will begin after six months from issuance of bonds. CRISL views that the fundamentals of the bank will support the profit payment of bonds from the regular operation. The profit rate will be the highest prevailing published six month's tenor Mudaraba Term Deposit Rate of all Islami banks plus an additional profit rate of 2.00% per annum. All profit (accrued and unpaid) will be calculated at revised rate since issuance of the bond and is to be paid along with the redeemed amount. At each redemption date of the bond, the bank will pay Tk. 1,600.00 million as principal.

The principal amount will be redeemed at par in 5 equal annual instalments starting from end of 3<sup>rd</sup> year at 20% of the bond value. In YE2021, Profit before Tax (PBT) of the bank stood at Tk.11.75 billion while three years average PBT stood at Tk.12.42 billion, which is quite sufficient to repay the debt.

CRISL views that profit payment will not be a big deal for the bank. Bond issue generated additional of Tk.8,000.00 million funds for the bank that has been utilized for normal business activities, consequently, increase the earnings of IBBL. For reviewing the payment history of previous bonds (Subordinated and perpetual), IBBL has settle its due on schedule time frame. In consideration the facts, CRISL believe that, the payment of such bond will be maintained in regular schedule. The bank has no specific policy to accumulate bond redemption fund. On further analysis, CRISL reviewed the 1st quarter unaudited accounts of 2022 and revealed that the issuer is running with positive operating cash flow (Tk.38.99 billion) which is sufficient for the bank to repay the debt.

**11.0 RISK & MITIGATION**

**11.1 Redemption Risk**

Redemption risk arises from the failure of the issuer to redeem the bond at par at the end of the 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, and 7<sup>th</sup> year from the issue date. IBBL has to pay-off Tk. 1,600.00 million to bond subscribers annually. Significant amount of cash outflow from the bank at one time may create pressure on its cash flow as well as liquidity. However, it has been estimated that the bank may be able to manage the situation with its regular inflow of cash. Moreover, in case of stressed position, issuer has comfortable access in the money market to back-up the above situation as well as redemption.

**11.2 Maintenance of Capital**

IBBL may face maintenance of regulatory capital risk (as per Basel-III guideline). Though the bank has taken initiative to comply with risk-based capital adequacy requirement through issuance of Mudaraba Subordinated Bond to support Tier-II capital, the amount of Mudaraba Subordinated bond eligible for inclusion as Tier-II capital will be reduced by 20% from the original amount of instrument (net of any redemption) at the beginning of each of the last five years of the instrument's life. Hence, IBBL has to amortize of TK. 1,600 million each year in the last five year of bond life and thus Tier-2 capital support from Mudaraba Subordinated Bond will gradually decline. In view of that, if internal capital generation of the bank (which is presently 13.11% as on December 31, 2021) is hampered and if it cannot create adequate reserve to support capital requirement, the bank is likely to face maintenance of capital risk (10% of risk weighted assets) specially in case of business expansion. Moreover, the bank has to keep capital conservation buffer of 2.5% in addition to minimum regulatory capital as per Basel-III guideline.

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**11.3 Capital Treatment Risk**

Capital Treatment Risk may arise due to fall of rating of the entity (IBBL) as well as the instrument (here Mudaraba Subordinated Bond). To be shown in Tier-II capital, Subordinate Bond must carry at least Bangladesh Bank rating 3 for both issuer and issue (equivalent to BBB+, BBB, BBB- of CRISL). As Mudaraba Subordinated Bond is unsecured, instrument rating will fall with the fall of entity rating. Presently, IBBL carries BB rating 1 as a issuer. With the fall of entity rating to below BBB-, instrument rating of the bank will consequently be downgraded and despite the issuance of Bond the bank will face capital treatment risk due to its inability to show the Bond in Tier-II capital.

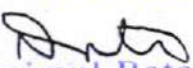
**11.4 Regulatory Change**


At present IBBL is going to support its capital requirement through bond issue. However, any change in regulatory rules and regulations might impact on bond's advantages.

**11.5 Transferability Risk**

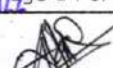
Transferability risk arises when the bondholder is unable to sell the bond in the market in case of necessity and is required to wait till maturity. As the bond is issued under private placement and is not listed, the bondholders are exposed to easy transferability risk.

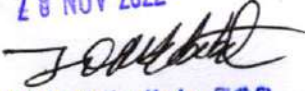
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**12.0 OBSERVATION SUMMARY**

<p><b>Rating Comforts:</b></p> <p><b>Issue:</b></p> <ul style="list-style-type: none"> <li>• Attractive profit rate</li> <li>• Issuer has sound investment profile &amp; diversified business mix</li> <li>• Issuer cash flow supports regular profit payment as well as principal</li> <li>• Trustee is a leading non-life insurance company</li> <li>• The Issue has augmented Tier-2 capital base</li> </ul> <p><b>Issuer:</b></p> <ul style="list-style-type: none"> <li>• Good liquidity</li> <li>• Considerable non-funded business</li> <li>• Strong market position</li> <li>• Good corporate governance</li> <li>• Experienced top management</li> </ul>	<p><b>Rating Concerns:</b></p> <p><b>Issue:</b></p> <ul style="list-style-type: none"> <li>• Unsecured and non-convertible debt instrument</li> <li>• Subordination to depositors and other bank liabilities</li> <li>• Absence of specific policy to accumulate bond redemption fund</li> <li>• Ensuring effective utilization of bond fund and earning higher profit compared to profit rate</li> <li>• No recourse to the trustee in managing Event of Default</li> <li>• Market risk due to restriction on reciprocal holdings</li> </ul> <p><b>Issuer:</b></p> <ul style="list-style-type: none"> <li>• Considerable fresh NPI</li> <li>• Dominance in high cost of funding mix</li> <li>• Considerable rescheduled assets</li> <li>• Moderate profitability and operating efficiency</li> </ul>
<p><b>Business Opportunities:</b></p> <p><b>Issue:</b></p> <ul style="list-style-type: none"> <li>• Development of bond market in Bangladesh</li> <li>• Stock exchange enlistment</li> <li>• Introduction of derivatives in Bangladesh stock market</li> </ul> <p><b>Issuer:</b></p> <ul style="list-style-type: none"> <li>• Product diversification</li> <li>• Portfolio diversification in low risk category business segment including SME</li> <li>• Client rating to consolidate and enhance capital base of the bank</li> </ul>	<p><b>Business Challenges:</b></p> <p><b>Issue:</b></p> <ul style="list-style-type: none"> <li>• Lower market depth of Bangladeshi capital market</li> <li>• Mostly dependent on institutional investor for subscription</li> </ul> <p><b>Issuer:</b></p> <ul style="list-style-type: none"> <li>• Impact of Russia-Ukraine War in the local and global economy</li> <li>• Regularize in recovery performance</li> <li>• To maintain spread</li> <li>• Increasing trend in classified loan/investment in the industry</li> </ul>

**END OF THE REPORT**

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[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]

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**IBBL FOURTH MUDARABA REDEEMABLE NON-CONVERTIBLE SUBORDINATED**  
**BOND OF TK. 8,000.00 MILLION**

**RATING SCALES**  
**LONG-TERM RATING OF DEBT INSTRUMENTS**

RATING	DEFINITION
<b>AAA</b> Triple A (Highest Safety)	<b>Investment Grade</b>  Securities rated in this category are adjudged to be of highest credit quality. This level of rating indicates highest level of safety for timely payment of interest and principal. Risk factors are negligible and nearest to risk free government securities.
<b>AA+, AA, AA-</b> (Double A) (High Safety)	Securities rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.
<b>A+, A, A-</b> Single A (Adequate Safety)	Securities rated in this category are adjudged to be of good credit quality and offer adequate safety for timely repayment of financial obligations. Protection factors are considered variable and more susceptible to changes in circumstances than securities in higher-rated categories.
<b>BBB+, BBB, BBB-</b> Triple B (Moderate Safety)	Securities rated in this category are adjudged to offer moderate safety for timely repayment of financial obligations. This level of rating indicates deficiencies in certain protective elements but still considered sufficient for prudent investment. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
<b>BB+, BB, BB-</b> Double B (Inadequate Safety)	<b>Speculative Grade</b>  Securities rated in this category are considered to be of speculative grade but deemed likely to meet obligations when due. Present or prospective financial protection factors fluctuate according to industry conditions or company fortunes. Overall quality may move up or down frequently within this category.
<b>B+, B, B-</b> Single B (High Risk)	Securities rated in this category are considered to be of highly speculative grade. This level of rating indicates high risk associated with timely repayment of interest and principal. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes. Potential exists for frequent changes in the rating within this category or into a higher or lower rating grade.
<b>CCC+, CCC, CCC-</b> (Vulnerable)	Securities rated in this category are currently vulnerable to non-repayment, and is dependent upon favorable business conditions for the obligor to meet its financial commitments on the obligation.
<b>CC+, CC, CC-</b> (High Vulnerable)	Securities rated in this category is currently high vulnerable to non-repayment.
<b>C+, C, C-</b> (Near to Default)	Securities rated in this category are considered to be near to default. Protection factors are scarce. Timely repayment of interest and principal is possible only if favorable circumstances continue.
<b>D</b> (Default)	<b>Default Grade</b> Defaulted debt obligations. Issuer failed to meet scheduled principal and/or interest payments.

28 NOV 2022

*[Signature]*

**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC. 28 NOV 2022

*[Signature]*  
 Muzaffar Ahmed, FCM, FCS  
 President and CEO  
 Credit Rating Information and Services Ltd.  
 28 NOV 2022

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 Islami Bank Bangladesh Limited  
 FAD, Head Office, Dhaka.

**J Q M Habibullah, FCS**  
 AMD & Company Secretary  
 Islami Bank Bangladesh Limited  
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**Mohammed Monirul Molla**  
 Managing Director & CEO  
 Islami Bank Bangladesh Limited  
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