

INFORMATION MEMORANDUM
IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated
Bond of BDT 5,000 million

Issuer: Islami Bank Bangladesh PLC.



Trustee: DBH Finance PLC.



Type of Security: Unsecured, Non-convertible, Redeemable, Floating Rate Subordinated Bond

Total Face Value: up to BDT 5,000,000,000

Face Value of Each Bond is: BDT 500,000 Per Bond

Number of Securities: 10,000

Total Issue Amount: up to BDT 5,000,000,000

Profit Rate and YTM: Floating

Credit Rating status of the Issue:

Long-Term Rating: AA+^{IB} **Outlook:** Stable

Validity: 30 May 2024 to 29 May 2025

Joint Mandated Lead Arrangers:

UCB Investment Limited,
Prime Bank Investment Limited
&
Islami Bank Capital Management Limited

11 SEP 2024

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

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NOTICE & DISCLAIMER

Islami Bank Bangladesh PLC. hereinafter referred as the "Bank" or the "IBBPLC" or the "Issuer") [formerly known as Islami Bank Bangladesh Limited (IBBL)] has authorized UCB Investment Limited, Prime Bank Investment Limited and Islami Bank Capital Management Limited (hereinafter referred as "UCBIL" and "PBIL" and "IBCML" or the "Joint Mandated Arrangers" 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 "Bonds")

This Information Memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to subscribe or purchase the Subordinated Bond. This Information Memorandum shall not be, in whole or in part, reproduced or used for any other purpose without prior written consent of the Arranger.

The Issuer has prepared this information memorandum and is solely responsible for its contents. The issuer will comply with all rules, laws and regulations and is responsible for obtaining all regulatory, governmental, and corporate approvals for the issuance of the Bonds. The Issuer, having made all reasonable inquiries, confirms that this Information Memorandum contains all the information with respect to itself and the Bonds to be issued by it, which is material in the context of the Bonds; that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading; that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.


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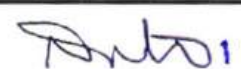
Neither this Information Memorandum nor any other information supplied in connection with the Issue is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the Arrangers to the Issue that any recipient of this Information Memorandum (or any other information supplied in connection with the Issue) should purchase or subscribe for any Bonds. Each investor contemplating purchasing or subscribing for a Bond should make their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness of the Issuer.

Investors are advised to consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters, concerning an investment in the Bonds.

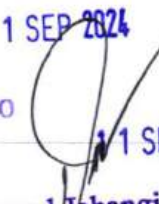
INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR INVESTING IN THE SUBORDINATED BOND.

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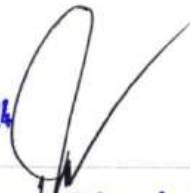
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Table of Contents

SECTION 01: REPORT TO THE ELIGIBLE INVESTORS	6
SECTION 02: RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS	7
SECTION 03: DETAILED DESCRIPTION AND INFORMATION	12
SECTION 04: USE OF PROCEEDS	16
SECTION 05: FEATURES OF THE DEBT SECURITY TO BE ISSUED	16
5.1: Basic Features of the Instrument.....	16
5.2 Rate of Return, Yield to Maturity, Profit/Discount Rate	20
5.3 Transferability/Liquidity	20
5.4 Prepayment, Call, Refunding, Conversion Feature	20
5.5 Tax Features	20
5.6 Late Redemption:	21
5.7 Credit Enhancement:	21
5.8 Enforcement of Charges over securities	21
5.9 Repayment Schedule:	21
5.10 Cost Related to the Issue	21
SECTION 06: DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE	22
SECTION 07: RIGHTS & OBLIGATIONS OF THE ISSUER	22
SECTION 08: RIGHTS & OBLIGATIONS OF THE TRUSTEE	25
SECTION 09: RIGHTS & OBLIGATIONS OF THE ELIGIBLE INVESTORS	29
SECTION 10: RIGHTS & OBLIGATIONS OF THE OTHER CONTRACTUAL PARTY	29
SECTION 11: DESCRIPTION OF THE ISSUER.....	30
SECTION 12: AUDITED FINANCIAL STATEMENTS OF THE ISSUER	46
SECTION 13: COMPARATIVE FINANCIAL STATEMENTS	67
SECTION 14: RATIOS FOR THE LAST ACCOUNTING YEARS	70
SECTION 15: CREDIT RATING REPORT OF THE ISSUE	71
SECTION 16: LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC	72
SECTION 17: DESCRIPTION OF THE TRUSTEE.....	74
SECTION 18: MODUS OPERANDI OF THE ISSUE	77
SECTION 19: CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER	78
SECTION 20: DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE(S)- I AND II.....	79
Annexure – 1.....	82
Annexure – 2.....	83
Annexure – I.....	84
Annexure – II.....	85

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SECTION 01: REPORT TO THE ELIGIBLE INVESTORS

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the Arranger, as set out below:

High risk: You are fully aware that investment in unsecured Bonds involves a high degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arranger.

No reliance: You acknowledge and agree that you may not rely on any investigation that the Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arranger nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arranger only on behalf of the Issuer and that neither the Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

11 SEP 2024



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- i. the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and
- ii. you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

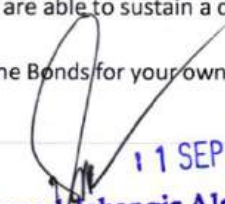
Own account: You are purchasing the Bonds for your own account and not with a view to any distribution thereof.

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No representation or warranty: The Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

No obligation to purchase: The Arranger shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.

SECTION 02: 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. PROFIT RATE RISKS

Profit 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 the 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.

B. FOREIGN 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

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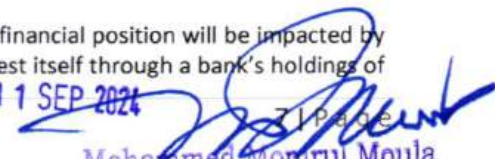
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71 Page

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

IBBPLC 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 (Investment 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

IBBPLC 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.

Management Perception

Since this is the fifth issue of Bonds of its nature (i.e. redeemable) by IBBPLC 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.

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81 Page

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

IBBPLC maintains a 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

IBBPLC is one of the leading Islamic banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. IBBPLC 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 strong leadership and structured corporate set-up the management risk is not a matter of concern at all for the steady and sustainable growth of IBBPLC.

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.

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.

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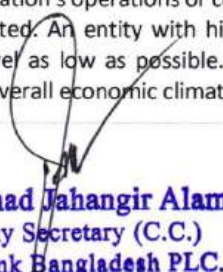
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Management Perception

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 conditions gives IBBPLC competitive edge over other competitors in the local market. 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 predictions on any industry and the market.

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

IBBPLC 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. IBBPLC 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 has contributed 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 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. The market risk exposure of IBBPLC is explicit in portfolios of securities/equities and instruments that are actively traded.

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

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Mohammed Monirul Moula
Managing Director
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Head Office, Dhaka.

10 | Page

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.

L. TECHNOLOGY-RELATED RISKS

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

To manage IT related risk, IBBPLC has adopted Core Banking Software “electronic Integrated Banking System (e-IBS), its own developed full-fledged centralized core banking systems. IBBPLC has already been running a Data Center at the 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, IBBPLC 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.

IBBPLC has an IT Audit and Security team formed as per the Central Bank’s Guideline. It conducts IT Audit in each branch on a periodic basis and provides 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 arranged more than fifty IT-related training and workshops for the employee of IBBPLC.

M. RISK 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 IBBPLC 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 IBBPLC reviews the overall effectiveness of internal control system.

N. RISK 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, IBBPLC has a robust risk management team and has the capability to adapt to any local/global scenario that might affect the local market.

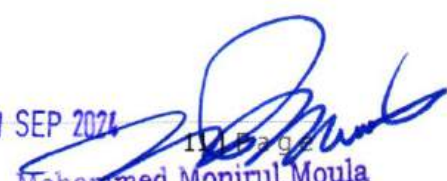
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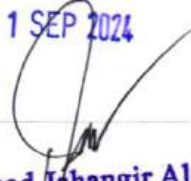

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SECTION 03: DETAILED DESCRIPTION AND INFORMATION

Detailed description and information as per Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021; Schedule- A (Part I) is given below:

1. Particulars of the Issuer:	
a) Name of the Issuer:	Islami Bank Bangladesh PLC.
b) Legal Status:	Public limited company
c) Details of Contact Information:	<u>Registered Address:</u> Islami Bank Tower Head Office, 40 Dilkusha C/A, Dhaka-1000, Bangladesh <u>Contact Person:</u> Mohammad Jahangir Alam SVP and Company Secretary (CC) Contact: (+88-02) 223382639, Email: bcs@islamibankbd.com
d) Date of Incorporation:	13 March 1983
e) Date of Commencement of Business:	30 March 1983
f) Authorized Capital:	BDT 20,000 million (as of 31 December 2023) (consolidated)
g) Paid up Capital:	BDT 16,099.91 million (as of 31 December 2023) (consolidated)
h) Total Equity:	BDT 72,840.92 million (as of 31 December 2023) (consolidated)
i) Total Liabilities:	BDT 1,959,490.17 million (as of 31 December 2023) (consolidated)
j) Total Financial Obligations:	N/A
k) Total Assets:	BDT 2,032,331.10 million (as of 31 December 2023) (consolidated)
l) Total Tangible Assets (Fixed assets including land, building, furniture and equipment):	BDT 15,328.09 million (as of 31 December 2023) (consolidated)
m) Net worth:	BDT 72,840.92 million (as of 31 December 2023) (consolidated)
n) Others:	N/A
2. Particulars of Issue Manager:	
a) Name of the Issue Manager:	N/A
b) Legal Status of the Issue Manager:	N/A
c) Details of contact information:	N/A
d) Name of the issue managed by the issue manager:	N/A
e) Others:	N/A
3. Particulars of the Issue:	
a) Name of the Issue:	IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond

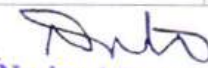

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 11 SEP 2024


b) Type of instruments to be issued:	Unsecured, Non-Convertible, Redeemable BASEL III compliant Subordinated debt instrument (i.e. bond) for inclusion in Tier 2 regulatory 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:	No. of Bonds to be issued: 10,000 (ten Thousand) Issue Size: up to BDT 5,000,000,000 (Taka five Thousand Million)
e) Face Value and Issue Price of securities:	BDT 5,00,000/- (Taka five hundred thousand) only per bond at par
f) Profit Rate	Benchmark/Reference Rate + Profit Margin
g) Benchmark /Reference Rate	The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of Full-fledged Islami Shariah based banks (excluding foreign and "Z" category banks) to be applied semi-annually. The published profit rates of the banks to be collected from latest available Announced Interest Rate Chart of the Scheduled Banks (Deposit Rate) (Percentage Per Annum) published by Bangladesh Bank in its website. After each financial year end, issuer shall give adjustment to the bondholders, if final profit rates of banks against applied all Mudaraba Term Deposit profit rates are reported and published for a respective financial year. The Benchmark/Reference Rate including year-end adjustment, if any, shall be calculated by the trustee and notified to the issuer as well as all bondholders on every Profit Rate Determination Date. (*subject to market condition and regulatory approvals)
h) Coupon Margin	Bondholders will get an additional profit rate of 3.00% per annum to be paid semi-annually along with the benchmark/reference rate. (*subject to market condition and regulatory approvals)
i) Coupon Payment:	Profit/coupon payment will be made semi-annually at the end of every June and December of a year until final redemption (i.e. semi-annually profit period shall be from January to June and July to December). However, first profit period for an investor shall be from the date of respective proceeds receiving date/issue date/deemed date of allotment to the next 30 June or 31 December of the respective year whichever comes first but last profit payment date shall be on the Maturity Date.
j) Tenor	07 years (i.e. 84 months from the issue date/deemed date of allotment/proceeds receiving date).
k) Details of conversion/ exchange option features:	This Bond Non-Convertible in nature


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11 SEP 2024

l) Repayment Schedule:	To be redeemed at par in 5 equal annual instalments starting from end of 3 rd year from the issue date/deemed date of allotment and each 12 months from thereafter as per following table: Redemption/Repayment Schedule: <table border="1" data-bbox="619 472 1430 734"> <thead> <tr> <th>No. of Instalment</th> <th>Instalment due (In Months)</th> <th>End of the Year</th> <th>Repayment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>36th months</td> <td>3rd year</td> <td>20% of Investment</td> </tr> <tr> <td>2</td> <td>48th months</td> <td>4th year</td> <td>20% of Investment</td> </tr> <tr> <td>3</td> <td>60th months</td> <td>5th year</td> <td>20% of Investment</td> </tr> <tr> <td>4</td> <td>72nd months</td> <td>6th year</td> <td>20% of Investment</td> </tr> <tr> <td>5</td> <td>84th months</td> <td>7th year</td> <td>20% of Investment</td> </tr> <tr> <td colspan="3">Total</td> <td>100% Principal at par</td> </tr> </tbody> </table>	No. of Instalment	Instalment due (In Months)	End of the Year	Repayment	1	36 th months	3 rd year	20% of Investment	2	48 th months	4 th year	20% of Investment	3	60 th months	5 th year	20% of Investment	4	72 nd months	6 th year	20% of Investment	5	84 th months	7 th year	20% of Investment	Total			100% Principal at par
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4	72 nd months	6 th year	20% of Investment																										
5	84 th months	7 th year	20% of Investment																										
Total			100% Principal at par																										
m) Mode of option (call or put) if any:	The Bond is non-convertible and non-callable and has no Prepayment option (No put/ call options)																												
n) Rate of return:	Profit Rate																												
o) Applicable Tax Rate:	According to the laws of Bangladesh and in accordance with BASEL III guidelines of Bangladesh Bank																												
p) Default Protection Mechanism (details of credit enhancement) if any:	Unsecured without any credit enhancement. The obligation is not a deposit and is not insured by any deposit insurance scheme.																												
q) Type of collateral securities being offered, if any:	Unsecured																												
r) Status of securities holders in case of priority of payment:	The Claims of the Bondholders shall: <ul style="list-style-type: none"> (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 Bond (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 of Bangladesh Bank.																												
s) Period within which securities to be issued:	Subject to the regulatory approvals																												
t) Nature of tradability or listing in stock exchange(s):	As per the Consent Letter from BSEC																												
u) Others:																													
i. Mode of Placement:	Private Placement on a best effort basis																												


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11 SEP 2024

11 SEP 2024

11 SEP 2024

ii. Profit/Coupon determination dates	Rate	First Profit/coupon rate shall be determined on Deemed date of allotment/Issue date/proceeds receiving date. From thereon, the rate will be re-fixed semi-annually on 05(five) business days before the first day of any semi-annual profit period (January to June or July to December) for which coupon/profit is to be determined. If the proceeds receiving date/subscription date/Issue date falls on the date within the 05(five) business days before the next January to June or July to December semi-annual profit period, then the first Profit/coupon rate shall be considered as a profit/coupon rate for the next January to June or July to December profit period whichever comes first
iii. Transferability:		Freely transferable in accordance with the provisions of the Trust Deed
iv. Penalty rate on delay repayment		2.00% as per provisions of Rule No. 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021
v. Governing Law:		The Bonds are governed by and shall be construed by the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of the courts of Bangladesh.
4. Particulars of Trustee:		
a) Name of trustee:		DBH Finance PLC.
b) Paid Up Capital of trustee:		BDT 1,989 million (as of 31 December 2023)
c) Net Worth of the Trustee:		BDT 8,678 million (as of 31 December 2023)
d) Name of the Issues where performing as Trustee		<ol style="list-style-type: none"> 1. UCBL 5th Subordinated Bond 2. 5th Premier Bank Ltd. Subordinated Bond 3. IBBL 4th Mudaraba Subordinated Bond 4. SIBL 4th Mudaraba Subordinated Bond 5. PBL 3rd Non-Convertible Subordinated Bond 6. Trust Bank Ltd. VI Non-Convertible Subordinated Bond 7. SJIBL 3rd Mudaraba Subordinated Bond 8. Dhaka Bank 4th Subordinated Bond 9. Jamuna Bank Subordinated Bond 10. Runner Auto Sustainability Bond 11. Sajida 2nd Zero Coupon Bond 12. CDIP 1st Zero Coupon Bond 13. PBL 4th Non-Convertible Sub Bond
e) Others		N/A
5. Particulars of Credit Rating Company:		
a) Name of the Credit Rating Company:		Emerging Credit Rating Limited
b) Credit rating status of the issuer:		Long Term: AAA Short Term: ST-1 Outlook: Stable Validity: 06 July 2024 to 05 July 2025
c) Credit rating status of the issue:		Long Term: AA+IB Outlook: Stable Validity: 30 May 2024 to 29 May 2025
d) Latest default rate of the Credit Rating Company:		0.00% for AA grade
e) Average time to default of the rated Category:		0.00%

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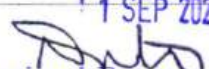
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f) Rating Trigger	In case a downgrade of credit rating of the Bond below the rating trigger (i.e. 'BBB' or equivalent rating in the long term and "ST-3" or equivalent rating in the short term) under surveillance rating, Risk Premium (additional rate) should be added with the reference coupon/profit rate as per following table: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <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> </tbody> </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%										
g) Date of audited accounts, which is included in the IM:	31 December 2023										
6. Particulars of Originators (if Any):	Not Applicable										
7. Particulars of other contractual parties:	Joint Mandated Lead Arrangers: UCB Investment Limited, Prime Bank Investment Limited and Islami Bank Capital Management Limited Legal Counsel: Lex Juris - Md. Mydul H. Khan, Barrister-at- Law										

SECTION 04: USE OF PROCEEDS

Purpose of Issuance of the Bond

Islami Bank Bangladesh PLC. (IBBPLC) has decided to raise Tier-2 Capital through issuance of Unsecured, Non-Convertible, Redeemable, Floating Rate Subordinated Bond in order 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 Issuer for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.

Plan Regarding Use of Proceeds of the Bond


The funds being to be raised by the Issuer (i.e. Bank) through the bond are not meant for financing any particular project. The Issuer shall utilize the proceeds of the Issue for its regular business activities. The Issuer 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).

SECTION 05: FEATURES OF THE DEBT SECURITY TO BE ISSUED

5.1: Basic Features of the Instrument

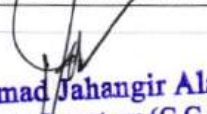
Table 1: Features of the Instrument

1	Issuer	Islami Bank Bangladesh PLC. ("IBBPLC"/ the "Bank"/ the "Issuer").
2	Name of the Issue/Security/ Instrument	IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond
3	Issue Type	Unsecured, Non-Convertible, Redeemable, Floating Rate BASEL III compliant Subordinated debt instrument (i.e. bond) for inclusion in Tier 2 regulatory capital for capital adequacy purposes
4	Issue Size	Aggregate total Issue size up to BDT 500 crore (Taka five hundred crore or five billion or equivalents to BDT 5,000,000,000/- only).
5	Face Value/ Issue Price	BDT 5,00,000/- (Taka five hundred thousand or five lakh) only per bond at par.
6	Number of Issuing Unit	10,000 units/bonds.
7	Mode of Issue	Private offer/ placement basis


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8	Market Lot	01(one) unit/bond which totaling of BDT 5,00,000/- (Taka five hundred thousand) and in multiples of 01 unit/bond thereafter.																												
9	Tenor	07 years (i.e. 84 months from the issue date/deemed date of allotment/proceeds receiving date).																												
10	Purposes and Objectives	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.																												
11	Redemption date	Redeemable after 03 years (36 month) from the deemed date of allotment/ Issue Date/ proceeds receiving date.																												
12	Details of the utilization of the proceeds	The funds to be raised by the Issuer through the present Issue are not meant for financing any particular project. The Issuer shall utilize the proceeds of the Issue for its regular business activities. The Issuer 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).																												
13	Security	Unsecured without any credit enhancement. The obligation is not a deposit and is not insured by any deposit insurance scheme.																												
14	Deemed Date of Allotment/Issue Date	Upon realization of proceeds of subscription money in the designated bank account(s).																												
15	Transferability	Freely transferable in accordance with the provisions of the Trust Deed																												
16	Listing	As approved by the BSEC																												
17	Seniority of Claims/ Seniority of the Instrument/ Claim Settlement in the event of Liquidation or Wind-up/Ranking among the claimants	<p>The Claims of the Bondholders shall:</p> <ul style="list-style-type: none"> (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 Bond (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. <p>Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines of Bangladesh Bank.</p>																												
18	Redemption/ Principal Repayment	<p>To be redeemed at par in 5 equal annual instalments starting from end of 3rd year from the issue date/deemed date of allotment and each 12 months from thereafter as per following table:</p> <p style="text-align: center;">Redemption/Repayment Schedule:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No. of Instalment</th> <th>Instalment due (In Months)</th> <th>End of the Year</th> <th>Repayment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>36th months</td> <td>3rd year</td> <td>20% of Investment</td> </tr> <tr> <td>2</td> <td>48th months</td> <td>4th year</td> <td>20% of Investment</td> </tr> <tr> <td>3</td> <td>60th months</td> <td>5th year</td> <td>20% of Investment</td> </tr> <tr> <td>4</td> <td>72nd months</td> <td>6th year</td> <td>20% of Investment</td> </tr> <tr> <td>5</td> <td>84th months</td> <td>7th year</td> <td>20% of Investment</td> </tr> <tr> <td colspan="3">Total</td> <td>100% Principal at par</td> </tr> </tbody> </table>	No. of Instalment	Instalment due (In Months)	End of the Year	Repayment	1	36th months	3rd year	20% of Investment	2	48th months	4th year	20% of Investment	3	60th months	5th year	20% of Investment	4	72nd months	6th year	20% of Investment	5	84th months	7th year	20% of Investment	Total			100% Principal at par
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19	Redemption Premium/ Discount	Not Applicable																												
20	Put Option	Not Applicable																												

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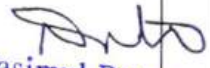
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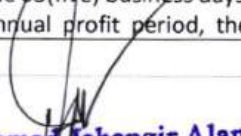
21	Re-capitalization	Nothing contained in this term-sheet or in any transaction documents (i.e. documents to be executed by the Issuer in connection with the Issue including but not limited to trust deed, offer letter and subscription agreement, etc.) shall hinder re-capitalization by the Issuer.
22	Mandated Joint Arrangers	i) UCB Investment Limited ii) Prime Bank Investment Limited; and iii) Islami Bank Capital Management Limited
23	Trustee	DBH Finance PLC.
24	Credit Rating Company	Emerging Credit Rating Limited
25	Credit Rating of the Issue	Long Term: AA+IB Outlook: Stable Validity: 30 May 2024 to 29 May 2025
26	Legal Advisor	Barrister Md. Mydul H. Khan of Lex Juris
27	Depository	Central Depository Bangladesh Limited (CDBL).
28	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. IBBPLC) will also not grant advances against the security of the instrument issued by them.
29	Profit/Coupon Payment Frequency	Semi-annually
30	Profit/Coupon Type	Floating Rate and total profit on the Bond will be calculated by Benchmark/reference rate plus a predetermined margin/ additional rate.
31	Benchmark (Reference) Coupon/Profit Rate	The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of Full-fledged Islami Shariah based banks (excluding foreign and "Z" category banks) to be applied semi-annually. The published profit rates of the banks to be collected from latest available Announced Interest Rate Chart of the Scheduled Banks (Deposit Rate) (Percentage Per Annum) published by Bangladesh Bank in its website. After each financial year end, issuer shall give adjustment to the bondholders, if final profit rates of banks against applied all Mudaraba Term Deposit profit rates are reported and published for a respective financial year. The Benchmark/Reference Rate including year-end adjustment, if any, shall be calculated by the trustee and notified to the issuer as well as all bondholders on every Profit Rate Determination Date.
32	Coupon Margin/ Additional Rate	Bondholders will get an additional profit rate of 3.00% per annum to be paid semi-annually along with the benchmark/reference rate.
33	Coupon Payment Dates	Profit/coupon payment will be made semi-annually on the end of every June and December of a year until final redemption (i.e. semi-annually profit period shall be from January to June and July to December). However, first profit period for an investor shall be from the date of respective proceeds receiving date/issue date/deemed date of allotment to the next 30 June or 31 December of the respective year whichever comes first but last profit payment date shall be on the Maturity Date.
34	Profit/Coupon Rate determination dates	First Profit/coupon rate shall be determined on Deemed date of allotment/Issue date/proceeds receiving date. From thereon, the rate will be re-fixed semi-annually on 05(five) business days before the first day of any semi-annual profit period (January to June or July to December) for which coupon/profit is to be determined. If the proceeds receiving date/subscription date/Issue date falls on the date within the 05(five) business days before the next January to June or July to December semi-annual profit period, then the first Profit/coupon rate shall be considered as a

11 SEP 2024


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		profit/coupon rate for the next January to June or July to December profit period whichever comes first.										
35	Risk Premium	<p>In case a downgrade of credit rating of the Bond below the rating trigger (i.e. 'BBB' or equivalent rating in the long term and "ST-3" or equivalent rating in the short term) under surveillance rating, Risk Premium (additional rate) should be added with the reference coupon/profit rate as per following table:</p> <table border="1" data-bbox="619 465 1350 629"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium</th> </tr> </thead> <tbody> <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> </tbody> </table>	Issue Rating	Risk Premium	BB	0.25%	B	0.50%	C	0.75%	D	1.00%
Issue Rating	Risk Premium											
BB	0.25%											
B	0.50%											
C	0.75%											
D	1.00%											
36	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.										
37	Settlement	Payment of Coupon/Profit and repayment/redemption of principal shall be made by the way of cheque(s)/ Bank Payment Order(s)/Demand Draft(s)/ credit through direct credit/BACPS/ BD-RTGS/BEFTN mechanism or any other permitted method at the discretion of the Issuer/IBBPLC/Bank.										
38	Record Date	15 (Fifteen) days prior to the redemption date or each coupon/profit payment date (as the case may be) on which principal redemption/ coupon amount is due and payable. 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/Trustee as on the relevant record date are eligible to receive coupon/profit for that relevant period and principal redemption.										
39	Business Day	Business Day shall be all days (excluding Fridays, Public Holidays and Saturdays on which the Bank is not open) on which commercial banks are open for business in the Dhaka.										
40	Penalty rate on delay repayment	2.00% as per provisions of Rule No. 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021.										
41	Prepayment, Call, Refunding, conversion features	Not applicable.										
42	Regulatory Approvals	Upon receiving No-Objection Certificate from Bangladesh Bank and Consent from Bangladesh Securities and Exchange Commission, the IBBPLC/Bank/Issuer will issue the bond.										
43	Shari'ah Approval	Views and opinion from "Shari'ah Supervisory Committee" of the Bank to be obtained.										
44	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.										
45	Applicable Bangladesh Bank's Guidelines	<p>The Bond is 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 instrument (i.e. bond) 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.</p>										

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46	BDT	All references to "BDT" or "Tk." are to the Bangladeshi Taka, the official currency of Bangladesh where 1 crore equal to ten million and Tk. 1 lakh equal to one hundred thousand.
47	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.
48	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"> (i) minimum capital requirements, which seek to refine the present measurement framework; (ii) supervisory review of an institution's capital adequacy and internal assessment process; and (iii) market discipline through effective disclosure to encourage safe and sound banking practices.
49	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), and clarifications/amendments / modifications thereto issued from time to time for inclusion of instrument (i.e. bond) 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.
50	Additional Tier 1 (AT1) capital	Capital instruments that meet the criteria for inclusion in the additional Tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh.
51	Tier 2 capital	Sum of Capital instruments that meet the criteria for inclusion in the Tier 2 capital (gone-concern capital) as defined by the Bangladesh Bank, the Central Bank of Bangladesh.

5.2 Rate of Return, Yield to Maturity, Profit/Discount Rate

Yield to Maturity: Benchmark/Reference Rate + Coupon Margin (3.00% p.a.)

5.3 Transferability/Liquidity

Freely transferable in accordance with the provisions of the Bond Documents.

5.4 Prepayment, Call, Refunding, Conversion Feature

The Bond is non-convertible and non-callable in nature and the bond has no prepayment option.

5.5 Tax Features

The Company and any income from the Bond for the investors will be according to the Laws of Bangladesh.

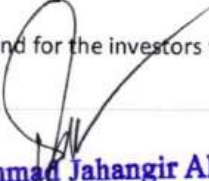

 11 SEP 2024
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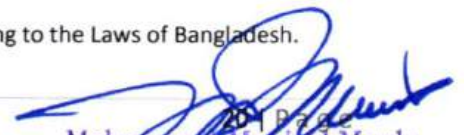
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5.6 Late Redemption:

The Issuer shall pay a late payment penalty of 2% (two per cent) p.a. higher than the Coupon Rate and be payable on the amount not paid on the due date up till the date of actual payment.

5.7 Credit Enhancement:

It is not applicable for the Subordinated Bond of Islami Bank Bangladesh PLC.

5.8 Enforcement of Charges over securities

The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer. In the event of default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bond or the Trust Deed or any of the Issue Documents (save for failure to pay any amount of principal, coupon or expenses or in respect of any other payment obligation), (i) the Trustee or any Bondholder shall not be entitled to any remedy available to the Trustee or any Bondholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Bonds and (ii) any other remedy available.

5.9 Repayment Schedule:

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

Redemption/Repayment Schedule:

No. of Instalment	Instalment due (In Months)	End of the Year	Repayment
1	36 th months	3 rd year	20% of Investment
2	48 th months	4 th year	20% of Investment
3	60 th months	5 th year	20% of Investment
4	72 nd months	6 th year	20% of Investment
5	84 th months	7 th year	20% of Investment
Total			100% Principal at par

5.10 Cost Related to the Issue

Fees, commissions & other expenses:	
Trustee Fee	Trustee fee Taka 4,00,000/- only (excluding VAT) per year with trust management fee at actual (BSEC application fee Tk. 50,000/-, registration fee Tk. 1,00,000/- and annual fee Tk. 50,000/- only)
Joint Mandated Lead Arrangers fees	@0.35% (excluding VAT) on subscription amount to be collected/raised from investors.
Credit Rating Company fee	Taka 1,00,000/- only (excluding VAT) per year.
Legal Consultant fee	Taka 1,50,000/- only but all ancillary cost (i.e. filing, registration, non-judicial stamp, cartridge paper, printing, etc.) to be borne by the Bank at actual (excluding VAT).
CDBL fees with refundable security deposit	Fresh issue/Distribution Fee Tk. 15,00,000/-, Documentation Fee Tk. 2,500/-, Depository Connection Fee Tk. 6,000/-, Annual Fee Tk. 20,000/- only (excluding VAT) and Security Deposit (Refundable after maturity) Tk. 5,00,000/- only.
ATB Listing fees	Application fee Tk. 10,000/-, Initial Listing Fee Tk. 2,00,000/- and Annual Listing Fee Tk. 1,00,000/- only (excluding VAT).

11 SEP 2024



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11 SEP 2024

Expenses related to Registration, printing and Miscellaneous:	
Trust Deed Registration fee and miscellaneous office expenses at SRO	Approximate Tk. 15.00 lakh but at actual with applicable Stamp Duty of Tk. 10.00 lakh, Govt. fee, VAT & Tax.
Printing prospectus and arranging Road Show and other Expenses etc. (if required)	At actual with applicable Govt. fee, VAT & Tax.

SECTION 06: 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 Bond (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 of Bangladesh Bank.

SECTION 07: RIGHTS & OBLIGATIONS OF THE ISSUER

Rights and Obligations of the Issuer have been incorporated from the Trust Deed executed between the Issuer (Islami Bank Bangladesh PLC.) and the Trustee (DBH Finance PLC.)

Covenant to Repay

The Issuer covenants with the Trustee 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 in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka 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 provisions of the Conditions) 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 as aforesaid on the dates provided for in the 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*: every payment of principal or profit in respect of the Bonds or any of them made to or to the account of the Bondholders shall satisfy, to the extent of such payment;

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 Trustee to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and

in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused penalty shall accrue at applicable rate of 2% p.a. for the Bond 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

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22 SEP 2024
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the Bondholders in accordance with the 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.

The Trustee will hold the benefit of this covenant and the covenants in Clause 11.3 (*Covenant to comply with Trust Deed, Conditions, Schedules and applicable law*) and Clause 11.4 (*Covenants by the Issuer*) on trust for the Bondholders.

Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:

by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 11.1.1 of Clause 11.1 (*Covenant to Repay*) and (so far as it concerns payments by the Issuer) Clause (*Payment to Bondholders*) shall cease to have effect.

Covenant to comply with Trust Deed, Conditions, Schedules and applicable law

The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions (including, without limitation, Condition 5 (*Covenants*)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to 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.

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

Books of account

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;


Event of Default

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;

11 SEP 2024

Corporate Governance

Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.


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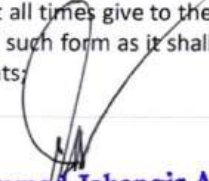
Managing Director & CEO
DBH Finance PLC.

Information

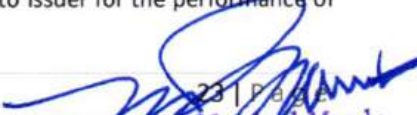
So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;


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Execution of further Documents

So far as permitted by applicable law, 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 this Trust Deed;

Notices to Bondholders

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

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

14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, 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;

Authorised Signatories

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

Payments

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.

Risk Premium:

in case where the credit rating of the Issue falls below the minimum investment grade i.e. "BBB" in the long term or "ST-3" in the short term, then the Issuer shall pay an additional fee on top of the stipulated profit Rate as a Risk Premium as mentioned in the below table:

Issue Rating	Risk Premium to be Added
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

11 SEP 2024



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Escrow Account:


So long as any of the Bonds remain outstanding, maintain an Escrow Account for the purpose of receiving the proceeds raised through the issuance of the Bonds and utilization thereof.


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SECTION 08: RIGHTS & OBLIGATIONS OF THE TRUSTEE

Rights and Obligations of the Trustee have been incorporated from the Trust Deed executed between the Issuer (Islami Bank Bangladesh PLC.) and the Trustee (DBH Finance PLC.)

Trustee's Rights

Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;

Resolution or direction of Bondholders: 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;

Trustee not responsible for investigations: 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;

Events of Default: 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; and

Right to Deduct or Withhold: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

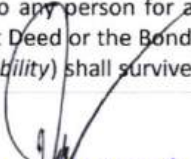
Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud. This sub-clause 6.1.7 (Liability) shall survive the termination or expiry of this Trust Deed or the

1 SEP 2024

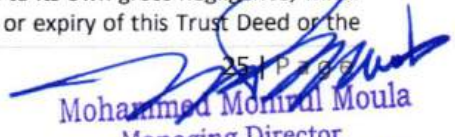

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1 SEP 2024

removal or termination of the Trustee.

Force Majeure: The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.

Immunities: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

Professional charges: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);

Expenditure by the Trustee: nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

Trustee Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud.

Right to Sue: The Trustee may sue and may be sued on behalf of the Bondholders.

Trustee's powers and duties

Applicable Law:

Notwithstanding anything contained in this Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

Act for Bondholders:

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;

Monitoring:

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 breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

Report to BSEC:

Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment

11 SEP 2024

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11 SEP 2024

of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;

Grievances of the Bondholders:

Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for 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;

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 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;

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 this 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 this Trust Deed or by operation of law, on reasonable ground 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 this 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;

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,

Rating Trigger:

in case a downgrade of credit rating (i.e. below the rating trigger) of the Issue under surveillance rating, the Trustee shall ensure the collection of Risk Premium from the Issuer or originator for the Bondholders as per declaration in this Trust deed or IM, aimed at securing the Bondholder claims from the Issuer's higher risk level;

Trustee's office:

The Trustee shall cease to exist as trustee of an issue upon full and final settlement of the Bonds/Issue or at the end of the Final Settlement Date;

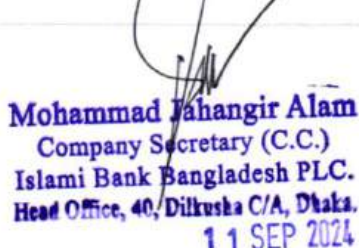
Error of judgment:

the Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, willful default or fraud;

Agents:

Subject to the provisions of the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other 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) with the consent of Issuer and the Trustee shall


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Managing Director
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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;

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 this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Exercise of Discretion

Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66²/₃ percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders (subject in all cases to the Trustee having been indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.

The Trustee will be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

Representation and Warranties of the Trustee

The Trustee hereby represents and warrants to the Issuer that:

Corporate Status:

The Trustee is a duly registered and validly existing company incorporated in Bangladesh under the Companies Act, 1994 and has the power and authority to transact the business in which it is engaged in and to do all such things necessary or appropriate to consummate the transactions contemplated under and by virtue of this Trust Deed.

Corporate Power and Authority

The Trustee has the corporate power to execute, deliver and comply with the provisions of this Trust Deed and it has taken all such necessary corporate and other actions to authorize the execution, delivery and performance by it under the provisions of this Trust Deed and such other documents as have been and/or to be executed and delivered by it in connection with the Issue.


No Violation

Neither the execution nor delivery by the Trustee of this Trust Deed or the other Documents, as have been and/or to be executed and delivered in connection with the Issue by the Trustee or performance by the Trustee of its duties under this Trust Deed and/or the Bond Documents, as have been and/or to be executed by the Trustee in connection with the Issue, will contravene, in any material respect, any provision of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.



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SECTION 09: RIGHTS & OBLIGATIONS OF THE ELIGIBLE INVESTORS

Rights and Obligations of the Eligible Investors have been incorporated from the Trust Deed executed between the Issuer (Islami Bank Bangladesh PLC.) and the Trustee (DBH Finance PLC.)

Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed and the Condition attached in Schedule 1 (*Terms and Conditions of the Bonds*).

Each Bondholder has the right to receive payment of principal amount of the Bond on the Redemption Date as set out in the Condition attached in Schedule 1 (*Terms and Conditions of the Bonds*).

Each Bondholder has the right to receive profit on the Bond on the Profit Payment Date as set out in the Condition attached in Schedule 1 (*Terms and Conditions of the Bonds*).

Each Bondholder has the right to attend meeting of the Bondholders and vote there in accordance with Condition 12 (*Meetings of Bondholders, Modification, Waiver and Substitution*).

SECTION 10: RIGHTS & OBLIGATIONS OF THE OTHER CONTRACTUAL PARTY

Rights and Obligations of the Other Contractual Parties have been incorporated from the Trust Deed executed between the Issuer (Islami Bank Bangladesh PLC.) and the Trustee (DBH Finance PLC.)

Joint Mandated Lead Arrangers:

Pursuant to the Mandate Letters dated _____, Islami Bank Capital Management Limited, Prime Bank Investment Limited & UCB Investments Limited have been appointed as the Joint Mandated Lead Arrangers for the issuance of IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond having an aggregate issue size of BDT 5,000,000,000 (BDT Five Billion), setting out the terms and conditions of the appointment as stated therein for the purpose of the private issuance of the Bonds the terms of which is detailed under the Information Memorandum (as defined below) and subjected to the approval of BSEC.

Credit Rating Agency/ Company:

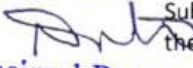
For the purpose of conducting the Bond Rating Service for the IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond having issue size of BDT 5,000,000,000 (BDT Five Billion) (which shall be referred to as "Rated Subject") the Issuer has appointed Emerging Credit Rating Limited the ("Credit Rating Agency" or "CRA" or "Credit Rating Company" or "CRC") under the terms and covenants as detailed under Credit Rating Agency Agreement dated _____ executed by and between the Issuer and the CRA/CRC 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/CRC etc.

Moreover, for providing the requested rating services for the Rated Subject, the Issuer agrees to make payment to the CRA/CRC 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.

Legal Counsel:

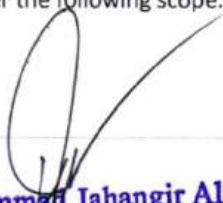
Pursuant to the Letter issued under Ref. _____ dated _____ the Issuer agrees to appoint Lex Juris as the Legal Counsel of the IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond in order to provide legal advice and legal assistance or any other legal services deliverables to the Issuer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

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SVP, Head of Finance & CFO
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Managing Director
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- Draft, negotiate and finalize Trust Deed, Subscription Agreements and other ancillary documents in relation to the Bond Issuance;
- Review of applications to be made by the Issuer to relevant Regulators;
- Provide necessary legal opinion on various issues as required upon execution of the Bond Documents;
- Assist with registering the required agreements, documents and related forms with the respective authorities and entities and
- 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.

Any Other Contractual Party:

The rights and obligations of any other contractual party should be governed by the respective contract or agreement entered into by the parties therein.

SECTION 11: DESCRIPTION OF THE ISSUER

Islami Bank Bangladesh PLC (IBBPLC) is the largest commercial bank of Bangladesh. It is the first Shari'ah-based Islamic bank in the South-East Asia established in March 1983. The Bank is a joint venture Public Limited Company with majority shareholding by foreign institutions and enlisted with Dhaka & Chittagong stock exchanges. With 394 branch, 249 sub-branch & 2,771 Agent Banking Outlets, the Bank possesses the largest branch network among the private sector banks in Bangladesh. It renders general banking, commercial investment and foreign exchange services with substantial CSR activities. Besides, the Bank is a global pioneer in and largest operator of Islamic microfinance.

The capital position of the Bank is detailed below:

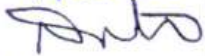
Authorized capital	: BDT 20,000 million (as of 31 December 2023)
Paid-up capital	: BDT 16,099.91 million (as of 31 December 2023)

I. CAPITAL STRUCTURE

Table 1: Sources of Issuer's Capital Structure (consolidated)

Particulars	31.12.2023	
	Taka (amount in BDT million)	% of Total Asset
Liabilities and Capital		
Liabilities		
Placement from banks & other financial institutions	211,378.92	10.40
Deposits & other accounts	1,533,353.00	75.45
Mudaraba savings deposits	480,045.28	23.62
Mudaraba term deposits	556,859.80	27.40
Other mudaraba deposits	286,150.97	14.08
Al- wadeeah current and other deposit accounts	197,638.71	9.72
Bills payable	12,658.23	0.62
Mudaraba bond	31,200.00	1.54
Perpetual bond	11,000.00	0.54
Redeemable subordinated bond	20,200.00	0.99
Other liabilities	182,356.79	8.97
Deferred tax liabilities	1,201.46	0.06

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Total liabilities	1,959,490.17	96.42
Capital/shareholders' equity	72,840.92	3.58
Paid - up capital	16,099.91	0.79
Statutory reserve	22,735.47	1.12
Other reserves	30,826.54	1.52
Retained earnings	3,178.70	0.16
Non-controlling interest	0.31	0.00
Total liabilities & shareholders' equity	2,032,331.10	100.00

Minimum Capital Requirement & Capital adequacy Ratio:

Table 2: Description of Issuer's Total Capital (consolidated)

Capital adequacy as per Basel - III as on 31 December 2023

The Calculation of Capital to Risk-weighted Assets Ratio (CRAR) of the Bank has been done as per the revised guidelines on Guidelines of 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. Detail calculation of Capital Adequacy as per Basel-III as on December 31, 2023, is given below:


	(Amount in million Taka)		
	31.12.2023 (Consolidated)	31.12.2023 (Solo)	31.12.2022 (Consolidated)
A. Regulatory capital			
Tier-1 (Going Concern Capital)	76,615.07	74,967.29	71,140.82
Tier-2 (Gone Concern Capital)	33,409.43	33,409.43	33,006.58
Total regulatory capital	110,024.50	108,376.71	104,147.40
Tier-1 (Going Concern Capital)			
Common Equity Tier-1 (CET-1)	65,615.07	63,967.29	60,140.82
Additional Tier (AT-1)	11,000.00	11,000.00	11,000.00
Total Tier-1 (Going Concern Capital)	76,615.07	74,967.29	71,140.82
Common Equity Tier-1 (CET-1)			
Fully paid-up capital/capital deposited with BB	16,099.91	16,099.91	16,099.91
Statutory reserve	22,735.47	22,735.47	21,735.47
Non-repayable share premium account	1.99	1.99	1.99
General reserve	23,688.46	23,609.34	19,484.57
Retained earnings	3,178.70	1,609.99	2,962.83
Non-controlling interest in subsidiaries	0.31	-	0.30
Non-cumulative irredeemable preferences shares	-	-	-
Dividend equalization account	32.00	32.00	32.00
i. Sub total	65,736.83	64,088.69	60,317.07
Deductions from Tier-1 (Going Concern Capital)			
Book value of goodwill/intangible assets	121.76	121.40	176.25
Shortfall in provisions required against classified assets	-	-	-
Shortfall in provisions required against investment in shares	-	-	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities.	-	-	-
Reciprocal crossholdings of bank capital /subordinated debt	-	-	-
Any investment exceeding the approved limit	-	-	-
ii. Sub total	121.76	121.40	176.25
Total eligible CET-1 (i-ii)	65,615.07	63,967.29	60,140.82
Additional Tier-1 Capital (AT-1)			
Mudaraba Perpetual and Perpetual Contingent Convertible Bond	11,000.00	11,000.00	11,000.00

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Total AT-1	11,000.00	11,000.00	11,000.00
Tier-2 (Gone Concern Capital)			
General provision (unclassified investment and off balance sheet exposure)	18,009.43	18,009.43	17,806.58
Mudaraba Redeemable subordinated bond	15,400.00	15,400.00	15,200.00
Assets revaluation reserves	-	-	-
Revaluation reserves of securities	-	-	-
Revaluation reserves for equity instruments	-	-	-
All other preference shares	-	-	-
Others (if any item approved by Bangladesh Bank)	-	-	-
i. Sub total	33,409.43	33,409.43	33,006.58
ii. Deductions, if any	-	-	-
Excess amount over maximum limit of Tier-II Capital has been deducted	-	-	-
Total Eligible Tier-2 Capital (i-ii)	33,409.43	33,409.43	33,006.58
Risk Weighted Assets (RWA) for			
1. Investment (Credit) risk (i+ii)			
(i) On-balance sheet	776,336.65	777,422.12	739,455.94
(ii) Off-balance sheet	757,837.67	758,923.15	718,332.22
18,498.98	18,498.98	21,123.72	
2. Market Risk	10,733.13	10,733.13	13,238.34
3. Operational risk	71,225.21	70,281.13	66,990.24
Total Risk Weighted Assets (1+2+3)	858,294.99	858,436.39	819,684.52
B. Total Risk Weighted Assets (RWA)	858,294.99	858,436.39	819,684.52
C. Capital to Risk Weighted Asset Ratio (CRAR) (as against required above 12.50%)	12.82%	12.62%	12.71%
D. Going Concern Capital to RWA (as against required minimum 6.00%)	8.93%	8.73%	8.68%
E. Gone Concern Capital capital to RWA	3.89%	3.89%	4.03%
F. Minimum Capital Requirement (MCR)	85,829.50	85,843.64	81,968.45
G. Surplus capital (A-F)	24,195.00	22,533.08	22,178.95
H. Minimum capital requirement including capital conservation buffer	107,286.87	107,304.55	102,460.56
I. Surplus capital considering conservation buffer (A-H)	2,737.62	1,072.17	1,686.84
Notes:			
1. Mudaraba Perpetual and Perpetual Contingent Convertible Bond of Tk 11,000 million has been qualified for Additional Tier-I Capital.			
2. Mudaraba Redeemable Subordinated Bond of Tk. 15,400 million out of Tk. 20,200 million has been qualified for Tier-II Capital.			

Shareholding Structure:

Table 3: Shareholding Structure of the Issuer


Particulars	No. of Shares as on 31 Dec, 2023	% of Total	31.12.2023	31.12.2022
			Amount in Taka	Amount in Taka
(i) Sponsors/ promoters*	577,837,577	35.8907%	5,778,375,770	8,864,816,110
(ii) General public	1,032,132,774	64.1080%	10,321,327,740	7,234,887,400
(iii) Government of the People's Republic of Bangladesh**	20,317	0.0013%	203,170	203,170
Total	1,609,990,668	100.00%	16,099,906,680	16,099,906,680

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III. Business of the Issuer

Company Background

"Islami Bank Bangladesh PLC. [IBBPLC] (hereinafter referred to as "the Bank") 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, Bai-as-Sarf and Ujarah etc. There is a Shari'ah Supervisory Committee in the Bank which ensures that the activities of the Bank are being conducted on the precepts of Islam.

The shares of the Bank are listed with both Dhaka Stock Exchange (DSE) PLC. and Chittagong Stock Exchange (CSE) PLC. The Bank carries out its business activities through its Head Office in Dhaka, 16 Zonal Offices, 394 Branches including 76 Authorised Dealer (AD) Branches, 237 Subbranches, 2771 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.

Nature of business/ Principal activities of the Bank

Commercial banking services

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 Company Act, 1991 as amended, Bangladesh Bank's directives and directives of other regulatory authorities.

Islamic micro-finance

Islamic micro-finance represents micro-finance of the Islamic finance industry. Under Islamic micro-finance, major focus is given on improvement of living standard of poor people. The projects are closely monitored so that the members are really benefited. The Bank provides this services under the umbrella of Rural Development Scheme (RDS) and Urban Poor Development Scheme (UPDS).

Mobile financial services - "mCash"

The bank has launched mobile financial services on 27 December 2012 under the name "Islami Bank mCash" as per Bangladesh Bank approval (reference no. DCMP/PSD/37/(W)/2012-321 dated 14 June 2012). Islami Bank mCash offers different services through Mobile phone that include deposit and withdrawal of cash money, fund transfer from one account to another, receiving remittance from abroad, knowing account balance and mini-statement, giving and receiving salary, mobile recharge and payment of utility bill, merchant bill payment etc.

Off-shore banking unit (OBU)

Bangladesh Bank has approved the operation of Off-Shore Banking Unit (OBU) of Islami Bank Bangladesh PLC. located at Head Office Complex Branch- Dhaka, Uttara Branch- Dhaka and Agrabad Branch- Chittagong through letter no. BRPD (P-3)744(111)/2010-1032 dated 28 March, 2010. The Bank commenced the operation of its Off-shore Banking Unit from 08 February 2011 at Head Office Complex Branch, Dhaka, from 27 September 2011 at Agrabad Branch, Chittagong and from 01 June 2015 at Uttara Branch, Dhaka. Due to having different functional currency, the operation of OBU has been considered as "foreign operation" and accordingly relevant financial reporting standards have been applied consistently. The financial statements of the OBU are included in the separate financial statements of the Bank and eventually in the consolidated financial statements. The separate financial statements of OBU are shown in the functional currency (i.e. USD) as well as the presentation currency (i.e. BDT) of the Bank (i.e. BDT).

Subsidiaries of the Bank

Md. Farid Uddin, CPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Mohammed Moinul Mofta
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024

11 SEP 2024

11 SEP 2024

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Islami Bank Securities Limited (IBSL)

As per Bangladesh Securities and Exchange Commission's (BSEC) Letter No. SEC/Reg/CSE/MB/2009/444 dated 20 December 2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07 February 2010; the Bank established a subsidiary Company named "Islami Bank Securities Limited" to operate stock broker and stock dealer activities.

The share capital of IBSL 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.2,699,846,000/- divided into 2,699,846 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 May 2010. Required capital was transferred to IBSL on 25 May 2010 which is operating business under the license issued by the Bangladesh Securities & Exchange Commission (BSEC). As a stock broker, 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 October 2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07 February 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 99.993% of total share of the subsidiary Company. The company has obtained Merchant Banker Registration Certificate on 31 March 2019 from Bangladesh Securities & Exchange Commission (BSEC) to operate the activities of Issue Management, Underwriting, Portfolio Management and Corporate Advisory Services.

IBBL Exchange Singapore Pte. Ltd.

'IBBL Exchange Singapore Pte. Ltd.' has been incorporated in Singapore, as a subsidiary of Islami Bank Bangladesh PLC. for remittance services and things incidental thereto under the Companies Act, CAP. 50 of the Republic of Singapore. The company is now being closed under the concern jurisdiction maintaining all regulatory formalities duly. Therefore, the financial statements of IBBL Exchange Singapore Pte. Ltd has not been prepared and accordingly not consolidated with that of the parent i.e. the bank.

IV. BOARD OF DIRECTORS AND MANAGEMENT

Previously the members of the Board of Directors of the Bank were Shareholder Directors and Independent Directors but as per section 45, section 47(1) and section 48(1) of Bank Company Act, 1991, Bangladesh Bank has dissolved the previous board of directors of the bank vide letter reference: BRPD(BMMA)651/9(6)DA/2024-7335; dated: 22 August 2024 and a new Board of Directors with 05(five) independent directors has been constituted. At present, the member of the Board of Directors are as under:

Board of Directors

Sl. No.	Name of the Directors	Status with the Bank
1	Mr. Md. Obayed Ullah Al Masud Ex-Managing Director, Rupali Bank PLC.	Chairman & Independent Director
2	Mr. Mohammad Khurshid Wahab	Independent Director

Md. Farid Uddin, CIPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusba C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

	Ex-Executive Director, Bangladesh Bank	
3	Mr. Md. Abdul Jalil Ex-Deputy Managing Director, Al-Arafah Islami Bank PLC.	Independent Director
4	Dr. M. Masud Rahman Ex-Professor, Department of Finance, University of Dhaka	Independent Director
5	Mr. Md. Abdus Salam FCA, FCS Chartered Accountants	Independent Director

Senior Management:

Sl. No	Name	Designation
01	Mohammed Monirul Moula	Managing Director
02	Md. Altaf Hossain	Additional Managing Director
03	Abul Faiz Muhammad Kamaluddin	Deputy Managing Director
04	Md. Maksudur Rahman	Senior Executive Vice President
05	G.M. Mohd. Gias Uddin Quader	Senior Executive Vice President
06	ASM Rezaul Karim	Senior Executive Vice President
07	Dr. M. Kamal Uddin Jasim	Senior Executive Vice President
08	Abu Sayed Md. Idris	Senior Executive Vice President
09	Md. Rafiqul Islam	Senior Executive Vice President
10	Muhammad Sayeed Ullah	Senior Executive Vice President
11	Md. Shamsud Doha	Senior Executive Vice President
12	Md Farid Uddin	Executive Vice President
13	Mohammad Jahangir Alam	Senior Vice President
14	Md. Farid Uddin FCA, CIPA	Senior Vice President & CFO

Shari'ah Supervisory Committee:

Sl. No.	Name	Designation
01	Mawlana Obaid Ullah Hamzah	Chairman
02	Mufti Sayeed Ahmad	Vice Chairman
03	Prof. Dr. Mohammad Abdus Samad	Member Secretary
04	Prof. Dr. Mohammad Gias Uddin Talukdar	Member
05	Dr. Md. Ruhul Amin Rabbani	Member
06	Abdur Raquib	Member
07	Dr. Hasan Mohammad Moinuddin	Member
08	Dr. Mohammad Monzur-E-Elahi	Member
09	Mawlana Mohiuddin Rabbani	Member
10	Prof. Md. Mozahidul Islam	Member
11	Dr. Muhammad Saifullah	Member
12	Mufti Mohammad Muhibullahil Baqee	Member
13	Mohammad Harunar Rashid	Member

Executive Committee:

Sl. No.	Name	Designation
01	Mr. Md. Abdul Jalil	Chairman
02	Mr. Mohammad Khurshid Wahab	Member
03	Mr. Mohammed Monirul Moula, Managing Director	Ex-Officio Director

Audit Committee:

Sl. No.	Name	Designation
01	Mr. Md. Abdus Salam FCA, FCS	Chairman
02	Dr. M. Masud Rahman	Member

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.
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Md. Farid Uddin FCA, CIPA
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka
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Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.
 11 SEP 2024

Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.
 11 SEP 2024

03	Mr. Mohammed Monirul Moula, Managing Director	Ex-Officio Director
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Risk Management Committee:

Sl. No.	Name	Designation
01	Dr. M. Masud Rahman	Chairman
02	Mr. Mohammad Khurshid Wahab	Member
03	Mr. Mohammed Monirul Moula, Managing Director	Ex-Officio Director

V. Description of encumbered and unencumbered assets with value thereof
Encumbered Assets:

As of 31 December 2023, total encumbered assets of Islami Bank Bangladesh PLC. are BDT 5,175.22 million. (BDT 5,175,219,045).

Unencumbered Assets:

As of 31 December 2023, total unencumbered assets of Islami Bank Bangladesh PLC. are of BDT 2,027,155.88 Million (BDT 2,027,155,879,473.87)

VI. Description of Assets and Liabilities
Description of Assets and Liabilities (as of 31 December 2023) – Consolidated
Description of Assets:

Particulars	(amount in BDT million)	
	31.12.2023	Taka
Property and Assets		
Cash in hand		117,904.77
Cash in hand (including foreign currency)		35,241.17
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		82,663.60
Balance with other banks & financial institutions		106,288.37
In Bangladesh		89,236.27
Outside Bangladesh		17,052.11
Placement with banks & other financial institutions		0.00
Investments in shares & securities		88,883.83
Government		69,158.97
Others		19,724.86
Investments		1,595,265.66
General investments etc.		1,410,352.16
Bills purchased & discounted		184,913.50
Fixed assets including premises		15,450.48
Other assets		108,537.99
Non - banking assets		0.00
Total property and assets		2,032,331.10

Description of Liabilities and Capital:

Md. Farid Uddin, CPA
 SVP, Head of E&A & CFO
 Islami Bank Bangladesh PLC.
 E&A, Head Office, Dhaka

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Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

11 SEP 2024

(amount in BDT million)

Particulars	31.12.2023
	Taka
Liabilities and Capital	
Liabilities	
Placement from banks & other financial institutions	211,378.92
Deposits & other accounts	1,533,353.00
Mudaraba Savings deposits	480,045.28
Mudaraba Term deposits	556,859.80
Other mudaraba deposits	286,150.97
Al- wadeeah current and other deposit accounts	197,638.71
Bills payable	12,658.23
Mudaraba Bond	31,200.00
Perpetual bond	11,000.00
Redeemable subordinated bond	20,200.00
Other liabilities	182,356.79
Deferred tax liabilities	1,201.46
Total liabilities	1,959,490.17
Capital/shareholders' equity	72,840.92
Paid - up capital	16,099.91
Statutory reserve	22,735.47
Other reserves	30,826.54
Retained earnings	3,178.70
Non-controlling interest	0.31
Total liabilities & shareholders' equity	2,032,331.10

VII. Description of Previously Issued Debt or Securities

Details of previously issued debt or securities are as below:

1. Perpetual Bonds:

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

(a) 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 PLC. & Chittagong Stock Exchange PLC. 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

11 SEP 2024



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11 SEP 2024

Mohammed Monirul Molla
 Managing Director
 Islami Bank Bangladesh PLC.
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11 SEP 2024

37 Page

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 2023 is BDT 3,000 million.
- (x) Coupon/Profit Rate for the year 2023 is 6.44%

(b) **IBBL 2nd Perpetual Mudaraba Bonds**

IBBL 2nd 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 31st 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.

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 2nd 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 2nd 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.

11 SEP 2024

 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

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 Md. Farid Uddin
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

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 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusba C/A, Dhaka.

11 SEP 2024

 Mohammad Mozibur Moufa
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

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	SBL Capital Management Limited.
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	2.50% p.a.
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 2023	8.22%
12	Coupon/Profit Rate determined for the year 2024	9.28%
13	Credit rating at the time of Issue	AA+ by Alpha Credit Rating Limited
14	Outstanding as on 31/12/2023	BDT 8,000.00 million

2. Subordinated Tier 2 Debt Instruments (i.e. Bonds)

Islami Bank Bangladesh PLC. has issued 05 (five) 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, 2020 and 2022-2023 for BDT 5,000 million, BDT 7,000 million, BDT 6,000 million, BDT 6,000 million and BDT 8,000 million respectively through private placement 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:

11 SEP 2024
 Md. Farid Uddin CA, CPA
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 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka.

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Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024
 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024
 391
Mohammed Mozurul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

(i) **1st Mudaraba Redeemable Subordinated Tier 2 Bond (2017):**

1	Name of the Issue	IBBL Mudaraba Redeemable Non-Convertible Subordinated Bond
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:- Benchmark Mudaraba Term Deposit profit: The issuer's prevailing Mudaraba Term Deposit profit rate (Provisional) in 6 months tenor ; to be applied semi annually. 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. Additional profit Rate: Investors will get an indicative/provisional additional profit amount equivalent to 2.00 per cent 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).
7	Coupon rate for 1 st profit period	5.80%+2.00%=7.80%
8	Current period coupon rate	8.10%+2.00%=10.10%
9	Trustee	Green Delta Insurance Company Limited.
10	Credit rating at the time of issue	AA by Emerging Credit Rating Limited.
11	Outstanding as on 31/12/2023	BDT 1,000 million.

 (ii) **2nd Mudaraba Redeemable Subordinated Tier 2 Bond (2018):**

1	Name of the Issue	IBBL 2 nd Mudaraba Redeemable Non-Convertible Subordinated Bond
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	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:- Benchmark Mudaraba Term Deposit profit: The issuer's (i.e. IBBL) prevailing highest Mudaraba Term Deposit profit rate (Provisional) in 6 months tenor to be applied semi annually. The profit amount shall be adjusted on completion of each accounting

11 SEP 2024

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 Managing Director & CEO
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11 SEP 2024

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11 SEP 2024

Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

40 | Page

		<p>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>Additional profit Rate: Investors will get an indicative/provisional additional profit amount equivalent to 2.00 per cent 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 st profit period	6.50%+2.00%=8.50%
8	Current period coupon rate	6.80%+2.00%=8.80%
9	Trustee	Green Delta Insurance Company Limited
10	Credit rating at the time of Issue	AA+ by Emerging Credit Rating Limited
11	Outstanding as on 31/12/2023	BDT 2,800 million.


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

1	Name of the Issue	1 st Tranche Issue of IBBL 3 rd Mudaraba Redeemable Non-Convertible Subordinated Bond
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>Benchmark Mudaraba Term Deposit profit:</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</p>

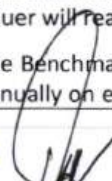
11 SEP 2024


 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

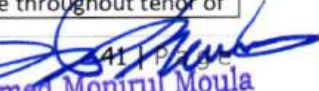
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 Md. Farid Uddin
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		the Bonds and notified to the Issuer and all Investors on every Profit Rate Determination Date. Additional profit Rate: Investors will get an indicative/provisional additional 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).
7	Coupon rate for 1 st profit period	7.91%+1.75%=9.66%
8	Current period coupon rate	6.64%+1.75%=8.39%
9	Trustee	Green Delta Insurance Company Limited
10	Credit rating at the time of Issue	AA+ by Alpha Credit Rating Limited
11	Outstanding as on 31/12/2023	BDT 3,600 million

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

1	Name of the Issue	2 nd Tranche Issue of IBBL 3 rd Mudaraba Redeemable Non-Convertible Subordinated Bond
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	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: Benchmark Mudaraba Term Deposit profit: 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. 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. 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.

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		Additional profit Rate: 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).
7	Coupon rate for 1 st profit period	5.53%+2.00%=7.53%
8	Current period coupon rate	6.64%+2.00%=8.64%
9	Trustee	Green Delta Insurance Company Limited
10	Credit rating at the time of Issue	AA+ by Emerging Credit Rating Limited
11	Outstanding as on 31/12/2023	BDT 4,800 million

 (i) **4th Mudaraba Redeemable Subordinated Tier 2 Bond (2022-2023):**

1	Name of the Issue	IBBL 4 th Mudaraba Redeemable Non-Convertible Subordinated Bond
2	Issue Size	BDT 8,000 million
3	Issue date	29 December, 2022
4	Final Redemption Date	29/12/2029 to 20/12/2030
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 (i.e. IBBL) plus an additional profit rate as described in below mechanism:- Benchmark Mudaraba Term Deposit profit: 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 "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. The Benchmark rate will be calculated by the Trustee and notified to the Issuer and all Investors on every Profit Reset Date. Additional profit Rate: 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.
7	First Coupon rate	6.20%+2.00%=8.20%
8	Current period coupon rate	9.27%-10.47%
9	Trustee	DBH Finance PLC.

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10	Credit rating at the time of Issue	AA+ by Credit Rating Information and Services Limited
11	Outstanding as on 31/12/2023	BDT 8,000 million.

Compliance Status of Previously issued debt securities:

SL	Name of the Issuer	Name of the Issue	Maturity Period	IM Issue Date	Date of Completion of Subscription	Value of the Debt	Repayment Amount (as of 31 Dec 2023)	Outstanding (as of 31 Dec 2023)	Defaults (If any)	Remarks
1	Islami Bank Bangladesh PLC.	Mudaraba Perpetual Bond	Perpetual	10 July 2007	18 September 2007	BDT 300 Cr.	N/A	BDT 300 Cr.	N/A	N/A
2		IBBL Mudaraba Redeemable Non-convertible Subordinated bonds	7 Years	10 August 2017	26 December 2017	BDT 500 Cr.	BDT 400 Cr.	BDT 100 Cr.		
3		2nd Mudaraba Redeemable Subordinated Tier 2 Bond	7 Years	27 September 2018	24 December 2018	BDT 700 Cr.	BDT 420 Cr.	BDT 280 Cr.		
4		<ul style="list-style-type: none"> 1st Tranche Issue of 3rd Mudaraba Redeemable Subordinated Tier 2 Bond 2nd Tranche Issue of 3rd Mudaraba Redeemable Subordinated Tier 2 	7 Years	27 November 2019 and 02 December 2020 respectively	10 December 2019 and 15 December 2020 respectively	BDT 600 Cr. and BDT 600 Cr. respectively	BDT 240 Cr. and BDT 120 Cr. respectively	BDT 360 Cr. and BDT 480 Cr. respectively		
5		IBBL 2nd Perpetual Mudaraba Bonds	Perpetual	5 September 2021	28 March 2022	BDT 800 Cr.	N/A	BDT 800 Cr.		
6		IBBL 4th Mudaraba Redeemable Subordinated Tier 2	7 Years	29 December 2022	21 December 2023	BDT 800 Cr.	N/A	BDT 800 Cr.		

Description of Paid-Up capital:

No. of shares allotted	Date of issue	Face Value	Total allotted Shares (Cumulative Figure)	Total Paid-up Capital (Cumulative Figure)	Year	Remarks
500	13.03.1983	1,000	500	500,000	1983	Initial Capital
9,000	23.03.1983	1,000	9,500	9,500,000	1983	Sponsors subscription
2,500	23.03.1983	1,000	12,000	12,000,000	1983	Local Placement Holders subscription
56,000	23.03.1983	1,000	68,000	68,000,000	1983	Foreign Placement Holders subscription
4,000	10.04.1984	1,000	72,000	72,000,000	1984	Subscribed Bangladesh Bank on behalf of the Government of the


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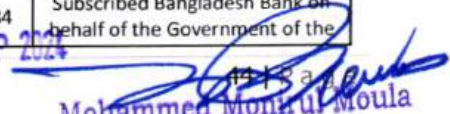
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						Peoples Republic of Bangladesh 10.04.1984 as per approval of the Controller of Capital Issues dated 14.03.1983
8,000	22.08.1985	1,000	80,000	80,000,000	1985	IPO subscription on 22.08.1985
80,000	12.03.1990	1,000	160,000	160,000,000	1990	1 st Rights -1989 (1R:1)
160,000	06.10.1996	1,000	320,000	320,000,000	1996	2 nd Rights -1996 (1R:1)
320,000	01.03.2001	1,000	640,000	640,000,000	2000	3 rd Rights 2000 (1R:1)
1,280,000	08.11.2003	1,000	1,920,000	1,920,000,000	2003	4 th Rights 2003 (2R:1)
384,000	27.10.2004	1,000	2,304,000	2,304,000,000	2003	Bonus - 2003 (1B:5) – Stock Dividend @20%
460,800	17.11.2005	1,000	2,764,800	2,764,800,000	2004	Bonus -2004 (1B:5) – Stock Dividend @20%
691,200	17.10.2006	1,000	3,456,000	3,456,000,000	2005	Bonus -2005 (1B:4) – Stock Dividend @25%
345,600	30.10.2007	1,000	3,801,600	3,801,600,000	2006	Bonus -2006 (1B:10) – Stock Dividend @10%
950,400	30.09.2008	1,000	4,752,000	4,752,000,000	2007	Bonus - 2007 (1B:4) – Stock Dividend @25%
	30.11.2008	100	47,520,000	4,752,000,000	2008	IBBPLC 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	2008	Bonus - 2008 (3B:10) – Stock Dividend @30%
12,355,200	02.06.2010	100	74,131,200	7,413,120,000	2009	Bonus 2009 (1B:5) – Stock Dividend @20%
25,945,920	25.05.2011	100	100,077,120	10,007,712,000	2010	Bonus 2010 (35B:100) – Stock Dividend @35%
	04.12.2011	10	1,000,771,200	10,007,712,000		IBBPLC 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	2011	Bonus - 2011 (1B:4) – Stock Dividend @25%
212,663,880	30.05.2013	10	1,463,627,880	14,636,278,800	2012	Bonus - 2012 (17B:100) – Stock Dividend @17%
146,362,788	05.06.2014	10	1,609,990,668	16,099,906,680	2013	Bonus - 2013 (10B:100) – Stock Dividend @10%
Total			1,609,990,668	16,099,906,680		

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Mohammed Monirul Moufa
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Managing Director
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SECTION 12: AUDITED FINANCIAL STATEMENTS OF THE ISSUER

Auditor's Report along with audited financial statements of IBBPLC is also annexed with this Information Memorandum. Kindly check **Annexure – 1**



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Independent Auditors' Report
To the Shareholders of Islami Bank Bangladesh PLC.
Report on the Audit of the Consolidated and Separate Financial Statements
Opinion

We have audited the consolidated financial statements of Islami Bank Bangladesh PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Islami Bank Bangladesh PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2023, and consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity, and consolidated and separate cash flow statements for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

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 31 December 2023, and of its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2.

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 Auditors' 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), guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), 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 judgment, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response and result to key audit matters
Measurement of provision for investments The process for estimating the provision for investment portfolios associated with credit risk is significant, judgmental and complex.	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> Credit appraisal, investment disbursement procedures, monitoring and provisioning process;

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Description of key audit matters	Our response and result to key audit matters
<p>Measurement of provision for investments</p> <p>The process for estimating the provision for investment portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on a portfolio basis, provision calculation and reporting are manually processed that deal with voluminous databases, assumptions and estimates.</p> <p>Due to the high level of judgment involved and using the manual process in estimating the provision for investment, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total net investments of BDT 1,595,265 million (2022: BDT 1,456,365 million) and BDT 1,600,265 million (2022: BDT 1,461,365 million) respectively and provision for investments of BDT 66,672 million (2022: BDT 59,881 million) and BDT 66,672 million (2022: BDT 59,881 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 03 dated 21 April 2019 and BRPD circular no. 11 dated 20 June 2023; and • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<ul style="list-style-type: none"> • Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; • Alternate procedures applied by management to assess new investment/renewal of existing investments where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained. <p>Due to long-term impact of COVID-19, the macro-economic global crisis caused by the Russia-Ukraine war and many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for investments vide issuing various circulars such as BRPD 14 dated 22 June 2022, BRPD 51 dated 18 December 2022 and BRPD 11 dated 20 June 2023 whereby Banks are allowed to keep an investment/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2023.</p> <p>For the year ended 31 December 2023, the Bank has maintained required provision as per Bangladesh Bank letter No. DBI-6/51(1)/2024-308 dated 24 April 2024 and also agreed to ensure recovery/regularization of certain investments to avoid future classification.</p>




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Description of key audit matters	Our response and result to key audit matters
Measurement of provision for investments	
	Our results: Based on our procedure, we have concluded that the provision for investments disclosed in the financial statements is adequate.
See notes no. 11 and 17.1 to the financial statements	

Description of key audit matters	Our response and result to key audit matters
Recognition of investment income	
Recognition of Investment income has a significant and wide influence on financial statements. Recognition and measurement of Investment income has involvement of complex IT environments.	We tested the design and operating effectiveness of key controls over the recognition and measurement of investment income.
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 the recognition of Investment income by management to meet specific targets or expectations.	We performed tests of operating effectiveness on automated control in place to measure and recognise investment income.
At year end the Group and the Bank reported total gross investment income of BDT 104,905 million (2022: BDT 87,878 million) and BDT 105,027 million (2022: BDT 87,984 million).	We have also performed substantive procedures to check whether investment income is recognised completely and accurately.
	We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.
	Our results: Based on our procedure performed we have concluded that the recognition investment income disclosed in the financial statements of the Bank is in line with Bangladesh Bank Circulars.
See note no. 24 to the financial statements	

Description of key audit matters	Our response and result to key audit matters
Measurement of deferred tax liabilities (DTL)	
At year end the Group and the Bank reported total deferred tax liabilities of BDT 1,201 million (2022: BDT 1,456 million) and BDT 1,204 million (2022: BDT 1,459 million) respectively and deferred tax income of BDT 184 million (2022: BDT 99 million) and BDT 184 million (2022: BDT 99 million) respectively.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTLs and the assumptions used.
Significant judgment is required in relation to deferred tax assets, as their recoverability is dependent on forecasts of future profitability over a number of periods.	We also assessed the completeness and accuracy of the data used. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs.
Accordingly, this area has been considered as key audit matter.	Finally, assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.
	Our results: Based on our procedure, we concluded that the deferred tax liabilities disclosed in the financial statements are in line with IAS 12.
See note no. 18 to the financial statements	



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Description of key audit matters	Our response and result to key audit matters
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 indirect unobservable market data and hence require an elevated level of judgment.	We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2023 and compared our results to the recorded value. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Our results: Based on our procedure, we concluded that the impairment assessment of unquoted investments disclosed in the financial statements is in line with Bangladesh Bank Circulars.
See note no. 10 to the financial statements	

Description of key audit matters	Our response and result to key audit matters
IT systems and controls 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. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.	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, configurations and other application layer controls identified as key to our audit. We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management. Our results: Based on the procedure performed, we have considered the change management, segregation of duties, controls, and outputs in relation to financial accounting and reporting systems to be acceptable.

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Description of key audit matters	Our response and result to key audit matters
Legal and regulatory matters	
<p>We focused on legal and regulatory matters because the Group and the Bank operate 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.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions and other contingent liabilities.</p>	<p>We obtained an understanding of the Group and 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. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provision, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p> <p>Our results: Based on the procedure performed, we have considered the bank's legal affairs and communicated with the legal advisors and panel lawyers to assess the bank's legal & regulatory positions.</p>

Other Matters

The financial statements of the Group and the Bank for the year ended 31 December 2022 were audited by ACNABIN, Chartered Accountants and Howladar Yunus & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 27 April 2023.

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 Auditors' report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Bank.

5




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11 SEP 2024


Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusba C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

ACNABIN
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

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 Company Act 1991 (as amended up to date) and regulations of Bangladesh Bank 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.

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.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

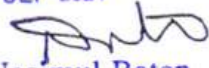
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance 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 judgment 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 Auditors' 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 Auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.


6

11 SEP 2024



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



11 SEP 2024


Md. Farid Uddin FCA, CIPA
VP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

ACNABIN
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

- 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 Auditors' 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.

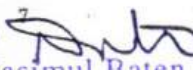
Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 (as amended up to date), the Securities and Exchange Rules 2020, the Bank Company Act 1991 (as amended up to date), the Financial Reporting Act 2015, and the rules and regulations issued by Bangladesh Bank, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditors' 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:
 - internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be not materially adequate as mentioned in Other Matters of this report;
 - 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);
- the financial statements for the year ended 31 December 2023 of 02 (two) subsidiaries namely Islami Bank Securities Limited and Islami Bank Capital Management Limited have been audited by K. M. Hasan & Co., Chartered Accountants and Aziz Halim Choudhury, Chartered Accountants respectively and have been properly reflected in the consolidated financial statements;



11 SEP 2024



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.




11 SEP 2024


Md. Farid Uddin FCA, CPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

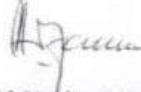
ACNABIN
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

- (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 year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank 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 as per Bangladesh Bank's DBI letter no.: DBI-6/51(1)/2024-308 dated 24 April 2024 which are in our opinion, doubtful of recovery;
- (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 15,840 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

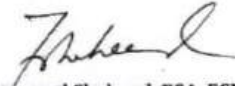
Dhaka
24 April 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Mohiruzzaman, FCA
Partner
ICAB Enrolment No.: 0787
DVC No.: 2404240787AS251665

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Mohammad Shaheed, FCA, FCMA
Senior Partner
ICAB Enrolment No.: 1016
DVC No.: 2404241016AS734706

11 SEP 2024

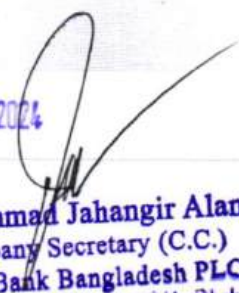

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

8

11 SEP 2024


Md. Farid Uddin, FCA, CPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

1 SEP 2024


Mohammed Monirul Mouda
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Balance Sheet
 As at 31 December 2023

Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash in hand	7(a)	117,904,765,300	123,504,817,210
Cash in hand (including foreign currency)	7(a)(i)	35,241,166,165	30,645,839,722
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7(a)(ii)	82,663,599,136	92,858,977,487
Balance with other banks & financial institutions	8(a)	106,288,372,039	115,248,794,287
In Bangladesh	8(a)(i)	89,236,265,476	91,304,035,057
Outside Bangladesh	8(a)(ii)	17,052,106,564	23,944,759,230
Placement with banks & other financial institutions	9.0	-	-
Investments in shares & securities	10(a)	88,883,831,538	91,390,357,315
Government	10(a)(i)	69,158,974,837	72,173,862,507
Others	10(a)(ii)	19,724,856,701	19,216,494,808
Investments		1,595,265,662,100	1,456,365,497,513
General investments etc.	11.1(a)	1,410,352,159,015	1,321,643,607,786
Bills purchased & discounted	11.2(a)	184,913,503,084	134,721,889,727
Fixed assets including premises	12(a)	15,450,475,777	18,455,370,440
Other assets	13(a)	108,537,991,765	33,740,284,483
Non-banking assets		-	-
Total property and assets		2,032,331,098,519	1,838,705,121,249
Liabilities and Capital			
Liabilities			
Placement from banks & other financial institutions	14(a)	211,378,924,541	187,438,369,400
Deposits & other accounts	15(a)	1,533,352,997,369	1,409,314,554,809
Mudaraba savings deposits		480,045,282,962	445,551,006,782
Mudaraba term deposits		556,859,802,084	512,205,793,676
Other mudaraba deposits		286,150,968,635	288,017,702,760
Al-wadeeah current and other deposit accounts		197,638,708,993	153,251,630,052
Bills payable		12,658,234,695	10,288,421,539
Mudaraba bond	16.0	31,200,000,000	31,000,000,000
Perpetual bond	16.1	11,000,000,000	11,000,000,000
Redeemable subordinated bond	16.2	20,200,000,000	20,000,000,000
Other liabilities	17(a)	182,356,791,053	139,924,699,279
Deferred tax liabilities	18(a)	1,201,461,042	1,456,384,003
Total liabilities		1,959,490,174,005	1,769,134,067,491
Capital/shareholders' equity		72,840,924,514	69,571,113,758
Paid-up capital	19.2	16,099,906,680	16,099,906,680
Statutory reserve	21.0	22,735,466,258	21,735,466,258
Other reserves	22.(a)	30,826,540,611	28,772,608,153
Retained earnings	40(a)	3,178,699,604	2,962,834,552
Non-controlling interest	40(b)	311,361	298,115
Total liabilities & shareholders' equity		2,032,331,098,519	1,838,705,121,249



11 SEP 2024

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.



11 SEP 2024


Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

11 SEP 2024



Md. Farid Uddin, FCA, CPA
 SVP, Head of FAB & CFO
 Islami Bank Bangladesh PLC.
 FAB, Head Office, Dhaka

11 SEP 2024



Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.





11 SEP 2024

54 | Page

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2023

Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances & endorsements		-	-
Letters of guarantee	23.0	26,716,961,910	31,062,266,163
Irrevocable letters of credit (including back to back bills)		152,467,299,618	182,573,222,307
Bills for collection		44,514,902,525	54,371,798,351
Other contingent liabilities		8,174,045	8,174,045
Total		223,707,338,098	268,015,460,865
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 and other commitments		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		223,707,338,098	268,015,460,865

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

 Director
  Director
  Director
  Managing Director & CEO

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

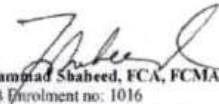
Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665

Dhaka; 24 April 2024


Signed for & on behalf of
Khan Wahab Shafigue Rahman & Co.
Chartered Accountants



Mohammad Shabeed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706

10


11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024


Md. Farid Uddin
SVP, Head of FAD &
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

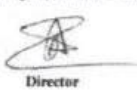

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Profit & Loss Account
For the year ended 31 December 2023

Particulars	Notes	2023 Taka	2022 Taka
Operating income			
Investment income	24(a)	104,904,817,711	87,878,348,352
Profit paid on mudaraba deposits	25(a)	(65,614,798,101)	(54,018,484,481)
Net investment income		39,290,019,610	33,859,863,871
Income from investments in shares & securities	25(a)	4,721,044,977	2,988,738,075
Commission, exchange & brokerage income	27(a)	7,592,498,914	9,436,072,988
Other operating income	28(a)	9,277,841,598	6,831,431,761
		21,591,385,489	19,256,242,824
Total operating income		60,881,405,099	53,116,106,695
Operating expenses			
Salary & allowances	29(a)	22,083,985,773	20,303,342,230
Rent, taxes, insurances, electricity etc.	30(a)	2,140,466,195	2,142,549,324
Legal expenses	31(a)	8,889,728	12,532,875
Postage, stamps and telecommunication etc.	32(a)	138,358,108	130,865,549
Stationery, printing and advertisement etc.	33(a)	360,702,298	299,406,016
Chief executive's salary & fees	34.0	18,419,328	18,069,000
Directors' fees & expenses	35(a)	8,345,323	5,366,579
Shariah supervisory committee's fees & expenses	36.0	1,556,000	1,713,265
Auditors' fees	37(a)	3,235,750	3,599,500
Depreciation and repair to bank's assets	38(a)	1,751,956,837	1,688,445,675
Zakat expenses	17.8	1,062,913,871	970,999,128
Other expenses	39(a)	10,242,733,125	5,789,485,517
Total operating expenses		37,821,562,336	31,366,374,658
Profit/(loss) before provision		23,059,842,763	21,749,732,036
Provision for investments & off-balance sheet exposures	17.1.4	5,715,676,548	6,364,930,031
Provision for diminution in value of investments in shares	17.2(a)	219,587,865	483,145,333
Other provisions	17.4	281,901,053	(36,700,445)
Total provision		6,217,165,466	6,811,374,919
Total profit/(loss) before taxes		16,842,677,297	14,938,357,117
Provision for taxation for the year		10,489,346,367	8,771,358,888
Current tax	17.7(a)	10,672,991,971	8,870,670,581
Deferred tax	19(b)	(183,645,604)	(99,311,693)
Net profit/(loss) after tax		6,353,330,930	6,166,998,229
Net profit after tax attributable to:		6,353,330,930	6,166,998,229
Equity holders of Bank		6,353,317,684	6,166,984,693
Non-controlling interest	40(b)	13,246	13,536
Retained earnings from previous year		2,962,834,552	2,749,579,142
Revaluation reserve of assets/securities transferred to retained earnings		1,530,645,029	30,491,680
Add: Net profit after tax (attributable to equity holders of Bank)		6,353,317,684	6,166,984,693
Add: Excess depreciations on revalued amount of building transferred from assets revaluation reserve to retained earnings	22.2	80,516,221	85,190,953
Profit available for appropriation		10,927,313,486	9,032,246,468
Appropriation:		10,927,313,486	9,032,246,468
Statutory reserve	21.0	1,000,000,000	1,000,000,000
General reserve		4,203,881,689	2,593,011,985
Dividend (previous year)	40.0	1,609,990,668	1,609,990,668
Start-up Fund	17.1	61,141,523	59,234,456
Coupon/dividend on perpetual bond	40(a)	873,600,002	807,174,807
Retained earnings	40(a)	3,178,699,604	2,962,834,552
Consolidated earnings per share	42(a)	3.95	3.83

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


Director


Director


Director

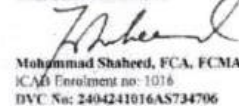

Managing Director & CEO

This is the consolidated profit & loss account referred to in our separate report of even date.

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665
Dhaka, 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Muhammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706

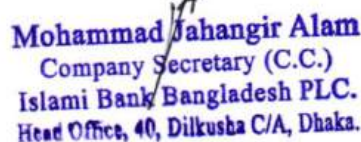
11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Md. Farid Uddin, FCA, CPA
SVP, Head of FAD & CFO
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FAD, Head Office, Dhaka

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Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusba C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2023

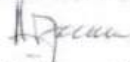
Particulars	Note	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income		88,909,870,564	77,238,243,085
Profit paid on mudaraba deposits		(65,364,798,101)	(50,500,370,309)
Income/ dividend receipt from investments in shares & securities		4,708,633,306	461,025,636
Fees & commission receipt in cash		7,592,498,914	9,436,072,988
Recovery from written off investments		287,689,592	244,773,412
Payments to employees		(22,087,325,471)	(20,034,174,646)
Cash payments to suppliers		(480,140,010)	(446,034,682)
Income tax paid		(8,602,411,530)	(6,866,734,554)
Receipts from other operating activities		9,965,082,978	8,085,260,824
Payments for other operating activities		(12,518,139,727)	(8,033,977,394)
(i) Operating profit before changes in operating assets and liabilities		2,410,960,515	9,584,084,359
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits		-	-
(Increase)/decrease of net trading securities		(126,856,928)	(126,856,928)
(Increase)/decrease of placement to other banks		-	-
(Increase)/decrease of investments to customers		(133,900,164,587)	(265,192,497,267)
(Increase)/decrease of other assets		(74,785,243,945)	(24,267,823,192)
Increase/(decrease) of placement from other banks		23,940,555,141	150,673,069,400
Increase/(decrease) of deposits from other banks		11,299,593,301	5,130,458,954
Increase/(decrease) of deposits received from customers		111,605,899,975	22,202,491,604
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		42,445,205,271	12,347,402,273
(iii) Cash flows from operating assets and liabilities		(19,521,011,772)	(99,233,754,656)
Net cash flows from operating activities (A)=(i+ii)		(17,110,051,257)	(89,649,670,296)
Cash flows from investing activities			
Proceeds from sale of securities/BGIB/Sukuk		5,109,805,373	10,767,079,949
Payment for purchase of securities/BGIB/Sukuk		(2,683,196,954)	(6,749,618,542)
Placement to Islamic Refinance Fund Account		-	-
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		1,553,300,579	(1,389,073,900)
Purchase/sale of subsidiaries		-	-
Net Cash flows from investing activities (B)		3,979,908,998	2,628,387,507
Cash flows from financing activities			
Receipts from issue of debt instruments		5,000,000,000	3,824,160,000
Payment for redemption of debt instruments		(4,800,000,000)	(3,600,000,000)
Receipts from issuing ordinary share/ right share		-	-
Dividend paid in cash		(1,609,990,668)	(1,609,990,668)
Net cash flows from financing activities (C)		(1,409,990,668)	(1,385,830,668)
Net increase/(decrease) in cash (A+B+C)		(14,540,132,927)	(88,407,113,457)
Add/(less): effects of exchange rate changes on cash & cash equivalent		(20,341,230)	28,826,224
Add: cash & cash equivalents at beginning of the year		238,753,611,497	327,131,898,729
Cash & cash equivalents at the end of the year	45(a)	224,193,137,340	238,753,611,497

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

 Director
  Director
  Director
  Managing Director & CEO

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

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665

Dhaka, 24 April 2024

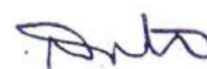
Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706

12

11 SEP 2024




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024




Mohammed Monirul Mouta
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024


Md. Faruk Uddin, FCA, CIPA
SVP, Head of RAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Islami Bank Bangladesh PLC.
Balance Sheet
As at 31 December 2023

Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash in hand	7.0	117,904,723,005	123,504,792,624
Cash in hand (including foreign currency)	7.1	35,241,123,870	30,645,815,136
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7.2	82,663,599,136	92,858,977,487
Balance with other banks & financial institutions	8.0	101,578,824,230	110,787,004,358
In Bangladesh	8.i	84,526,717,667	86,842,245,128
Outside Bangladesh	8.ii	17,052,106,564	23,944,759,230
Placement with banks & other financial institutions	9.0	-	-
Investments in shares & securities	10.0	88,038,373,421	90,454,663,436
Government	10.1	69,158,974,837	72,173,862,507
Others	10.2	18,879,398,584	18,280,800,929
Investments	11.0	1,600,265,662,100	1,461,365,497,513
General investments etc.	11.1	1,415,352,159,015	1,326,643,607,786
Bills purchased & discounted	11.2	184,913,503,084	134,721,889,727
Fixed assets including premises	12.0	15,435,663,200	18,437,320,088
Other assets	13.0	108,309,536,758	33,530,927,106
Non-banking assets		-	-
Total property and assets		2,031,532,782,714	1,838,080,205,126
Liabilities and Capital			
Liabilities			
Placement from banks & other financial institutions	14.0	211,378,924,541	187,438,369,400
Deposits & other accounts	15.0	1,534,566,006,233	1,410,445,429,339
Mudaraba savings deposits	15.1	480,047,894,909	445,565,352,259
Mudaraba term deposits		558,058,288,511	513,310,226,532
Other mudaraba deposits	15.2	286,154,166,380	288,022,176,295
Al-wadeeah current and other deposit accounts	15.3	197,647,421,738	153,259,252,714
Bills payable	15.4	12,658,234,695	10,288,421,539
Mudaraba bond	16.0	31,200,000,000	31,000,000,000
Perpetual bond	16.1	11,000,000,000	11,000,000,000
Redeemable subordinated bond	16.2	20,200,000,000	20,000,000,000
Other liabilities	17.0	181,991,528,355	139,575,739,102
Deferred tax liabilities	18.0	1,203,537,421	1,458,513,201
Total liabilities		1,960,339,996,550	1,769,918,051,042
Capital/ shareholders' equity		71,192,786,164	68,162,154,084
Paid-up capital	19.2	16,099,906,680	16,099,906,680
Statutory reserve	21.0	22,735,466,258	21,735,466,258
Other reserves	22.0	30,747,422,558	28,716,790,478
Retained Earnings	40.0	1,609,990,668	1,609,990,668
Total liabilities & shareholders' equity		2,031,532,782,714	1,838,080,205,126

11 SEP 2024

Md. Farid Uddin, CFA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.




11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Balance Sheet
As at 31 December 2023

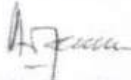
Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances & endorsements		-	-
Letters of guarantee	23.0	26,716,961,910	31,062,266,163
Irrevocable letters of credit (including back to back bills)		152,467,299,618	182,573,222,307
Bills for collection		44,514,902,525	54,371,798,351
Other contingent liabilities		8,174,045	8,174,045
Total		223,707,338,098	268,015,460,865
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 and other commitments		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		223,707,338,098	268,015,460,865

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

 Director
  Director
  Director
  Managing Director & CEO

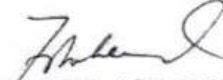
This is the balance sheet referred to in our separate report of even date.

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665
Dhaka, 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants




Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706

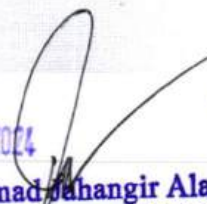
16
11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


11 SEP 2024


Md. Farid Uddin, CMA
SVP, Head of Finance & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024


Mohammad Bahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

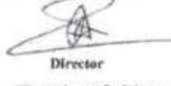

Mohammed Manjul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Profit & Loss Account
For the year ended 31 December 2023

Particulars	Notes	2023 Taka	2022 Taka
Operating income			
Investment income	24.0	105,027,452,635	87,984,257,253
Profit paid on mudaraha deposits	25.0	(65,692,577,714)	(54,077,850,268)
Net investment income		39,334,874,921	33,907,206,985
Income from investments in shares & securities	26.0	4,568,105,509	2,701,469,616
Commission, exchange & brokerage income	27.0	7,528,442,016	9,397,462,838
Other operating income	28.0	8,909,487,926	6,522,977,186
		21,006,035,451	18,621,909,640
Total operating income		60,340,910,372	52,529,116,625
Operating expenses			
Salary & allowances	29.0	22,023,407,478	20,253,126,623
Rent, taxes, insurances, electricity etc.	30.0	2,132,537,530	2,135,157,124
Legal expenses	31.0	7,577,662	8,480,848
Postage, stamps and telecommunication etc.	32.0	137,773,741	130,172,344
Stationery, printing and advertisement etc.	33.0	360,217,563	298,775,659
Chief executive's salary & fees	34.0	18,419,328	18,069,000
Directors' fees & expenses	35.0	6,629,860	3,587,978
Shari'ah supervisory committee's fees & expenses	36.0	1,556,000	1,713,265
Auditors' fees	37.0	3,086,250	3,450,000
Depreciation and repair to bank's assets	38.0	1,743,712,837	1,680,741,446
Zakat expenses	17.8	1,062,913,871	970,999,128
Other expenses	39.0	10,229,510,546	5,777,435,198
Total operating expenses		37,727,342,066	31,281,708,613
Profit/(loss) before provision		22,613,568,306	21,247,408,011
Provision for investments & off-balance sheet exposures	17.1.4	5,715,676,548	6,264,930,031
Provision for diminution in value of investments in shares	17.2	114,230,599	326,256,888
Other provisions	17.4	281,901,053	(36,700,445)
Total provision		6,111,908,200	6,654,486,474
Total profit/(loss) before taxes		16,501,660,106	14,592,921,537
Provision for taxation for the year		10,387,507,852	8,669,475,910
Current tax	17.7.1	10,571,206,273	8,768,960,631
Deferred tax	18.0	(183,698,421)	(99,484,721)
Net profit/(loss) after tax		6,114,152,254	5,923,445,627
Retained earnings from previous year		1,609,990,668	1,609,990,668
Revaluation reserve of assets/securities transferred to retained earnings		1,530,645,029	30,451,680
Add: Net profit after tax		6,114,152,254	5,923,445,627
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	22.2	80,516,221	85,190,953
Profit available for appropriation		9,335,304,172	7,649,078,928
Appropriation:		9,335,304,172	7,649,078,928
Statutory reserve	21.0	1,000,000,000	1,000,000,000
General reserve	22.1	4,180,581,312	2,562,688,329
Dividend (previous year)		1,609,990,668	1,609,990,668
Start-up Fund	17.10	61,141,523	59,234,456
Coupon/dividend on perpetual bond		873,600,002	807,174,807
Retained earnings	40.0	1,609,990,668	1,609,990,668
Earnings per share (EPS)	42.0	3.80	3.68

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


Director


Director


Director


Managing Director & CEO

This is the profit & loss account referred to in our separate report of even date.

Signed for & on behalf of
ACNABEN

Chartered Accountants



Md. Moniruzzaman, FCA

ICAB Enrolment no: 0787

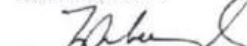
DVC No: 2404240787AS251665

Dhaka, 24 April 2024

Signed for & on behalf of

Khan Wahab Shafique Rahman & Co.

Chartered Accountants



Muhammad Shabeed, FCA, FCMA

ICAB Enrolment no: 1016

DVC No: 2404241016AS734706

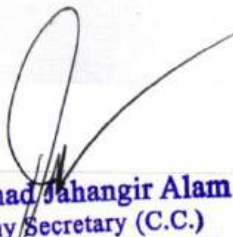
17 11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


11 SEP 2024


Md. Farid Uddin, CA, CTA
SVP, Head of Finance & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusba C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Mouda
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Cash Flow Statement
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income		89,027,452,635	77,340,087,047
Profit paid on mudaraba deposits		(65,442,577,714)	(50,558,936,096)
Income/ dividend receipt from investments in shares & securities		4,568,105,509	204,440,149
Fees & commission receipt in cash		7,528,442,016	9,397,462,858
Recovery from written off investments		287,689,592	244,773,412
Payments to employees		(22,041,826,806)	(19,998,248,195)
Cash payments to suppliers		(479,750,727)	(445,477,207)
Income tax paid		(8,484,602,339)	(6,752,481,846)
Receipts from other operating activities		9,581,864,535	7,743,934,108
Payments for other operating activities		(12,470,545,452)	(7,987,245,396)
(i) Operating profit before changes in operating assets and liabilities		2,074,251,049	9,188,308,813
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits		-	-
(Increase)/decrease of net trading securities		-	-
(Increase)/decrease of placement to other banks		-	-
(Increase)/decrease of investments to customers		(138,900,164,587)	(270,192,497,267)
(Increase)/decrease of other assets		(74,778,609,651)	(24,228,468,461)
Increase/(decrease) of placement from other banks		23,940,555,141	150,673,069,400
Increase/(decrease) of deposits from other banks		11,300,560,101	5,131,425,754
Increase/(decrease) of deposits received from customers		112,820,016,793	23,334,474,088
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		46,191,994,507	16,438,211,091
(ii) Cash flows from operating assets and liabilities		(19,425,647,696)	(98,843,785,395)
Net cash flows from operating activities (A)=(i+ii)		(17,351,396,647)	(89,655,476,581)
Cash flows from investing activities			
Proceeds from sale of securities/BGIBM/Sukuk		2,416,290,015	4,364,737,030
Payment for purchase of securities/BGIBM/Sukuk		-	-
Placement to Islamic Refinance Fund Account		-	-
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		1,557,188,784	(1,379,952,705)
Purchase/sale of subsidiaries		-	-
Net cash flows from investing activities (B)		3,973,478,799	2,984,784,325
Cash flows from financing activities			
Receipts from issue of debt instruments		5,000,000,000	3,824,160,000
Payment for redemption of debt instruments		(4,800,000,000)	(3,600,000,000)
Receipts from issuing ordinary share/ right share		-	-
Dividend paid in cash		(1,609,990,668)	(1,609,990,668)
Net cash flows from financing activities (C)		(1,409,990,668)	(1,385,830,668)
Net increase/(decrease) in cash (A+B+C)		(14,787,908,516)	(88,056,522,924)
Add/(Less), effects of exchange rate changes on cash & cash equivalent		(20,341,230)	28,826,224
Add, cash & cash equivalents at beginning of the year		234,291,796,982	322,319,493,681
Cash & cash equivalents at the end of the year	45.0	219,483,547,236	234,291,796,982

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


Director

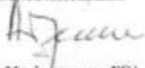

Director


Director

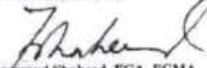

Managing Director & CEO

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

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Maniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665
Dhaka, 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706


11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

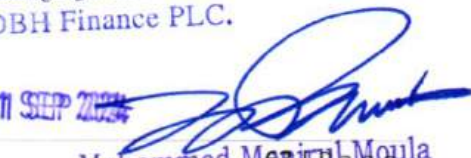
11 SEP 2024


Md. Faruk Uddin, FCA, CPA
SVP, Head of Finance, CFO
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammad Masrur Hossain
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Statement of Changes in Equity
For the year ended 31 December 2023

(Amount in Taka)

Particulars	1	2	3	4	5	6	7	8	9	10
	Share premium	Statutory reserve	General other reserves ^(*)	Assets revaluation reserve	Resvaluation reserve of investments	Retained earnings	Total			
Balance as at 01 January 2023	1,099,633	31,735,466,258	19,507,209,216	9,110,001,227	185,542,000	1,695,996,668	9,427,311,457,671.81			
Sale of finished assets and Deferred tax on revaluation surplus	-	-	-	(2,453,706,139)	1,653,000	-	69,182,154,864			
Deferred tax impact on assets disposals	-	-	-	69,817,239	-	-	(13,102,100,170)			
Depreciation adjustment on revalued fixed assets	-	-	-	(95,316,721)	-	-	49,617,335			
Surplus (deficit) on account of revaluation	-	-	-	-	(15,560,000)	-	-			
Current's transaction differences	-	-	(25,743,236)	-	-	-	(16,600,000)			
Net gain and losses not recognized in the income statement & statutory reserve of associate transferred to retained earnings	-	-	-	-	-	1,130,445,629	(35,341,236)			
Net profit for the year	-	1,102,000,000	4,105,812,112	-	-	6,111,112,214	1,236,647,029			
Transfer to firms reserve	-	-	-	-	-	(1,102,000,000)	6,114,812,254			
Dividend	-	-	-	-	-	(1,102,000,000)	5,012,812,254			
Share shares transferred	-	-	-	-	-	-	-			
Share shares transferred from retained earnings	-	-	-	-	-	(1,695,996,668)	(1,695,996,668)			
Company's share on payment bond	-	-	-	-	-	(873,600,000)	(873,600,000)			
Final shareholders' equity as on 31 December 2023	1,099,633	32,735,466,258	23,607,249,216	6,903,283,126	174,082,000	1,695,996,668	71,152,765,164			
ADD: Minority interest	-	-	-	-	-	-	11,000,000,000			
ADD: Minority's redeemable subordinated bond	-	-	-	-	-	-	10,500,000,000			
ADD: General provision for unclassified investments and off-balance sheet items (Note 3.14.7)	-	-	4,005,438,295	-	-	-	15,009,438,295			
Less: Variable redemption	-	-	-	-	-	-	(4,301,000,000)			
Adjustment for intangible assets	-	-	(121,014,642)	-	-	-	(121,014,642)			
Adjustment for currency translation differences	-	-	(25,112,209)	-	-	-	(25,112,209)			
Less: Assets revaluation reserve (Note 3.14.8)	-	-	-	(6,815,183,126)	-	-	(6,815,183,126)			
Less: Resvaluation reserve of securities (Note 3.14.5)	-	-	-	-	(174,082,000)	-	(174,082,000)			
Total equity as on 31 December 2023	1,099,633	32,735,466,258	23,607,249,216	6,903,283,126	174,082,000	1,695,996,668	108,276,714,569			

^{(*) Note - General / other reserves}

Particulars	01.01.2023	31.12.2023
General reserve	19,507,209,216	19,507,209,216
Dividend equalization account	12,000,000	12,000,000
Current's transaction differences	46,443,130	17,671,126
Total	19,565,652,346	19,526,880,342



11 SEP 2024

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

11 SEP 2024

Mohammed Monirul Molla
Mohammed Monirul Molla
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024

Md. Farid Uddin Khan
Md. Farid Uddin Khan, CPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Islami Bank Bangladesh PLC.
Statement of Changes in Equity
For the year ended 31 December 2022

(Amount in Taka)

Particulars	1	2	3	4	5	6	7	8	Total
	9 (131)-4-5-6-7-8-9								9 (131)-4-5-6-7-8-9
Balance as at 01 January 2022									64,561,194,277
Deferred tax on revaluation surplus									16,554,400
Deferred tax on revaluation surplus									20,846,607
Deferred tax on revaluation surplus									85,148,955
Share premium									40,544,000
Share premium									20,252,224
Share premium									3,451,480
Share premium									3,223,443,237
Share premium									15,252,000,379
Share premium									11,609,390,686
Share premium									19,234,650
Share premium									807,274,807
Share premium									1,609,390,686
Share premium									11,609,390,686
Share premium									20,000,000,000
Share premium									17,006,581,509
Share premium									14,300,000,000
Share premium									17,52,240,000
Share premium									106,453,000
Share premium									5,000,000,000
Share premium									1,000,000,000
Share premium									102,738,443,279

Signed for & on behalf of
Khan Wahab Shafiqur Rahman & Co.
Chartered Accountants
Mohammad Shabbir, FCA, FCMA
ICAP Enrollment no: 0116
DYC No: 246424787AS251665

Signed for & on behalf of
Director

Signed for & on behalf of
Director

This is the statement of changes in equity referred to in our separate report of even date.

Signed for & on behalf of
ACNABN
Chartered Accountants
Md. Moniruzzaman, FCA
ICAB Enrollment no: 0787
DYC No: 246424787AS251665
Dhaka, 24 April 2024

11 SEP 2024

Md. Farid Uddin, FCA, CIPA
SVP, Head of Risk & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Liquidity Statement
Assets & Liabilities Analysis
As at 31 December 2023

Particulars	Amount in taka					
	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	More than 5 years	Total 31.12.2023
	2	3	4	5	6	7=(2+3+4+5+6)
ASSETS						
Cash in hand	58,156,272,005	-	-	-	59,748,451,000	117,904,723,005
Balance with other banks & financial institutions (Note-8.2)	83,416,648,230	3,165,009,000	3,910,000,000	-	1,387,110,000	91,878,824,230
Placement with banks & other financial institutions	-	-	-	-	-	-
Investments in shares & securities (Note-10.4)	791,524,837	800,000,000	7,906,150,000	3,941,000,000	74,599,096,584	88,038,374,411
General investments etc. (Note-11.1)	209,383,334,881	150,055,235,303	514,149,276,945	219,868,893,116	321,255,420,770	1,415,352,189,015
Bills purchased & discounted (Note-11.2.1)	110,948,101,850	55,474,050,925	18,491,250,209	-	-	184,913,503,084
Fixed assets including premises (land & building), furniture and fixtures (Note-12.3)	-	-	-	-	15,435,660,200	15,435,660,200
Other assets (Note-13.1)	-	-	-	-	108,309,536,718	108,309,536,718
Total Assets	462,695,781,804	220,134,286,228	844,156,877,255	223,810,491,116	580,735,346,311	2,031,532,782,714
LIABILITIES						
Placement from banks & other financial institutions	70,150,759,911	77,809,229,343	48,434,712,169	11,985,464,035	7,888,750,000	211,378,924,541
Deposits (Note-15.5)	290,813,398,251	449,315,282,438	383,307,509,304	329,182,513,040	84,347,200,000	1,534,566,006,233
Other accounts	-	-	-	-	-	-
Provision & other liabilities (Note-17.1)	8,980,899,179	9,072,776,948	27,233,330,843	18,135,353,893	118,337,867,499	181,991,828,365
Declared tax liability (taxes)	59,926,548	60,531,867	181,595,600	121,063,733	780,619,673	1,203,537,421
Mutual fund perpetured bond	-	-	-	-	11,000,000,000	11,000,000,000
Mudaraba redeemable subordinated bond	370,011,083,889	531,392,823,596	4,800,000,000	17,200,000,000	3,200,000,000	20,200,000,000
Total Liabilities	92,684,697,915	(311,238,537,365)	80,219,726,139	(144,834,103,007)	354,381,603,085	71,192,786,164
Net Liquidity Gap						684,021,154,084

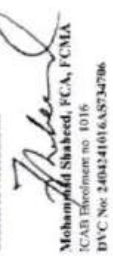

Managing Director & CEO


Director

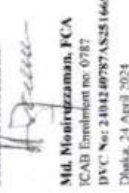

Director

This is the liquidity statement referred to in our separate report of even date.


Signed for & on behalf of
Khan Wahab Shafiqur Rahman & Co.
Chartered Accountants


Mohammad Shafiqur Rahman, FCA, FCMA
ICAB Enrollment no. 1016
DVC No. 2404241016AS734796

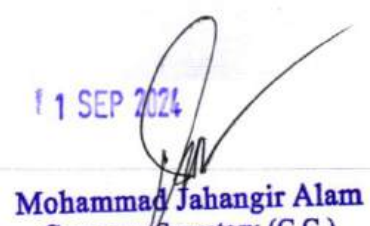
Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Mostafizur Rahman, FCA
ICAB Enrollment no. 0787
DVC No. 2404240787AS231665
Dhaka, 24 April 2024

11 SEP 2024


Md. Faruk Hossain, FCA, CIPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka


11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024


Mohammed Monirul Molla
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

SECTION 13: COMPARATIVE FINANCIAL STATEMENTS
Consolidated Balance Sheet:

Islami Bank Bangladesh PLC. and its Subsidiaries
 Consolidated Balance Sheet
 From 31 December 2023 to 31 December 2021

(amount in BDT million)

Particulars	31.12.2023	31.12.2022	31.12.2021
	Taka	Taka	Taka
Property and Assets			
Cash in hand	117,904.77	123,504.82	246,163.45
Cash in hand (including foreign currency)	35,241.17	30,645.84	22,101.06
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	82,663.60	92,858.98	224,062.39
Balance with other banks & financial institutions	106,288.37	115,248.79	80,968.45
In Bangladesh	89,236.27	91,304.04	66,384.00
Outside Bangladesh	17,052.11	23,944.76	14,584.45
Placement with banks & other financial institutions	0.00	0.00	0.00
Investments in shares & securities	88,883.83	91,390.36	95,651.80
Government	69,158.97	72,173.86	75,352.69
Others	19,724.86	19,216.49	20,299.11
Investments	1,595,265.66	1,456,365.50	1,186,173.00
General investments etc.	1,410,352.16	1,321,643.61	1,132,670.86
Bills purchased & discounted	184,913.50	134,721.89	53,502.15
Fixed assets including premises	15,450.48	18,455.37	18,397.10
Other assets	108,537.99	33,740.28	9,315.77
Non - banking assets	0.00	0.00	0.00
Total property and assets	2,032,331.10	1,838,705.12	1,636,669.57
Liabilities and Capital			
Liabilities			
Placement from banks & other financial institutions	211,378.92	187,438.37	36,765.30
Deposits & other accounts	1,533,353.00	1,409,314.55	1,380,849.22
Mudaraba Savings deposits	480,045.28	445,551.01	476,486.44
Mudaraba Term deposits	556,859.80	512,205.79	488,217.93
Other mudaraba deposits	286,150.97	288,017.70	282,105.51
Al- wadeeah current and other deposit accounts	197,638.71	153,251.63	125,921.85
Bills payable	12,658.23	10,288.42	8,117.49
Mudaraba Bond	31,200.00	31,000.00	30,775.84
Perpetual bond	11,000.00	11,000.00	10,175.84
Redeemable subordinated bond	20,200.00	20,000.00	20,600.00
Other liabilities	182,356.79	139,924.70	120,971.86
Deferred tax liabilities	1,201.46	1,456.38	1,580.69
Total liabilities	1,959,490.17	1,769,134.01	1,570,942.91
Capital/shareholders' equity	72,840.92	69,571.11	65,726.66
Paid - up capital	16,099.91	16,099.91	16,099.91

11 SEP 2024

Md. Farid Uddin BBA, CPA
 SVR, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moja
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Statutory reserve	22,735.47	21,735.47	20,735.47
Other reserves	30,826.54	28,772.61	26,141.42
Retained earnings	3,178.70	2,962.83	2,749.58
Non-controlling interest	0.31	0.30	0.28
Total liabilities & shareholders' equity	2,032,331.10	1,838,705.12	1,636,669.57

Consolidated Profit and Loss Accounts:
Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Profit & Loss Account
For the year ended 31 December 2023 to 31 December 2021

(amount in BDT million)

Particulars	2023	2022	2021
	Taka	Taka	Taka
Operating income			
Investment income	104,904.82	87,878.35	73,268.56
Profit paid on mudaraba deposits	-65,614.80	-54,018.48	-44,885.79
Net investment income	39,290.02	33,859.86	28,382.77
Income from investments in shares & securities	4,721.04	2,988.74	2,740.65
Commission, exchange & brokerage income	7,592.50	9,436.07	7,337.75
Other operating income	9,277.84	6,831.43	5,574.22
	21,591.39	19,256.24	15,652.62
Total operating income	60,881.41	53,116.11	44,035.38
Operating expenses			
Salary & allowances	22,083.99	20,303.34	17,343.65
Rent, taxes, insurances, electricity etc.	2,140.47	2,142.55	1,669.55
Legal expenses	8.89	12.53	8.11
Postage, stamps and telecommunication etc.	138.36	130.87	102.97
Stationery, printing and advertisement etc.	360.70	299.41	244.25
Chief executive's salary & fees	18.42	18.07	17.38
Directors' fees & expenses	8.35	5.37	5.75
Shari'ah supervisory committee's fees & expenses	1.56	1.71	1.31
Auditors' fees	3.24	3.60	4.17
Depreciation and repair to bank's assets	1,751.96	1,688.45	1,640.44
Zakat expenses	1,062.91	971.00	894.91
Other expenses	10,242.73	5,789.49	4,925.07
Total operating expenses	37,821.56	31,366.37	26,857.58
Profit/ (loss) before provision	23,059.84	21,749.73	17,177.80
Provision for investments & off- balance sheet exposures	5,715.68	6,364.93	5,072.92
Provision for diminution in value of investments in shares	219.59	483.15	313.78
Other provisions	281.90	-36.70	45.20
Total provision	6,217.17	6,811.37	5,431.90
Total profit/(loss) before taxes	16,842.68	14,938.36	11,745.90
Provision for taxation for the year	10,489.35	8,771.36	6,938.34
Current tax	10,672.99	8,870.67	6,936.16
Deferred tax	-183.65	-99.31	2.17
Net profit/ (loss) after tax	6,353.33	6,167.00	4,807.57

11 SEP 2024

 Md. Farid Uddin, FCA, CIPA
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

 Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Net profit after tax attributable to:	6,353.33	6,167.00	4,807.57
Equity holders of Bank	6,353.32	6,166.98	4,807.55
Non-controlling interest	0.01	0.01	0.02
Retained earnings from previous year	2,962.83	2,749.58	2,606.78
Revaluation reserve of assets/securities transferred to retained earnings	1,530.65	30.49	0.00
Add: Net profit after tax (attributable to equity holders of Bank)	6,353.32	6,166.98	4,807.55
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	80.52	85.19	87.38
Add: Start-up Fund transferred for adjustment	0.00	0.00	102.77
Less: Adjustment for changing in shares position of IBSL	0.00	0.00	-0.05
Profit available for appropriation	10,927.31	9,032.25	7,604.42
Appropriation:	10,927.31	9,032.25	7,604.42
Statutory reserve	1,000.00	1,000.00	1,000.00
General reserve	4,203.88	2,593.01	1,974.43
Dividend (previous year)	1,609.99	1,609.99	1,609.99
Start-up Fund	61.14	59.23	46.39
Coupon/dividend on perpetual bond	873.60	807.17	224.03
Retained earnings	3,178.70	2,962.83	2,749.58

Consolidated Cash Flow Statement:

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Cash Flow Statement
 For the year ended 31 December 2023 to 31 December 2021

(amount in BDT million)

Particulars	2023	2022	2021
	Taka	Taka	Taka
Cash flows from operating activities			
Investment income	88,909.87	77,238.24	67,268.56
Profit paid on mudaraba deposits	-65,364.80	-50,500.37	-44,962.70
Income/ dividend receipt from investments in shares & securities	4,708.63	461.03	3,676.02
Fees & commission receipt in cash	7,592.50	9,436.07	7,337.75
Recovery from written off investments	287.69	244.77	93.36
Payments to employees	-22,087.33	-20,034.17	-17,001.63
Cash payments to suppliers	-480.14	-446.03	-497.47
Income tax paid	-8,602.41	-6,866.73	-7,365.42
Receipts from other operating activities	9,965.08	8,085.26	6,206.40
Payments for other operating activities	-12,518.14	-8,033.98	-6,714.50
(i) Operating profit before changes in operating assets and liabilities	2,410.96	9,584.08	8,040.37
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits	0.00	0.00	0.00
(Increase)/decrease of net trading securities	-126.86	-126.86	-126.86
(Increase)/decrease of placement to other banks	0.00	0.00	0.00
(Increase)/decrease of investments to customers	-133,900.16	-265,192.50	-150,885.12
(Increase)/decrease of other assets	74,785.24	-24,267.82	5,245.27
Increase/(decrease) of placement from other banks	23,940.56	150,673.07	-7,704.02
Increase/(decrease) of deposits from other banks	11,299.59	5,130.46	1,122.06
Increase/(decrease) of deposits received from customers	111,605.90	22,202.49	200,033.75
Increase/(decrease) of other liabilities account of customers	0.00	0.00	0.00

11 SEP 2024

Md. Farid Uddin, CA, CIPA
 SVP, Head of Finance & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Increase/(decrease) of trading liabilities	0.00	0.00	0.00
Increase/(decrease) of other liabilities	42,445.21	12,347.40	11,122.67
(ii) Cash flows from operating assets and liabilities	-19,521.01	-99,233.75	58,807.74
Net cash flows from operating activities (A)=(i+ii)	-17,110.05	-89,649.67	66,848.12
Cash flows from investing activities			
Proceeds from sale of securities/BGIB/Sukuk	5,109.81	10,767.08	-14,309.63
Payment for purchase of securities/BGIB/Sukuk	-2,683.20	-6,749.62	-6,749.62
Placement to Islamic Refinance Fund Account	0.00	0.00	0.00
Payment for purchase of securities/membership	0.00	0.00	0.00
Purchase/sale of property, plants & equipments	1,553.30	-1,389.07	-2,040.15
Purchase/sale of subsidiaries	0.00	0.00	0.00
Net Cash flows from investing activities (B)	3,979.91	2,628.39	-23,099.40
Cash flows from financing activities			
Receipts from issue of debt instruments	5,000.00	3,824.16	7,175.84
Payment for redemption of debt instruments	-4,800.00	-3,600.00	-2,400.00
Receipts from issuing ordinary share/ right share	0.00	0.00	0.00
Dividend paid in cash	-1,609.99	-1,609.99	-1,609.99
Net cash flows from financing activities (C)	-1,409.99	-1,385.83	3,165.85
Net increase/(decrease) in cash (A+B+C)	-14,540.13	-88,407.11	46,914.57
Add/(less): effects of exchange rate changes on cash & cash equivalent	-20.34	28.83	-0.75
Add: cash & cash equivalents at beginning of the year	238,753.61	327,131.90	280,218.08
Cash & cash equivalents at the end of the year	224,193.14	238,753.61	327,131.90

SECTION 14: RATIOS FOR THE LAST ACCOUNTING YEARS

Particulars	2023	2022	2021
Current Ratio	N/A	N/A	N/A
Quick Ratio	N/A	N/A	N/A
Break-Even Point (including financial costs)	N/A	N/A	N/A
Accounts Receivable Turnover Ratio	N/A	N/A	N/A
Investment Deposit Ratio	91.90%	91.64%	79.74%
Debt to Equity Ratio	2,754%	2,597%	2,434.02%
Debt to Total Asset Ratio	96.00%	96.00%	96.05%
Operating Income Ratio	48.00%	49.00%	49.09%
Net Income Ratio	4.85%	5.56%	5.26%
Net Operating Cash flow to Net Income	-284%	-1514%	1,437.32%
Total Debt to Tangible Assets Ratio	3,868%	3,606%	8,652.30%
Cost Income Ratio	82%	80%	81%
Gross Profit Ratio	47.88%	49.00%	49.09%
Cost of Fund	7.17%	6.55%	6.17%
Non-Performing Investment Ratio	4.32%	3.70%	3.31%
Tier 1 Capital Ratio%	8.73%	8.51%	9.0%
Tier 2 Capital Ratio%	3.89%	4.03%	4.5%
Capital Adequacy Ratio%	12.62%	12.54%	13.54%
ROE (Return on Equity)	8.77%	8.93%	7.19%
ROA (Return on Asset)	0.32%	0.34%	0.30%
Cost of Fund	7.17%	6.55%	6.17%
SLR (Statutory liquidity reserve ratio)	6.04%	6.62%	19.84%
CRR (Cash reserve ratio)	5.10%	5.77%	16.48%

11 SEP 2024

Md. Farid Uddin FCA, CIPA
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Price Earnings Ratio (Times)	8.58	8.70	11.11
EPS (Earnings per Share in BDT) *	3.80	3.68	2.88
NAV (Net Assets Value) per share in BDT*	44.22	42.34	40.10
Cash Dividend (%)	10%	10%	10%

SECTION 15: CREDIT RATING REPORT OF THE ISSUE
Credit Rating of Issuer

Date of Declaration	Valid Till	Rating Action	Long Term	Short Term	Rated By	Outlook
06 July 2024	05 July 2025	Surveillance - 2	AAA	ST-1	ECRL	Stable

Credit Rating of the Issue

Date of Declaration	Valid Till	Rating Action	Long Term	Short Term	Rated By	Outlook
30 May 2024	29 May 2025	Initial	AA+IB	-	ECRL	Stable

Credit Rating Report for the Bond, issued by Emerging Credit Rating Limited is annexed to this Information Memorandum. Please check **Annexure – 2**.


11 SEP 2024


 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024


 Md. Farid, FCA, CIPA
 SVP, Head of F&D & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka.

11 SEP 2024


 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


 Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

SECTION 16: LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC
BOND RATING SYMBOL

LONG-TERM RATINGS	
ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.	
RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Year	Issuers as of 31st December	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1010	0	1	0.0%	0.1%	0.1%
2021	1068	0	0	0.0%	0.0%	0.0%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

11 SEP 2024

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC

11 SEP 2024

Md. Farid Ullah, CIPA
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Mofta
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
High Grade	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
High Yield	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Rating Transition Matrix (2011 – 2021)
1-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.6%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.3%	98.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.6%	96.2%	2.1%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.9%	96.6%	1.4%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	12.4%	86.4%	0.7%	0.0%	0.5%
B	0.0%	0.0%	0.0%	0.0%	14.3%	85.7%	0.0%	0.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

2-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	97.3%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	2.6%	96.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.2%	92.6%	4.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.6%	93.6%	2.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.2%	22.7%	74.9%	1.2%	0.0%	1.0%
B	0.0%	0.0%	0.0%	1.8%	24.6%	73.6%	0.0%	0.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

3-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	3.9%	95.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	4.6%	89.2%	5.8%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.1%	5.2%	90.8%	3.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.6%	31.2%	65.2%	1.5%	0.0%	1.3%
B	0.0%	0.0%	0.0%	4.8%	31.8%	63.2%	0.0%	0.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

 11 SEP 2024 

 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024

11 SEP 2024


 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


 Faridul Islam, CPA
 SVP, Head of F&D & CFO
 Islami Bank Bangladesh PLC.
 F&D, Head Office, Dhaka.


 Mohammed Monirul Molla
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

4- year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	94.7%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	5.1%	93.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	6.0%	85.9%	7.5%	0.3%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	6.7%	88.3%	4.5%	0.2%	0.0%	0.0%
BB	0.0%	0.0%	1.2%	38.2%	57.0%	1.8%	0.0%	1.7%
B	0.0%	0.0%	0.1%	8.5%	36.6%	54.4%	0.0%	0.4%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5- year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	93.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	6.2%	92.5%	1.2%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.2%	7.3%	82.8%	9.0%	0.4%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.1%	86.0%	5.2%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	1.9%	44.0%	50.1%	1.9%	0.0%	2.0%
B	0.0%	0.0%	0.3%	12.8%	39.5%	46.9%	0.0%	0.6%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

SECTION 17: DESCRIPTION OF THE TRUSTEE
Overview of the Trustee:

DBH Finance PLC. formerly known as Delta Brac Housing Finance Corporation Ltd. is the pioneer, largest, and specialist 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 18th 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.

- Authorized Capital: BDT 4,000 million (as of 31 December 2023)
- Paid up Capital: BDT 1,989 million (as of 31 December 2023)
- Net Worth: BDT 8,678 million (as of 31 December 2023)

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

Strategic Objective:

- Focus on building deep and long-standing relationships with our clients, customers as real-estate developers, and constantly look to improve the quality of our products services.
- Focus on developing our human resource talents.

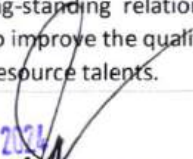
11 SEP 2024


 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024


 Md. Farid Uddin FCA, CIPA
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

11 SEP 2024


 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


 Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

- 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

Board of Directors of Trustee

SL.	Name	Designation
1	Dr. A M R Chowdhury	Chairman
2	Syed Moinuddin Ahmed	Vice Chairman
3	Major General Syeed Ahmed, BP, awc, pse (Retd.)	Independent Director
4	Nazir Rahim Chowdhury	Director
5	Khandkar Manwarul Islam	Director
6	Imran Rahman	Independent Director
7	Nasimul Baten	Managing Director & CEO

Financial Highlights of Trustee

Financial Performance Highlight

Business Performance

Amount in Million Taka except %

Financial Position	2019	2020	2021	2022	2023	Growth of 2023 over 2022	5 Year CAGR (%) / Average*
Loan Approvals	8,934	7,527	10,896	10,493	9,412	-10.30%	1.31%
Loan Disbursement	10,112	7,028	10,803	11,029	9,653	-12.48%	-1.15%
Cumulative Disbursement	113,386	120,414	131,217	142,246	151,899	6.79%	7.58%
Cumulative Sanction	114,714	122,241	133,137	143,630	153,042	6.55%	7.47%

Operational Performance

Financial Position	2019	2020	2021	2022	2023	Growth of 2023 over 2022	5 Year CAGR (%) / Average*
Operating Revenue	6,586	6,108	5,373	5,180	6,299	21.60%	-1.11%
Operating Expenses	524	523	565	610	638	4.56%	5.07%
Financial Expenses	4,645	3,960	2,890	3,045	4,130	35.63%	-2.89%
Net Profit Before Tax	1,555	1,498	1,721	1,580	1,561	-1.21%	0.10%
Net Profit After Tax	1,073	891	1,044	1,017	984	-3.17%	-2.14%
EBITDA	6,125	5,646	4,874	4,640	5,735	23.59%	-1.63%

Financial Position

Financial Position	2019	2020	2021	2022	2023	Growth of 2023 over 2022	5 Year CAGR (%) / Average*
Gross Profit Ratio	70.52%	64.83%	53.79%	58.79%	65.57%	11.54%	62.18%
Operating Profit Ratio	21.52%	26.60%	35.69%	29.42%	24.29%	-17.44%	26.86%
Return on Capital Employed	24.41%	26.55%	28.04%	20.01%	18.36%	-8.25%	19.19%
Cost to Income Ratio	26.97%	24.36%	22.76%	28.60%	29.44%	2.93%	26.43%
Current Ratio	1.64	1.79	1.96	1.48	1.84	24.24%	1.74
Debt Equity Ratio	9.21	8.11	7.32	6.73	6.78	0.77%	7.63
Financial Expense Coverage Ratio	1.31	1.41	1.66	1.50	1.37	-8.66%	1.45
Return on Equity (%)	19.79%	14.56%	15.27%	13.35%	11.81%	-11.51%	14.96%
Return on Assets (%)	1.81%	1.51%	1.76%	1.67%	1.52%	-8.61%	1.65%

11 SEP 2024

 Md. Farid Uddin
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka


 11 SEP 2024
 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.


 11 SEP 2024
 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


 Mohammed Monirul Molla
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Shareholding Structure of Trustee

The table below illustrates the shareholders structure of the trustee:

Group Name	No. of Share holders	No. of Shares	Percent (%)
Sponsors/ Directors	5	102,072,758	51.32
General Public	9,253	22,488,255	11.31
Financial Institutions & Other Companies	205	40,484,897	20.35
Foreign Investors	14	33,844,261	17.02
Total:	9,477	198,890,171	100.00

Track Record of Trustee Services:

SL	Name of the issue	Tenure	Value of debt	Repayment amount/Principal Redemption	Latest outstanding amount	Default
1	UCB 5th Subordinated Bond of United Commercial Bank PLC	7 Years	1000 Crore	N/A	N/A	No
2	5th PBL Subordinated Bond of The Premier Bank Limited	7 Years	600 Crore	N/A	N/A	No
3	IBBL 4th Redeemable, Non-convertible, Unsecured, Subordinated Bond	7 Years	800 Crore	N/A	N/A	No
4	SIBL 4 th Floating rate Non-Convertible Unsecured Subordinated Bond	7 Years	600 Crore	N/A	N/A	No
5	PBL 3 rd Redeemable Non-Convertible Unsecured Subordinated Bond of Pubali Bank Ltd.	7 Years	700 Crore	N/A	N/A	No
6	Trust Bank Ltd VI Floating Rate Redeemable Non-Convertible Unsecured Subordinated Bond	7 Years	400 Crore	N/A	N/A	No
7	SIBL 3 rd Sub Bond of Shahjalal Islami Bank Limited	7 Years	500 Crore	N/A	N/A	No
8	Dhaka Bank 4 th Sub Bond Dhaka Bank PLC	7 Years	400 Crore	N/A	N/A	No
9	Jamuna Bank Subordinated Bond	7 Years	250 Crore	N/A	N/A	No
10	SAJIDA 2 nd Zero Coupon Bond of SAJIDA Foundation	3 Years	198 Crore	N/A	N/A	No
11	Runner Auto Sustainability Bond of Runner Automobiles PLC	3 Years	267.5 Crore	N/A	N/A	No

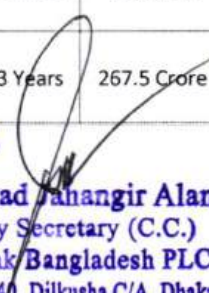
11 SEP 2024


 Nasimul Baten
 Managing Director & CEO
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11 SEP 2024


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 FAD, Head Office, Dhaka

11 SEP 2024


 Mohammad Jahangir Alam
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11 SEP 2024


 Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

76 | Page

12	CDIP 1 st Zero Coupon Bond of Centre for Development Innovations & Practice	3 Years	171	N/A	N/A	No
13	PBL 4 th Non-Convertible Sub Bond of Pubali Bank PLC	7 Years	400	N/A	N/A	No

Due Diligence Certificate by the Trustee

Due Diligence Certificate of the Trustee is annexed to this Information Memorandum. Please check **Annexure – II**.

SECTION 18: MODUS OPERANDI OF THE ISSUE

Modus Operandi of the Issue has been incorporated form the Trust Deed executed between the Issuer (Islami Bank Bangladesh PLC.) and the Trustee (DBH Finance PLC.)

Application Procedure

The Bonds shall be distributed 100% through private placement. Each Bondholder shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Bondholder(s).

The Issuance of Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

The Bond shall be rated by the Credit Rating Agency and its periodical surveillance rating shall be done by the Credit Rating Agency in line with the provisions of the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022 up to the full and final redemption or conversion of the issued securities.

Allotment

On the Closing Date, to be determined, the Issuer shall allot and issue the Bonds to the Bondholder(s). The Bonds will be allotted according to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021.

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.

Transfer

Bonds are transferable subject to the Terms and Conditions set out in the Trust Deed.

11 SEP 2024 Trading or listing with the stock exchange:

The Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

Repayment and Redemption features of the Bond

The profit generated on the Bonds shall be paid on semi-annual basis on the end of every June and December of a year until final redemption (i.e. semi-annually Profit period shall be from January to June and July to December).

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024

11 SEP 2024
 Farid Uddin Khan, CIPA
 EVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

First Profit Payment Date shall commence on the Issue Date and ending on, the earlier of the (i) the 30th day of June or (ii) the 31st day of December of the respective year, and thereafter shall occur semi-annually at the end of every June and December of a year until final redemption (i.e. semi-annually from January to June and July to December). However, last Profit Payment Date shall be the Maturity Date.

Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders 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 at the end of seventh year from the Issue Date of the Bonds.

Details of conversion or exchange option

Not Applicable.

SECTION 19: DETAILS OF FEES STRUCTURE AND EXPANSION

Fees, commissions & other expenses:	
Trustee Fee	Trustee fee Taka 4,00,000/- only (excluding VAT) per year with trust management fee at actual (BSEC application fee Tk. 50,000/-, registration fee Tk. 1,00,000/- and annual fee Tk. 50,000/- only)
Joint Mandated Lead Arrangers fees	@0.35% (excluding VAT) on subscription amount to be collected/raised from investors.
Credit Rating Company fee	Taka 1,00,000/- only (excluding VAT) per year.
Legal Consultant fee	Taka 1,50,000/- only but all ancillary cost (i.e. filing, registration, non-judicial stamp, cartridge paper, printing, etc.) to be borne by the Bank at actual (excluding VAT).
CDBL fees with refundable security deposit	Fresh issue/Distribution Fee Tk. 15,00,000/-, Documentation Fee Tk. 2,500/-, Depository Connection Fee Tk. 6,000/-, Annual Fee Tk. 20,000/- only (excluding VAT) and Security Deposit (Refundable after maturity) Tk. 5,00,000/- only.
ATB Listing fees	Application fee Tk. 10,000/-, Initial Listing Fee Tk. 2,00,000/- and Annual Listing Fee Tk. 1,00,000/- only (excluding VAT).
Expenses related to Registration, printing and Miscellaneous:	
Trust Deed Registration fee and miscellaneous office expenses at SRO	Approximate Tk. 15.00 lakh but at actual with applicable Stamp Duty of Tk. 10.00 lakh, Govt. fee, VAT & Tax.
Printing prospectus and arranging Road Show and other Expenses etc. (if required)	At actual with applicable Govt. fee, VAT & Tax.

SECTION 20: CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

As per the Consent Letter by Bangladesh Securities and Exchange Commission.

11 SEP 2024



 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024



 Mr. Farid Uddin BBA, CIPA
 SVP, Head of PAD & CFO
 Islami Bank Bangladesh PLC.
 PAD, Head Office, Dhaka

11 SEP 2024

 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024



 Mohammed Mohirul Moლა
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

SECTION 21: DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE(S)- I AND II

Annexure- I

Declaration about the responsibility of the Managing Director of
Islami Bank Bangladesh PLC. 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.

Sd/-
Managing Director
Islami Bank Bangladesh PLC.
Place: Dhaka
Date:

11 SEP 2024 
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024 
Md. Farid Uddin, CMA, CIPA
SVF, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024 
Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024 
Mohammed Monirul Moala
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Annexure-II

[Rule 3(1)(m), 4(1)(c) and 4(2) (a)]
Due diligence certificate of the Trustee

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance 10,000 numbers of Unsecured, Non-convertible, Redeemable, Floating Rate Subordinated Bond of BDT 500,000 (five hundred thousand taka) each of Islami Bank Bangladesh PLC.

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

Sd/-
Managing Director
DBH Finance PLC.
Place: Dhaka


11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


11 SEP 2024


Md. Farid Uddin, BBA, CIPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

The Due Diligence Certificates are also annexed to this Information Memorandum as mentioned below:

- a) Declaration of the Management of the Issuer as per [Rule 4(2)(a)] of Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021. Kindly Check **Annexure-I**
- b) Due Diligence Certificate of the Trustee [Rule 3(1)(m), 4(1)(c) and 4(2) (a)], is attached with this information memorandum. Kindly check **Annexure – II**
- c) Due Diligence Certificate of the Issuer Manager is Not Applicable for the IBBPLC Fifth Subordinated Bond.
- d) Due Diligence Certificate of the Underwriter is Not Applicable for the IBBPLC Fifth Subordinated Bond.

11 SEP 2024




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024



Md. Farid Uddin Bhuiya, CIPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024



Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024



Mohammed Monirul Moata
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.


ANNEXURE – 1

(Auditor's Report along with Audited Financial Statements)


11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


11 SEP 2024


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SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammed Moriful Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Audited Financial Statements
As at and for the year ended 31 December 2023

11 SEP 2024



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024



Md. Farid Uddin, CIPA
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11 SEP 2024



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Company Secretary (C.C.)
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11 SEP 2024



Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
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ACNABIN
Chartered Accountants
BDBL Bhaban (Level-13 & 15)
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Dhaka-1215, Bangladesh
Tel: + 880 2 41 020 030-35

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7, Rajuk Avenue, Motijheel
Dhaka-1000, Bangladesh
Tel.: + 880 2 22 338 5136

Independent Auditors' Report

To the Shareholders of Islami Bank Bangladesh PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Islami Bank Bangladesh PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Islami Bank Bangladesh PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2023, and consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity, and consolidated and separate cash flow statements for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

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 31 December 2023, and of its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2.

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 Auditors' 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), guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By-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 judgment, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

11 SEP 2024

Description of key audit matters	Our response and result to key audit matters
<p>Measurement of provision for investments</p> <p>The process for estimating the provision for investment portfolios associated with credit risk is significant, judgmental and complex.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Credit appraisal, investment disbursement procedures, monitoring and provisioning process;

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Managing Director & CFO
DBH Finance PLC

11 SEP 2024

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Mohammad Jahangir Alam
Company Secretary (C.S.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.


Mohammed Moinul Hossain
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Description of key audit matters	Our response and result to key audit matters
Measurement of provision for investments	
<p>The process for estimating the provision for investment portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on a portfolio basis, provision calculation and reporting are manually processed that deal with voluminous databases, assumptions and estimates.</p> <p>Due to the high level of judgment involved and using the manual process in estimating the provision for investment, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total net investments of BDT 1,595,265 million (2022: BDT 1,456,365 million) and BDT 1,600,265 million (2022: BDT 1,461,365 million) respectively and provision for investments of BDT 66,672 million (2022: BDT 59,881 million) and BDT 66,672 million (2022: BDT 59,881 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 03 dated 21 April 2019 and BRPD circular no. 11 dated 20 June 2023; and • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<ul style="list-style-type: none"> • Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; • Alternate procedures applied by management to assess new investment/renewal of existing investments where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained. <p>Due to long-term impact of COVID-19, the macro-economic global crisis caused by the Russia-Ukraine war and many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for investments vide issuing various circulars such as BRPD 14 dated 22 June 2022, BRPD 51 dated 18 December 2022 and BRPD 11 dated 20 June 2023 whereby Banks are allowed to keep an investment/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2023.</p> <p>For the year ended 31 December 2023, the Bank has maintained required provision as per Bangladesh Bank letter No. DBI-6/51(1)/2024-308 dated 24 April 2024 and also agreed to ensure recovery/regularization of certain investments to avoid future classification.</p>


11 SEP 2024


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Managing Director & CEO
DBH Finance PLC.

11 SEP 2024


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EAD, Head Office, Dhaka

11 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Description of key audit matters	Our response and result to key audit matters
Measurement of provision for investments	
	Our results: Based on our procedure, we have concluded that the provision for investments disclosed in the financial statements is adequate.
See notes no. 11 and 17.1 to the financial statements	

Description of key audit matters	Our response and result to key audit matters
Recognition of investment income	
<p>Recognition of Investment income has a significant and wide influence on financial statements. Recognition and measurement of Investment income has involvement of complex IT environments.</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 the recognition of Investment income by management to meet specific targets or expectations.</p> <p>At year end the Group and the Bank reported total gross investment income of BDT 104,905 million (2022: BDT 87,878 million) and BDT 105,027 million (2022: BDT 87,984 million).</p>	<p>We tested the design and operating effectiveness of key controls over the recognition and measurement of investment income.</p> <p>We performed tests of operating effectiveness on automated control in place to measure and recognise investment income.</p> <p>We have also performed substantive procedures to check whether investment income is recognised completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Our results: Based on our procedure performed we have concluded that the recognition investment income disclosed in the financial statements of the Bank is in line with Bangladesh Bank Circulars.</p>
See note no. 24 to the financial statements	

Description of key audit matters	Our response and result to key audit matters
Measurement of deferred tax liabilities (DTL)	
<p>At year end the Group and the Bank reported total deferred tax liabilities of BDT 1,201 million (2022: BDT 1,456 million) and BDT 1,204 million (2022: BDT 1,459 million) respectively and deferred tax income of BDT 184 million (2022: BDT 99 million) and BDT 184 million (2022: BDT 99 million) respectively.</p> <p>Significant judgment is required in relation to deferred tax assets, as their recoverability is dependent on forecasts of future profitability over a number of periods.</p> <p>Accordingly, this area has been considered as key audit matter.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTLs and the assumptions used.</p> <p>We also assessed the completeness and accuracy of the data used. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs.</p> <p>Finally, assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p> <p>Our results: Based on our procedure, we concluded that the deferred tax liabilities disclosed in the financial statements are in line with IAS 12.</p>
See note no. 18 to the financial statements	

11 SEP 2024



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11 SEP 2024

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11 SEP 2024


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11 SEP 2024



Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Description of key audit matters	Our response and result to key audit matters
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 indirect unobservable market data and hence require an elevated level of judgment.	<p>We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We tested a sample of investments valuation as at 31 December 2023 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> <p>Our results: Based on our procedure, we concluded that the Impairment assessment of unquoted investments disclosed in the financial statements is in line with Bangladesh Bank Circulars.</p>
See note no. 10 to the financial statements	

Description of key audit matters	Our response and result to key audit matters
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 key to ensuring IT dependent and application-based controls are operating effectively.</p> <p>11 SEP 2024</p> <p></p> <p>Nasimul Baten Managing Director & CEO DBH Finance PLC.</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.</p> <p>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.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p> <p>We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.</p> <p>Our results: Based on the procedure performed, we have considered the change management, segregation of duties, controls, and outputs in relation to financial accounting and reporting systems to be acceptable.</p>

11 SEP 2024

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Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Description of key audit matters	Our response and result to key audit matters
Legal and regulatory matters	
<p>We focused on legal and regulatory matters because the Group and the Bank operate 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.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions and other contingent liabilities.</p>	<p>We obtained an understanding of the Group and 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. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provision, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p> <p>Our results: Based on the procedure performed, we have considered the bank's legal affairs and communicated with the legal advisors and panel lawyers to assess the bank's legal & regulatory positions.</p>

Other Matters

The financial statements of the Group and the Bank for the year ended 31 December 2022 were audited by ACNABIN, Chartered Accountants and Howladar Yunus & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 27 April 2023.

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 Auditors' report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Bank.

11 SEP 2024

Nasim Baten
Managing Director & CEO
DBH Finance PLC

11 SEP 2024

Mr. Farid Uddin
SVF, Head of Finance & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Tanvir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

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 Company Act 1991 (as amended up to date) and regulations of Bangladesh Bank 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.

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.

Auditors' 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 Auditors' 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 judgment 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 Auditors' 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 Auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

11 SEP 2024

Nasimul Baten
Managing Director
DBH Finance PLC.

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Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
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Head Office, Dhaka.

- 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 Auditors' 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.

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 Company Act 1991 (as amended up to date), the Financial Reporting Act 2015, and the rules and regulations issued by Bangladesh Bank, we also report that:

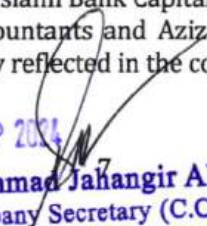
- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility 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 not materially adequate as mentioned in Other Matters of this report;
 - (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) the financial statements for the year ended 31 December 2023 of 02 (two) subsidiaries namely Islami Bank Securities Limited and Islami Bank Capital Management Limited have been audited by K. M. Hasan & Co., Chartered Accountants and Aziz Halim Choudhury, Chartered Accountants respectively and have been properly reflected in the consolidated financial statements;

11 SEP 2024


Nasimul Baten
Managing Director & CFO
DBH Finance PLC.

11 SEP 2024

Md. Farid Uddin
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

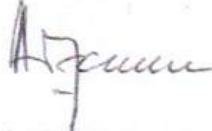
11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

- (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 year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank 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 as per Bangladesh Bank's DBI letter no.: DBI-6/51(1)/2024-308 dated 24 April 2024 which are in our opinion, doubtful of recovery;
- (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 15,840 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

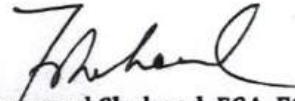
Dhaka
24 April 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrolment No.: 0787
DVC No.: 2404240787AS251665

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Mohammad Shaheed, FCA, FCMA
Senior Partner
ICAB Enrolment No.: 1016
DVC No.: 2404241016AS734706

11 SEP 2024




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024



Md. Farid Uddin, FCA, CPA
SVP, Head of FAD & CFO
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Head Office, Dhaka

11 SEP 2024



Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024



Mohammed Monirul Mousa
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2023

Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash in hand	7(a)	117,904,765,300	123,504,817,210
Cash in hand (including foreign currency)	7(a)(i)	35,241,166,165	30,645,839,722
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7(a)(ii)	82,663,599,136	92,858,977,487
Balance with other banks & financial institutions	8(a)	106,288,372,039	115,248,794,287
In Bangladesh	8(a)(i)	89,236,265,476	91,304,035,057
Outside Bangladesh	8(a)(ii)	17,052,106,564	23,944,759,230
Placement with banks & other financial institutions	9.0	-	-
Investments in shares & securities	10(a)	88,883,831,538	91,390,357,315
Government	10(a)(i)	69,158,974,837	72,173,862,507
Others	10(a)(ii)	19,724,856,701	19,216,494,808
Investments		1,595,265,662,100	1,456,365,497,513
General investments etc.	11.1(a)	1,410,352,159,015	1,321,643,607,786
Bills purchased & discounted	11.2(a)	184,913,503,084	134,721,889,727
Fixed assets including premises	12(a)	15,450,475,777	18,455,370,440
Other assets	13(a)	108,537,991,765	33,740,284,483
Non - banking assets		-	-
Total property and assets		<u>2,032,331,098,519</u>	<u>1,838,705,121,249</u>
Liabilities and Capital			
Liabilities			
Placement from banks & other financial institutions	14(a)	211,378,924,541	187,438,369,400
Deposits & other accounts	15(a)	1,533,352,997,369	1,409,314,554,809
Mudaraba savings deposits		480,045,282,962	445,551,006,782
Mudaraba term deposits		556,859,802,084	512,205,793,676
Other mudaraba deposits		286,150,968,635	288,017,702,760
Al- wadeeah current and other deposit accounts		197,638,708,993	153,251,630,052
Bills payable		12,658,234,695	10,288,421,539
Mudaraba bond	16.0	31,200,000,000	31,000,000,000
Perpetual bond	16.1	11,000,000,000	11,000,000,000
Redeemable subordinated bond	16.2	20,200,000,000	20,000,000,000
Other liabilities	17(a)	182,356,791,053	139,924,699,279
Deferred tax liabilities	18(a)	1,201,461,042	1,456,384,003
Total liabilities		<u>1,959,490,174,005</u>	<u>1,769,134,007,491</u>
Capital/shareholders' equity		72,840,924,514	69,571,113,758
Paid - up capital	19.2	16,099,906,680	16,099,906,680
Statutory reserve	21.0	22,735,466,258	21,735,466,258
Other reserves	22.(a)	30,826,540,611	28,772,608,153
Retained earnings	40(a)	3,178,699,604	2,962,834,552
Non-controlling interest	40(b)	311,361	298,115
Total liabilities & shareholders' equity		<u>2,032,331,098,519</u>	<u>1,838,705,121,249</u>

11 SEP 2024



Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024

Md. Farid Uddin ICA, CPA
 SVP, Head of FAD & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka



11 SEP 2024


 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


 Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2023

Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances & endorsements		-	-
Letters of guarantee	23.0	26,716,961,910	31,062,266,163
Irrevocable letters of credit (including back to back bills)		152,467,299,618	182,573,222,307
Bills for collection		44,514,902,525	54,371,798,351
Other contingent liabilities		8,174,045	8,174,045
Total		223,707,338,098	268,015,460,865
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 and other commitments		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		223,707,338,098	268,015,460,865

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


 Director


 Director


 Director



 Managing Director & CEO

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


Signed for & on behalf of
ACNABIN
 Chartered Accountants


 Md. Moniruzzaman, FCA
 ICAB Enrolment no: 0787
 DVC No: 2404240787AS251665

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
 Chartered Accountants


 Mohammad Shaheed, FCA, FCMA
 ICAB Enrolment no: 1016
 DVC No: 2404241016AS734706

11 SEP 2024
 Dhaka; 24 April 2024


 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024

 Md. Farid Uddin FCA, CPA
 SVP, Head of FAD & CFO
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 FAD, Head Office, Dhaka

11 SEP 2024

 Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

 Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Islami Bank Bangladesh PLC. and its Subsidiaries

Consolidated Profit & Loss Account
For the year ended 31 December 2023

Particulars	Notes	2023 Taka	2022 Taka
Operating income			
Investment income	24(a)	104,904,817,711	87,878,348,352
Profit paid on mudaraba deposits	25(a)	(65,614,798,101)	(54,018,484,481)
Net investment income		39,290,019,610	33,859,863,871
Income from investments in shares & securities	26(a)	4,721,044,977	2,988,738,075
Commission, exchange & brokerage income	27(a)	7,592,498,914	9,436,072,988
Other operating income	28(a)	9,277,841,598	6,831,431,761
		21,591,385,489	19,256,242,824
Total operating income		60,881,405,099	53,116,106,695
Operating expenses			
Salary & allowances	29(a)	22,083,985,773	20,303,342,230
Rent, taxes, insurances, electricity etc.	30(a)	2,140,466,195	2,142,549,324
Legal expenses	31(a)	8,889,728	12,532,875
Postage, stamps and telecommunication etc.	32(a)	138,358,108	130,865,549
Stationery, printing and advertisement etc.	33(a)	360,702,298	299,406,016
Chief executive's salary & fees	34.0	18,419,328	18,069,000
Directors' fees & expenses	35(a)	8,345,323	5,366,579
Shari'ah supervisory committee's fees & expenses	36.0	1,556,000	1,713,265
Auditors' fees	37(a)	3,235,750	3,599,500
Depreciation and repair to bank's assets	38(a)	1,751,956,837	1,688,445,675
Zakat expenses	17.8	1,062,913,871	970,999,128
Other expenses	39(a)	10,242,733,125	5,789,485,517
Total operating expenses		37,821,562,336	31,366,374,658
Profit/(loss) before provision		23,059,842,763	21,749,732,036
Provision for investments & off- balance sheet exposures	17.1.4	5,715,676,548	6,364,930,031
Provision for diminution in value of investments in shares	17.2(a)	219,587,865	483,145,333
Other provisions	17.4	281,901,053	(36,700,445)
Total provision		6,217,165,466	6,811,374,919
Total profit/(loss) before taxes		16,842,677,297	14,938,357,117
Provision for taxation for the year		10,489,346,367	8,771,358,888
Current tax	17.7(a)	10,672,991,971	8,870,670,581
Deferred tax	18(b)	(183,645,604)	(99,311,693)
Net profit/(loss) after tax		6,353,330,930	6,166,998,229
Net profit after tax attributable to:			
Equity holders of Bank		6,353,317,684	6,166,984,693
Non-controlling interest	40(b)	13,246	13,536
Retained earnings from previous year		2,962,834,552	2,749,579,142
Revaluation reserve of assets/securities transferred to retained earnings		1,530,645,029	30,491,680
Add: Net profit after tax (attributable to equity holders of Bank)		6,353,317,684	6,166,984,693
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	22.2	80,516,221	85,190,953
Profit available for appropriation		10,927,313,486	9,032,246,468
Appropriation:		10,927,313,486	9,032,246,468
Statutory reserve	21.0	1,000,000,000	1,000,000,000
General reserve		4,203,881,689	2,593,011,985
Dividend (previous year)	40.0	1,609,990,668	1,609,990,668
Start-up Fund	17.1	61,141,523	59,234,456
Coupon/dividend on perpetual bond	40(a)	873,600,002	807,174,807
Retained earnings	40(a)	3,178,699,604	2,962,834,552
Consolidated earnings per share	42(a)	3.95	3.83

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


Director

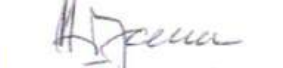

Director


Director



Managing Director & CEO

This is the consolidated profit & loss account referred to in our separate report of even date.

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665
Dhaka, 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706

11 SEP 2024

Nasimui Baten
Managing Director & CEO
DBH Finance PLC.


Md. Farid Uddin, FCA, CIPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Mohirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income		88,909,870,564	77,238,243,085
Profit paid on mudaraba deposits		(65,364,798,101)	(50,500,370,309)
Income/ dividend receipt from investments in shares & securities		4,708,633,306	461,025,636
Fees & commission receipt in cash		7,592,498,914	9,436,072,988
Recovery from written off investments		287,689,592	244,773,412
Payments to employees		(22,087,325,471)	(20,034,174,646)
Cash payments to suppliers		(480,140,010)	(446,034,682)
Income tax paid		(8,602,411,530)	(6,866,734,554)
Receipts from other operating activities		9,965,082,978	8,085,260,824
Payments for other operating activities		(12,518,139,727)	(8,033,977,394)
(i) Operating profit before changes in operating assets and liabilities		2,410,960,515	9,584,084,359
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits		-	-
(Increase)/decrease of net trading securities		(126,856,928)	(126,856,928)
(Increase)/decrease of placement to other banks		-	-
(Increase)/decrease of investments to customers		(133,900,164,587)	(265,192,497,267)
(Increase)/decrease of other assets		(74,785,243,945)	(24,267,823,192)
Increase/(decrease) of placement from other banks		23,940,555,141	150,673,069,400
Increase/(decrease) of deposits from other banks		11,299,593,301	5,130,458,954
Increase/(decrease) of deposits received from customers		111,605,899,975	22,202,491,604
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		42,445,205,271	12,347,402,773
(ii) Cash flows from operating assets and liabilities		(19,521,011,772)	(99,233,754,656)
Net cash flows from operating activities (A)=(i+ii)		(17,110,051,257)	(89,649,670,296)
Cash flows from investing activities			
Proceeds from sale of securities/BGIB/Sukuk		5,109,805,373	10,767,079,949
Payment for purchase of securities/BGIB/Sukuk		(2,683,196,954)	(6,749,618,542)
Placement to Islamic Refinance Fund Account		-	-
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		1,553,300,579	(1,389,073,900)
Purchase/sale of subsidiaries		-	-
Net Cash flows from investing activities (B)		3,979,908,998	2,628,387,507
Cash flows from financing activities			
Receipts from issue of debt instruments		5,000,000,000	3,824,160,000
Payment for redemption of debt instruments		(4,800,000,000)	(3,600,000,000)
Receipts from issuing ordinary share/ right share		-	-
Dividend paid in cash		(1,609,990,668)	(1,609,990,668)
Net cash flows from financing activities (C)		(1,409,990,668)	(1,385,830,668)
Net increase/(decrease) in cash (A+B+C)		(14,540,132,927)	(88,407,113,457)
Add/(less): effects of exchange rate changes on cash & cash equivalent		(20,341,230)	28,826,224
Add: cash & cash equivalents at beginning of the year		238,753,611,497	327,131,898,729
Cash & cash equivalents at the end of the year	45(a)	224,193,137,340	238,753,611,497

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


Director


Director


Director


Managing Director & CEO

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

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665

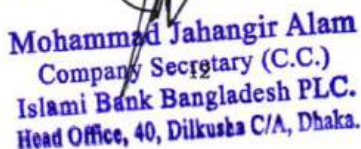
Dhaka; 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Mohammad Shaheed, FCA, FCMA
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DVC No: 2404241016AS734706

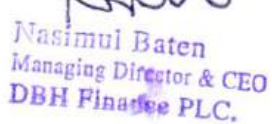
11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.


Md. Farid Uddin, FCA, CIPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	9
Balance as at 01 January 2023	16,099,906,680	1,989,633	21,735,466,258	19,563,027,192	9,018,051,329	189,540,000	2,962,834,552	298,115	69,571,133,758
Sale of revalued assets and Deferred tax on revaluation surplus	-	-	-	-	(2,103,769,139)	1,660,000	-	-	(2,103,769,139)
Deferred tax impact on excess depreciation	-	-	-	-	69,617,359	-	-	-	69,617,359
Depreciation adjustment on revalued fixed assets	-	-	-	-	(80,516,221)	-	-	-	-
Surplus/ (deficit) on account of revaluation	-	-	-	-	-	(16,600,000)	-	-	(16,600,000)
Currency translation differences	-	-	-	(20,341,230)	-	-	-	-	(20,341,230)
Net gain and losses not recognized in the income statement/ Revaluation reserve of fixed assets transferred to retained earnings	-	-	-	-	-	-	1,530,645,029	-	1,530,645,029
Net profit for the year	-	-	-	-	4,203,881,689	-	6,353,317,684	-	6,353,317,684
Transfer to (from) reserve	-	-	1,000,000,000	-	-	-	(5,203,881,689)	-	-
Dividend:	-	-	-	-	-	-	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-
Start-up Fund transferred from retained earnings	-	-	-	-	-	-	(1,609,990,668)	-	(1,609,990,668)
Contributed perpetual bond	-	-	-	-	-	-	(61,141,523)	-	(61,141,523)
Total shareholders' equity as on 31 December 2023	16,099,906,680	1,989,633	22,735,466,258	23,746,567,651	6,203,383,328	174,600,000	3,178,699,684	311,361	72,840,924,514
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	-	-
Add: Mudaraba redeemable subordinated bond	-	-	-	-	-	-	-	-	-
Add: General provision for unclassified investments and off-balance sheet items (Note-3.14.7)	-	-	-	18,009,428,293	-	-	-	-	18,009,428,293
Less: Yearwise redemption	-	-	-	-	-	-	-	-	(4,300,000,000)
Adjustment for intangible assets	-	-	-	(131,759,287)	-	-	-	-	(131,759,287)
Adjustment for currency translation differences	-	-	-	(26,112,120)	-	-	-	-	(26,112,120)
Less: Assets revaluation reserve (Note-3.14.4)	-	-	-	-	(6,903,383,328)	-	-	-	(6,903,383,328)
Less: Revaluation reserve of securities (Note-3.14.5)	-	-	-	-	-	(174,600,000)	-	-	(174,600,000)
Total equity as on 31 December 2023	16,099,906,680	1,989,633	22,735,466,258	41,608,124,537	-	-	3,178,699,684	311,361	110,034,498,073

(*) Note: General /Other reserves

Particulars	01.01.2023	01.01.2022
General reserve	19,484,573,841	16,891,561,856
Dividend equalization account	32,000,000	32,000,000
Currency translation differences	46,453,350	17,627,126
Total	19,563,027,191	16,941,188,982

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Md. Farid Uddin
SVP, Head of FAD & CFO
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FAD, Head Office, Dhaka.

11 SEP 2024

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Company Secretary (C.C.)
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Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024
Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.



11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Md. Farid Uddin FCA, CPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

Islami Bank Bangladesh PLC. and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

Particulars	1	2	3	4	5	6	7	8	9	Total
		Paid-up capital	Share premium	Statutory reserve	General/ other reserves	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Non-controlling interest	
Balance as at 01 January 2022		16,099,906,680	1,989,633	20,735,466,258	16,941,188,992	9,071,295,675	136,950,400	2,749,579,142	284,579	65,726,663,349
Deferred tax on revaluation surplus		-	-	-	-	31,946,607	(6,954,400)	-	-	(6,954,400)
Deferred tax impact on excess depreciation		-	-	-	-	(85,190,923)	-	-	-	-
Depreciation adjustment on revalued fixed assets		-	-	-	-	-	-	-	-	-
Surplus/ (deficit) on account of revaluation		-	-	-	-	-	69,544,000	-	-	69,544,000
Currency translation differences		-	-	-	28,826,224	-	-	-	-	28,826,224
Net gain and losses not recognized in the income statement		-	-	-	-	-	-	30,491,680	-	30,491,680
Net profit for the year		-	-	-	-	-	-	6,166,984,093	13,536	6,166,998,229
Transfer to (from) reserve		-	-	1,900,000,000	2,593,011,985	-	-	(3,593,011,985)	-	-
Dividend		-	-	-	-	-	-	-	-	-
Bonus shares		-	-	-	-	-	-	-	-	-
Cash dividend		-	-	-	-	-	-	(1,609,990,668)	-	(1,609,990,668)
Start-up Fund transferred from retained earnings		-	-	-	-	-	-	(59,234,456)	-	(59,234,456)
Compo/dividend on perpetual bond		-	-	-	-	-	-	(807,174,807)	-	(807,174,807)
Total shareholder' equity as on 31 December 2022		16,099,906,680	1,989,633	21,735,466,258	19,563,027,192	9,018,051,329	189,540,000	2,962,834,552	298,115	69,571,113,758
Add: Redeemable perpetual bond		-	-	-	-	-	-	-	-	11,000,000,000
Add: Miscellaneous redeemable subordinated bond		-	-	-	-	-	-	-	-	20,000,000,000
Add: General provision for unclassified investments and off- balance sheet items (Note-3, 14.7)		-	-	-	17,806,581,509	-	-	-	-	17,806,581,509
Less: Yearwise redemption		-	-	-	-	-	-	-	-	(4,800,000,000)
Adjustment for intangible assets		-	-	-	(176,248,635)	-	-	-	-	(176,248,635)
Adjustment for currency translation differences		-	-	-	(466,433,350)	-	-	-	-	(466,433,350)
Less: Assets revaluation reserve (Note-3, 14.4)		-	-	-	-	(9,018,051,329)	-	-	-	(9,018,051,329)
Less: Revaluation reserve of securities (Note-3, 14.5)		-	-	-	-	-	(189,540,000)	-	-	(189,540,000)
Total equity as on 31 December 2022		16,099,906,680	1,989,633	21,735,466,258	37,146,906,716	-	-	2,962,834,552	298,115	104,147,401,953

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


Director

11 SEP 2024

Mohammed Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzaman, FCA
ICAB Enrolment no: 0787
DYC No: 2404240787AS251665

Dhaka, 24 April 2024


Managing Director & CEO

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DYC No: 2404241016AS734706

This is the consolidated statement of changes in equity referred to in our separate report of even date.


Director

Islami Bank Bangladesh PLC.
Balance Sheet
As at 31 December 2023

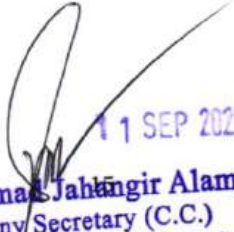
Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash in hand	7.0	117,904,723,005	123,504,792,624
Cash in hand (including foreign currency)	7.1	35,241,123,870	30,645,815,136
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	7.2	82,663,599,136	92,858,977,487
Balance with other banks & financial institutions	8.0	101,578,824,230	110,787,004,358
In Bangladesh	8.i	84,526,717,667	86,842,245,128
Outside Bangladesh	8.ii	17,052,106,564	23,944,759,230
Placement with banks & other financial institutions	9.0	-	-
Investments in shares & securities	10.0	88,038,373,421	90,454,663,436
Government	10.1	69,158,974,837	72,173,862,507
Others	10.2	18,879,398,584	18,280,800,929
Investments	11.0	1,600,265,662,100	1,461,365,497,513
General investments etc.	11.1	1,415,352,159,015	1,326,643,607,786
Bills purchased & discounted	11.2	184,913,503,084	134,721,889,727
Fixed assets including premises	12.0	15,435,663,200	18,437,320,088
Other assets	13.0	108,309,536,758	33,530,927,106
Non - banking assets		-	-
Total property and assets		<u>2,031,532,782,714</u>	<u>1,838,080,205,126</u>
Liabilities and Capital			
Liabilities			
Placement from banks & other financial institutions	14.0	211,378,924,541	187,438,369,400
Deposits & other accounts	15.0	1,534,566,006,233	1,410,445,429,339
Mudaraba savings deposits	15.1	480,047,894,909	445,565,352,259
Mudaraba term deposits		558,058,288,511	513,310,226,532
Other mudaraba deposits	15.2	286,154,166,380	288,022,176,295
Al- wadeeah current and other deposit accounts	15.3	197,647,421,738	153,259,252,714
Bills payable	15.4	12,658,234,695	10,288,421,539
Mudaraba bond	16.0	31,200,000,000	31,000,000,000
Perpetual bond	16.1	11,000,000,000	11,000,000,000
Redeemable subordinated bond	16.2	20,200,000,000	20,000,000,000
Other liabilities	17.0	181,991,528,355	139,575,739,102
Deferred tax liabilities	18.0	1,203,537,421	1,458,513,201
Total liabilities		<u>1,960,339,996,550</u>	<u>1,769,918,051,042</u>
Capital/ shareholders' equity		<u>71,192,786,164</u>	<u>68,162,154,084</u>
Paid - up capital	19.2	16,099,906,680	16,099,906,680
Statutory reserve	21.0	22,735,466,258	21,735,466,258
Other reserves	22.0	30,747,422,558	28,716,790,478
Retained Earnings	40.0	1,609,990,668	1,609,990,668
Total liabilities & shareholders' equity		<u>2,031,532,782,714</u>	<u>1,838,080,205,126</u>

11 SEP 2024



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Farid Uddin FCA, CIPA
SVP, Head of PAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Balance Sheet
As at 31 December 2023

Particulars	Notes	31.12.2023 Taka	31.12.2022 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances & endorsements		-	-
Letters of guarantee	23.0	26,716,961,910	31,062,266,163
Irrevocable letters of credit (including back to back bills)		152,467,299,618	182,573,222,307
Bills for collection		44,514,902,525	54,371,798,351
Other contingent liabilities		8,174,045	8,174,045
Total		223,707,338,098	268,015,460,865
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 and other commitments		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		223,707,338,098	268,015,460,865

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


 Director

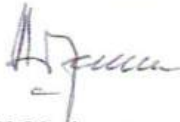

 Director


 Director


 Managing Director & CEO

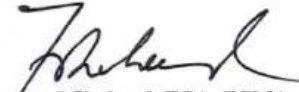
This is the balance sheet referred to in our separate report of even date.

Signed for & on behalf of
ACNABIN
 Chartered Accountants



Md. Moniruzzaman, FCA
 ICAB Enrolment no: 0787
 DVC No: 2404240787AS251665
 Dhaka; 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
 Chartered Accountants



Mohammad Shaheed, FCA, FCMA
 ICAB Enrolment no: 1016
 DVC No: 2404241016AS734706

11 SEP 2024




Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.


11 SEP 2024


Md. Farid Uddin, FCA, CPA
 SVP, Head of FA & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

11 SEP 2024


Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusba C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Mousa
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Profit & Loss Account
For the year ended 31 December 2023

Particulars	Notes	2023 Taka	2022 Taka
Operating income			
Investment income	24.0	105,027,452,635	87,984,257,253
Profit paid on mudaraba deposits	25.0	(65,692,577,714)	(54,077,050,268)
Net investment income		39,334,874,921	33,907,206,985
Income from investments in shares & securities	26.0	4,568,105,509	2,701,469,616
Commission, exchange & brokerage income	27.0	7,528,442,016	9,397,462,838
Other operating income	28.0	8,909,487,926	6,522,977,186
		21,006,035,451	18,621,909,640
Total operating income		60,340,910,372	52,529,116,625
Operating expenses			
Salary & allowances	29.0	22,023,407,478	20,253,126,623
Rent, taxes, insurances, electricity etc.	30.0	2,132,537,530	2,135,157,124
Legal expenses	31.0	7,577,062	8,480,848
Postage, stamps and telecommunication etc.	32.0	137,773,741	130,172,344
Stationery, printing and advertisement etc.	33.0	360,217,563	298,775,659
Chief executive's salary & fees	34.0	18,419,328	18,069,000
Directors' fees & expenses	35.0	6,629,860	3,587,978
Shari'ah supervisory committee's fees & expenses	36.0	1,556,000	1,713,265
Auditors' fees	37.0	3,086,250	3,450,000
Depreciation and repair to bank's assets	38.0	1,743,712,837	1,680,741,446
Zakat expenses	17.8	1,062,913,871	970,999,128
Other expenses	39.0	10,229,510,546	5,777,435,198
		37,727,342,066	31,281,708,613
Total operating expenses		37,727,342,066	31,281,708,613
Profit/(loss) before provision		22,613,568,306	21,247,408,011
Provision for investments & off- balance sheet exposures	17.1.4	5,715,676,548	6,364,930,031
Provision for diminution in value of investments in shares	17.2	114,330,599	326,256,888
Other provisions	17.4	281,901,053	(36,700,445)
Total provision		6,111,908,200	6,654,486,474
Total profit/(loss) before taxes		16,501,660,106	14,592,921,537
Provision for taxation for the year		10,387,507,852	8,669,475,910
Current tax	17.7.1	10,571,206,273	8,768,960,631
Deferred tax	18.0	(183,698,421)	(99,484,721)
Net profit/(loss) after tax		6,114,152,254	5,923,445,627
Retained earnings from previous year		1,609,990,668	1,609,990,668
Revaluation reserve of assets/securities transferred to retained earnings		1,530,645,029	30,451,680
Add: Net profit after tax		6,114,152,254	5,923,445,627
Add: Excess depreciation on revalued amount of building transferred from assets revaluation reserve to retained earnings	22.2	80,516,221	85,190,953
Profit available for appropriation		9,335,304,172	7,649,078,928
Appropriation:		9,335,304,172	7,649,078,928
Statutory reserve	21.0	1,000,000,000	1,000,000,000
General reserve	22.1	4,180,581,312	2,562,688,329
Dividend (previous year)		1,609,990,668	1,609,990,668
Start-up Fund	17.10	61,141,523	59,234,456
Coupon/dividend on perpetual bond		873,600,002	807,174,807
Retained earnings	40.0	1,609,990,668	1,609,990,668
Earnings per share (EPS)	42.0	3.80	3.68

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

11 SEP 2024

Director

Director

Director

Managing Director & CEO

This is the profit & loss account referred to in our separate report of even date.

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665

Dhaka; 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706

Nasimul Hosen
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Md. Faruk Uddin FCA, CIPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Mola
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Cash Flow Statement
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income		89,027,452,635	77,340,087,047
Profit paid on mudaraba deposits		(65,442,577,714)	(50,558,936,096)
Income/ dividend receipt from investments in shares & securities		4,568,105,509	204,440,149
Fees & commission receipt in cash		7,528,442,016	9,397,462,838
Recovery from written off investments		287,689,592	244,773,412
Payments to employees		(22,041,826,806)	(19,998,248,195)
Cash payments to suppliers		(479,750,727)	(445,477,207)
Income tax paid		(8,484,602,539)	(6,752,481,846)
Receipts from other operating activities		9,581,864,535	7,743,934,108
Payments for other operating activities		(12,470,545,452)	(7,987,245,396)
(i) Operating profit before changes in operating assets and liabilities		2,074,251,049	9,188,308,813
Changes in operating assets and liabilities			
Increase/(decrease) of statutory deposits		-	-
(Increase)/decrease of net trading securities		-	-
(Increase)/decrease of placement to other banks		-	-
(Increase)/decrease of investments to customers		(138,900,164,587)	(270,192,497,267)
(Increase)/decrease of other assets		(74,778,609,651)	(24,228,468,461)
Increase/(decrease) of placement from other banks		23,940,555,141	150,673,069,400
Increase/(decrease) of deposits from other banks		11,300,560,101	5,131,425,754
Increase/(decrease) of deposits received from customers		112,820,016,793	23,334,474,088
Increase/(decrease) of other liabilities account of customers		-	-
Increase/(decrease) of trading liabilities		-	-
Increase/(decrease) of other liabilities		46,191,994,507	16,438,211,091
(ii) Cash flows from operating assets and liabilities		(19,425,647,696)	(98,843,785,395)
Net cash flows from operating activities (A)=(i+ii)		(17,351,396,647)	(89,655,476,581)
Cash flows from investing activities			
Proceeds from sale of securities/BGIB/Sukuk		2,416,290,015	4,364,737,030
Payment for purchase of securities/BGIB/Sukuk		-	-
Placement to Islamic Refinance Fund Account		-	-
Payment for purchase of securities/membership		-	-
Purchase/sale of property, plants & equipments		1,557,188,784	(1,379,952,705)
Purchase/sale of subsidiaries		-	-
Net cash flows from investing activities (B)		3,973,478,799	2,984,784,325
Cash flows from financing activities			
Receipts from issue of debt instruments		5,000,000,000	3,824,160,000
Payment for redemption of debt instruments		(4,800,000,000)	(3,600,000,000)
Receipts from issuing ordinary share/ right share		-	-
Dividend paid in cash		(1,609,990,668)	(1,609,990,668)
Net cash flows from financing activities (C)		(1,409,990,668)	(1,385,830,668)
Net increase/(decrease) in cash (A+B+C)		(14,787,908,516)	(88,056,522,924)
Add/(Less): effects of exchange rate changes on cash & cash equivalent		(20,341,230)	28,826,224
Add: cash & cash equivalents at beginning of the year		234,291,796,982	322,319,493,681
Cash & cash equivalents at the end of the year	45.0	219,483,547,236	234,291,796,982

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


Director


Director


Director


Managing Director & CEO

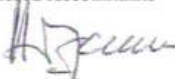
This is the cash flow statement referred to in our separate report of even date.


11 SEP 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants


Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787AS251665
Dhaka; 24 April 2024


Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016AS734706

11 SEP 2024


Md. Farid Uddin, FCA, CPA
SVP, Head of FA&C & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024


18
Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024

[Signature]

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

[Signature]

Md. Farid Uddin, CIPA
SVP, Head of PAD & CFO
Islami Bank Bangladesh PLC.
PAD, Head Office, Dhaka

11 SEP 2024

Mohammed Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	9 (2+3+4+5+6+7+8)
	Paid-up capital	Share premium	Statutory reserve	General/ other reserves(*)	Assets revaluation reserve	Revaluation reserve of securities	Retained earnings	Total	
Balance as at 01 January 2023	16,999,906,680	1,989,633	21,735,466,258	19,507,209,516	9,018,051,329	189,540,000	1,609,990,668	68,162,154,084	
Sale of revalued assets and Deferred tax on revaluation surplus	-	-	-	-	(2,103,769,139)	1,660,000	-	(2,102,109,139)	
Deferred tax impact on excess depreciation	-	-	-	-	69,617,359	-	-	69,617,359	
Depreciation adjustment on revalued fixed assets	-	-	-	-	(80,516,221)	-	86,516,221	-	
Surplus/ (deficit) on account of revaluation	-	-	-	-	-	(16,600,000)	-	(16,600,000)	
Currency translation differences	-	-	-	(20,341,230)	-	-	-	(20,341,230)	
Net gain and losses not recognized in the income statement/Revaluation reserve of fixed assets transferred to retained earnings	-	-	-	-	-	-	1,530,645,029	1,530,645,029	
Net profit for the year	-	-	-	-	-	-	6,114,152,254	6,114,152,254	
Transfer to (from) reserve	-	-	1,000,000,000	4,180,581,312	-	-	(5,180,581,312)	-	
Dividend:	-	-	-	-	-	-	-	-	
Bonus shares	-	-	-	-	-	-	-	-	
Cash dividend	-	-	-	-	-	-	(1,609,990,668)	(1,609,990,668)	
Start-up Fund transferred from retained earnings	-	-	-	-	-	-	(61,141,523)	(61,141,523)	
Coupon/dividend on perpetual bond	-	-	-	-	-	-	(873,600,002)	(873,600,002)	
Total shareholders' equity as on 31 December 2023	16,999,906,680	1,989,633	22,735,466,258	23,607,449,598	6,903,383,328	174,600,000	1,609,990,668	71,192,786,164	
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	11,000,000,000	
Add: Mudaraba redeemable subordinated bond	-	-	-	-	-	-	-	20,200,000,000	
Add: General provision for unclassified investments and off-balance sheet items (Note-3.14.7)	-	-	-	18,009,428,293	-	-	-	18,009,428,293	
Less: Yearwise redemption	-	-	-	-	-	-	-	(4,800,000,000)	
Adjustment for intangible assets	-	-	-	(121,404,642)	-	-	-	(121,404,642)	
Adjustment for currency translation differences	-	-	-	(26,112,120)	-	-	-	(26,112,120)	
Less: Assets revaluation reserve (Note-3.14.4)	-	-	-	-	(6,903,383,328)	-	-	(6,903,383,328)	
Less: Revaluation reserve of securities (Note-3.14.5)	-	-	-	-	-	(174,600,000)	-	(174,600,000)	
Total equity as on 31 December 2023	16,999,906,680	1,989,633	22,735,466,258	41,529,361,129	-	-	1,609,990,668	108,376,714,368	

(*)Note : General / other reserves

Particulars	01.01.2023	01.01.2022
General reserve	19,428,756,166	16,866,067,837
Dividend equalization account	32,000,000	32,000,000
Currency translation differences	46,453,550	17,627,126
Total	19,507,209,516	16,915,694,963



11 SEP 2024

Nasimul Baten

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Md. Farid Uddin FCA, CIFA
SVP, Head of Finance & CFO
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FAD, Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Statement of Changes in Equity
For the year ended 31 December 2022

Particulars	(Amount in Taka)								
	1	2	3	4	5	6	7	8	Total
Balance as at 01 January 2022	16,099,906,680	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	64,561,294,277
Deferred tax on revaluation surplus	-	-	-	-	-	-	(6,954,400)	-	(6,954,400)
Deferred tax impact on excess depreciation	-	-	-	-	-	31,946,607	-	-	31,946,607
Depreciation adjustment on revalued fixed assets	-	-	-	-	-	(85,190,953)	-	85,190,953	-
Surplus/ (deficit) on account of revaluation	-	-	-	-	-	-	69,544,000	-	69,544,000
Currency translation differences	-	-	-	-	28,826,224	-	-	-	28,826,224
Net gain and losses not recognized in the income statement/Revaluation reserve of securities transferred to retained earnings	-	-	-	-	-	-	-	30,451,680	30,451,680
Net profit for the year	-	-	-	1,000,000,000	-	-	-	5,923,445,627	5,923,445,627
Transfer to (from) reserve	-	-	-	-	2,562,688,329	-	-	(3,562,688,329)	-
Dividend:	-	-	-	-	-	-	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	(1,609,990,668)	(1,609,990,668)
Start-up Fund transferred from retained earnings	-	-	-	-	-	-	-	(59,234,456)	(59,234,456)
Coupon/dividend on perpetual bond	-	-	-	-	-	-	-	(807,174,807)	(807,174,807)
Total shareholders' equity as on 31 December 2022	16,099,906,680	16,099,906,680	1,989,633	21,735,466,258	19,507,209,216	9,018,051,329	189,540,000	1,609,990,668	68,162,154,084
Add: Mudaraba perpetual bond	-	-	-	-	-	-	-	-	11,900,000,000
Add: Mudaraba redeemable subordinated bond	-	-	-	-	-	-	-	-	20,000,000,000
Add: General provision for unclassified investments and off-balance sheet items (Note-3.14.7)	-	-	-	-	17,806,581,209	-	-	-	17,806,581,209
Less: Yearwise redemption	-	-	-	-	-	-	-	-	(4,000,000,000)
Adjustment for intangible assets	-	-	-	-	(176,248,633)	-	-	-	(176,248,633)
Adjustment for currency translation differences	-	-	-	-	(46,453,350)	-	-	-	(46,453,350)
Less: Assets revaluation reserve (Note-3.14.4)	-	-	-	-	-	(9,018,051,329)	-	-	(9,018,051,329)
Less: Revaluation reserve of securities (Note-3.14.5)	-	-	-	-	-	-	(189,540,000)	-	(189,540,000)
Total equity as on 31 December 2022	16,099,906,680	16,099,906,680	1,989,633	21,735,466,258	37,091,089,040	-	-	1,609,990,668	102,738,442,279

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

Mohammed Monirul Moula
Director

Nasimul Baten
Director

Mohammad Jahangir Alam
Managing Director & CEO

This is the statement of changes in equity referred to in our separate report of even date.

Signed for & on behalf of
ACNABIN
Chartered Accountants
Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787/AS251665
Dhaka; 24 April 2024

Signed for & on behalf of
Khan Wahab Shaifique Rahman & Co.
Chartered Accountants
Mohammad Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016/AS734706

Islami Bank Bangladesh PLC.
Liquidity Statement
Assets & Liabilities Analysis
As at 31 December 2023

Particulars	Amount in taka							
	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	More than 5 years	Total 31.12.2023	Total 31.12.2022	
	2	3	4	5	6	7=(2+3+4+5+6)	8	
ASSETS								
Cash in hand	58,156,272,005	-	-	-	59,748,451,000	117,904,723,005	123,504,792,624	
Balance with other banks & financial institutions (Note-8.2)	83,416,648,230	13,165,000,000	3,610,000,000	-	1,387,176,000	101,578,824,230	110,787,004,358	
Placement with Banks & other Financial Institutions	-	-	-	-	-	-	-	
Investments (in shares & securities) (Note-10.4)	791,524,837	800,000,000	7,906,150,000	3,941,600,000	74,599,098,584	88,038,373,421	90,454,663,436	
General investments etc. (Note-11.1.1)	209,383,234,881	150,695,235,303	514,149,376,945	219,868,891,116	321,255,420,770	1,415,352,159,015	1,326,643,607,786	
Bills purchased & discounted (Note-11.2.1)	110,948,101,850	55,474,050,925	18,491,350,309	-	-	184,913,503,084	134,721,889,727	
Fixed assets including premises (land & building), furniture and fixtures (Note-12.3)	-	-	-	-	15,435,663,200	15,435,663,200	18,437,320,088	
Other assets (Note-13.1)	-	-	-	-	108,309,536,758	108,309,536,758	33,530,927,106	
Non - banking assets	-	-	-	-	-	-	-	
Total Assets	462,695,781,804	220,134,286,228	544,156,877,255	223,810,491,116	580,735,346,311	2,031,532,782,714	1,838,080,205,126	
LIABILITIES								
Placement from banks & other financial institutions	70,150,759,911	72,899,229,343	48,454,715,169	11,985,464,055	7,888,756,063	211,378,924,541	187,438,369,400	
Deposits (Note-15.5)	290,813,398,251	449,355,285,438	383,267,509,504	326,182,513,040	84,947,300,000	1,534,566,006,233	1,410,445,429,339	
Other accounts	-	-	-	-	-	-	-	
Provision & other liabilities (Note-17.11)	8,986,999,179	9,077,776,948	27,233,330,843	18,155,553,895	118,537,867,490	181,991,528,355	139,575,739,102	
Deferred tax liability/(assets)	59,926,548	60,531,867	181,595,600	121,063,733	780,419,673	1,203,537,421	1,458,513,201	
Mudaraba perpetual bond	-	-	-	-	-	-	-	
Mudaraba redeemable subordinated bond	-	-	4,800,000,000	12,200,000,000	3,200,000,000	11,000,000,000	11,000,000,000	
Total Liabilities	370,011,083,889	531,392,823,596	463,937,151,116	368,644,594,723	226,354,343,226	20,200,000,000	20,000,000,000	
Net Liquidity Gap	92,684,697,915	(311,258,537,368)	80,219,726,139	(144,834,103,607)	354,381,003,085	71,192,786,164	68,162,154,084	

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DBH Finance PLC.

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SVP, Head of CFO & CFO
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Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.


Director


Director


Managing Director & CEO

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
ICAB Enrolment no: 0787
DVC No: 2404240787/AS251665
Dhaka, 24 April 2024

Signed for & on behalf of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Mohammed Shaheed, FCA, FCMA
ICAB Enrolment no: 1016
DVC No: 2404241016/AS734706

This is the liquidity statement referred to in our separate report of even date.

Islami Bank Bangladesh PLC. and its Subsidiaries
Notes to the financial statements
As at and for the year ended 31 December 2023

1.0 The Bank and its activities

1.1 Introduction

Islami Bank Bangladesh PLC. [IBBPLC] (hereinafter referred to as "the Bank") 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, Bai-as-Sarf and Ujarah etc. There is a Shari'ah Supervisory Committee in the Bank which ensures that the activities of the Bank are being conducted on the precepts of Islam.

The shares of the Bank are listed with both Dhaka Stock Exchange (DSE) PLC. and Chittagong Stock Exchange (CSE) PLC. The Bank carries out its business activities through its Head Office in Dhaka, 16 Zonal Offices, 394 Branches including 76 Authorised Dealer (AD) Branches, 237 Sub Branches, 2771 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. These financial statements as at and for the year ended 31 December 2023 include the consolidated and separate financial statements of the Bank. The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries (mentioned in Note - 1.4, together referred to as "the Companies"). The current number of employees are 20,809 (in 2022: 20,792).

1.2 Nature of business/ Principal activities of the Bank

1.2.1 Commercial banking services

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 Company Act, 1991 as amended, Bangladesh Bank's directives and directives of other regulatory authorities.

1.2.2 Islamic micro-finance

Islamic micro-finance represents micro-finance of the Islamic finance industry. Under Islamic micro-finance, major focus is given on improvement of living standard of poor people. The projects are closely monitored so that the members are really benefited. The Bank provides this services under the umbrella of Rural Development Scheme (RDS) and Urban Poor Development Scheme (UPDS).

1.2.3 Mobile financial services - "mCash"

The bank has launched mobile financial services on 27 December 2012 under the name "Islami Bank mCash" as per Bangladesh Bank approval (reference no. DCMPS/PSD/37/(W)/2012-321 dated 14 June 2012). Islami Bank mCash offers different services through Mobile phone that include deposit and withdrawal of cash money, fund transfer from one account to another, receiving remittance from abroad, knowing account balance and mini-statement, giving and receiving salary, mobile recharge and payment of utility bill, merchant bill payment etc.

1.3 Off-shore banking unit (OBU)

Bangladesh Bank has approved the operation of Off-Shore Banking Unit (OBU) of Islami Bank Bangladesh PLC. located at Head Office Complex Branch-Dhaka, Uttara Branch-Dhaka and Agrabad Branch- Chittagong through letter no. BRPD (P-3)744(111)/2010-1032 dated 28 March, 2010. The Bank commenced the operation of its Off-shore Banking Unit from 08 February 2011 at Head Office Complex Branch, Dhaka, from 27 September 2011 at Agrabad Branch, Chittagong and from 01 June 2015 at Uttara Branch, Dhaka. Due to having different functional currency (Note 2.4), the operation of OBU has been considered as "foreign operation" and accordingly relevant financial reporting standards have been applied consistently that mentioned in note 3.15.3. The financial statements of the OBU are included in the separate financial statements of the Bank and eventually in the consolidated financial statements. The separate financial statements of OBU are shown in the functional currency (i.e. USD) as well as the presentation currency i.e. BDT of the Bank (i.e. BDT) in Annexure - F.

1.4 Subsidiaries of the Bank

1.4.1 Islami Bank Securities Limited (IBSL)

As per Bangladesh Securities and Exchange Commission's (BSEC) Letter No. SEC/Reg/CSE/MB/2009/444 dated 20 December 2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07 February 2010; the Bank established a subsidiary Company named "Islami Bank Securities Limited" to operate stock broker and stock dealer activities.

The share capital of IBSL 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.2,699,846,000/- divided into 2,699,846 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 May 2010. Required capital was transferred to IBSL on 25 May 2010 which is operating business under the license issued by the Bangladesh Securities & Exchange Commission (BSEC). As a stock broker, 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.

1.4.2 Islami Bank Capital Management Limited (IBCLM)

As per Bangladesh Bank BRPD Circular No. 12 dated 14 October 2009 and approval of Bangladesh Bank through Letter No. BRPD (R-1)717/2010-47 dated 07 February 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 March 2019 from Bangladesh Securities & Exchange Commission (BSEC) to operate the activities of Issue Manager/Underwriting/Portfolio manager.

1.4.3 IBBL Exchange Singapore Pte. Ltd.

'IBBL Exchange Singapore Pte. Ltd.' has been incorporated in Singapore, as a subsidiary of Islami Bank Bangladesh PLC. for remittance services and things incidental thereto under the Companies Act, CAP. 50 of the Republic of Singapore. The company is now being closed under the concern jurisdiction maintaining all regulatory formalities duly. Therefore, the financial statements of IBBL Exchange Singapore Pte. Ltd has not been prepared and accordingly not consolidated with that of the parent i.e. the bank.

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2.0 Basis of preparation of financial statements

2.1 Reporting framework and compliance thereof

The Bank and its subsidiaries are being operated in strict compliance with the rules of Islamic Shari'ah. The financial statements (consolidated & separate) have been prepared in accordance with the guidelines of Islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991 as amended, the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules, 2020, Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of that organization. Where the reporting guidelines issued by Bangladesh Bank and Bank Companies Act differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. As such the Bank has departed from those requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

I. Presentation of financial statements

IFRS

As per IAS-1 "Presentation of Financial Statements", financial statements shall comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, notes to the financial statements comprising summary of accounting policies and other explanatory information and retrospective restatement of items in the earlier financial statement, where applicable. Furthermore, IAS-1 states that, an entity shall present its current and non-current assets and liabilities, as separate classifications in its statement of financial position.

Bangladesh Bank

The financial statements and certain disclosures therein are presented in a prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, statement of changes in equity, liquidity statement) in accordance with the guidelines of the 'First Schedule' (section 38) of the Bank Company Act 1991 as amended and BRPD circular no. 15 dated 09 November, 2009 and other subsequent guidelines of BB. In the prescribed format of BB there is no component of other comprehensive income and accordingly the elements of other comprehensive income and the tax thereon (if any) is recognized directly in the statement of changes in equity. The assets and liabilities are presented in accordance with the prescribed format of BB and accordingly not classified as current and non-current classification as required by IAS-1.

II. Name of the Components of Financial Statements

IFRS

As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes comprising a summary of significant accounting policies and other explanatory information.

Bangladesh Bank

The forms of financial statements and directives for preparation thereof of the Islamic banking companies in Bangladesh are guided by BRPD circular no. 15 dated 09 November 2009 Bangladesh Bank. BRPD circular no. 15 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

III. Other Comprehensive Income

IFRS

As per IAS-1 "Other Comprehensive Income (OCI)" is a component of of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income (OCI).

Bangladesh Bank

Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

IV. Disclosure of Appropriation of Profit

IFRS

IFRS do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank

As per BRPD circular no. 14, dated 25 June 2003 and BRPD 15 dated 09 November 2009, an appropriation of profit should be disclosed on the face of profit and Loss Account.

V. Investments in shares and securities

IFRS

As per requirements of IFRS-9 "Financial Instruments", investment in shares and securities are generally classified either at fair value through profit or loss or at fair value through other comprehensive income and measured initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. However in the case of financial assets classified and measured at fair value through profit or loss, transactions costs are immediately recognised in profit or loss. Change in the fair value of shares and securities measured at fair value through profit or loss is recognised in the statement of profit or loss and changes in the fair value of shares and securities measured at fair value through other comprehensive income is recognised in the other comprehensive income and are never reclassified to profit or loss.

Bangladesh Bank

As per BRPD circular no. 14 dated 25 June 2003, investments in shares and securities are classified under held to maturity (HTM) or held for trading (HFT) and measured at cost. Transaction costs that are directly attributable to the acquisition added to the initial fair value except for financial assets classified as HFT where they should be recognised in profit or loss.

After initial recognition, HFT govt. securities are measured according to DOS circular no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009, where amortization loss is charged to profit and loss account, mark-to-market loss on revaluation is charged to profit and loss account, but any unrealized gain on such revaluation is recognized in revaluation reserve account. HTM govt. securities are measured at amortized cost and increase/decrease related to amortization is recognized in equity.

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As per BRPD circular no. 14 dated 25 June 2003 and DOS circular No.4 dated 24 November 2011, investments in quoted and unquoted shares are revalued at the year-end at market price and at Book Value of last audited balance sheet respectively. As such, provision is made against the diminution in value of investments considering netting off gain/loss. Investment in mutual fund (open-end) is revalued at lower of cost and higher of (market value and 95% of NAV) as per instruction of DOS circular no. 03 dated 12 March 2015 and closed end mutual fund is revalued at lower of cost and higher of (market value and 85% of NAV) as per DOS circular no. 10 dated 28 June 2015. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognized at costs.

VI. Provision for investments

IFRS

As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition. For those loans and advances for which the credit risk has not been increased significantly since initial recognition, an entity shall measure the impairment allowance at an amount equal to 12 months expected credit losses.

Bangladesh Bank

As per BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 04 dated 29 January 2015, BRPD Circular no. 08 dated 02 August 2015, BRPD Circular No.12, dated 20 August, 2017, BRPD Circular No. 12 dated 20 August, 2017, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular no. 03 dated 21 April 2019, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no.51& 53 dated 30 December 2021, BRPD Circular no. 14 dated 22 June 2022, BRPD Circular no. 51 dated 18 December 2022, BRPD Circular no. 53 dated 22 December 2022, BRPD Circular no. 11 dated 20 June 2023 and BRPD Circular no. 20 dated 21 June 2023 general provision at 0.25% to 2% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard, doubtful and bad & loss investments have to be provided at 20%, 50% and 100% respectively and sub-standard 5%, doubtful 20% and bad & loss 100% for CMSME investment (except short-term agricultural and micro-credits where 1% for all unclassified investment (irregular & regular) 5% for sub-standard and doubtful investments and 100% for bad & loss investments) depending on the duration of overdue.

VII. Provision for Off-balance sheet items

IFRS

There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for making provision or disclosure of off-balance sheet items on the face of the statement of financial position.

Bangladesh Bank

As per BRPD circular No.14 dated 25 June 2003 and BRPD circular no- 15 dated 09 November 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee, Bills for collection etc.) must be disclosed separately on the face of the balance sheet. Furthermore, as per BRPD Circular No.14 dated 23 September 2012, BRPD Circular No.19 dated 27 December 2012, BRPD Circular No.7 dated 21 June 2018, BRPD Circular No.13 dated 18 October 2018 and BRPD Circular No.03 dated 02 February 2023 a general provision at 1% is required to be provided for all off-balance sheet exposures except Bills for Collection received by the bank on behalf of its customers and issued guarantees. Mentionable that Provision against guarantees issued by Bank is to be kept in different rates @ nil, 0.50%, 0.75% & 01% considering the BB rating grade equivalence of the bank providing the counter guarantee.

VIII. Recognition of investment income in suspense

IFRS

Investment to customers (loans and receivables) are generally classified at amortized cost as per IFRS 9 "Financial Instruments" and investment income is recognised by using the effective interest rate method over the term of the investment. Once an investment is impaired, the entity shall apply the effective interest rate to the amortised cost of these investments.

Bangladesh Bank

As per BRPD circular no. 14 dated 23 September 2012, once an investment is classified, investment income on such investment are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an investment income in suspense account, which is presented as liability in the balance sheet.

IX. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS-9. As such full disclosure and presentation requirements of IFRS-7 cannot be made in the financial statements.

X. Financial guarantees

IFRS

As per IFRS-9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently measured at the higher of: the amount of the loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, the cumulative amount of income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank

As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items.

XI. Cash and Cash Equivalents

IFRS

Cash and Cash Equivalent items should be reported as cash items as per IAS-7 "Statement of Cash Flows".

Bangladesh Bank

Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Bangladesh Bank bills and Prize bond are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, and Treasury bills, Prize bonds are shown in investments.

XII. Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS

Balance with Bangladesh Bank that are required to be kept as part of cash reserve requirement, should be treated as other asset as it is not available for use in day to day operations as per IAS-7 "Statement of Cash Flows".

Bangladesh Bank

Balance with Bangladesh Bank is treated as cash and cash equivalents.

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XIII. Cash flow statement

IFRS

The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank

As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, cash flow statement is to be prepared following a mixture of direct and indirect methods.

XIV. Non-banking assets

IFRS

No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank

As per BRPD 14 dated 25 June 2003, BRPD 15 dated 09 November 2009 and BRPD 22 dated 20 September 2021, there must exist a face item named Non-banking assets.

XV. Presentation of intangible asset

IFRS

An intangible asset must be identified and recognised, and the disclosure must be given as per IAS-38 "Intangible Assets".

Bangladesh Bank

There is no regulation for intangible assets in BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009.

XVI. Off-balance sheet items

IFRS

As per IFRS, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank

As per BRPD circular no. 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

XVII. Investments net off provision

IFRS

Investments should be presented net off provision.

Bangladesh Bank

As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, provision on investments are presented separately as liability and can not be netted off against investments.

XVIII. Revenue

As per IFRS 15, revenue should be recognized on accrual basis but due to the unique nature of Islamic Banks, income from investment under Mudaraba, Musharaka, Bai-Salam, Bai-as-Sarf and Ujarah modes (Khidmah Card) is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

XIX. Charges on tax on retained earnings, reserve, surplus as per Income Tax Act, 2023

As per section 22 of the Income Tax Act, 2023, Listed companies should disclose proposed dividend in the balance sheet as "amount to be distributed as dividend". However there is no provision for this in BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009 and IFRS also restricts to disclose such presentation in the balance sheet.

2.2 Measurement of elements in the financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the financial statements. The measurement basis adopted by the Bank is historical cost except for land, building and few of the financial assets which are stated in accordance with the policies mentioned in the respective notes.

2.3 Basis of consolidation

The group financial statements include the financial statements of the Bank and its subsidiaries that it controls. The Bank prepares consolidated financial statements using uniform accounting policies for similar transactions and other events in similar circumstances. Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee.

The Bank presents non-controlling interests in the consolidated statement of financial position (Balance Sheet) within equity, separately from the equity of the owners of the Bank. Changes in the Bank ownership interest in a subsidiary that do not result in losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).

2.3.1 Consolidation procedures

> combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

> offsetting (eliminating) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

> eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets [property, plant & equipment], are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.


2.3.2 Investment in subsidiaries in the Bank separate financial statements

When the Bank prepares separate financial statements, it accounts for investments in subsidiaries at cost.

2.4 Functional and presentation currency

The consolidated and separate financial statements of the Bank are presented in Bangladeshi Taka which is the functional currency of the Bank and its subsidiaries except for Off-shore Banking Unit (OBU) where the functional currency is US Dollar (USD). All financial information presented in Taka (BDT) has been rounded to the nearest integer, except otherwise indicated.

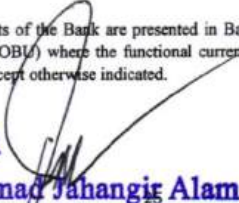
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2.5 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, post employment benefits liabilities, accruals, taxation and provision.

2.6 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.

2.7 Going concern

When preparing financial statements, management makes an assessment of the Bank's ability to continue as a going concern. The Bank prepares financial statements on a going concern basis.

2.8 Accrual basis of accounting

The Bank prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the Bank recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.9 Materiality and aggregation

The Bank presents separately each material class of similar items. The Bank presents separately items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.10 Offsetting

The Bank does not offset assets and liabilities or income and expenses, unless required or permitted by BB guidelines or IFRS.

2.11 Reporting period

These financial statements of the Bank and its subsidiaries cover one calendar year from 01 January 2023 to 31 December 2023.

2.12 Authorization of the financial statements for issue

The consolidated financial statements and the separate financial statements of the Bank were reviewed by the Audit Committee of the Board in its 544th meeting on 24 April 2024 and was subsequently authorized for issue by the Board of Directors in its 335th meeting held on the same date.

2.13 Cash flow statement

Cash Flow Statement is prepared in accordance with IAS-7 "Statement of Cash Flows" as well as the guidelines for Islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003. The Statement shows the structure of changes in cash and cash equivalents during the year.

2.14 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS-1 "Presentation of Financial Statements" as well as the guidelines for Islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003.

2.15 Liquidity statement

Liquidity Statement has been prepared based on the residual/remaining maturity of assets and liabilities as on 31 December 2023 as per the guidelines for Islamic banking issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003 as follows:

- i) Balance with other banks and financial institutions, etc. are on the basis of their respective maturity term;
- ii) Investments in shares & securities are on the basis of their respective maturity;
- iii) General investments are on the basis of their recovery/repayment schedule;
- iv) Fixed assets [property, plant & equipment] are on the basis of their useful lives;
- v) Other assets are on the basis of their realization/amortization;
- vi) Deposits and other accounts are on the basis of their maturity and payments;
- vii) Provisions and other liabilities are on the basis of their adjustment/settlement;
- viii) Due to perpetual in nature/maturity, Mudaraba Perpetual Bond (MPB) is reported under maturity more than 5 (five) years.
- ix) Mudaraba Redeemable Subordinated Bond is reported under maturity within 1 (one) year for Tk. 480 (Four hundred eighty) crore, 1 (one) to 5 (five) years for Tk. 1,220 (One thousand two hundred and twenty) crore and more than 5 (five) years for Tk. 320 (Three hundred and twenty) crore.

2.16 Changes in accounting policies

The Bank changes its accounting policy only if the change is required by IFRS or Bangladesh Bank Guidelines or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Bank's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

2.16.1 IFRS-16: Lease

In January 2016, the International Accounting Standards Board (IASB) issued IFRS-16. IFRS-16 replaces IAS-17, IFRIC 4, SIC 15 and SIC 27 which sets out the principles for recognition, measurement, presentation and disclosure of leases which is effective from annual reporting periods beginning on or after 01 January 2019. IBBPLC has applied IFRS-16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS-16 supersedes IAS-17 Lease, the bank has made recognition, measurement and disclosure in the financial statements-2023 both as Lessee and Lessor as per IFRS-16.

11 SEP 2024

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Bank as lessee:

"The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank consider the contract as a lease contract. The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognizes lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets. If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per policy of the bank. The Bank determine incremental borrowing rate to calculate the ROU assets and depreciate the asset over the useful life by straight line method. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities.

Right-of-use assets (ROU):

"The bank recognises the right-of-use (ROU) assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

The bank assessed all lease contracts live in 2023 and recognised as ROU of assets of all leases, except short term and low value of assets as guided by Banks' own policy set as per IAS-16 and IFRS-16. The ROU assets are presented in the Note 12.1 of these financial statements."

Lease Liabilities (Bank as a lessee):

"At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees.

In 2023, the bank reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2020. The lease liabilities are presented in the Note 17.0 of these financial statements.

Bank as a lessor:

"Leases where the bank does not transfer substantially all of the risk and benefit of ownership of any asset are classified as operating assets. Rental income is recorded as earned based on the contractual term of the lease. However, the Bank did not hold any such assets in 2023."

Recognition of consideration made under contract in exchange of use of rental premises/assets:

"As per IFRS 16, when consideration is made by the bank under contract in exchange of use of rental premises or assets for a period not exceeding a period of twelve months, and or, the present value of the obligation plus initial payment under contract does not exceed the threshold limit of the bank, and substantially all the risk and benefit of ownership of those rental premises/assets does not transfer to the bank, then the bank considers the payment (other than advance payment) as rental expense under IFRS 15 Revenue from contracts with customers."

Therefore, in 2023, IBBPLC recognised those payments against contracts that do not qualify as lease item under IFRS-16 as rental expense which is presented in Note 30.0 of the financial statements for the year ended 31 December 2023.

Particulars	Amount in Tk.
Depreciation charge for right-of-use (ROU) assets by class of underlying asset	275,247,816
Finance charge on lease liabilities	62,562,661
Total cash outflows	294,082,985
Carrying amount of right of use assets at the end of the reporting year	870,976,598
Lease obligation on ROU assets as at end of the reporting year	918,346,332

2.17 Changes in accounting estimates

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

2.18 Verification of financial statements through Document Verification System (DVS)

As per BRPD Circular Letter No. 4 dated 04 January 2021, it has been ensured that latest available audited financials are preserved in the investment file of all our clients. In addition to that as per BRPD Circular Letter No. 35 dated 06 July 2021, we have been granted access in DVS by The Institute of Chartered Accountants of Bangladesh (ICAB) which we have implemented verification of financials through DVS 100% for all our clients which are listed with Stock Exchanges. We have also performed verification of 7% which non listed/not listed with Stock Exchanges.

3.0 Summary of significant accounting policies

Accounting policies are determined by applying the relevant guidelines of Bangladesh Bank as well as the relevant IFRS. Where there is no available guidelines of BB and IFRS, management uses its judgment in developing and applying an accounting policy that results in information that is relevant and reliable. The Bank selects and applies its accounting policies for a period consistently for similar transactions, other events and conditions, unless IFRS or Bangladesh Bank guidelines specifically requires or permits categorization of items for which different policies may be appropriate. The accounting policies set out below have been applied consistently in all material respects to all periods presented in these consolidated financial statements:

3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand and at ATM, balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions which are not ordinarily susceptible to change in value.

11 SEP 2024




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Chartered Accountants

3.2 Investment in shares and securities

Investment in shares and securities (other than Investment in Bangladesh Government Islamic Investment Bond) are initially recognised at cost and subsequently measured and accounted for depending on their classification criteria as either held to maturity or held for trading. Transaction costs that are directly attributable to the acquisition added to the initial cost except for the investment classified as held for trading where they should be recognised in profit or loss.

Investment in Bangladesh Government Investment Sukuk is reported at cost price.

Investments in quoted and unquoted shares are revalued at the year-end at market price and at net assets value (NAV) of last audited balance sheet respectively. As such, provision is made against the diminution in value of investments netting off gain /loss arises from the market of the securities.

Investment in mutual fund is revalued is mentioned in Note-3.2.3. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis).

Investment in Government securities (other than investment in Bangladesh Shipping Corporation) are measured both initially and subsequently at cost as the Bank is not allowed to invest in interest bearing government securities like T-bond, T-bill etc. So the instructions and circulars related to the recognition and measurement of those instruments are not applicable for the Bank.

Investment in Bangladesh Shipping Corporation was initially recognized at cost. Transaction costs directly attributable to the acquisition added to the cost. After initial recognition investments are measured at the year end market price and change in the market price is recognized in equity under the head revaluation surplus.

Investment in subordinated bond is measured both initially and subsequently at cost.

Investment in Mudaraba Perpetual Bond is reported at cost price. As per Bangladesh Bank DOS circular no. 04 dated 24 November 2011, provision for diminution in value of investment in Mudaraba Perpetual Bond was made by netting off unrealised gain/loss of shares from market price less cost price.

3.2.1 Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as 'Held to Maturity' (HTM). These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discounts are accredited, using the effective or historical yield. Any increase in value of such investments is booked to equity but decrease to profit and loss account.

3.2.2 Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked to market and any decrease in the present value is recognized in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per DOS Circular no. 05 dated 28 January 2009.

3.2.3 Investment- Initial recognition and subsequent measurement

Investment class	Initial Recognition	Measurement after initial recognition	Recording of Changes
Govt. treasury securities - BGIB/Sukuk	Cost	Cost	None
Debenture/Bond	Cost	Cost	None
Shares (Quoted)	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealized gain booking.
Shares (Unquoted)	Cost	Lower of cost or Net Asset Value (NAV) of last audited financial statements	Loss to profit and loss account but no unrealized gain booking.
Mutual fund (Open-end)	Cost	If, average cost price (CP) > Surrender Price then the shortfall amount is required as provision.	Loss (net) to profit and loss account but no unrealized gain booking.
Mutual fund (Close-end)	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealized gain booking.

3.3 Investments

Investments are recognized at gross amount on the date on which they are originated. After initial recognition investments are stated in the Balance Sheet net off profit receivable and unearned income. However, provision for investments are not set-off with investments.

Profit Receivable – the amount of unexpired portion of profit charged on Bai-Murabaha investment at the time of sale of goods/ services to customer/ client.

Unearned Income - the amount of unrealized portion of profit/ value addition of fixed assets [property, plant & equipment] under Hire Purchase Under Shirkatul Melk (HPSM) investment for gestation period.

3.4 Fixed assets [Property, plant & equipment and intangibles]

3.4.1 Property, plant and equipment

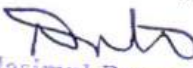
3.4.1.1 Recognition

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably.

3.4.1.2 Measurement at recognition

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

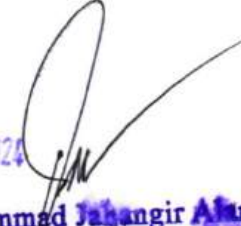
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3.4.1.3 Elements of costs and subsequent costs

Cost includes purchase price (including import duties and non-refundable purchase taxes), directly attributable costs to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Costs of day to day servicing (repairs and maintenance) are recognized as expenditure as incurred. Replacement parts are capitalized, provided the original cost of the items they replace is derecognized.

3.4.1.4 Measurement of property, plant & equipment after recognition

Cost model

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

The revaluation model requires an asset, after initial recognition, to be measured at a revalued amount, which is its fair value less subsequent accumulated depreciation and impairment accumulated losses.

Where an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in equity under the heading of revaluation surplus. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Where an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in equity reduces the amount accumulated under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized. However, some of the surplus is transferred as the asset is used by the Bank. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

3.4.1.5 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included as other income in profit or loss when the item is derecognized.

3.4.1.6 Asset retirement obligations (ARO)

Asset retirement obligations (ARO) are recognized when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The periodic unwinding of the discount is recognized in the statement of profit or loss as a finance cost as it occurs.

3.4.1.7 Depreciation

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset. Depreciation of an asset begins when it is installed and available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate.

Depreciation is calculated based on the cost/revalued amount of items of fixed assets [property, plant & equipment] less their estimated residual values using either of Straight-Line Method (SLM) or Reducing Balance Method (RBM) over their estimated useful lives and recognized in profit and loss. Land is not depreciated. Rates of depreciation considering the useful life of respective assets are as follows:

Items	Method	Rates
Building	Reducing Balance	2.5% on Book Value
Furniture and fixtures-Steel	-Do-	05% on Book Value
Furniture and fixtures-other than Steel	-Do-	10% on Book Value
Mechanical appliances	-Do-	20% on Book Value
ATM	-Do-	10%-25% on Book Value
Books	-Do-	25% on Book Value
Motor vehicles	Straight-line	16.67% - 20.00% on Original Cost
Computers	-Do-	25% on Original Cost

3.4.2 Capital work in progress

Fixed assets that is being under construction/acquisition is accounted for as capital work in progress until construction/acquisition is completed and measured at cost. The work in progress is transferred to cost of that fixed assets when the construction is completed and it becomes available for use.

3.4.3 Intangible assets

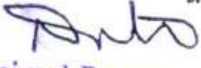
3.4.3.1 Recognition

The recognition of an item as an intangible asset requires the Bank to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if, it is probable that expected future economic benefits that are attributable to the asset will flow to the Bank and the cost of the item can be measured reliably.


3.4.3.2 Measurement

An intangible asset is measured at cost less any accumulated amortizations and any accumulated impairment losses. Subsequent expenditures are likely to maintain the expected future economic benefits embodied in an existing intangible asset rather than meet the definition of an intangible asset and the recognition criteria. Therefore, expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognized in profit or loss as incurred. The rates used for amortizing intangible assets is 25.00%.

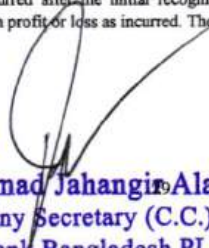
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3.4.3.3 Amortization

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortization ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. An intangible asset with an indefinite useful life is not amortized.

3.5 Impairment of Fixed assets [property, plant & equipment and intangibles]

Recognizing and measuring impairment loss

Where the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on a non-revalued asset is recognized in profit or loss. However, an impairment loss on a revalued asset is recognized directly in equity to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the Bank tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

3.6 Other assets

Other assets include all other financial assets, other income receivable, advance against expenses etc.

3.7 Non-banking assets

Non-banking assets are acquired on account of the failure of a client to repay the investment in time after receiving the decree from the court regarding the right and title of the mortgaged property.

3.8 Placement from banks and other financial institutions

Placement from banks and other financial institutions are stated in the financial statement at principal amount of the outstanding balance.

3.9 Deposits and other accounts

Deposit and other accounts include Al Wad'eah current deposit as well as savings, term and other Mudaraba deposits. Deposits by customers and banks are recognized when the Bank enters into contractual agreements with the counterparties. These items are brought to Financial Statements at the gross value of the outstanding balance.

3.10 Mudaraba Bond

3.10.1 Mudaraba Perpetual Bond

Mudaraba Perpetual Bond (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 debtholders 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 Bond (MPB) is perpetual in nature i.e. infinite maturity. Profit paid against Mudaraba Perpetual Bond is the final profit rate of 8 (eight) years Mudaraba Savings Bond and an additional amount equivalent to 10.00% of the rate of dividend declared for the respective year.

3.10.2 Mudaraba Perpetual Contingent Convertible Bond

IBBL 2nd 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 received as subscription in the year 2021 and remaining Tk.82.416 crore was received during the year 2022 (Tk. 80 crore through Public Offer and Tk. 720 crore through Private Placement). The public offer portion is listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. This bond 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 2nd 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.

Coupon/Profit Rate:

The Rate of return/profit (coupon rate) of this bond 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.

3.10.3 Mudaraba Redeemable Subordinated Bonds

Five (05) floating rate Mudaraba Redeemable Unsecured Non-convertible Subordinated 7 years Bonds were issued for inclusion in Tier 2 Capital of the Bank in pursuance of "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 December 21, 2014. The IBBL Mudaraba Redeemable Non-convertible Subordinated Bond of Tk. 500 crore, IBBL 2nd Mudaraba Redeemable Non-convertible Subordinated Bond of Tk. 700 crore, 1st Tranche Issue of Tk. 600 crore of IBBL 3rd Mudaraba Redeemable Non-convertible Subordinated Bond and 2nd Tranche Issue of Tk. 600 crore of IBBL 3rd Mudaraba Redeemable Non-convertible Subordinated Bond were issued in the year 2017, 2018, 2019 and 2020 respectively covering the criteria for inclusion of debt instruments in Regulatory Capital (specific eligibility criteria outlined by the Bangladesh Bank for subordinated debt to qualify as Tier 2 capital). Principal redemption was made Tk.100 crore against IBBL Mudaraba Redeemable Non-convertible Subordinated Bond of Tk. 500 crore; Tk.140 crore against IBBL 2nd Mudaraba Redeemable Non-convertible Subordinated Bond of Tk.700 crore; Tk.120 crore against 1st Tranche Issue and Tk. 120 crore against 2nd Tranche Issue of IBBL 3rd Mudaraba Redeemable Non-convertible Subordinated Bond during the year 2023. IBBL Fourth Mudaraba Redeemable Non-convertible Subordinated Bond of BDT 8,000 million was issued during the year 2022-2023 and Tk.300 crore only was subscribed during the year 2022 and the remaining Tk.500 crore was issued during the year 2023. The claims of the subordinated bondholders are junior to the claims of the depositors and the other creditors.

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3.10.4 Usage of IBBL 2nd Perpetual Mudaraba Bond

The fund raised is not meant for financing any particular project. The Bank utilizes the proceeds of the Issue for its regular business activities to extend the investment facility to the existing clients and to extend investment facility to the new clients in different sectors for sustainable business growth.

3.11 Provisions

3.11.1 Provision for investments

Provision for investments is made on the basis of quarter-end review by the management and instructions contained in BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 04 dated 29 January 2015, BRPD Circular no. 08 dated 02 August 2015, BRPD Circular No.12, dated 20 August, 2017, BRPD Circular No. 12 dated 20 August, 2017, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular no. 03 dated 21 April 2019, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no.51& 53 dated 30 December 2021, BRPD Circular no. 14 dated 22 June 2022, BRPD Circular no. 51 dated 18 December 2022, BRPD Circular no. 53 dated 22 December 2022 and BRPD Circular no. 03 dated 02 February 2023. Details are given below:

Particulars	Classification/Percentage (%) of provision requirement										
	2023					2022					
	UC	SMA	SS	DF	BL	UC	SMA	SS	DF	BL	
Cottage, Micro, & Small Investments Under CMSME	0.25%	0.25%	5%	20%	100%	0.25%	0.25%	5%	20%	100%	
Medium Enterprise Financing under SMEF	0.25%	0.25%	20%	50%	100%	0.25%	0.25%	20%	50%	100%	
Consumer	Investment for Housing Finance	1%	1%	20%	50%	100%	1%	1%	20%	50%	100%
	Investment for Professionals	2%	2%	20%	50%	100%	2%	2%	20%	50%	100%
	Other than Investment for Housing Finance & Professionals	2%	2%	20%	50%	100%	2%	2%	20%	50%	100%
All Other (Except Short-term Agricultural and Micro-Credits)	1%	1%	20%	50%	100%	1%	1%	20%	50%	100%	
Short-term Agricultural and Micro-Credits	1%		5%		100%	1%		5%		100%	
Investment to Stock Dealers & Stock Broker	1%		20%	50%	100%	2%		20%	50%	100%	

3.11.2 Provision for diminution of value of shares and securities

Provision for diminution of value of shares and mutual funds, placed under other liability, has been made on portfolio basis following DOS Circular No. 01 dated 24 May 2023. Details are stated in Note 17.2 of these financial statements.

3.11.3 Provision for off-balance sheet exposures

In compliance with BRPD Circular no. 06 dated 25 April 2023 the Bank has been maintaining provision against off-balance sheet exposures (mainly contingent assets/liabilities) Note-2.1.VII.

3.11.4 Provision for other assets

Provision for other assets is made as per the instructions made in the BRPD circular No. 04 dated 12 April 2022 and other instructions made by Bangladesh Bank. (Note- 17.3.1).

3.11.5 Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per BRPD circular No. 04 dated 12 April 2022. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

3.11.6 Other provisions, accruals and contingencies

3.11.6.1 Recognition of provisions, accruals and contingencies

A provision is recognized when the Bank has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; a reliable estimate can be made of the amount of the obligation. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent liabilities are not recognized in the financial statements. Disclosure on contingent liabilities has been made on the face of balance sheet under 'Off-balance Sheet Items' as per BRPD circular No. 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009.

3.11.6.2 Measurement of provision

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

3.11.6.3 Changes and uses of provisions

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognized. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognized for another purpose would conceal the impact of two different events.

11 SEP 2024

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3.12 Post employment benefits

The Bank provides various long-term and short-term benefits to the employees under different schemes. Details of the benefit plans are given below:

3.12.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as personnel expense in profit or loss in the periods during which related services are rendered by employees. The Bank maintains one funded defined contribution plan for its regular employees - Provident fund.

3.12.1.1 Provident fund

The Commissioner of Income Tax, Dhaka (North) has approved the provident fund as a recognized provident fund within the meaning of section 2 (52) read with the provision of part - B of the First Schedule of Income Tax Ordinance 1984. The Provident Fund is for the regular and confirmed employees who works for a minimum period of 5(five) years at the Bank and it came into force with effect from 1st day of March 1986. The Fund is operated by a separate Board of Trustee. The fund receives contributions @ 10% of the basic pay both from employees and employer. Subsidiaries of the Bank also operate separate provident funds for its regular employees funded by both the employees and employee equally.

3.12.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The Bank has two funded defined benefit plans - Gratuity fund and Superannuation fund.

3.12.2.1 Gratuity fund

The National Board of Revenue has approved the gratuity fund as a recognized gratuity fund on December 27, 1995. The Gratuity Fund for the regular and confirmed employees of the Bank was established on 01 March 1986. The employees who served at least 7 (seven) years, served for minimum 12 (twelve) years & served for 20 (twenty) years at the Bank are entitled to get gratuity equivalent to 1(one) month's basic pay, 1.5 (one and a half) months' basic pay & entitled to get 2 (two) months' basic pay respectively for each completed years of service and fraction thereof. The fund is operated by a Board of Trustee. Adequate contributions have been made as per the recommendation of actuarial valuation report during the year.

3.12.2.2 Superannuation fund

The Fund came into force with effect from the 19 June, 2008. It was established for financial help to the members of the Bank Employees' Superannuation Fund and their families in case of retirement, death, physical disability of employee while in service or of any incidence of like nature acceptable to the Board of Trustees and retirement from the service.

3.12.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Companies has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.12.4 Other employee benefits

Other employee benefits include which are not included in short-term employee benefits, post-employment benefits and other termination benefits.

3.12.4.1 Benevolent fund

The Benevolent Fund for the regular and confirmed employees of the Bank was established in the year 1986. This Fund is mainly used for payment of grant to meet some unexpected and specific needs of the staffs of the Bank like accident, clinical treatment, marriage ceremony of the employees and their dependents, burial expenses of employees' death, scholarship/cash award to the meritorious students among the children of the Bank's officers and staff and allow short term quard/ etc.

3.12.5 Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. The Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as the provision of Bangladesh Labour Act 2006 as amended contradicts with that of the Bank Company Act 1991. As such consistent with widely accepted industry practice as well lawyer opinion the Bank did not make any provision during the year for WPPF.

3.13 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized directly in equity. In this case, the tax is also recognized directly in equity.

3.13.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years. Provision for current income tax has been made as per the prescribed rate in the Income Tax Act 2023 on the accounting profit made by the bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12, "Income Taxes". Provision for current income tax has been made on taxable income of the Bank as per following rates:

Type of income	2023	2022
Business income	37.50%	37.50%
Capital gain	10% to 15%	10% to 15%
Other Income (Dividend income)	20.00%	20.00%

3.13.2 Deferred tax

Principle of recognition

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with directly in equity is recognized directly in equity.

11 SEP 2024

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Recognition of taxable temporary difference

A deferred tax liability is recognized for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Recognition of deductible temporary difference

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax on revaluation

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. An upward revaluation will therefore give rise to a deferred tax liability. IBBPLC recognizes the underlying revaluation directly in equity, so the deferred tax thereon is also recognized as part of tax relating to equity. IBBPLC transfers each year from revaluation surplus to retained earnings an amount equal to the difference between the depreciation based on the cost of that asset. The amount transferred is net off any related deferred tax.

3.14 Share capital and reserves

3.14.1 Capital

Authorized Capital

Authorized Capital is the maximum amount of share capital that the Bank is authorized to raise as per its Memorandum and Articles of Association.

Paid-up Capital

Paid-up Capital represents total amount of shareholders' capital that has been paid in full by the shareholders. Shareholders are entitled to receive dividend as approved from time to time in the Annual General Meeting.

3.14.2 Share Premium

Share premium arose from sale of some un-subscribed Right Share for the year 1996 at above the par value and can be utilized as per section 57 of the Companies Act, 1994.

3.14.3 Statutory reserve

As per section 24 of the Bank Company Act, 1991 as amended, at least 20% of the net profit before tax is transferred to statutory reserve each year until the cumulative balance of the reserve equal to the paid-up capital.

3.14.4 Assets revaluation reserve

This represents the difference between the book value and the re-valued amount of premises (Land and Building) of the Bank as assessed by professional valuers in the year 2000, 2002, 2003, 2004, 2005, 2006, 2009 and 2012 which were reviewed by the then statutory auditors. To calculate Capital to Risk Weighted Assets Ratio (CRAR), 50% of the same was considered as a component of supplementary capital as per Bangladesh Bank BRPD Circular No. 24 dated 03 August 2010 up to 2014. However, as per BRPD circular 18 dated December 21, 2014, the revaluation reserve for Fixed assets [property, plant & equipment] already have been deducted from Tier-2 capital with a phase in manner from 2015 to 2019.

3.14.5 Revaluation reserve of securities

Investment in shares of Bangladesh Shipping Corporation qualified for Statutory Liquidity Reserve (SLR) as per Bangladesh Bank Letter No. BCD (P)744(23)(II)/1030 dated 08.11.1983, BRPD Circular No.15 dated 31.10.2005, DOS Circular Letter No.10 dated 11.09.2006, BRPD Circular No.03 dated 12.03.2008 and DOS Circular Letter No.05 dated 26.05.2008. The shares have been revalued as on 30.12.2017 on the basis of closing market price of Dhaka Stock Exchange Limited (DSE). The surplus is credited to Revaluation Reserve on securities account and 50% of the revaluation reserve upto 2014 has been taken as a component of Supplementary Capital as per Bangladesh Bank BRPD Circular No. 24 dated 03 August 2010. and shown in the Statement of Changes in Equity as per Bangladesh Bank guidelines up to 2014. As per BRPD circular 18 dated December 21, 2014, the revaluation reserve for securities has been deducted from Tier-2 capital from 2015 to 2019.

3.14.6 Non-controlling interest

Non-controlling interest is the equity in the subsidiaries that is not attributable, directly or indirectly to the parent. The Bank attributes the profit or loss and each component of equity to the owners of the parent and to the non-controlling interests. When the proportion of the equity held by non-controlling interests changes, the Bank adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiaries.

The Bank presents non-controlling interests in the consolidated statement of financial position (Balance Sheet) within equity, separately from the equity of the owners of the Bank. Changes in the Bank ownership interest in a subsidiary that do not result in losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).

3.14.7 Regulatory capital in line with Basel-III

Till December 2014, as per Revised Regulatory Capital Framework in line with Basel III, full amount of general provision for unclassified investments and off-balance sheet items & Mudaraba Subordinated Bond as capital gone-concern. However, as per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III), BRPD No.18, dated 21 December 2014, Assets Revaluation Reserve and Revaluation Reserve of Securities has gradually been deducted in a transitional arrangement starting from January 2015 to December 2019 (20% each year). Accordingly regulatory capital for the period has been calculated complying with all of these changes as per Revised Regulatory Capital Framework for Banks in line with Basel-III.

3.15 Foreign currency transactions

3.15.1 Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

11 SEP 2024

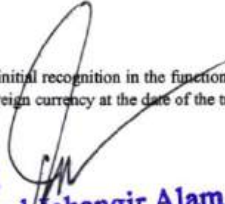


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3.15.2 Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into the Bank's functional currency at each reporting date. However, translation depends on whether the assets or liabilities are monetary or non-monetary items:

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of the Bank. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognized in equity, any exchange component of that gain or loss is recognized in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

3.15.3 Translation of foreign currency financial statement

The assets and liabilities of foreign operations (Note- 1.3) are translated into presentation currency in the current statement of financial position using the closing rate at the reporting date. The income and expenses of foreign operations are translated at spot exchange rates at the date of transactions as long as practicable; otherwise average rate of exchange has been used. Foreign currency differences arising on translation are recognized in equity under the head translation reserve.

3.16 Income

3.16.1 Investment income

Income from general investments is accounted for on accrual basis except for investments under Musharaka, Mudaraba, Bai-Salam, Bai-as-Sarf and Ujarah (Khidmah Card) modes of Investment where the investment income is accounted for on realization basis. The Bank does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode of investment but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis.

Profit/Rent/Compensation accrued on classified investments are suspended and accounted for as per circulars issued by Bangladesh Bank in this regard from time to time. At the time of recovery or regularization of those investments the related income which was suspended and shown as a liability is taken as investment income (except compensation) as per circulars issued by Bangladesh Bank. As a result, all the transferred amount to investment income from suspense during the year has already been included in the investment income of the Bank.

Profit on deposits with other banks & financial institutions is accounted for on accrual basis.

3.16.2 Sharing of investment income

In case of investment, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba Fund is shared by the Bank and the Mudaraba depositors at the pre-agreed ratio.

3.16.3 Income from investment in Bangladesh Government Islamic Investment Bond (BGIIIB)

Profit from investment in Bangladesh Government Islamic Investment Bond (BGIIIB) is accounted for on an accrual basis.

3.16.4 Income from investment in subordinated bond

Profit from investment in subordinated bond is accounted for on an accrual basis.

3.16.5 Fees, commission and exchange income

Fees, commission and exchange income on services provided by the Bank are recognized as and when the related services are rendered. Commission charged to customers on letter of credit and letter of guarantee are credited to Income at the time of effecting the transactions.

3.16.6 Dividend income

Dividend income from investments is accounted for when the right to receive income is established.

3.17 Expenses

3.17.1 Management and other expenses

Expenses incurred by the Bank are recognized on actual and accrual basis.

3.17.2 Profit paid on deposits

As per agreement between the Mudaraba depositors and the Bank in line with Mudaraba Principle, the Mudaraba depositors are entitled to get minimum 65% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba deposit. In the year 2023, the Bank paid 65% of Investment Income earned through deployment of Mudaraba Fund. Mudaraba Depositors do not share any income derived from various banking services where their fund is not involved and any income derived from Investing Bank's Equity and other Cost Free Fund. Al-Wadeeah Depositors do not share any income of the Bank. Profit is paid/provided to Mudaraba Deposit accounts at provisional rate on half-yearly/yearly/anniversary basis considering overall projected growth, performance and profitability of the Bank during the year. Final Rates of profit of any accounting year are declared after finalization of Shari'ah Inspection report and certifying the Investment Income of the Bank by the statutory auditors.

3.17.3 Zakat

Zakat is paid by the Bank at the rate of 2.58% (instead of 2.50% as the Bank maintains its financial statements following Gregorian Year) and calculated on the closing balances of Share Premium, Statutory Reserve, General Reserve and Dividend Equalization Accounts. Zakat is charged in the Profit & Loss Account of the Bank as per "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009. Zakat on Paid up Capital and Deposits is not paid by the Bank, since it is the responsibility of the Shareholders and Depositors respectively.

11 SEP 2024

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3.18 Dividend payments

Final dividend is recognized when it is approved by the shareholders in Annual General Meeting (AGM). The proposed dividend for the year 2023, therefore, has not been recognized as a liability however disclosed in the balance sheet in accordance with IAS-10 "Events after the Reporting Period". Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

3.19 Revenue, gains, expenses & losses prohibited by Shari'ah

Income (doubtful, compensation & other earnings) which is prohibited by shari'ah are not being included in the distributable income of the Bank.

3.19.1 Doubtful income

Doubtful income which is prohibited by Shari'ah due to lapses in compliance of Shari'ah principles for investment as per Shari'ah Supervisory Committee report is included in the investment income of the Bank and appropriate amount of corporate tax is provided on it accordingly on these whole amount whether realized or not. It is not distributed to either depositors or shareholders of the Bank rather the amount net off corporate tax is transferred to an account titled "Doubtful income account" under other liabilities of the Bank (Note-17.3.2). Only realized amount of doubtful income (on which corporate tax has already been paid due to inclusion in investment income) is then expended for charitable purposes.

From the year 2014, the Bank has decided to introduce a separate account for doubtful income after providing corporate income tax. Accordingly, net off corporate tax amount of doubtful income has been transferred to "doubtful income account" as a charge in profit & loss account under other provisions (Note 17.3.2).

3.19.2 Compensation

Bank charges compensation on overdue investments under Bai-modes. The amount of compensation is not included in investment income rather kept separately under other liabilities (Note-17.5) titled as " compensation account" Applicable tax on the amount is provided/paid from those account. Realized amount of compensation on which corporate tax has already been provided are expended for charitable purposes.

3.19.3 Other earnings

Interest received from the balances held with foreign banks and from foreign currency clearing account with Bangladesh Bank are not credited to income, since it is not permissible as per Shari'ah. These are expended for charitable purposes after payment of corporate income tax thereon.

3.20 Inter-branch transactions

Transactions with regard to inter-branches and units are reconciled regularly and efforts are taken to minimize the unreconciled entries at the end of the year.

3.21 Earnings per share (EPS)

Measurement

Basic EPS

The Bank calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The company calculates earnings per share (EPS) in accordance with IAS 33, "Earnings Per Share" which has been shown on the face of the Profit and Loss Account.

Diluted EPS

The Bank calculates diluted earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. For the purpose of calculating diluted earnings per share, the Bank adjusts profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods. Hence no Diluted EPS has been calculated. Consolidated basic EPS has also been calculated and presented in the same manner.

Presentation

The Bank presents basic and diluted earnings per share in the statement of profit or loss. The Bank presents basic and diluted earnings per share with equal prominence for all periods presented. The Bank presents basic and diluted earnings per share, even if the amounts are negative (i.e. a loss per share).

3.22 Segment reporting

As per IFRS 8 An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Bank's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Bank reports separately information about each operating segment that has been identified as an operating segment and exceeds the quantitative thresholds.

Quantitative thresholds

The Bank reports separately information about an operating segment that meets any of the following quantitative thresholds:

- Its reported revenue, including both external customers and inter segment, is 10 percent or more of the combined revenue, internal and external, of all operating segments.
- The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.
- Its assets are 10 percent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if Management believes that information about the segment would be useful to users of the financial statements.

3.23 Events after the reporting period

All material events after the reporting period that provide additional information about the Companies/Bank's position at the balance sheet date are reflected in the financial statements as per IAS-10 "Events after the Reporting Period". Events after the reporting period that are not adjusting events are disclosed in the notes when material (Note - 41.0).

All other material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS-10 "Events after the reporting period".

Board's recommendation for dividend distribution is a common item presented in the Note 41.0.

11 SEP 2024

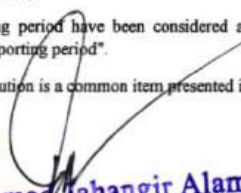


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3.24 Risk management

The Bank Company Act, 1991 as amended 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.

The risk of a bank is defined as the possibility of losses, financial or otherwise. BRPD circulars no.17 dated 07 October 2003, BRPD circular no. 04 dated 05 March 2007 and DOS circular no. 2 dated 15 February 2012 require banks to put in place an effective risk management system. The Risk Management of the Bank covers 6 (six) Core Risk Areas of Banking industry i.e. Investment (Credit) Risk, Foreign Exchange Risk, Asset-Liability Management Risk, Money Laundering Risk, Internal Control & Compliance Risk and Information & Communication Technology Risk. The risk management procedures in the core risk areas have been devised in line with the core risk management guidelines of Bangladesh Bank. All the Risk Management Guidelines are periodically reviewed by the Bank and Bangladesh Bank periodically inspects the implementation status of these guidelines and as per the reports of Bangladesh Bank, the Bank is well compliant in Core Risk Management activities.

In line with instruction of Bangladesh Bank, the Bank formed a Risk Management Wing (RMW) to formulate risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, deciding acceptable level of risk and risk controlling. Risk management function involves identification, assessing, taking mitigating steps, preparing Risk Management Paper (RMP), conducting monthly risk management meeting, stress testing and reporting the competent authority from time to time. It also reports to Bangladesh Bank on quarterly basis along with the RMP, minutes of the monthly meeting and all other required supporting papers. Moreover, in compliance with the "Bank Company Act 1991 as amended", Section 15 (Kha) and BRPD Circular No. 11 dated 27 October, 2013 of Bangladesh Bank, the Bank has constituted a Risk Management Committee comprising of 5 (five) directors from the Board to formulate risk management policies, procedures and oversee the risk management activities of the Bank.

The prime objective of the Risk Management is that the Bank takes well calculative Business Risk Policy for safeguarding the Bank's capital, its financial resources and profitability from various risks. In this context, the Bank implemented all the guidelines of Bangladesh Bank as under:

3.24.1 Internal Control and Compliance

Operational loss may arise from errors and fraud due to lack of internal control and compliance. With a view to overcome such lapses and verification of asset quality, ensure quality of customer service, overall security arrangement, operational efficiency and compliance of regulatory issues as guided through different circulars, manuals from Head Office and other regulatory bodies. Bank organizes its management through Internal Control & Compliance Wing (ICCW) which consists of three Divisions namely (I) Audit & Inspection Division, (II) Compliance Division and (III) Monitoring Division.

I. Audit & Inspection Division

Internal Audit & Inspection Division undertakes periodical and special audit of Branches, Divisions and Departments of Head Office of the Bank, its subsidiaries and Foundation to review operational effectiveness and internal & external compliance requirements. The Bank has introduced Risk Based Internal Audit of the branches. The Audit Committee of the Board subsequently reviews the lapses identified by Audit and Inspection Division. The Audit Committee also reviews Bangladesh Bank Inspection Reports and other issues indicated in the guidelines prescribed by Bangladesh Bank. Necessary steps/measures are taken on the basis of observations & suggestions of the Committee.

The Audit & Inspection Division conducts investigations against complaints received from customers, anonymous persons, management & others and submits the reports to the competent authority. Periodical Inspection reports of Zonal Heads, Shari'ah Inspections & Branch Manager's self Audit are also reviewed by the Division regularly and necessary guidance and suggestions are given with continuous follow-up there against.

II. Compliance Division

The Compliance Division handles the 'regulatory issues of Bangladesh Bank as well as other regulatory bodies' and submits 'status report on regulatory compliance' quarterly to the Audit Committee as per BRPD Circular No.12 dated 23.12.2002.

The Compliance Division ensures that the Bank complies with all regulatory requirements while conducting its day to day business. The Compliance Division maintains liaison with the regulatory bodies for any regulatory changes and notify the same to all concerned.

III. Monitoring Division

This Division performs the following:

- i) Assesses the risk of the functional areas of the Branches described in the Departmental Control Function Checklist (DCFCL) and determines the frequency of Audit/Inspection under risk based approach of the branches based on the gravity of risks involved.
- ii) Monitors the Internal Control Functions through the Quarterly Operations Report (QOR) and other mechanisms.
- iii) Checks the completion/execution of Investment Documentation.

3.24.2 Foreign Exchange Risk Management

Foreign Exchange Risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. The Bank is exposed to profit rate risk and settlement risk on account of its foreign exchange business. Foreign Exchange business includes trading of foreign currencies relating to import, export, remittances and other ancillary services. The Bank is dealing with a substantial volume of foreign trade and remittance business of the country which exposes the Bank to foreign exchange risk. The Bank has adopted foreign exchange risk manual through which the foreign exchange operations are dealt with.

Foreign Exchange risks are measured and monitored by the Treasury Division. Treasury Division consists of separate Front Office, Back Office and Mid Office. The Treasury Front Office (Dealing Room) independently performs the deals and the Treasury Back Office is responsible for verification of the deals and passing of their entries in the books of account.

The Foreign Exchange Risk is minimized through proper market analysis, real time pricing of Foreign Exchange, fixation of different market related limits (daylight, overnight, stop loss and management action trigger) and counter parties credit limits set by the management and ensure adherence to the limits by the Treasury Front Office. All Foreign Exchange transactions are revalued at weighted average exchange rate as provided by Bangladesh Bank at the end of each month. All Nostro Accounts are reconciled regularly and outstanding entries are reviewed by the management for its settlement/recompilation. The open position maintained by the Bank at the end of the day remains within the stipulated limit prescribed by the Bangladesh Bank.

11 SEP 2024

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3.24.3 Investment (Credit) Risk Management

Investment (Credit) risk is one of the major risks faced by the Bank. This can be described as potential loss arising from the failure of counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness or inability of the counter party in discharging his / her financial obligation. Therefore, Bank's Investment (Credit) Risk Management activities have been designed to address all these issues. The Bank has designed its own operational manuals for each modes and products. It has also designed its own investment risk management guideline which is compatible with the regulatory guideline and Islamic modes of finance. There is a dedicated committee namely "Investment Risk Management Committee" which periodically reviews the operational manuals and risk management guidelines and ensures compliance of the same. The prime objective of the risk management is that the Bank undertakes well calculated business risks to safeguard its capital, financial resources and growth of sustainable profitability

3.24.4 Asset Liability Management

The Asset Liability Committee (ALCO) of the Bank monitors balance sheet risk, liquidity risks, investment deposit ratio (IDR), deposit mix, investment mix, gap analysis etc. under the leadership of MD & CEO of the Bank. Asset Liability Committee (ALCO) reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and investment pricing strategy, sensitivity of assets and liabilities, management indicators/ratios and the liquidity contingency plan. The primary objective of the ALCO is Liquidity management, Fund management and Assets-Liabilities matching. The committee also monitors and averts significant volatility in Net Investment Income (NII), investment value and exchange earnings.

3.24.5 Money Laundering Risk

Money Laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, Islami Bank Bangladesh PLC. has formed 10 (ten) members Central Compliance Committee (CCC) under the leadership of a senior Deputy Managing Director of the Bank as the Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office. Apart from that, Branch Compliance Units (BCU) and Zone Compliance Units (ZCU) are also functioning under the leadership of Branch Anti Money Laundering Compliance Officer (BAMLCO) at branch level and Zone Anti Money Laundering Compliance Officer (ZAMLCO) at Zonal Offices.

The Bank has introduced a comprehensive AML Policy namely "POLICY AND GUIDELINES FOR PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING RISK MANAGEMENT" under the light of local Laws, Rules & Regulations as well as international best AML practices duly approved by the Board of Directors, IBBPLC.

As per approved Policy, IBBPLC has been conducting many time-befitting programs to prevent Money Laundering & Terrorist Financing which include among others (a) Central Customer On-boarding, (b) Electronic Know Your Customer (e-KYC), (c) KYC Remediation including all Legacy Accounts, (d) Automated Transaction Monitoring and filing of Suspicious Transaction Report (STR)/Suspicious Activity Report (SAR) to Bangladesh Financial Intelligence Unit (BFIU), (e) Electronic Record Keeping, (f) Building of employee awareness and skill on prevention of Money Laundering & Terrorist Financing round the year through training-seminar-symposium, workshop held both home and abroad, (g) Maintaining Self-Assessment Report by every branch, (h) Conducting Independent Testing by the Internal Auditors of the Bank to assess the correctness and accuracy of the activities of the branches on AML & CFT as instructed by BFIU, the local AML & CFT regulator of Bangladesh and so on.

3.24.6 Information and Communication Technology Risk Management

The Bank has adequately addressed Information and Communication Technology (ICT) Risk Management. It is an in-depth exercise and continual process. The ICT Risk Management exercise mainly includes minimizing financial and image loss to the institution in all events such as natural disasters, technological failures, human errors etc. The Bank uses own developed Core Banking Software to perform all types of transactions including local/ online/ internet in a secured way. To take care of its core banking system, a separate security module has been incorporated in the software which manages different roles/privileges for different users. All financial transactions can be tracked for future audit purposes.

The Bank uses Central Data Centre to replicate transactions in branches in case of data failure or inconsistencies. Data travelling through network uses encryption and decryption mechanism.

In line with the Bangladesh Bank directives, the Bank has approved its own ICT policies for its operations and services. Under these policy guidelines, a security policy has also been worked out. To abide by and adhere to what is laid down in the policy; the implementation has been made through Active Directory Services (ADS), Password Policy, Kerberos Policy, Audit Policy, Group Policy, User Rights, Permission Policy etc. In order to secure network resources from public network, the Bank has introduced Virtual Private Network (VPN), Access Control List (ACL), IP filtering and TCP/UDP service blocking through router and firewall devices. It has already centralized the administrative control to access the network, mailing system and internet. The Bank has introduced Business Continuity Plan (BCP) for its entire network and trained the officials to cope up with any contingencies.

3.24.7 Internal audit

Internal Audit is used as an important element to ensure good governance of the Bank. Internal Audit activity of the Bank is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

During the year 2023, Audit & inspection Division of Internal Control & Compliance Wing conducted inspection on all of the Branches/ Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or key points of the reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Controls & Compliance.

3.24.8 Fraud and forgeries

Fraud means willful or criminal deception intended to result in financial or personal gain. It will never be possible to eliminate all fraud and no system is completely fraud proof, since many fraudsters are able to bypass control systems put in place. The Bank continuously pays attention to implement and improve the anti-fraud internal controls for prevention of fraud and forgery. The Bank assesses /evaluates the effectiveness of its Anti-Fraud Internal Control measures on quarterly basis as per the items/ areas mentioned in the prescribed checklist of Bangladesh Bank. During the year 2023, no fraud has been detected by the Bank.


11 SEP 2024


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3.25 Credit rating report

Emerging Credit Rating Limited (ECRL) was engaged by the Bank for the purpose of rating the Bank since 2022 as per Bangladesh Bank BRPD Circular No.06 dated 5 July 2006. ECRL assigned AAA (Triple A) rating in the long term (indicates exceptionally strong capacity) and ST-1 in the short term (highest certainty of timely repayment) to the Bank based on the financials up to 31 December 2022.

3.26 Impact on COVID-19

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. While the overall effect of COVID-19 global pandemic on Bank's business in the past years is still evolving at this point, there has been limited impact assessed on the business since the outbreak. The board and management are regularly monitoring the potential impact of the pandemic on the Bank as the situation continues to deteriorate but are assured that any foreseeable adverse impact can be reasonably managed.

The management of the Bank assessed the going concern and found no uncertainty regarding this for the foreseeable future due to COVID-19. The global economy including Bangladesh has been seriously affected since March 2020 due to the outbreak of COVID-19 that has caused disruption in Export and Import business.

3.27 Regulatory and legal compliance

Among others, the Bank complied with the requirements of the following circular, rules and regulations:

- The Bank Company Act, 1991 as amended
- The Company Act, 1994 as amended
- BRPD Circular No. 14 dated 25 June 2003 and "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09 November 2009
- Other circulars, rules and regulations issued by Bangladesh Bank from time to time
- The Securities and Exchange Rules, 2020
- The Securities and Exchange Ordinance, 1969
- The Securities and Exchange Commission Act, 1993
- Income Tax Act, 2023
- Value Added Tax and Supplementary Duty Act and Rules, 2012
- The Financial Reporting Act 2015
- Standards issued by AAOIFI
- The Stamp Act-1899
- The Customs Act-1969
- The Money Laundering Prevention Act, 2012
- The Anti Terrorism (Amendment) Act, 2009 etc.

4.0 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Companies/Bank complied, as per Para 12 of Securities & Exchange Rule 1987, with the following International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Bank subject to departure described in note - 2.1, where we have followed Bangladesh Bank guidelines:

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures *	Complied
8	8	Operating Segments	Complied
9	9	Financial Instruments *	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory deferral accounts	Not Applicable
15	15	Revenue from contracts with customers	Complied
16	16	Lease	Complied

11 SEP 2024

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11 SEP 2024

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Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows *	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	19	Employee Benefits	Complied
9	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchange Rates	Complied
11	23	Borrowing Costs	Not Applicable
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
14	27	Separate Financial Statements	Complied
15	28	Investments in Associates and Joint Ventures	Not Applicable
16	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
17	32	Financial Instruments: Presentation	Complied
18	33	Earnings Per Share	Complied
19	34	Interim Financial Reporting **	Complied
20	36	Impairment of Assets	Complied
21	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
22	38	Intangible Assets	Complied
23	40	Investment Property	Not Applicable
24	41	Agriculture	Not Applicable

(*) Subject to departure disclosure in Note no. 2.1

(**) Complied while the quarterly and half-yearly interim financial reports were prepared during the year as per regulations of Bangladesh Securities and Exchange Commission (BSEC).

11 SEP 2024

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Mohammed Monirul Moula

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Managing Director
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5.0 Audit committee

The Audit Committee of the Board was duly formed by the Board of Directors of the Bank in accordance with BRPD circular No.11, dated 27 October 2013 of Bangladesh Bank. Pursuant to the BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018, on Corporate Governance, the current committee is constituted with the following 5 (five) members of the Board:

Sl. No.	Name of the Member	Status with the Bank	Status with the Committee	Educational Qualification	Remarks
1	Mohammad Solaiman FCA	Independent Director	Chairman	B Com., FCA	
2	Khurshid Ul Alam	Director	Member	B.A (Hons.) & M.A in Economics	
3	Mohammed Nasir Uddin FCMA	Director	Member	M. Com in Accounting, FCMA	
4	Syed Abu Asad	Director	Member	B.Com (Hons.) & M. Com in Finance	
5	Borhan Uddin Ahmed	Independent Director	Member	BSS (Hons.) & MSS in Economics, LLB	

04 (four) meetings were held for reviewing the Financial Statements out of total 09 (nine) meetings held in the year 2023. The Audit Committee reviewed the Financial Statements of 2023 on 24 April 2024.

6.0 Related party disclosures

As per IAS-24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. IBBPLC) that is preparing its financial statements. Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged as per IAS-24.

Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per IAS-24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.

6.1 Lending policy for transactions with Bank related person/related parties

Transactions with Bank related person/related parties including Directors are made as per rules and regulations of the Bank Company Act, 1991 as amended and as per circulars issued by Bangladesh Bank time to time including the following general rules:

- Terms & conditions for financial transaction with bank related person/related parties will not be easier than other persons i.e. other investment clients.
- Prior approval from the majority of Board of Directors shall be required for all financial transactions with bank related person/related parties.
- The Bank shall not allow funded facilities exceeding 10% of Tier-I capital to the Bank related persons/related parties; real investment facilities shall be considered deducting encashable securities from funded investment.

6.2 The Name of Directors along with all related Firms/ Companies/ Institutions/ Parties: As at 31.12.2023

Sl. No	Name of the Directors	Status with the Bank	Name of the related Firms/ Companies/ Institutions/ Parties etc.	Remarks
1	Ahsanul Alam	Chairman Board & Chairman EC	JMC Builders Ltd., Norinco Engineering Ltd., Hasan Abasan (Pvt) Ltd., Affinity Assets Ltd., Wesco Limited, Marina Assets Ltd., Kraft Holding Co. Ltd., Arsy Holdings Ltd., Shining Assets Ltd. and Genesis Textiles Accessories & Apparels Ltd.	
2	Yousif Abdullah Al-Rajhi	Vice-Chairman	BTA Finance Ltd. And GM, Al-Rajhi Co. for Industry & Trade	Foreign Director
3	Tanveer Ahmad	Vice-Chairman	Managing Director, Paradise International Limited and Director, Infimia Composite Textile Ltd.	
4	Mohammad Solaiman	Chairman, Audit Committee	Public Accountant, M Solaiman & Co., Chartered Accountants; Ex-President, Taxes Appellate Tribunal, Internal Resources Division, Ministry of Finance, Govt. of Bangladesh	Independent Director
5	Dr. Mohammad Saleh Jahur	Chairman, Risk Management Committee	Professor of Accounting and Finance, University of Chittagong, Chittagong, Bangladesh	Independent Director
6	Mohammad Sirajul Karim	Director	Excel Dyeing & Printing Ltd., Professor, Primeasia University, Banani, Dhaka	
7	Mohammad Joynal Abedin	Director	ABC Ventures Limited, Ex Deputy Managing Director, Bangladesh Krishi Bank	
8	Dr. Qazi Shahidul Alam	Director	Platinum Endeavors Limited, Professor Orthopedic Surgery, A.K. Modern Medical College	
9	Syed Abu Asad	Director	Excelsior Impex Company Limited, Ex Managing Director, Rajshahi Krishi Unnayan Bank	
10	Mohammad Quamrul Hasan	Director	Grand Business Limited, Ex Managing Director & CEO, Jamuna Oil Co. Ltd., Chattogram	
11	Md Fashilul Alam	Director	Ex Vice Chancellor, Feni University & Dean, Faculty of Business Studies, Port City International University	Independent Director
12	Khurshid Ul Alam	Director	Lionhead Business Resources Ltd. & Ex Independent Director and Chairman of Audit Committee, Pubali Bank Limited, Ex DMD, Pubali Bank Limited and Ex Executive Director, Bangladesh Bank	
13	Mohammed Nasir Uddin FCMA	Director	BLU International Limited	
14	Borhan Uddin Ahmed	Director	Retired District & Sessions Judge	Independent Director
15	Abu Sayeed Mohammad Quasem	Director	Armada Spinning Mills Limited and Partner Alliance Laws	
16	Showkat Hossain FCA	Director	Kingsway Endeavors Limited and Senior Partner, HodaVasi Chowdhury & Co.	
17	Jamal Mostafa Chowdhury	Director	Uniglobe Business Resources Limited, Chairman of J. M. C. Builders (Pvt.) Ltd., Chairman of J. M. C. Shipping Lines (Pvt.) Ltd., Managing Director of Moon Express (Pvt.) Ltd., Proprietor of M/s. Mostafa Brothers, Proprietor of M/s J. M. Chowdhury Complex and Proprietor of M/s. J. M. C. Trading	
18	Mohammed Monirul Moula	Managing Director & CEO	Islami Bank Bangladesh PLC.	Ex-Officio Director

11 SEP 2024

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6.3 Related party balances and transactions

6.3.1 Related party balances

a) Nature and type of balances and transactions of related parties (Directors) of the Bank are as follows:

Amount in Taka											
SL. No.	Name of the Account/ Firm/Trust etc.	Name of the Director	Relation-ship of the Director with the Firm/ Trust etc.	Purpose	Classified Position	Outstanding balance as on 01.01.2023	Disbursements/charged during the year 2023	Realised during the year 2023	Outstanding balance as on 31.12.2023	Provision required & maintained	Particulars of value of securities
1	2	3	4	5	6	7	8	9	10=7-8-9	11	12
Nil											
Total						-	-	-	-	-	-

(b) Other type of balances of related parties of the Bank are as follows:

Amount in Taka					
SL. No.	Name of the related parties	Nature of relationship	Nature of transactions	Closing balance	
				31.12.2023	31.12.2022
1	Islami Bank Securities Limited (IBSL)	Parent- subsidiary	Investment in share capital by IBBPLC	2,699,846,000	2,699,846,000
			Bank balance	2,611,947	14,345,477
			MTDR balance	750,000,000	680,000,000
			Quard balance	-	-
			Profit receivable	50,056,858	35,603,537
			Mudaraba investment	4,700,000,000	4,700,000,000
			Accounts payable	10,332,792	46,533,599
			Bank charge payable	-	-
2	Islami Bank Capital Management Limited (IBCLM)	Parent- subsidiary	Investment in share capital by IBBPLC	299,993,000	299,993,000
			Bank balance	3,331,378	4,604,825
			MTDR balance	448,486,427	424,432,856
			Mudaraba investment	300,000,000	300,000,000
			Dividend payable	-	-

6.3.2 Related party transactions

Related party transaction is a transfer of resources, services, or obligations among related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Nature and type of related party transactions of the Bank during the year 2023 are as follows:

Amount in Taka				
SL. No.	Name of the related party	Nature of relationship	Nature of transaction	2023
1	Islami Bank Securities Limited (IBSL)	Parent- Subsidiary	Deposit to Savings account maintained with IBBPLC	1,577,906,791
			Withdraw from Savings account maintained with IBBPLC	1,589,640,320
			Bank charge paid to IBBPLC	10,524
			Payment against office rent	933,751
			Tax deduction at source against MTDR	6,152,607
			Profit paid on investment against MTDR	50,056,858
			Profit withdrawn against MTDR	41,707,628
2	Chief Executive Officer	Key Management Personnel	Short-term employee benefits (Salary and allowance)	2,976,186
3	Islami Bank Capital Management Limited (IBCLM)	Parent- Subsidiary	Payment of interim dividend to IBBPLC	-
			Profit against MTDR	27,696,445
			Profit against MSND	26,310
4	Directors of the Bank	Director	Fees, TA/DA/hotel fare and other expenses	4,130,980

6.4 Other related party disclosures

- There was no contracts of significance wherein a director has interests subsisted at any time during the year or at the end of the year.
- Investment to related parties is effected as per requirement of Section 27 of Bank Company Act, 1991 as amended.
- Share issued to Directors and Executives without consideration or exercisable at discount is Nil.
- Other disclosures are not applicable as required by BRPD Circular No. 14 dated 25 June, 2003 and BRPD Circular No. 15 dated 09 November, 2009.

11 SEP 2024

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	31.12.2023	31.12.2022
	Taka	Taka
7.0 Cash in hand		
Cash in hand (including foreign currency) (Note. 7.1)	35,241,123,870	30,645,815,136
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency) (Note. 7.2)	82,663,599,136	92,858,977,487
Total	117,904,723,005	123,504,792,624
7.1 Cash in hand (including foreign currency)		
In local currency	35,168,504,840	30,624,295,167
In foreign currency	72,619,030	21,519,969
Total	35,241,123,870	30,645,815,136
7.2 Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		
(a) Balance with Bangladesh Bank		
In local currency	76,156,227,392	87,540,125,982
In foreign currency	4,566,239,477	1,723,689,006
Sub-total	80,722,466,869	89,263,814,987
(b) Balance with Sonali Bank PLC. (as agent of Bangladesh Bank)		
In local currency	1,941,132,267	3,595,162,500
In foreign currency	-	-
Sub-total	1,941,132,267	3,595,162,500
Total (a+b)	82,663,599,136	92,858,977,487
7.3 Cash Reserve Requirement (CRR) & Statutory Liquidity Ratio (SLR)		
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Company Act, 1991 as amended and the Instruction of Bangladesh Bank Order 1972, Article 36, clause (1).		
7.3.1 Cash Reserve Requirement (CRR)		
The Cash Reserve Requirement (CRR) of the Bank was 4.00% of average total demand and time liabilities on bi-weekly basis with a provision of minimum 3.50% on daily basis as per Bangladesh Bank MPD Circular No. 03 dated 09 April 2020.		
Position of Cash Reserve Requirement (CRR)		
Required CRR (4.00% of average total time and demand liabilities including 2.00% of OBU)	59,748,451,000	60,625,786,000
Actual reserve held with Bangladesh Bank in local currency (Note 7.2) *	76,128,227,392	87,512,125,982
Excess/(shortfall)	16,379,776,392	26,886,339,982
* Lien against TT discounting facilities of Tk. 28,000,000 has not been considered as CRR.		
7.3.2 Statutory Liquidity Ratio (SLR)		
The requirement of Statutory Liquidity Ratio (SLR) of the Bank was 5.50% on daily basis excluding CRR wherein the excess CRR amount shall be included while calculating SLR from 01 February 2014 as per DOS Circular No. 01 dated 19 January 2014.		
Position of Statutory Liquidity Ratio (SLR)		
Required Reserve (5.50% of average total time and demand liabilities including OBU)	82,847,707,000	84,380,664,000
Actual reserve maintained (Note- 7.3.2.1)	90,990,535,160	101,572,420,250
Excess/(shortfall)	8,142,828,160	17,191,756,250
7.3.2.1 Components of Statutory Liquidity Ratio (SLR)		
Cash in hand including foreign currency (Note- 7.1)	35,241,123,870	30,645,815,136
Excess CRR amount (Note- 7.3.1)	16,379,776,392	26,886,339,982
Balance with Sonali Bank PLC. as Agent Bank of BB (Note- 7.2.b)	1,941,132,267	3,595,162,500
Balance with Islamic Refinance Fund A/c (Note- 9)	-	-
Unencumbered approved securities :		
Bangladesh Shipping Corporation (Note -10.1)	214,000,000	230,600,000
Bangladesh Government Islamic Investment Bond (Note -10.1)	37,000,000,000	40,000,000,000
Bangladesh Government Sukuk Bond (Islamic Bond)	214,502,632	214,502,632
Total	90,990,535,160	101,572,420,250
7(a) Consolidated cash in hand		
7(a)(i) Cash in hand (including foreign currency)		
Islami Bank Bangladesh PLC.	35,241,123,870	30,645,815,136
Islami Bank Securities Limited	-	19,000
Islami Bank Capital Management Limited	42,295	5,586
Sub total	35,241,166,165	30,645,839,722
7(a)(ii) Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		
Islami Bank Bangladesh PLC.	82,663,599,136	92,858,977,487
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Sub total (ii)	82,663,599,136	92,858,977,487
Total (i+ii)	117,904,765,300	123,504,817,210
8.0 Balance with other banks & financial institutions		
8.i In Bangladesh		
In current account	846,631,867	739,890,409
OBU's balance with treasury division, IBBPLC (Note-2.0 _OBU)	45,047,621	260,151,791
In Mudaraba savings & MTDR account with other islamic banks/financial institutions	83,680,085,800	86,102,354,719
Sub total	84,571,765,288	87,102,396,919
Less: OBU's balance with treasury division, IBBPLC	45,047,621	260,151,791
Sub total (i)	84,526,717,667	86,842,245,128

11 SEP 2024

Md. Farid Uddin, CIPA
SVP, Head of FAD & CEO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
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11 SEP 2024
Nasimul Baten
Managing Director & CEO
DBH Finance PLC

11 SEP 2024
Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

8.ii Outside Bangladesh (Note 8.1)

In current account
In Mudaraba savings & MTDR account with other Islamic banks/financial institutions
Sub total (ii)
Grand total (i+ii)

31.12.2023	31.12.2022
Taka	Taka
17,052,106,564	23,944,759,230
-	-
17,052,106,564	23,944,759,230
101,578,824,230	110,787,004,358

8.1 Currency-wise amount and exchange rate of Balance with other banks & financial institutions outside Bangladesh

Foreign currency	Amount in F.C	Exchange rate	31.12.2023	31.12.2022
US Dollar	98,722,677.96	110.000	10,859,494,576	22,848,152,057
Great Britain Pound (GBP)	993,606.10	140.767	139,866,950	120,177,808
Saudi Riyal	1,353,345.01	29.330	39,693,880	19,012,252
EURO	11,417,925.57	122.144	1,394,631,101	378,728,738
YEN	17,059,460.00	0.776	13,231,317	11,047,439
Canadian Dollar	30,888.18	83.277	2,572,261	2,704,833
Swiss Franc	111,500.55	130.517	14,552,751	17,617,260
Singapore Dollar	396,977.39	83.321	33,076,434	8,192,328
China Currency (CNY)	39,216,991.05	15.403	604,063,235	85,669,536
ACU Dollar	5,983,562.34	110.000	658,191,857	145,081,331
AED	109,953,457.21	29.947	3,292,732,202	308,375,648
Total			17,052,106,564	23,944,759,230

8.2 Maturity - wise classification balance with other banks & financial institutions

Repayable on demand
With a residual maturity of
Up to 1 Month
Over 1 month but not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
More than 5 years
Total

-	192,104,358
83,416,648,230	89,599,900,000
13,165,000,000	18,715,000,000
3,610,000,000	2,280,000,000
-	-
1,387,176,000	-
101,578,824,230	110,787,004,358

8(a) Consolidated Balance with other banks & financial institutions

8(a)(i) In Bangladesh
Islami Bank Bangladesh PLC.
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Inter-company balances
Sub-total (i)

84,526,717,667	86,842,245,128
5,472,358,915	5,202,537,715
451,817,805	429,037,681
(1,214,628,911)	(1,169,785,467)
89,236,265,476	91,304,035,057

8(a)(ii) Outside Bangladesh

Islami Bank Bangladesh PLC.
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Sub-total (ii)
Total (i+ii)

17,052,106,564	23,944,759,230
-	-
17,052,106,564	23,944,759,230
106,288,372,039	115,248,794,287

9.0 Placement with banks & other financial institutions

Placement to OBU by Treasury Division, IBBPLC (Note-6.0 _OBU)
Placement to AD Branches for MDB in FC by OBU (Note-3.0 _OBU)
Placement to Islamic Refinance Fund Account (*)

165,591,122,268	89,273,462,812
-	267,278,973
-	-
165,591,122,268	89,540,741,785
165,591,122,268	89,273,462,812
-	267,278,973
-	-

Less: Placement to OBU by Treasury Division, IBBPLC
Less: Placement to AD Branches for MDB in FC by OBU
Total

10.0 Investments in shares & securities		As at December 2023				
Particulars	No. of share	Face Value/ Average cost	Total Cost price	Market Value	Un-realized gain/Loss	Remarks
Bangladesh Shipping Corporation	2,000,000	107.00	214,000,000	214,000,000	-	Quoted
MPETROLEUM	62,175	216.35	13,451,415	12,347,955	(1,103,460)	Quoted
BSCCL	527,800	208.56	110,080,536	115,535,420	5,454,884	Quoted
TITASGAS	100,000	43.50	4,350,232	4,090,000	(260,232)	Quoted
Karmasangsthan Bank	100,000	100.00	10,000,000	10,000,000	-	Un-Quoted
Central Depository Bangladesh Ltd.	2,284,721	2.75	6,277,770	6,277,770	-	Un-Quoted
Bangladesh Government Sukuk	3,179,345	10,000.00	31,793,450,000	31,793,450,000	-	Un-Quoted
Bond (Islamic Bond)	-	-	-	-	-	-
Bangladesh Government Islamic Investment Bond (Islamic Bond)	-	-	37,000,000,000	37,000,000,000	-	Un-Quoted
Sub total	8,254,041		69,151,609,954	69,155,701,145	4,091,191	
Government- Special Fund						
BSCCL	19,000	228.70	4,345,295	4,159,100	(186,195)	Quoted
MPETROLEUM	15,000	201.31	3,019,588	2,979,000	(40,588)	Quoted
Sub total	34,000		7,364,883	7,138,100	(226,783)	
Total Government	8,288,041		69,158,974,837	69,162,839,245	3,864,408	

10.2 Other than Government						
i) Subsidiary Companies						
Islami Bank Securities Limited	2,699,846	1,000.00	2,699,846,000	2,699,846,000	-	Un-Quoted
Islami Bank Capital Management Ltd.	299,993	1,000.00	299,993,000	299,993,000	-	Un-Quoted
Sub total (i)	2,999,839		2,999,839,000	2,999,839,000	-	
ii) Mutual Funds						
SEML IBBL Shari'ah Fund	50,000,000	10.00	500,000,000	445,000,000	(55,000,000)	Quoted
UFS-IBBL Shari'ah Unit Fund	50,000,000	10.00	500,000,000	459,500,000	(40,500,000)	Un-Quoted
CAPM IBBL Shari'ah Fund	44,500,000	10.00	445,000,000	582,950,000	137,950,000	Quoted
NAM IBBL Islamic Mutual Fund	10,357,611	9.99	103,462,038	88,143,270	(15,318,768)	Un-Quoted
AT Capital Shari'ah Unit Fund	5,010,020	9.99	50,000,000	54,759,519	4,759,519	Un-Quoted
Capitec Padma PFS Unit Fund	10,000,000	10.00	100,000,000	101,600,000	1,600,000	Un-Quoted
URS-Padma Life Islami Unit Fund	15,000,000	10.00	150,000,000	140,250,000	(9,750,000)	Un-Quoted

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Mohammad Jahangir Alam
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Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Capitec IBBL Shariah Unit Fund	3,750,000	10.00	37,500,000	34,050,000	(3,450,000)	Un-Quoted
Sub total (ii)	188,617,631		1,885,962,038	1,906,252,789	20,290,751	
As at December 2023						
Particulars	No. of share	Face Value/ Average cost	Total Cost price	Market Value	Un-realized gain/Loss	Remarks
iii) Foreign Share						
APIF of IsDB	1,011	972,513.65	983,211,300	983,211,300	-	Un-Quoted
Sub total (iii)	1,011		983,211,300	983,211,300	-	
iv) SUKUK Bond						
BBML Sukuk Al Ijarah	70,000	5,000.00	350,000,000	350,000,000	-	Un-Quoted
Sub total (iv)	70,000		350,000,000	350,000,000	-	
v) Subordinated Debt						
Mudaraba Subordinated Debt of Union Bank Ltd.	60	10,000,000	600,000,000	600,000,000	-	Un-Quoted
Mudaraba Subordinated Debt of First Security Islami Bank (2nd)	48	10,000,000	480,000,000	480,000,000	-	Un-Quoted
Mudaraba Subordinated Debt Social Islami Bank Ltd (3rd)	120	10,000,000	1,200,000,000	1,200,000,000	-	Un-Quoted
Mudaraba Subordinated Debt Social Islami Bank Ltd (4rd)	100	10,000,000	1,000,000,000	1,000,000,000	-	Un-Quoted
Mudaraba Subordinated Debt of First SIBL Mudaraba Perpetual Bond	195	10,000,000	1,950,000,000	1,950,000,000	-	Un-Quoted
SIBL Mudaraba Perpetual Bond	1,500	1,000,000	1,500,000,000	1,500,000,000	-	Un-Quoted
EXIM Bank Mudaraba Perpetual	1,800	1,000,000	1,800,000,000	1,800,000,000	-	Un-Quoted
FSIBL Mudaraba Perpetual Bond	1,800	1,000,000	1,800,000,000	1,800,000,000	-	Un-Quoted
Sub total (v)	5,623		10,330,000,000	10,330,000,000	-	
vi) Others						
Bangladesh Aroma Tea Co	1,570	-	157,000	-	-	De-listed
ACMELAB	895,000	101.59	90,921,999	76,075,000	(14,846,999)	Quoted
ACTIVEFINE	1,593,000	30.54	48,643,133	30,744,900	(17,898,233)	Quoted
AMANFEED	170,000	39.94	6,789,431	5,695,000	(1,094,431)	Quoted
ACI	84,000	274.74	23,078,030	21,856,800	(1,221,230)	Quoted
ADNTEL	290,723	140.24	40,771,990	34,043,663	(6,728,327)	Quoted
AIL	90,000	83.38	7,503,920	6,714,000	(789,920)	Quoted
ALIF	519,970	14.34	7,454,631	6,915,601	(539,030)	Quoted
AFC AGRO	129,030	41.27	5,325,416	3,032,205	(2,293,211)	Quoted
AAMRACH	215,500	42.97	9,261,071	6,572,750	(2,688,321)	Quoted
APOLOISPAT	500,000	10.67	5,333,252	4,100,000	(1,233,252)	Quoted
AMCL(PRAN)	19,500	363.43	7,086,817	4,914,000	(2,172,817)	Quoted
BATASHOE	9,600	1278.82	12,276,674	9,282,240	(2,994,434)	Quoted
BBS	901,419	36.80	33,173,690	19,470,650	(13,703,040)	Quoted
BBSCABLES	876,750	66.09	57,943,514	43,749,825	(14,193,689)	Quoted
BERGERPBL	3,000	1770.26	5,310,776	5,322,000	11,224	Quoted
BEACONPHAR	245,000	262.58	64,331,962	60,025,000	(4,306,962)	Quoted
BPPL	200,000	44.18	8,835,672	5,860,000	(2,975,672)	Quoted
BSRMSTEEL	492,334	84.40	41,555,229	31,460,143	(10,095,086)	Quoted
BXPHERMA	50,000	182.00	9,099,797	7,310,000	(1,789,797)	Quoted
BEXIMCO	233,500	139.39	32,547,812	26,992,600	(5,555,212)	Quoted
CONFIDCEM	471,450	131.32	61,912,826	41,959,050	(19,953,776)	Quoted
DOREENPOWER	75,040	70.43	5,285,068	4,577,440	(707,628)	Quoted
DSSL	200,000	18.53	3,706,668	3,400,000	(306,668)	Quoted
FEKDIL	550,000	21.13	11,623,224	9,460,000	(2,163,224)	Quoted
ESQUIRENIT	119,000	39.39	4,687,327	4,105,500	(581,827)	Quoted
EXIMBANK	2,000,000	12.41	24,821,831	20,800,000	(4,021,831)	Quoted
GP	271,700	357.18	97,044,607	77,869,220	(19,175,387)	Quoted
GENNEXT	1,391,500	10.03	13,952,950	8,488,150	(5,464,800)	Quoted
GPSPAT	899,387	58.20	52,342,825	38,403,825	(13,939,000)	Quoted
GENEXIL	72,800	87.59	6,376,584	4,761,120	(1,615,464)	Quoted
HEIDELBCEM	94,174	520.48	49,015,521	22,554,673	(26,460,848)	Quoted
IBNSINA	130,000	292.77	38,060,271	37,258,000	(802,271)	Quoted
IFADAUTOS	1,006,614	70.01	70,473,088	44,391,677	(26,081,411)	Quoted
IBP	229,030	28.86	6,610,288	4,328,667	(2,281,621)	Quoted
ISLAMICFIN	100,000	33.77	3,376,740	1,970,000	(1,406,740)	Quoted
ITC	54,000	41.52	2,242,059	1,998,000	(244,059)	Quoted
INTACO	115,000	44.23	5,086,658	4,657,500	(429,158)	Quoted
LHBL	1,220,000	85.58	104,407,948	84,546,000	(19,861,948)	Quoted
LINDEBD	14,519	1426.36	20,709,377	20,293,206	(416,171)	Quoted
MJLBD	600,100	102.45	61,482,877	52,028,670	(9,454,207)	Quoted
NPOLYMAR	290,000	65.45	18,981,594	14,790,000	(4,191,594)	Quoted
NORTHRNINS	88,000	63.41	5,579,812	3,766,400	(1,813,412)	Quoted
OLYMPIC	272,812	250.67	68,385,050	41,467,424	(26,917,626)	Quoted
ORIONPHARM	460,000	125.95	57,939,070	36,616,000	(21,323,070)	Quoted
POWERGRID	981,988	65.04	63,864,634	51,456,171	(12,408,463)	Quoted
PTL	446,040	83.62	37,298,774	34,345,080	(2,953,694)	Quoted
QUEENSOUTH	202,254	30.96	6,261,451	4,712,518	(1,548,933)	Quoted
RAKCEAMIC	390,000	45.74	17,838,545	16,731,000	(1,107,545)	Quoted
RDFOOD	200,000	48.89	9,777,421	7,240,000	(2,537,421)	Quoted
ROBI	200,000	46.58	9,316,224	6,000,000	(3,316,224)	Quoted
RINGSHINE	7,688	11.20	86,096	75,342	(10,754)	Quoted
RUNNERAUTO	2,058,716	42.86	88,230,686	99,641,854	11,411,168	Quoted
RECKITBEN	212	5839.70	1,238,016	1,009,268	(228,748)	Quoted
SAPORTL	312,160	44.14	13,780,284	8,490,752	(5,289,532)	Quoted
SAIFPOWER	800,000	39.58	31,661,950	23,760,000	(7,901,950)	Quoted
SHASHADNIM	122,475	49.22	6,027,932	3,306,825	(2,721,107)	Quoted
SIBL	2,838,848	16.35	46,419,232	33,214,522	(13,204,710)	Quoted
SIMTEX	270,000	19.67	5,311,569	4,995,000	(316,569)	Quoted
SINGERBD	60,000	177.40	10,644,190	9,114,000	(1,530,190)	Quoted
SOURPHARMA	345,000	213.05	73,501,302	72,553,500	(947,802)	Quoted
SQUARETEXT	100,000	69.45	6,944,819	6,750,000	(194,819)	Quoted
SUMITPOWER	155,500	45.94	7,143,759	5,287,000	(1,856,759)	Quoted
TALLUSPIN	244,528	15.58	3,809,976	2,420,827	(1,389,149)	Quoted
WALTON	25,193	1317.35	33,188,043	26,394,706	(6,793,337)	Quoted
Sub Total (vi)	28,005,624		1,783,850,983	1,412,125,265	(371,725,718)	
vii) Others- Special Fund						
ACI	94,500	267.84	25,310,586	24,588,900	(721,686)	Quoted
ADNTEL	171,245	142.03	24,322,718	20,052,790	(4,269,928)	Quoted
BXPHERMA	236,000	192.53	45,436,971	34,503,200	(10,933,771)	Quoted
CONFIDCEM	893,233	133.51	119,254,859	79,497,737	(39,757,122)	Quoted
DOREENPOWER	375,370	67.78	25,430,373	22,885,370	(2,545,003)	Quoted
EXIMBANK	700,000	12.56	8,794,933	7,280,000	(1,514,933)	Quoted
GP	160,000	347.99	55,678,608	45,856,000	(9,822,608)	Quoted
GPSPAT	576,029	48.97	28,206,911	24,596,438	(3,610,473)	Quoted
LHBL	210,000	74.85	15,719,200	14,553,000	(1,166,200)	Quoted

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Md. Faridul Islam, CPA
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Molla
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

OLYMPIC	65,000	162.54	10,365,071	9,880,000	(685,071)	Quoted
POWERGRID	776,600	64.25	49,899,190	40,693,840	(9,205,350)	Quoted
PTL	50,000	79.16	3,957,900	3,850,000	(107,900)	Quoted
SHAHJABANK	22,314	18.49	412,664	408,346	(4,318)	Quoted
SOURPHARMA	363,696	222.72	81,004,153	76,485,269	(4,518,884)	Quoted
SQUARETEXT	46,418	71.41	3,314,690	3,133,215	(181,475)	Quoted
SUMITPOWER	384,716	45.24	17,403,652	13,080,344	(4,323,308)	Quoted
UPGDCL	114,461	278.02	31,822,785	26,749,536	(5,073,249)	Quoted
Sub Total (vii)	5,239,382		546,535,263	448,093,985	(98,441,279)	
Total Other than Government (i to vii)	224,939,110		18,879,398,584	18,429,522,338	(449,876,246)	
Total (10.1+10.2)	233,227,151		88,038,373,421	87,592,361,583	(446,011,838)	

10.0 Investments in shares & securities

As at December 2022

Particulars	No. of share	Face Value/ Average cost	Total Cost price	Market Value	Un-realized gain/loss	Remarks
Bangladesh Shipping Corporation	2,000,000	115.30	230,600,000	230,600,000	-	Quoted
MPETROLEUM	69,000	213.89	14,758,673	13,703,400	(1,055,273)	Quoted
BSCCL	527,800	208.56	110,080,537	115,535,420	5,454,883	Quoted
TTASGAS	100,000	43.50	4,350,232	4,090,000	(260,232)	Quoted
Karmasangsthan Bank	100,000	100	10,000,000	10,000,000	-	Un-Quoted
Central Depository Bangladesh Ltd.	2,284,721	3	6,277,770	6,277,770	-	Un-Quoted
Bangladesh Government Sukuk	3,179,345	10,000	31,793,450,000	31,793,450,000	-	Un-Quoted
Bond (Islamic Bond)						
Bangladesh Government Islamic	10	4,000,000,000	40,000,000,000	40,000,000,000	-	Un-Quoted
Investment Bond (Islamic Bond)						
Sub total (i)	8,260,876		72,169,517,212	72,173,656,590	4,139,378	
Government- Special Fund						
BSCCL	19,000	228.70	4,345,295	4,159,100	(186,195)	Quoted
Total Government	8,279,876		72,173,862,507	72,177,815,690	3,953,183	

10.2 Other than Government

i) Subsidiary companies						
Islami Bank Securities Limited	2,699,846	1,000.00	2,699,846,000	2,699,846,000	-	Un-Quoted
Islami Bank Capital Management Ltd.	299,993	1,000.00	299,993,000	299,993,000	-	Un-Quoted
Sub total (i)	2,999,839		2,999,839,000	2,999,839,000	-	
ii) Mutual Funds						
SEML IBBL Shariah Fund	50,000,000	10.00	500,000,000	425,000,000	(75,000,000)	Quoted
UFS-IBBL Shariah Unit Fund	50,000,000	10.00	500,000,000	459,500,000	(40,500,000)	Un-Quoted
CAPM IBBL Shariah Fund	44,500,000	10.00	445,000,000	614,100,000	169,100,000	Quoted
NAM IBBL Islamic Mutual Fund	10,651,731	9.99	106,399,998	90,859,265	(15,540,733)	Un-Quoted
AT Capital Shariah Unit Fund	5,010,020	9.98	50,000,000	54,759,519	4,759,519	Un-Quoted
Caotice Padma PES Unit Fund	10,000,000	10.00	100,000,000	104,000,000	4,000,000	Un-Quoted
UFS-Padma Life Islami Unit Fund	15,000,000	10.00	150,000,000	140,250,000	(9,750,000)	Un-Quoted
Caotice IBBL Shariah Unit Fund	3,750,000	10.00	37,500,000	38,812,500	1,312,500	Un-Quoted
Sub Total (ii)	188,911,751		1,888,899,998	1,927,281,284	38,381,286	
iii) Foreign Share						
APIF of IADB	1,011	972,513.65	983,211,300	983,211,300	-	Un-Quoted
Sub total (iii)	1,011		983,211,300	983,211,300	-	
iv) Subordinated Debt						
Mudaraba Subordinated Debt of Union Bank Ltd.	80	10,000,000	800,000,000	800,000,000	-	Un-Quoted
Mudaraba Subordinated Debt of First Security Islami Bank (2nd)	480	1,000,000	480,000,000	480,000,000	-	Un-Quoted
Mudaraba Subordinated Debt Social Islami Bank Ltd (3rd)	120	10,000,000	1,200,000,000	1,200,000,000	-	Un-Quoted
Mudaraba Subordinated Debt of First Security Islami Bank (3rd)	260	10,000,000	2,600,000,000	2,600,000,000	-	Un-Quoted
SIBL Mudaraba Perpetual Bond	1,500	1,000,000	1,500,000,000	1,500,000,000	-	Un-Quoted
EXIM Bank Mudaraba Perpetual	1,800	1,000,000	1,800,000,000	1,800,000,000	-	Un-Quoted
FSIBL Mudaraba Perpetual Bond	1,800	1,000,000	1,800,000,000	1,800,000,000	-	Un-Quoted
Sub total (iv)	6,040		10,180,000,000	10,180,000,000	-	
v) Others						
Bangladesh Aroma Tea Co	1,570	-	157,000	-	(157,000)	De-listed
ACMELAB	855,000	102.34	87,500,435	72,675,000	(14,825,435)	Quoted
ACTIVEFINE	1,593,000	30.54	48,643,133	30,744,900	(17,898,233)	Quoted
AMANFEED	170,000	39.94	6,789,431	5,695,000	(1,094,431)	Quoted
ACI	84,000	274.74	23,078,030	21,856,800	(1,221,230)	Quoted
ALIF	719,970	14.21	10,231,556	9,575,601	(655,955)	Quoted
AFC AGRO	129,030	41.27	5,325,416	3,032,205	(2,293,211)	Quoted
AAMRACH	285,500	42.28	12,071,503	11,420,000	(651,503)	Quoted
APOLLOISPAT	500,000	10.67	5,333,252	4,100,000	(1,233,252)	Quoted
AMCL(PRAN)	19,500	363.43	7,086,817	5,179,200	(1,907,617)	Quoted
BATASHOE	9,600	1,278.82	12,276,674	9,142,080	(3,134,594)	Quoted
BBS	901,419	36.80	33,173,690	19,470,650	(13,703,040)	Quoted
BBSCABLES	876,750	66.09	57,943,514	43,749,825	(14,193,689)	Quoted
BERGERPBL	2,800	1,779.40	4,982,320	4,823,280	(159,040)	Quoted
BEACONPHAR	160,000	256.89	41,102,483	45,760,000	4,657,517	Quoted
BPPL	200,000	44.18	8,835,672	5,860,000	(2,975,672)	Quoted
BSRMSTEEL	492,334	84.40	41,555,229	31,460,143	(10,095,086)	Quoted
BXPHERMA	50,000	182.00	9,099,797	7,310,000	(1,789,797)	Quoted
BEXIMCO	233,500	139.39	32,547,812	26,992,600	(5,555,212)	Quoted
CONFIDCEM	471,450	131.32	61,912,826	41,959,050	(19,953,776)	Quoted
DOREENPOWER	75,040	70.43	5,285,068	4,577,440	(707,628)	Quoted
DSSL	200,000	18.53	3,706,668	3,400,000	(306,668)	Quoted
FEKDIL	550,000	21.13	11,623,224	9,460,000	(2,163,224)	Quoted
ESQUIRENIT	119,000	39.39	4,687,327	4,105,500	(581,827)	Quoted
EXIMBANK	2,000,000	12.41	24,821,831	20,800,000	(4,021,831)	Quoted
GP	271,700	357.18	97,044,607	77,869,220	(19,175,387)	Quoted
GENNEXT	1,391,500	10.03	13,952,950	8,349,000	(5,603,950)	Quoted
GHSPAT	870,375	60.14	52,342,826	38,992,800	(13,350,026)	Quoted
HEIDELCEM	94,174	520.48	49,015,521	16,866,563	(32,148,958)	Quoted
IBNSINA	127,000	292.90	37,198,321	36,398,200	(800,121)	Quoted
IFADAUTOS	1,006,614	70.01	70,473,088	44,391,670	(26,081,411)	Quoted
IBP	229,030	28.86	6,610,288	3,778,995	(2,831,293)	Quoted
ISLAMICFIN	100,000	33.77	3,376,740	1,970,000	(1,406,740)	Quoted
LHBL	1,150,000	86.63	99,621,215	74,520,000	(25,101,215)	Quoted
LINDEBD	14,519	1,426.36	20,709,377	20,293,206	(416,171)	Quoted
MARICO	1,000	2,335.88	2,335,882	2,421,500	85,618	Quoted
MJLBD	600,100	102.45	61,482,877	52,028,670	(9,454,207)	Quoted
NPOLYMAR	290,000	65.45	18,981,594	14,790,000	(4,191,594)	Quoted
NORTHNRINS	88,000	63.41	5,579,812	3,484,800	(2,095,012)	Quoted
OLYMPIC	252,812	255.94	64,705,775	31,348,688	(33,357,087)	Quoted
ORIONPHARM	440,000	127.82	56,240,835	36,388,000	(19,852,835)	Quoted
POWERGRID	981,998	65.04	63,864,634	51,456,171	(12,408,463)	Quoted
PTL	366,042	84.08	30,775,425	28,185,234	(2,590,191)	Quoted
QUEENSSOUTH	202,254	40.96	8,261,451	4,995,674	(3,265,777)	Quoted
RAKCEAMIC	390,000	45.74	17,838,545	16,731,000	(1,107,545)	Quoted

11 SEP 2024

Nasimul Baten

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

11 SEP 2024

SEP 2024

Md. Farid Ullah, CIPA
SVP, Head of HR & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka



Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

ROBI	200,000	46.58	9,316,224	6,000,000	(3,316,224)	Quoted
RINGSHINE	10,000	8.61	86,096	98,000	11,904	Quoted
RUNNERAUTO	2,058,716	42.86	88,230,686	99,641,854	11,411,168	Quoted
RECKITBEN	212	5,839.70	1,238,016	1,009,268	(228,748)	Quoted
SAPORTL	242,160	47.29	11,450,609	7,264,800	(4,185,809)	Quoted
SAIFPOWER	800,000	39.58	31,661,950	23,760,000	(7,901,950)	Quoted
SHASHADNIM	122,475	49.22	6,027,932	3,306,825	(2,721,107)	Quoted
SIBL	2,703,666	17.17	46,419,232	33,255,092	(13,164,140)	Quoted
SIMTEX	1,100,000	19.63	21,598,407	18,480,000	(3,118,407)	Quoted
SINGERBD	60,000	177.40	10,644,190	9,114,000	(1,530,190)	Quoted
SOURPHARMA	345,000	213.05	73,501,302	72,381,000	(1,120,302)	Quoted
SQUARETEXT	100,000	69.45	6,944,819	6,750,000	(194,819)	Quoted
SUMITPOWER	155,500	45.94	7,143,759	5,287,000	(1,856,759)	Quoted
TALLUSPIN	244,528	15.58	3,809,976	2,420,827	(1,389,149)	Quoted
WALTON	25,193	1,317.35	33,188,043	26,394,706	(6,793,337)	Quoted
Sub Total (v)	27,734,021		1,689,443,733	1,323,572,044	(365,871,689)	
vi) Others- Special Fund						
ACT	94,500	267.84	25,310,586	24,588,900	(721,686)	Quoted
BXPHARMA	236,000	192.53	45,436,971	34,503,200	(10,933,771)	Quoted
CONFIDCEM	893,233	133.51	119,254,859	79,497,737	(39,757,122)	Quoted
DOREENPOWER	375,170	67.78	25,430,373	22,885,370	(2,545,003)	Quoted
EXIMBANK	700,000	12.56	8,794,933	7,280,000	(1,514,933)	Quoted
GP	160,000	347.99	55,678,608	45,856,000	(9,822,608)	Quoted
GPHSPAT	548,600	51.42	28,206,911	24,577,280	(3,629,631)	Quoted
LHBL	210,000	74.85	15,719,200	13,608,000	(2,111,200)	Quoted
OLYMPIC	182,000	152.52	27,759,424	22,568,000	(5,191,424)	Quoted
POWERGRID	776,600	64.25	49,899,190	40,693,840	(9,205,350)	Quoted
PTL	50,000	79.16	3,957,900	3,850,000	(107,900)	Quoted
SHAHJABANK	21,665	19.05	412,664	407,302	(5,362)	Quoted
SOURPHARMA	363,696	222.72	81,004,153	76,303,421	(4,700,732)	Quoted
SQUARETEXT	46,418	71.41	3,314,690	3,133,215	(181,475)	Quoted
SUMITPOWER	384,716	45.24	17,403,652	13,080,344	(4,323,308)	Quoted
UPDCL	114,461	278.02	31,822,785	26,749,536	(5,073,249)	Quoted
Sub Total (iv)	5,157,059		539,406,898	439,582,145	(99,824,753)	
Total Other than Government (i to vi)	224,809,721		18,280,800,929	17,853,485,773	(427,315,156)	
Total (10.1+10.2)	233,089,597		90,454,663,436	90,031,301,463	(423,361,973)	

10.3 Revaluation of shares & securities

All Shares and Securities are shown at cost price other than the Shares of Bangladesh Shipping Corporation (BSC) which have been recognized at closing market price as on 31.12.2023 of Dhaka Stock Exchange Ltd. (DSE) as per BRPD Circular No.14 dated 25.06.2003 and DOS Circular No. 05 dated 26 May 2008. The provision requirement for Capital Market Investment for the year 2023 is Tk. 440,744,487 is calculated as per DOS Circular No.01 dated 24 May 2024 and detailed in Note-17.2.1. Change in revaluation of shares of Bangladesh Shipping Corporation (BSC) has been shown as revaluation reserve of securities.

10.4 Maturity grouping of investments in shares & securities

Repayable on demand
With a residual maturity of
 Up to 1 Month
 Over 1 month but not more than 3 months
 Over 3 months but not more than 1 year
 Over 1 year but not more than 5 years
 More than 5 years
Total

	31.12.2023 Taka	31.12.2022 Taka
Repayable on demand	-	-
Up to 1 Month	791,524,837	2,304,263,436
Over 1 month but not more than 3 months	800,000,000	1,254,000,000
Over 3 months but not more than 1 year	7,906,150,000	5,784,700,000
Over 1 year but not more than 5 years	3,941,600,000	4,230,000,000
More than 5 years	74,599,098,584	76,881,700,000
Total	88,038,373,421	90,454,663,436

10(a) Consolidated investments in shares & securities

10(a)(i) Government

Islami Bank Bangladesh PLC.
 Islami Bank Securities Limited
 Islami Bank Capital Management Limited
 Inter-company balances

	31.12.2023 Taka	31.12.2022 Taka
Islami Bank Bangladesh PLC.	69,158,974,837	72,173,862,507
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Inter-company balances	-	-
Sub total (i)	69,158,974,837	72,173,862,507

10(a)(ii) Others

Islami Bank Bangladesh PLC.
 Islami Bank Securities Limited
 Islami Bank Capital Management Limited
 Inter-company balances

	31.12.2023 Taka	31.12.2022 Taka
Islami Bank Bangladesh PLC.	18,879,398,584	18,280,800,929
Islami Bank Securities Limited	3,462,295,819	3,571,016,282
Islami Bank Capital Management Limited	383,001,298	364,516,597
Inter-company balances	(2,999,839,000)	(2,999,839,000)
Sub total (ii)	19,724,856,701	19,216,494,808
Total (i+ii)	88,883,831,538	91,390,357,315

11.0 Investments

General investments etc. (Note-11.1)
 Bills purchased & discounted (Note-11.2)
Total

	31.12.2023 Taka	31.12.2022 Taka
General investments etc. (Note-11.1)	1,415,352,159,015	1,326,643,607,786
Bills purchased & discounted (Note-11.2)	184,913,503,084	134,721,889,727
Total	1,600,265,662,100	1,461,365,497,513

11.1 General investments etc.

i) In Bangladesh

Bai - Murabaha
 Bai - Muajjal
 Hire Purchase under Shirkatul Melk
 Hire Purchase under Shirkatul Melk (HPSM in FC-OBU)
 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
Sub total (i)

	31.12.2023 Taka	31.12.2022 Taka
Bai - Murabaha	871,988,408,952	841,296,289,653
Bai - Muajjal	100,714,899,305	90,626,114,176
Hire Purchase under Shirkatul Melk	267,149,479,644	238,453,148,471
Hire Purchase under Shirkatul Melk (HPSM in FC-OBU)	11,176,968,635	11,288,596,229
Hire Purchase under Shirkatul Melk (HPSM in FC-GTF)	2,442,532,885	2,352,511,331
Bai-Murabaha Import Bills	34,704,626,165	14,743,245,102
Baim- FC Bills	18,293,060,542	16,511,007,883
Musharaka	269,017,859	188,236,382
Mudaraba	5,000,100,000	5,000,140,000
Bai - Salam	19,387,832,253	19,016,075,613
Murabaha Foreign Currency Investment	23,979,454,948	42,741,796,096
Quard	57,561,029,228	42,649,571,998
Investment in Khidmah Card	2,684,748,601	1,776,874,850
Sub total (i)	1,415,352,159,015	1,326,643,607,786

ii) Out side Bangladesh

Bai - Murabaha
 Bai - Muajjal
 Hire Purchase under Shirkatul Melk
 Musharaka
 Overseas Investment

	31.12.2023 Taka	31.12.2022 Taka
Bai - Murabaha	-	-
Bai - Muajjal	-	-
Hire Purchase under Shirkatul Melk	-	-
Musharaka	-	-
Overseas Investment	-	-

11 SEP 2024

Nasimul Baten

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024

Md. Farid Uddin
 SVP, Head of Finance & CFO
 Islami Bank Bangladesh PLC.
 FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

Bai - Salam
Quard
Others
Sub total (ii)
Grand total (i+ii)

-	-
-	-
-	-
-	-
1,415,352,159,015	1,326,643,607,786

11.1.1 Maturity-wise classification
Repayable on demand
With a residual maturity of
Up to 1 Month
Over 1 month but not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
More than 5 years
Total

31.12.2023 Taka	31.12.2022 Taka
145,151,212,179	-
64,232,022,702	169,223,200,000
150,695,235,303	114,752,500,000
514,149,376,945	685,032,007,786
219,868,891,116	147,170,000,000
321,255,420,770	210,465,900,000
1,415,352,159,015	1,326,643,607,786

11.1(a) Consolidated general investments etc.
Islami Bank Bangladesh PLC.
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Inter-company balances
Total

1,415,352,159,015	1,326,643,607,786
-	-
-	-
(5,000,000,000)	(5,000,000,000)
1,410,352,159,015	1,321,643,607,786

11.2 Bills purchased & discounted
i) In Bangladesh

Musharaka Doc. Bill (MDB)
ii) Outside Bangladesh
Mudaraba Doc Bill (UPAS)-OBU
Bai- As- Sarf (FDB)
MDB in FC
Sub-total (ii)
Total (i+ii)

5,722,984,623	6,071,795,536
175,762,865,663	125,851,365,332
1,327,316,769	1,546,935,639
2,100,336,029	1,251,793,220
179,190,518,461	128,650,094,191
184,913,503,084	134,721,889,727

11.2.1 Maturity-wise classification of bills purchased & discounted
Payable within 1 month
Over 1 month but less than 3 months
Over 3 months but less than 6 months
6 months or more
Total

110,948,101,850	100,152,700,000
55,474,050,925	15,680,500,000
9,245,675,154	9,922,569,095
9,245,675,155	8,966,120,632
184,913,503,084	134,721,889,727

11.2(a) Consolidated bills purchased & discounted
Islami Bank Bangladesh PLC.
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Total

184,913,503,084	134,721,889,727
-	-
-	-
184,913,503,084	134,721,889,727

11.3 Geographical location wise classification of investments
Within Bangladesh
In rural areas
In urban areas
Sub total
Outside Bangladesh
Total

96,176,039,457	82,566,782,467
1,504,089,622,643	1,378,798,715,046
1,600,265,662,100	1,461,365,497,513
-	-
1,600,265,662,100	1,461,365,497,513

11.4 Division wise classification of investments (*)
Dhaka division
Chattogram division
Khulna division
Rajshahi division
Barisal division
Sylhet division
Rangpur division
Mymensingh division
Total

701,875,835,959	675,587,324,162
483,920,704,355	427,683,318,742
90,895,158,755	85,151,150,493
212,355,414,907	168,201,588,029
20,163,362,681	19,294,389,093
19,683,282,618	18,666,796,253
49,768,299,952	45,945,340,308
21,603,602,873	20,835,590,433
1,600,265,662,100	1,461,365,497,513

(*) Division wise distribution was made on the basis of the location of the respective branch not on the basis of where the client's business actually located.

11.5 Investment on the basis of significant concentration including bills purchased and discounted
Investment to directors
Investment to chief executive & other senior executives
Sector wise other investments:
Trade & commerce
Real estate
Transport
Agriculture (including fertilizer & agriculture implements)
Industrial investment (Note-11.5.1)
Others
Total

1,324,941,221	1,729,627,570
502,502,826,341	478,872,859,614
91,298,325,132	84,824,439,721
7,852,650,483	9,358,061,358
50,737,795,833	46,982,709,146
887,058,515,413	772,147,671,644
59,490,607,677	67,450,128,460
1,600,265,662,100	1,461,365,497,513

11.5.1 Classification of industrial investments
Textile- spinning, weaving & dyeing
Garments & garments accessories
Steel, re-rolling & engineering
Agro-based industry
Food & beverage
Cements industry
Pharmaceuticals
Poultry, poultry feed & hatchery
Sanitary wares
Chemicals, toiletries & petroleum
Printing & packaging
Power (electricity)
Ceramic & bricks
Health care (hospital & others)
Plastic industries
Petrol pump & CNG filling station

198,833,720,850	159,189,380,449
99,056,506,896	75,519,332,497
113,997,565,336	109,167,810,930
235,800,641,373	229,259,205,649
19,889,905,537	16,122,251,652
18,896,554,662	16,837,020,948
4,965,651,604	4,517,198,001
3,431,744,931	3,431,744,931
88,861,821	60,036,128
18,292,559,226	16,164,625,021
18,150,781,116	15,150,781,116
14,966,944,129	12,379,742,126
18,916,960,945	13,926,208,986
8,987,632,874	7,853,903,445
9,946,274,895	6,805,274,995
2,953,978,439	2,771,844,805

11 SEP 2024



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Md. Farid Ullah
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC, Dhaka
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Information technology	291,264,584	211,264,584
Hotel & restaurant	1,928,869,687	1,624,862,942
Other industries	97,662,136,809	81,114,182,839
Total	887,058,515,414	772,147,671,644

11.6 Details of investment to customers (10.00% of bank's regulatory capital and above)

Number of clients with amount of gross investments exceeding 10.00% of total regulatory equity of the Bank & classified amount thereon are given below:

Number of clients	32	36
Amount of investments (Taka)	499,428,500,000	554,448,200,000
Classified amount thereon	Nil	Nil
Measures taken for recovery	Not Applicable	Not Applicable

Total regulatory capital of the Bank was Tk. 108,376.71 million as at 31 December 2023 & Tk. 102,738.44 million as at 31 December 2022. (Taka in million)

Sl. No.	Name of clients	Sanctioned limit	Outstanding gross investment (*) as on 31.12.2023			31.12.2022
			Funded	Non-funded (**)	Total	
1	S. Alam Steels & Refined Sugar Ind. Ltd.	40,000	25,584	16,589	42,173	41,359
2	S. Alam Vegetable Oil Ltd.	38,400	28,620	12,383	41,003	40,082
3	S. Alam Super Edible Oil Ltd.	38,400	21,301	18,082	39,383	40,172
4	Nabil Group	29,000	15,731	4,742	20,473	18,680
5	Bashundara Multifood Group	27,425	15,645	4,086	19,731	22,877
6	Abul Khair Group	27,001	7,139	12,214	19,353	20,078
7	Noman Group	25,080	13,646	7,377	21,023	20,514
8	Naasa Group	24,988	16,391	4,731	21,122	20,250
9	Infinite CR Strips Ind Ltd.	23,200	14,383	376	14,759	13,830
10	Mahmud Denims Ltd	22,677	14,444	3,454	17,898	25,139
11	S. Alam Cold Rolled Steels Ltd.	21,150	16,327	2,793	19,120	17,812
12	Chemon Ispat Ltd	20,000	16,350	88	16,438	16,327
13	Karnafuly Foods (Pvt) Ltd.	19,310	17,143	-	17,143	15,383
14	Jamuna Tyre (Group)	18,058	11,505	2,069	13,574	11,618
15	BRB Group	17,390	3,976	402	4,378	3,925
16	Unitex LP Gas Ltd	16,898	13,125	3,037	16,162	13,307
17	Inherent Trading & Impex	16,300	12,850	82	12,932	12,952
18	Badsha Group	14,127	5,785	306	6,091	8,606
19	City Group	14,000	2,885	-	2,885	9,852
20	Globe Pharmaceuticals and its sister Concerns	13,817	12,572	598	13,170	-
21	GMS Group	13,523	7,586	4,784	12,370	12,936
22	MSA Group	13,420	16,144	1,224	17,368	12,205
23	Noapara Group	12,856	-	7,005	7,005	-
24	Energyprima Ltd.	12,539	6,371	4,925	11,296	11,410
25	Unitex Steel Mills Ltd.	12,500	3,131	2,924	6,055	1,832
26	Mosharof & Brothers Group	11,941	7,003	3,884	10,887	16,427
27	Aman Group	11,920	11,190	1,390	12,580	11,221
28	Naba Farm Ltd.	11,700	10,009	-	10,009	7,834
29	Jalalabad Group	11,065	8,617	1,878	10,495	10,944
30	Grand Spinning Mills Ltd	11,063	1,246	-	1,246	-
31	Ideal Flour Mills Ltd	11,000	10,422	-	10,422	-
32	Delta Group	7,074	10,851	38	10,889	10,238
33	Shaikh Brothers Group	-	-	-	-	18,768
34	ON Spinning Mills Ltd.	-	-	-	-	12,072
35	Afil Group	-	-	-	-	11,675
36	East West Property Dev (Pvt) Ltd.	-	-	-	-	11,354
37	Globe Edible Oil	-	-	-	-	11,063
38	Adil Corporation	-	-	-	-	10,871
39	Sadia Traders	-	-	-	-	10,834
Total		607,822	377,968	121,460	499,429	554,448

(*) Gross investments includes profit receivables amount.

(**) Non Funded investment without considering conversion factor.

11.7 Classification status - wise investments

Unclassified :

- i) Unclassified including staff investment
- ii) Special mention account (SMA)

Total unclassified (i+ii)

Classified :

- iii) Substandard
- iv) Doubtful
- v) Bad and Loss

Total classified (iii+iv+v)

Grand total (i to v)

	31.12.2023	31.12.2022
	Taka	Taka
Total unclassified (i+ii)	1,514,788,866,251	1,397,458,533,918
Total classified (iii+iv+v)	16,288,690,042	9,884,950,814
Grand total (i to v)	1,531,077,556,293	1,407,343,484,732
Total classified (iii+iv+v)	17,303,072,026	7,862,650,291
Grand total (i to v)	5,938,650,900	5,188,913,638
Total classified (iii+iv+v)	45,946,382,881	40,970,448,852
Grand total (i to v)	69,188,105,807	54,022,012,781
Grand total (i to v)	1,600,265,662,100	1,461,365,497,513

11.8 Pledged collaterals against investments

Land & building
MTDR, securities, etc.
Share certificates

Total

	31.12.2023	31.12.2022
Land & building	1,256,980,862,182	1,210,228,451,052
MTDR, securities, etc.	160,462,568,319	156,469,383,898
Share certificates	343,385,535	343,175,535
Total	1,417,786,816,036	1,367,041,010,485

11.9 Particulars of investments

- i) Investments considered good in respect of which the bank is fully secured
- ii) Investments considered good in respect of which the Bank holds debtors' personal security
- iii) Investments considered good and secured by personal security of one or more persons in addition to personal security of debtors
- iv) Investments considered bad or doubtful not provided for

Total

	31.12.2023	31.12.2022
i) Investments considered good in respect of which the bank is fully secured	1,530,187,653,702	1,401,168,075,659
ii) Investments considered good in respect of which the Bank holds debtors' personal security	2,684,748,601	1,776,874,850
iii) Investments considered good and secured by personal security of one or more persons in addition to personal security of debtors	67,393,259,797	58,420,547,004
iv) Investments considered bad or doubtful not provided for	-	-
Total	1,600,265,662,100	1,461,365,497,513

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Mohammad Jahangir Alam
Company Secretary (C.C.)
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Head Office, 40, Dilkusha C/A, Dhaka.

Mohammed Monirul Molla
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

	31.12.2023 Taka	31.12.2022 Taka
v) Investments due by directors or employees of the bank or any of them either severally or jointly with any other	33,394,001,926	32,376,228,246
vi) Investments due by directors or employees of the bank are interested as directors, partners, managing agents or in the case of private companies as members	-	-
vii) Total amount of investments, including temporary investments, made any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons	5,819,413,095	5,695,875,143
viii) Total amount of investments, including temporary investments granted during the year to the Companies or firms in which the directors of the bank are interested as directors, partners, managing agents or, in the case of private companies as members	-	-
ix) Investments due from other banks	-	-
x) Classified investments:		
a) Classified investments on which profit has not been charged	45,946,382,881	40,970,448,852
b) Provision for classified investments	48,662,858,491	42,073,978,491
c) Provision kept against investments classified as bad & loss	46,762,628,491	41,118,078,491
d) Amount credited to profit/ rent /compensation suspense account	54,913,275,546	43,754,288,943
xi) Particulars of written off investments		
a) Cumulative amount of investment written off since inception to 31st December last year	12,167,909,201	12,167,909,201
b) Amount of investment written off during this year	-	-
c) Total amount written Off (a+b)	12,167,909,201	12,167,909,201
d) Amount recovered against written off investment up to this year (*)	2,342,150,127	2,054,460,535
e) Amount waived against written off investment up to this year	1,290,305,241	1,050,020,241
f) Amount of investment written off against which suit has been filed to recover the same	8,535,453,833	9,063,428,425

(*) During the year of 2023, Tk. 270,264,466/- was recovered from Written-Off Investments, out of which a sum of Tk. 25,491,054/- was waived and remaining Tk. 244,773,412/- was recovered from the clients in cash.

11.10 Information about restructured investment as per Bangladesh Bank's BRPD Circular No-4, dated 29 January, 2015

Investment amounting to Tk. 1,874.00 million (outstanding Tk. 1,233.30 million as on 31 December 2023) of 1 (One) investment client Jamuna Electronics & Automobiles Ltd., Gulshan Br, Dhaka has been restructured. The restructured has been made by extension of validity of term investment for 12 (twelve) years including 01 (one) year gestation period for the client under the preview of BRPD Circular No-4, dated 29 January, 2015. The status of the investment is unclassified and reported as Special Mention Account (SMA) as per Bangladesh Bank Guidelines.

12.0 Fixed assets including premises (Annexure-A)

12.1 Tangible assets

Land	5,530,650,885	7,623,650,885
Building	6,359,940,398	6,539,112,354
Construction/capital work-in-process	-	-
Furniture and fixtures	1,794,225,666	1,728,582,193
Mechanical appliances	3,156,055,087	3,078,275,343
Computer	2,580,061,782	2,307,615,731
Motor vehicles	1,634,030,782	1,631,823,019
ATM	4,174,492,363	3,896,801,136
Books	11,602,922	11,547,478
Right of Use- Assets for lease rent	2,380,392,163	2,380,392,163
Total cost of tangible assets including revaluation	27,621,452,048	29,197,800,302
Less: Accumulated depreciation	12,307,193,490	10,936,728,849
Net book value of tangible assets at the end of the year	15,314,258,558	18,261,071,453

12.2 Intangible assets

Computer software	838,120,667	822,847,696
Total cost of intangible assets	838,120,667	822,847,696
Less: Accumulated amortization	716,716,025	646,599,061
Net book value of intangible assets at the end of the year	121,404,642	176,248,635
Total net book value at the end of the year (12.1+12.2)	15,435,663,200	18,437,320,088

12.3 Maturity-wise classification

Repayable on demand	-	-
With a residual maturity of		
Up to 1 Month	-	-
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 year	-	774,587,648
Over 1 year but not more than 5 years	-	4,487,546,325
More than 5 years	15,435,663,200	13,175,186,115
Total	15,435,663,200	18,437,320,088

12.4 Revaluation of land & building

As per Bangladesh Bank BCD Circular Letter No. 12 & 18 dated April 20, 1993 & June 15, 1993; BRPD Circular No.10 dated November 24, 2002; Circular No. 09 dated 31 December 2008 and Circular No. 24 dated 03 August 2010, the Bank revalued its land and building by the professional valuers for the year 2000, 2002, 2003, 2004, 2005, 2006, 2009 & 2012 respectively which was reviewed by the statutory auditors. A portion of revalued Land & Building has been sold out during the year 2023.

11 SEP 2024

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Managing Director & CEO
DBH Finance PLC.

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Mohammad Jahangir Alam
Company Secretary (C.C.)
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Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

12(a) Consolidated fixed assets including premises (Annexure-B)

12(a).1 Tangible assets

Islami Bank Bangladesh PLC.
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Sub-total

12(a).2 Intangible assets

Islami Bank Bangladesh PLC.
Islami Bank Securities Limited
Islami Bank Capital Management Limited
Sub-total

Total (12.a.1+12.a.2)

31.12.2023	31.12.2022
Taka	Taka
15,314,258,558	18,261,071,453
8,419,643	11,779,093
5,408,182	4,665,537
15,328,086,383	18,277,516,083

121,404,642	176,248,635
354,972	652,942
629,780	952,780
122,389,394	177,854,357
15,450,475,777	18,455,370,440

13.0 Other assets

i) Income generating other assets
ii) Non-income generating other assets

Stock of stationery in hand
Stamps in hand
Advance rent paid
Security deposits account
Suspense
Advance against expenses
Pre-paid expense-OBU
Accrued income
IB General account (Note - 13.3)
Clearing adjustment
mCash adjustment
Dividend income receivable
Master card receivable
ATM receivable/UPI Receivable
eWallet Receivable
Agent RDS Receivable
POS Receivable
Advance against capital expenditure
Foreign remittance incentive receivable
NPS Receivable
Placement to AD for MDB in FC (Local)
Others
Sub-total (ii)
Total (i+ii)

31.12.2023	31.12.2022
Taka	Taka

297,236,996	203,416,484
38,403,245	35,035,860
594,521,302	661,059,332
27,414,226	27,533,605
1,161,760,808	1,108,427,199
80,659,116	68,596,347
43,646,318	80,908,818
6,694,108,337	3,783,243,517
94,032,094,052	19,769,529,631
-	662,046,924
1,814,555,903	455,940,995
32,431,531	44,528,510
184,945,505	10,468,226
43,634,396	894,831,852
-	214,258,232
8,667,116	3,765,307
9,821,759	95,647,224
183,500,000	164,500,000
1,176,987,901	3,377,202,877
1,234,063,884	775,519,041
45,242,340	-
605,842,021	1,094,467,124
108,309,536,758	33,530,927,106
108,309,536,758	33,530,927,106

13.1 Maturity-wise classification

Repayable on demand
With a residual maturity of
Up to 3 Month
Over 3 month but not more than 6 months
Over 6 months but not more than 1 year
Over 1 year but not more than 5 years
More than 5 years
Total

-	-
-	9,547,854,123
-	8,456,985,480
-	7,548,793,652
-	6,985,635,106
108,309,536,758	991,658,745
108,309,536,758	33,530,927,106

13.2 Classification status of other assets

Unclassified
Doubtful
Bad/ Loss
Total

108,183,040,932	33,434,076,562
33,963,760	10,023,161
92,532,066	86,827,383
108,309,536,758	33,530,927,106

13.3 IB General account

13.3.1 Un-reconciled entries of Inter Branch Transactions in Bangladesh

Age
Upto 3 months
Over 3 months but not more than 6 months
Over 6 months but not more than 9 months
Over 9 months but not more than 12 months
More than 12 months
Total

70,837,208,283	16,235,230,319
4,948,496,796	3,412,204,849
12,572,404,921	108,355,678
5,343,248,740	13,738,785
330,735,312	-
94,032,094,052	19,769,529,631

13.3.2 Un-reconciled entries of Inter Branch Transactions outside Bangladesh

Age
Upto 3 months
Over 3 months but not more than 6 months
Total

-	-
-	-
-	-

13(a) Consolidated other assets

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

108,309,536,758	33,530,927,106
216,249,113	191,629,855
22,026,593	26,458,138
(9,820,699)	(8,730,616)
108,537,991,765	33,740,284,483

11 SEP 2024



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024


Md. Farid Uddin, FCA, CIPA
SVP, Head of FAD & CFO
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Page 50

11 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

14.0 Placement from banks & other financial institutions

Borrowing from Abroad- OBU (Note-14.1)	13,750,000,000	29,305,358,900
Borrowing from other Banks in Bangladesh- OBU (Note 14.2)	2,200,000,000	15,133,010,500
Borrowing from Bangladesh Bank (Note 14.3)	195,428,924,541	143,000,000,000
Borrowing from Treasury Division, IBBPLC -OBU (Note-6.0_OBU)	165,591,122,268	89,273,462,812
Fund obtained by AD branches from OBU for MDB in FC (Note-3.0_OBU)	-	267,278,973
Sub total	376,970,046,809	276,979,111,185
Less: Borrowing from Treasury Division, IBBPLC- OBU	165,591,122,268	89,273,462,812
Less: Fund obtained by AD branches from OBU for MDB in FC	-	267,278,973
Sub total	165,591,122,268	89,540,741,785
Total	211,378,924,541	187,438,369,400

13,750,000,000	29,305,358,900
2,200,000,000	15,133,010,500
195,428,924,541	143,000,000,000
165,591,122,268	89,273,462,812
-	267,278,973
376,970,046,809	276,979,111,185
165,591,122,268	89,273,462,812
-	267,278,973
165,591,122,268	89,540,741,785
211,378,924,541	187,438,369,400

Fund obtained from OBU for investment in MDB in FC by AD branches is shown under "Cover fund MDB investment" under other liabilities at AD branches whereas Fund provided to AD branches for MDB in FC is shown under "Placement with banks & other financial institutions" in the assets side at OBU's balance sheet. As the items are intra-units balance, the amount was fully eliminated while preparing the financial statement of the Bank as a whole.

14.1 Borrowing from Abroad-OBU

Ajman Bank, UAE	12,100,000,000	9,813,215,000
Commercial Bank Of Dubai	1,650,000,000	2,065,940,000
First Gulf UAE	-	1,756,049,000
Dubai Islamic Bank	-	1,549,455,000
Emirates Islamic Bank, UAE	-	1,032,970,000
Emirates NBD Bank, UAE	-	1,032,970,000
Bank of Khartoum	-	1,239,564,000
The Saudi National Bank, Bahrain	-	1,032,970,000
Bank Du Cairo	-	1,032,970,000
Bank Sinoac, Taiwan	-	516,485,000
Ras Al Khaimah	-	6,197,820,000
Abu Dhabi Bank, UAE	-	2,034,950,900
Total	13,750,000,000	29,305,358,900

31.12.2023	31.12.2022
Taka	Taka
12,100,000,000	9,813,215,000
1,650,000,000	2,065,940,000
-	1,756,049,000
-	1,549,455,000
-	1,032,970,000
-	1,032,970,000
-	1,239,564,000
-	1,032,970,000
-	1,032,970,000
-	516,485,000
-	6,197,820,000
-	2,034,950,900
13,750,000,000	29,305,358,900

14.2 Borrowing from other Banks in Bangladesh

Bank Asia PLC.	2,200,000,000	5,164,850,000
The City Bank PLC.	-	1,549,455,000
NCC Bank PLC.	-	1,084,618,500
Social Islami Bank PLC.	-	206,594,000
Jamuna Bank PLC.	-	206,594,000
Commercial Bank of Ceylon PLC.	-	2,582,425,000
First Security Islami Bank PLC.	-	1,549,455,000
EXIM Bank Ltd.	-	1,549,455,000
Trust Bank Ltd.	-	1,239,564,000
Total	2,200,000,000	15,133,010,500

2,200,000,000	5,164,850,000
-	1,549,455,000
-	1,084,618,500
-	206,594,000
-	206,594,000
-	2,582,425,000
-	1,549,455,000
-	1,549,455,000
-	1,239,564,000
2,200,000,000	15,133,010,500

14.3 Borrowing from Bangladesh Bank

Bangladesh Government Islamic Investment Bond (BGIIB)	38,800,000,000	33,000,000,000
Bangladesh Government Investment Sukuk (BGIS)	30,000,000,000	30,000,000,000
Others	126,628,924,541	80,000,000,000
Total	195,428,924,541	143,000,000,000

38,800,000,000	33,000,000,000
30,000,000,000	30,000,000,000
126,628,924,541	80,000,000,000
195,428,924,541	143,000,000,000

14(a) Consolidated placement from banks & other financial institutions

Islami Bank Bangladesh PLC.	211,378,924,541	187,438,369,400
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Total	211,378,924,541	187,438,369,400

211,378,924,541	187,438,369,400
-	-
-	-
211,378,924,541	187,438,369,400

15.0 Deposits & other accounts

Mudaraba savings deposits (Note-15.1)	480,047,894,909	445,565,352,259
Mudaraba term deposits	558,058,288,511	513,310,226,532
Other mudaraba deposits (Note-15.2)	286,154,166,380	288,022,176,295
Al-wadeeah current and other deposit accounts (Note-15.3)	197,647,421,738	153,259,252,714
Bills payable (Note-15.4)	12,658,234,695	10,288,421,539
Total	1,534,566,006,233	1,410,445,429,339

480,047,894,909	445,565,352,259
558,058,288,511	513,310,226,532
286,154,166,380	288,022,176,295
197,647,421,738	153,259,252,714
12,658,234,695	10,288,421,539
1,534,566,006,233	1,410,445,429,339

15.1 Mudaraba Savings Deposits

Mudaraba Savings Deposits	458,577,293,687	426,858,238,658
Mudaraba Savings Deposits (RDS)	11,918,971,076	10,928,580,175
Mudaraba School Student Savings Deposits	6,373,541,710	5,140,481,942
Mudaraba Farmers Savings Deposits	2,507,271,601	2,113,625,314
Mudaraba Industry Employee Savings Deposits	370,274,256	322,004,789
Mudaraba Priority Savings	10,805,808	10,493,480
Mudaraba Payroll Savings	289,736,770	191,927,901
Total	480,047,894,909	445,565,352,259

458,577,293,687	426,858,238,658
11,918,971,076	10,928,580,175
6,373,541,710	5,140,481,942
2,507,271,601	2,113,625,314
370,274,256	322,004,789
10,805,808	10,493,480
289,736,770	191,927,901
480,047,894,909	445,565,352,259

11 SEP 2024



Nasimul Baten

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Managing Director & CEO
DBH Finance PLC.

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11 SEP 2024



Mohammed Monirul Moula
Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

15.2 Other mudaraba deposits	
Mudaraba Special Notice Deposits	
Mudaraba Hajj Deposits	
Mudaraba Savings Bond	
Mudaraba NRB Savings Bond	
Mudaraba Special Savings (Pension) Deposits	
Mudaraba Monthly Profit Deposit Scheme	
Mudaraba Muhor Savings	
Mudaraba Waqf Cash Deposit	
Mudaraba Upahar Deposit Scheme	
Mudaraba FC Deposit	
Mudaraba FC Deposit -Exporters Retention Quota (ERQ)	
Mudaraba Bibaho Savings Deposits	
Mudaraba Senior Citizens	
Mudaraba Education Saving	
Mudaraba Expirate Housing	
Mudaraba Double Benefit	
Total	

31.12.2023	31.12.2022
Taka	Taka
22,824,734,971	17,596,991,940
6,301,264,366	5,678,940,459
7,917,526,725	9,527,116,786
568,895,103	658,885,212
155,859,784,375	154,141,092,164
54,929,621,709	58,169,753,190
843,097,954	832,982,189
2,131,070,725	1,984,260,655
25,946,642	24,516,225
24,120,821,451	37,487,587,780
8,499,024	7,984,597
368,507,725	136,766,601
2,709,863,052	1,694,269,577
73,733,392	33,776,902
165,251,063	47,252,019
7,305,548,103	-
286,154,166,380	288,022,176,295

15.3 Al Wadeah current and other deposits accounts	
Al Wadeah Current Deposits	
Convertible Taka Account	
Non Resident Investors Taka Account	
Non Resident FC of Exchange House / Banks	
Non Resident FC of Exchange House/ Banks-OBU (Note-2.0_OBU)	
Non Resident Taka Account	
Foreign Currency Deposit	
Foreign Currency Deposit ERQ	
Other FC Deposit	
Foreign Currency: Security Deposit	
Foreign Currency Held against Back to Back L/C	
Foreign Currency held against Cash L/C	
Foreign Demand Draft /TT Payable	
Foreign Currency Deposit against Foreign Bank Guarantee	
Resident Foreign Currency Deposit	
Profit Payable	
Remittance Card Account	
Sundry Deposits (Note-15.3.1)	
FC Deposit of EPZ Enterprises	
Mobile Wallet Deposits	
Sub total	
Less: Non Resident FC of Exchange House/Banks-OBU	
Total	

89,366,692,935	73,719,186,619
151,708	151,708
3,430,837,494	379,923,794
1,519,625,947	1,565,811,723
45,047,621	260,151,791
4,894,853,266	6,048,594,705
287,148,951	717,781,518
1,377,177,522	1,436,216,278
51,082,336	47,289,688
191,728,599	177,856,927
7,750,594,678	6,660,921,685
6,082,118,530	6,401,459,179
68,610,218	522,208,372
43,931,250	41,254,239
570,872	2,596,423
17,186,155,282	18,526,128,127
288,263	288,263
64,169,207,732	35,455,028,967
168,597,197	190,737,081
1,058,048,957	1,365,817,418
197,692,469,359	153,519,404,505
45,047,621	260,151,791
197,647,421,738	153,259,252,714

15.3.1 Break-up of sundry deposits

Sundry creditors	
Supervision charge	
Security deposit L/G	
Security money payable	
Security money locker	
Marginal deposit	
Closed account profit	
Sundry deposit others	
Govt. Tax & VAT	
Security Deposit - Investment	
Security Deposit - L/C (Wea)	
Security Deposit - Foreign L/C General	
Security Deposit - Bank Guarantee	
Security Deposit - IBP	
Security Deposit - Inland L/C	
Cash & Fixed assets insurance fund	
Other earnings (Note-15.3.1.1)	
Total	

710,907,639	457,313,592
101,779,955	102,103,969
93,012,888	10,425,503
117,393,509	110,559,642
33,482,687	30,215,696
2,085,420,168	1,602,721,790
472,903,192	268,420,263
1,451,406,431	2,102,691,399
6,751,372,547	4,808,899,639
154,332,944	12,914,887
5,140,252	4,526,913
50,218,820,007	24,121,355,244
1,727,687,925	1,654,015,335
145,486	145,486
148,610,378	96,547,169
70,283,894	66,707,852
26,507,833	5,464,588
64,169,207,732	35,455,028,967

15.3.1.1 Break-up of other earnings

Opening balance	
Received from B. Bank FC clearing A/c	
Interest received from Brokerage House	
Total receipt during the year	
Total available balance	
Less:	
Income tax provision @ 37.50%	
Transferred/ paid for charitable activities	
Closing balance	

5,464,588	45,384,257
45,903,166	6,528,530
86,025	-
45,989,191	6,528,530
51,453,780	51,912,787
17,245,947	2,448,199
7,700,000	44,000,000
26,507,833	5,464,588

1 SEP 2024

Nasimul Baten

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



1 SEP 2024

M. Farid Uddin FCA, CPA
SV, Head of MS & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

1 SEP 2024

Mohammad Jahangir Alam
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Islami Bank Bangladesh PLC.
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1 SEP 2024

Mohammed Monirul Molla
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.




	31.12.2023 Taka	31.12.2022 Taka
15.4 Bills payable		
P.O. payable	10,449,126,983	7,789,272,121
T.T. payable	1,482,614	1,138,282
D.D. payable	39,966,542	48,487,126
BEFTN, RTGS EFT & ACS payable	1,976,519,698	2,222,675,219
Spot cash payable	191,138,858	226,848,790
Total	12,658,234,695	10,288,421,539
15.5 Maturity wise classification of deposits (other than inter-Bank deposit)		
Re-payable on demand	249,899,800,000	249,899,800,000
With a residual maturity of		
Re-payable within 1 month	22,671,443,721	16,321,725,406
Over 1 month but not more than 3 months	449,355,285,438	361,042,600,000
Over 3 months but within 6 months	358,691,370,573	348,796,100,000
Over 6 months but not more than 1 year	24,576,138,931	34,471,409,504
Over 1 year but not more than 5 years	326,182,513,040	308,024,900,000
Over 5 years but within 10 years	84,861,157,930	84,843,874,877
Unclaimed Deposits for 10 years or more	86,142,070	103,425,123
Sub-total	1,516,323,851,703	1,403,503,834,910
15.6 Maturity grouping of Inter- bank deposits are as under		
Re-payable on demand	-	-
With a residual maturity of		
Re-payable within 1 month	18,242,154,530	6,941,594,429
Over 1 month but within 6 months	-	-
Over 6 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years but within 10 years	-	-
Sub-total	18,242,154,530	6,941,594,429
Total (15.5+15.6)	1,534,566,006,233	1,410,445,429,339
15.7 Other banks' deposits with IBBPLC		
Al Wadeah Current Deposits	343,443,514	187,392,999
Mudaraba Special Notice Deposits	2,114,125,615	1,224,928,049
Mudaraba Savings Account	15,827,798	15,378,437
Mudaraba Term Deposits Receipt	15,768,757,603	5,513,894,944
Total	18,242,154,530	6,941,594,429
15.8 Sector wise break up of deposits and other accounts		
Government	752,770,000	751,589,000
Other banks' deposit	18,242,154,530	6,941,594,429
Other public	3,949,540,000	1,416,789,000
Foreign currency	41,670,506,576	55,259,705,491
Private	1,469,951,035,127	1,346,075,751,418
Total	1,534,566,006,233	1,410,445,429,339
15(a) Consolidated deposits & other accounts		
Islami Bank Bangladesh PLC.	1,534,566,006,233	1,410,445,429,339
Islami Bank Securities Limited	1,107,954	1,107,954
Islami Bank Capital Management Limited	-	-
Inter-company balances	(1,214,116,818)	(1,131,982,484)
Total	1,533,352,997,369	1,409,314,554,809
16.0 Mudaraba Bond		
Perpetual Bond (Note-16.1)	11,000,000,000	11,000,000,000
Redeemable Subordinated Bond (Note-16.2)	20,200,000,000	20,000,000,000
Total	31,200,000,000	31,000,000,000
16.1 Perpetual Bond		
Mudaraba Perpetual Bond (*)	3,000,000,000	3,000,000,000
Mudaraba Perpetual Contingent Convertible Bond (Note- 16.1.1)	8,000,000,000	8,000,000,000
	11,000,000,000	11,000,000,000
(*) Security pledged against Mudaraba Perpetual Bond (MPB)	4,489,100,000	4,489,100,000
16.1.1 Mudaraba Perpetual Contingent Convertible Bond		
Private Placement (Note-16.1.1.1)	7,200,000,000	7,200,000,000
Public Subscription	800,000,000	800,000,000
	8,000,000,000	8,000,000,000

1 SEP 2024


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

1 SEP 2024


Md. Farid Uddin FCA, CIPA
SVP, Head of Finance & CFO
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FAD, Head Office, Dhaka

1 SEP 2024


Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

1 SEP 2024


Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

16.1.1 Private placement
Standard Bank PLC.
Al-Arafah Islami Bank PLC.
Shahjalal Islami Bank PLC.
Trust Bank Limited
EXIM Bank Employees' Gratuity Fund
United Commercial Bank PLC.
Pubali Bank PLC.
Quality Feeds Limited
Total

2,305,840,000	2,305,840,000
2,000,000,000	2,000,000,000
1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000
494,160,000	494,160,000
230,000,000	230,000,000
100,000,000	100,000,000
70,000,000	70,000,000
7,200,000,000	7,200,000,000

16.2 Redeemable Subordinated Bond
Private Placement (Note-16.2.1)
Public Subscription

31.12.2023	31.12.2022
Taka	Taka
20,200,000,000	20,000,000,000
-	-
20,200,000,000	20,000,000,000

16.2.1 Private placement
Agrani Bank PLC.
EXIM Bank of Bangladesh Limited
Al-Arafah Islami Bank PLC.
Dutch-Bangla Bank PLC.
Shahjalal Islami Bank PLC.
Sonal Bank PLC.
Rupali Bank PLC.
Eastern Bank PLC.
Square Pharmaceuticals Limited
Pubali Bank PLC.
Southeast Bank PLC.
Dhaka Bank PLC.
EXIM Bank Employees' Gratuity Fund
AIB PLC Employees' Provident Fund
Genesis Textile
EXIM Bank Employees' Provident Fund
Total

3,800,000,000	5,300,000,000
3,000,000,000	3,000,000,000
2,000,000,000	2,000,000,000
1,800,000,000	2,000,000,000
1,360,000,000	1,880,000,000
1,240,000,000	1,720,000,000
1,200,000,000	1,600,000,000
800,000,000	1,000,000,000
400,000,000	500,000,000
200,000,000	400,000,000
200,000,000	300,000,000
200,000,000	300,000,000
1,400,000,000	-
1,000,000,000	-
1,000,000,000	-
600,000,000	-
20,200,000,000	20,000,000,000

17.0 Other liabilities
Provision for classified & unclassified investments and off- balance sheet items (Note- 17.1)
Provision for diminution in value of investments in shares (Note - 17.2)
Other provisions (Note- 17.3)
Compensation account (Note- 17.5)
Profit/rent/compensation suspense (Note- 17.6)
Current tax (Note-17.7)
Zakat payable (Note-17.8)
Foreign correspondents charges
Incentive bonus payable
Payable against expenditure
Clearing/Transfer delivery/BEFTN adjustment
F.C. Payable for IBBPLC Cards
Unclaimed dividend (Note-17.9)
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 (Note-17.10)
eWallet Payable
Others
Total

66,672,286,784	59,880,560,000
440,744,487	326,413,888
381,102,022	185,230,754
8,981,902,004	7,180,881,364
54,913,275,546	43,754,288,943
20,518,687,937	16,671,765,872
658,715,210	296,935,239
46,687,149	33,971,209
1,713,381,630	1,635,876,929
295,109,674	319,735,497
12,122,826	45,607,777
12,860,042	12,860,044
11,384,044	17,384,465
1,430,247	564,908,643
4,515,807,315	4,261,863,357
1,881,418,596	2,077,047,528
421,522	3,694,206
918,346,332	1,149,866,656
211,978,089	150,836,566
42,351,942	-
19,761,514,957	1,006,010,164
181,991,528,355	139,575,739,102

17.1 Provision for classified & unclassified investments and off- balance sheet items

General provision
Unclassified investments excluding OBU
Special General Provision COVID-19
Unclassified investments- OBU
Special mention account
Sub-total (Note-17.1.1)
Off-balance sheet items (Note-17.1.2)
Sub-total (General provision)
Specific provision (Note-17.1.3)
Sub-standard
Doubtful
Bad and loss (*)
Sub-total (Specific provision)
Total provision held at the end of the year

12,622,188,293	11,848,641,509
2,369,840,000	2,369,840,000
1,875,330,000	1,376,970,000
75,100,000	75,100,000
16,942,458,293	15,670,551,509
1,066,970,000	2,136,030,000
18,009,428,293	17,806,581,509
1,177,870,000	505,600,000
722,360,000	450,300,000
46,762,628,491	41,118,078,491
48,662,858,491	42,073,978,491
66,672,286,784	59,880,560,000

(*) As on 31 December 2023 provision of Tk. 27,041.97 million against Ananda Shipyard & Slipways Ltd., writ clients, rescheduled clients & restructured clients (considering qualitative judgment) is included in the specific provision (Bad & Loss) of Tk. 46,562.63 million against Tk. 23,635.88 million as on 31 December 2022.

Adequate provision for the investments, off-balance sheet items and other assets have been made as per the relevant circulars issued by Bangladesh Bank as well as decision taken in tripartite meeting amongst Bangladesh Bank Inspection Team, External Auditors and the Management of Islami Bank Bangladesh PLC. and subsequent Bangladesh Bank Letter No.DBI-6/51(11)/2024-308 dated 16 April 2024.

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Wd. Fund Under CIPA
SVP, Head of Finance & CFO
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Mohammad Jahangir Alam
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Mohammed Monirul Molla
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

	Taka	Taka
17.1.1 General provision on unclassified investment including OBU		
Provision held at the beginning of the year	15,670,551,509	13,857,628,293
Provision made/(no longer required) during the year	1,271,906,784	1,812,923,216
Total provision held at the end of the year	16,942,458,293	15,670,551,509
17.1.2 General provision on off-balance sheet items		
Provision held at the beginning of the year	2,136,030,000	2,184,050,000
Provision made/(no longer required) during the year	(1,069,060,000)	(48,020,000)
Total provision held at the end of the year	1,066,970,000	2,136,030,000
Sub-total (17.1.1+17.1.2)	18,009,428,293	17,806,581,509
17.1.3 Provision for classified investments		
Provision held at the beginning of the year	42,073,978,491	37,230,278,491
Fully provided investment written off/waived/transferred (Note-17.1.3.1)	(6,639,356)	(1,100,227)
Recoveries of amounts previously written off	287,689,592	244,773,412
Provision made/ (no longer required) during the year	6,307,829,764	4,600,026,815
Total provision held at the end of the year	48,662,858,491	42,073,978,491
Total provision for investments 17.1.1+17.1.3)	65,605,316,784	57,744,530,000
Total provision (17.1.1+17.1.2+17.1.3)	66,672,286,784	59,880,560,000
17.1.3.1 Fully provided investment written off/waived/transferred		
Written-off during the year	-	-
Compensation waived upto 2013 which was included in provision	6,639,356	1,100,227
Total	6,639,356	1,100,227
17.1.4 Provision made for investments & off-balance sheet items for the year		
Provision for classified investments	6,307,829,764	4,600,026,815
General provision on unclassified investment including OBU	1,271,906,784	2,243,083,216
Special General Provision Covid-19	-	(430,160,000)
General provision on off-balance sheet items	(1,069,060,000)	(48,020,000)
Total provision made during the year	6,510,676,548	6,364,930,031
Less: Provision kept to compensation realisable fund	795,000,000	-
Total provision charged in Profit & Loss A/c.	5,715,676,548	6,364,930,031

17.1.5 Total Provision Requirement and maintained for investments including off balance sheet items at the end of year 2023

Particulars	Required Provision for 2023 (Taka)	Maintained Provision for 2023 (Taka)
General provision on unclassified investment including OBU	16,941,960,000	16,942,460,000
Provision for classified investments	21,620,880,000	21,620,880,000
Provision for investments considering qualitative judgment	27,041,970,000	27,041,970,000
Total provision for investment	65,604,810,000	65,605,310,000
General provision on off-balance sheet items	1,066,970,000	1,066,970,000
Total provision for investment including off balance sheet items at the end of the year	66,671,780,000	66,672,280,000
Provision surplus/(deficit) for the year 2023		500,000

	31.12.2023 Taka	31.12.2022 Taka
17.2 Provision for diminution in value of investments in shares		
Opening balance	326,413,888	157,000
Add: Provision made/(adjustment) during the year	114,330,599	326,256,888
Closing balance (Note-17.2.1)	440,744,487	326,413,888
17.2.1 Provision for diminution in value of investments in shares(*)		
i) Dealing		
Quoted	371,568,719	261,975,310
Un-quoted	69,018,768	64,281,578
Sub-total	440,587,487	326,256,888
Required provision (i)	440,587,487	326,256,888
ii) Investment securities		
Quoted	-	-
Un-quoted	157,000	157,000
Sub-total (ii)	157,000	157,000
Total (i+ii)	440,744,487	326,413,888

(*) As per DOS Circular No.01 dated 24 May 2023, Dos Circular No. 04 dated 10 February 2020 and directions regarding preparation of Financial Statements in Clause no. 38 (Sub-Clause 4/Kha of First Schedule) of Bank Company Act, 1991 (Amended up-to 2018), provision required for shares is Tk. 371,725,719 and Mutual Funds is Tk. 69,018,768. The ultimate required provision for share and securities is Tk. 440,744,487 which is categorized between dealing & investment securities and Quoted & Un-Quoted securities as per directions.

17.2(a) Consolidated provision for diminution in value of investments in shares made during the year

Islami Bank Bangladesh PLC.	114,330,599	326,256,888
Islami Bank Securities Limited	97,807,266	140,456,245
Islami Bank Capital Management Limited	7,450,000	16,432,200
Total	219,587,865	483,145,333

17.3 Other provisions		
Provision for other assets (Note-17.3.1)	276,854,332	93,811,693
Provision for doubtful income account (Note-17.3.2)	104,247,690	91,419,061
Total	381,102,022	185,230,754

17.3.1 Provision for other assets		
Opening balance	93,811,693	212,734,438
Less: Settlement	-	-
Add: Provision made/(adjustment) during the year	183,042,639	(118,922,745)
Closing balance	276,854,332	93,811,693

Provision on other assets have been made as per BRPD Circular No.: 04 dated 12 April 2022.

1 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Md. Farid Uddin, CA, CIPA
SVP, Head of FAD & CEO
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Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

	31.12.2023 Taka	31.12.2022 Taka
17.3.2 Provision for doubtful income account		
Opening balance	91,419,061	232,996,761
Add: Provision made during the year	98,858,414	82,222,300
Less: Expended for charitable purposes	86,029,785	223,800,000
Closing balance	104,247,690	91,419,061
17.4 Other provisions made for the year		
Provision for other assets	183,042,639	(118,922,745)
Provision for doubtful income account	98,858,414	82,222,300
Total	281,901,053	(36,700,445)
17.5 Compensation account		
Opening balance	7,180,881,364	5,816,920,339
Addition during the year	5,499,888,279	3,420,945,640
Sub total	12,680,769,643	9,237,865,979
Less: Income tax provision @ 37.50%	1,743,072,384	1,282,854,615
Less: Expended for charitable activities	309,100,000	774,130,000
Less: Provision kept on compensation realizable fund	795,000,000	-
Less: Adjustment of actual administrative cost incurred against defaulter clients	851,695,256	-
Closing balance	8,981,902,004	7,180,881,364
17.6 Profit/rent/compensation suspense		
Profit/rent suspense (Note-17.6.1)	4,216,477,896	3,781,865,141
Compensation suspense (Note-17.6.2)	50,696,797,650	39,972,423,802
Total	54,913,275,546	43,754,288,943
17.6.1 Profit/rent suspense		
Balance at the beginning of the year	3,781,865,141	3,596,249,597
Amount transferred to suspense account during the year	614,564,409	450,436,666
Amount transferred to investment income during the year	(115,751,654)	(208,232,957)
Amount written-off during the year	-	-
Amount waived during the year	(64,200,000)	(56,588,165)
Balance at the end of the year	4,216,477,896	3,781,865,141
17.6.2 Compensation suspense		
Balance at the beginning of the year	39,972,423,802	32,578,938,316
Amount transferred to suspense account during the year	13,449,039,348	10,018,632,691
Amount transferred to compensation income during the year	(1,893,185,500)	(1,584,977,205)
Amount written-off during the year	-	-
Amount waived during the year	(831,480,000)	(1,040,170,000)
Balance at the end of the year	50,696,797,650	39,972,423,802
17.7 Current tax liability		
Balance of provision on 01 January	25,282,005,019	22,021,038,824
Add: Provision made during the year (Note 17.7.1)	10,571,206,273	8,768,960,631
Add: Other provision made during the year	1,760,318,331	1,285,302,814
Less: Settlement for previous year	8,329,574,441	6,793,297,250
Total (a)	29,283,955,182	25,282,005,019
Advance income tax paid		
Balance of advance tax on 01 January	8,610,239,147	8,651,054,551
Add: Payment made during the year	8,484,602,539	6,752,481,846
Less: Settlement for previous year	8,329,574,441	6,793,297,250
Total (b)	8,765,267,245	8,610,239,147
Net balance as at 31 December (a-b)	20,518,687,937	16,671,765,872
17.7.1 Provision for current tax made during the year		
Income tax @ 37.50% on taxable profit (A)	10,547,187,330	8,713,239,736
Add: Income tax @ 20% on dividend income	22,580,786	43,144,247
Capital Gain @ 10%	1,438,157	12,576,648
Estimated provision required as at 31 December	10,571,206,273	8,768,960,631
Computation of taxable profit		
Profit before tax	16,501,660,106	14,592,921,537
Less: Dividend income	112,903,928	215,721,237
Less: Capital Gain	14,381,573	125,766,484
Profit before tax (excluding dividend income and capital gain)	16,374,374,605	14,251,433,816
Add: Inadmissible expenditure	12,970,691,407	10,381,373,671
Less: Further allowable expenditure	1,219,233,132	1,397,501,525
Estimated taxable profit for the year (A)	28,125,832,881	23,235,305,962

Provision for tax for the year ended on 31 December 2023 has been made as per Income Tax Act, 2023 applying prevailing rates applicable on the net profit. Income tax assessments have been completed by the Deputy Commissioner of Taxes up to the accounting year 2020 and income tax return has been submitted for the year 2022. The Bank filed appeals/ writ petitions against tax assessment orders of different levels of tax authorities to the appropriate tax authorities and High Court on different disputed issues. Adequate provisions for those assessment years have been made in the books of accounts.

17.7.2 Reconciliation of effective tax rate

Particulars	2023		2022	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		16,501,660,106		14,592,921,537
Income Tax using the domestic corporate tax rate	37.50%	6,188,122,540	37.50%	5,472,345,576
Factors affecting the tax charge for current year:				
Non deductible expenses	29.48%	4,864,009,278	26.68%	3,893,015,127
Tax exempt income	-2.77%	(457,212,425)	-3.59%	(524,063,072)
Tax savings from reduced tax rates from dividend	-0.14%	(23,713,120)	-0.50%	(72,337,000)
Total income tax expenses	64.06%	10,571,206,273	60.09%	8,768,960,631

11 SEP 2024

Nasimul Baten

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Managing Director & CEO
DBH Finance PLC.

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Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

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Head Office, Dhaka.

	31.12.2023 Taka	31.12.2022 Taka
17.7(a) Consolidated current tax made during the year		
Islami Bank Bangladesh PLC.	10,571,206,273	8,768,960,631
Islami Bank Securities Limited	106,425,492	96,030,731
Islami Bank Capital Management Limited	(4,639,794)	5,679,219
Total	10,672,991,971	8,870,670,581
17.8 Zakat payable		
Opening balance	296,935,239	1,287,595,551
Addition during the year	1,062,913,871	970,999,128
Available for charitable activities	1,359,849,110	2,258,594,679
Less: expended for charitable activities	701,133,900	1,961,659,440
Closing balance	658,715,210	296,935,239
17.9 Unclaimed dividend		
Dividend remained unclaimed which were declared for the year:		
Before 2018	-	2,831,352
2018	-	2,792,633
2019	-	3,601,924
2020	2,800,215	3,652,417
2021	3,477,308	4,506,139
2022	5,106,521	-
Total	11,384,044	17,384,465
17.10 Start-Up Fund for investment		
Opening balance	150,836,566	91,602,110
Provision made during the year	61,141,523	59,234,456
Disbursement made during the year	-	-
Closing balance	211,978,089	150,836,566

The Bank has created Start-Up Fund for investment since 2020 as per SMESPD Circular no. 04, dated 29 March 2021 and SMESPD Circular Letter no. 05, dated 26 April 2021 as 1% of Net Profit of the Bank.

	31.12.2023 Taka	31.12.2022 Taka
17.11 Maturity-wise classification of other liabilities		
Repayable on demand	-	-
With a residual maturity of		
Up to 1 Month	8,986,999,179	3,140,500,000
Over 1 month but not more than 3 months	9,077,776,948	5,055,700,000
Over 3 months but not more than 1 year	27,233,330,843	5,836,500,000
Over 1 year but not more than 5 years	18,155,553,895	5,397,700,000
More than 5 years	118,537,867,490	120,145,339,102
Total	181,991,528,355	139,575,739,102
17(a) Consolidated other liabilities		
Islami Bank Bangladesh PLC.	181,991,528,355	139,575,739,102
Islami Bank Securities Limited	4,943,903,541	4,989,518,719
Islami Bank Capital Management Limited	431,691,588	405,974,694
Inter-company balances	(5,010,332,431)	(5,046,533,236)
Total	182,356,791,053	139,924,699,279

18.0 Deferred tax (assets)/liabilities
Deferred tax assets and liabilities have been recognised and measured in accordance with the provision of International Accounting Standard (IAS)-12 "Income Taxes" and BRPD circular No. 11 dated 12 December 2011. Calculation of deferred tax has been made on all temporary differences between the tax base and carrying amounts for financial reporting purpose. Deferred tax assets and liabilities are attributable to the following:

	31.12.2023 Taka	31.12.2022 Taka
(i) Deferred tax on fixed assets excluding revaluation surplus		
Carrying amount	5,897,234,847	6,344,997,627
Tax Base	5,876,335,931	5,834,236,255
Temporary timing difference	20,898,916	510,761,372
Deferred tax (asset)/liability @ 37.50%	7,837,094	191,535,515
Opening balance	191,535,515	291,020,236
Deferred tax (income)/expenses	(183,698,421)	(99,484,721)
(ii) Deferred tax on revaluation reserve of Building		
Carrying amount	3,136,800,872	3,322,447,163
Tax Base	-	-
Temporary timing difference	3,136,800,872	3,322,447,163
Deferred tax (asset)/liability @ 37.50%	1,176,300,327	1,245,917,686
Opening balance	1,245,917,686	1,277,864,293
Transfer to /from reserve	(69,617,359)	(31,946,607)
(iii) Deferred tax on revaluation reserve of securities (HTM)		
Carrying amount	214,000,000	230,600,000
Tax Base	20,000,000	20,000,000
Temporary timing difference	194,000,000	210,600,000
Deferred tax (asset)/liability @ 10.00%	19,400,000	21,060,000
Opening balance	21,060,000	14,105,600
Transfer to /from reserve	(1,660,000)	6,954,400
iv) Deferred tax on provision for Rebate for good borrowers		
Carrying amount	-	-
Tax Base	-	-
Temporary timing difference	-	-
Deferred tax (asset)/liability @ 37.50%	-	-
Opening balance	-	-
Deferred tax (income)/expenses	-	-
(v) Net deferred tax (income)/expenses (i+iv)	(183,698,421)	(99,484,721)
(vi) Net deferred tax (assets)/liabilities (i+ii+iii+iv)	1,203,537,421	1,458,513,201
(vii) Net deferred tax transferred to reserve (ii)	(69,617,359)	(31,946,607)
(viii) Net deferred tax transferred from reserve (iii)	(1,660,000)	6,954,400

11 SEP 2024

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Managing Director
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Head Office, Dhaka.

18(a) Consolidated Deferred tax (assets)/liabilities
 Islami Bank Bangladesh PLC.
 Islami Bank Securities Limited
 Islami Bank Capital Management Limited
 Total

31.12.2023	31.12.2022
Taka	Taka
1,203,537,421	1,458,513,201
(2,224,699)	(2,447,928)
148,320	318,730
1,201,461,042	1,456,384,003

18(b) Consolidated Deferred tax (income)/expenses for the year
 Islami Bank Bangladesh PLC.
 Islami Bank Securities Limited
 Islami Bank Capital Management Limited
 Total

2023 (Taka)	2022 (Taka)
(183,698,421)	(99,484,721)
223,228	220,151
(170,411)	(47,123)
(183,645,604)	(99,311,693)

19.0 Share capital

19.1 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.

19.2 Brief history of raising of Paid up capital

Paid-up Capital of the Bank at the end of the year 2023 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)	Year	Remarks
500	13.03.1983	1,000	500	500,000	1983	Initial Capital
9,000	23.03.1983	1,000	9,500	9,500,000	1983	Sponsors subscription
2,500	23.03.1983	1,000	12,000	12,000,000	1983	Local Placement Holders subscription
56,000	23.03.1983	1,000	68,000	68,000,000	1983	Foreign Placement Holders subscription
4,000	10.04.1984	1,000	72,000	72,000,000	1984	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	1985	IPO subscription on 22.08.1985
80,000	12.03.1990	1,000	160,000	160,000,000	1990	1 st Rights -1989 (1R:1)
160,000	06.10.1996	1,000	320,000	320,000,000	1996	2 nd Rights -1996 (1R:1)
320,000	01.03.2001	1,000	640,000	640,000,000	2000	3 rd Rights 2000 (1R:1)
1,280,000	08.11.2003	1,000	1,920,000	1,920,000,000	2003	4 th Rights 2003 (2R:1)
384,000	27.10.2004	1,000	2,304,000	2,304,000,000	2003	Bonus - 2003 (1B:5) – Stock Dividend @20%
460,800	17.11.2005	1,000	2,764,800	2,764,800,000	2004	Bonus -2004 (1B:5) – Stock Dividend @20%
691,200	17.10.2006	1,000	3,456,000	3,456,000,000	2005	Bonus -2005 (1B:4) – Stock Dividend @25%
345,600	30.10.2007	1,000	3,801,600	3,801,600,000	2006	Bonus -2006 (1B:10) – Stock Dividend @10%
950,400	30.09.2008	1,000	4,752,000	4,752,000,000	2007	Bonus - 2007 (1B:4) – Stock Dividend @25%
	30.11.2008	100	47,520,000	4,752,000,000	2008	IBBPLC 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	2008	Bonus - 2008 (3B:10) – Stock Dividend @30%
12,355,200	02.06.2010	100	74,131,200	7,413,120,000	2009	Bonus 2009 (1B:5) – Stock Dividend @20%
25,945,920	25.05.2011	100	100,077,120	10,007,712,000	2010	Bonus 2010 (35B:100) – Stock Dividend @35%
	04.12.2011	10	1,000,771,200	10,007,712,000		IBBPLC 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	2011	Bonus - 2011 (1B:4) – Stock Dividend @25%
212,663,880	30.05.2013	10	1,463,627,880	14,636,278,800	2012	Bonus - 2012 (17B:100) – Stock Dividend @17%
146,362,788	05.06.2014	10	1,609,990,668	16,099,906,680	2013	Bonus - 2013 (10B:100) – Stock Dividend @10%
	Total		1,609,990,668	16,099,906,680		

11 SEP 2024

Anto

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 Managing Director & CEO
 DBH Finance PLC.

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 SVE, Head of FAD & CFO
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19.2.1 The Paid-up Capital of the Bank is Tk. 16,099,906,680 divided into 1,609,990,668 ordinary shares of Tk. 10 each fully subscribed by:

Particulars	No. of Shares as on 31 Dec, 2023	% of Total	31.12.2023	31.12.2022
			Amount in Taka	Amount in Taka
(i) Sponsors/ promoters*	577,837,577	35.8907%	5,778,375,770	8,864,816,110
(ii) General public	1,032,132,774	64.1080%	10,321,327,740	7,234,887,400
(iii) Government of the People's Republic of Bangladesh**	20,317	0.0013%	203,170	203,170
Total	1,609,990,668	100.00%	16,099,906,680	16,099,906,680

* As per the requirement of Regulation no. 2(1)(r) of Dhaka Stock Exchange (Listing) Regulations, 2015 and Chittagong Stock Exchange (Listing) Regulations, 2015, the Shares holding by Sponsors/promoters of Foreign directors have been shifted to General public categories.

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

19.2.2 Break up of share holding and percentage thereof as on 31.12.2023

Holdings	No. of Shareholders	Total Holdings/No. of Shares	Percentage (%)
Less than 500 Shares	14,135	2,137,471	0.1328%
500 to 5,000 Shares	9,175	15,426,947	0.9582%
5,001 to 10,000 Shares	1,131	8,241,808	0.5119%
10,001 to 20,000 Shares	574	8,286,378	0.5147%
20,001 to 30,000 Shares	225	5,497,192	0.3414%
30,001 to 40,000 Shares	100	3,503,970	0.2176%
40,001 to 50,000 Shares	82	3,804,226	0.2363%
50,001 to 100,000 Shares	127	9,400,704	0.5839%
100,001 to 1,000,000 Shares	169	51,807,864	3.2179%
Over 1,000,000 Shares	55	1,501,884,108	93.2853%
Total	25,773	1,609,990,668	100.00%

20.0 Capital adequacy as per Basel - III as on 31 December 2023

The Calculation of Capital to Risk-weighted Assets Ratio (CRAR) of the Bank has been done as per the revised guidelines on Guidelines of 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. Detail calculation of Capital Adequacy as per Basel-III as on December 31, 2023 is given below:

(Amount in million Taka)			
	31.12.2023 (Consolidated)	31.12.2023 (Solo)	31.12.2022 (Consolidated)
20.1 A. Regulatory capital			
Tier-1 (Going Concern Capital) (Note-20.1.1)	76,615.07	74,967.29	71,140.82
Tier-2 (Gone Concern Capital) (Note-20.1.2)	33,409.43	33,409.43	33,006.58
Total regulatory capital	110,024.50	108,376.71	104,147.40
20.1.1 Tier-1 (Going Concern Capital)			
Common Equity Tier-1 (CET-1) (Note-20.1.1.1)	65,615.07	63,967.29	60,140.82
Additional Tier (AT-1) (Note-20.1.1.2)	11,000.00	11,000.00	11,000.00
Total Tier-1 (Going Concern Capital)	76,615.07	74,967.29	71,140.82
20.1.1.1 Common Equity Tier-1 (CET-1)			
Fully paid-up capital/capital deposited with BB	16,099.91	16,099.91	16,099.91
Statutory reserve	22,735.47	22,735.47	21,735.47
Non-repayable share premium account	1.99	1.99	1.99
General reserve	23,688.46	23,609.34	19,484.57
Retained earnings	3,178.70	1,609.99	2,962.83
Non-controlling interest in subsidiaries	0.31	-	0.30
Dividend equalization account	32.00	32.00	32.00
i. Sub total	65,736.83	64,088.69	60,317.07
Deductions from Tier-1 (Going Concern Capital)			
Book value of goodwill/intangible assets	121.76	121.40	176.25
Shortfall in provisions required against classified assets	-	-	-
Shortfall in provisions required against investment in shares	-	-	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other	-	-	-
Reciprocal crossholdings of bank capital /subordinated debt	-	-	-
Any investment exceeding the approved limit	-	-	-
ii. Sub total	121.76	121.40	176.25
Total eligible CET-1 (i-ii)	65,615.07	63,967.29	60,140.82
20.1.1.2 Additional Tier-1 Capital (AT-1)			
Mudaraba Perpetual and Perpetual Contingent Convertible Bond	11,000.00	11,000.00	11,000.00
Total AT-1	11,000.00	11,000.00	11,000.00

1 SEP 2024

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(Amount in million Taka)

20.1.2 Tier-2 (Gone Concern Capital)

General provision (unclassified investment and off balance sheet exposure)
Mudaraba redeemable subordinated bond
Assets revaluation reserves
Revaluation reserves of securities
Revaluation reserves for equity instruments
All other preference shares
Others (if any item approved by Bangladesh Bank)

i. Sub total

ii. Deductions, if any

Excess amount over maximum limit of Tier-II Capital has been deducted

Total Eligible Tier-2 Capital (i-ii)

31.12.2023 (Consolidated)	31.12.2023 (Solo)	31.12.2022 (Consolidated)
18,009.43	18,009.43	17,806.58
15,400.00	15,400.00	15,200.00
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
33,409.43	33,409.43	33,006.58
-	-	-
-	-	-
33,409.43	33,409.43	33,006.58
776,336.65	777,422.12	739,455.94
757,837.67	758,923.15	718,332.22
18,498.98	18,498.98	21,123.72
10,733.13	10,733.13	13,238.34
71,225.21	70,281.13	66,990.24
858,294.99	858,436.39	819,684.52
858,294.99	858,436.39	819,684.52
12.82%	12.62%	12.71%
8.93%	8.73%	8.68%
3.89%	3.89%	4.03%
85,829.50	85,843.64	81,968.45
24,195.00	22,533.08	22,178.95
107,286.87	107,304.55	102,460.56
2,737.62	1,072.17	1,686.84

20.2 Risk Weighted Assets (RWA) for

1. Investment (Credit) risk (i+ii)

(i) On-balance sheet

(ii) Off-balance sheet

2. Market Risk

3. Operational risk

Total Risk Weighted Assets (1+2+3)

B. Total Risk Weighted Assets (RWA) (Note-20.2)

C. Capital to Risk Weighted Asset Ratio (CRAR) (as against required above 12.50%)

D. Going Concern Capital to RWA (as against required minimum 6.00%)

E. Gone Concern Capital capital to RWA

F. Minimum Capital Requirement (MCR)

G. Surplus capital (A-F)

H. Minimum capital requirement including capital conservation buffer

I. Surplus capital considering conservation buffer (A-H)

Notes

1. Mudaraba Perpetual and Perpetual Contingent Convertible Bond of Tk 11,000 million has been qualified for Additional Tier-I Capital under Basel-III Guidelines.

2. Mudaraba Redeemable Subordinated Bond of Tk. 15,400.00 million out of Tk. 20,200.00 million has been qualified for Tier-II Capital under Basel-III Guidelines.

21.0 Statutory reserve

Opening balance

Add: Addition made this year

Closing balance

31.12.2023 Taka	31.12.2022 Taka
21,735,466,258	20,735,466,258
1,000,000,000	1,000,000,000
22,735,466,258	21,735,466,258

At least 20% of net profit before tax is to be transferred to statutory reserve account each year until the cumulative balance equal to the amount of paid up capital account as per Section 24 of the Bank Company Act 1991 as amended. Though the cumulative balance of statutory reserve exceeded the amount of paid up capital, the Board of Directors has decided to transfer an amount of Tk. 1,000,000,000/- to statutory reserve account.

22.0 Other reserves

General reserve (Note-22.1)

Assets revaluation reserve (Note-22.2)

Revaluation reserve of securities (Note-22.3)

Translation reserve (Note-22.4)

Share premium

Dividend equalization account

Total

23,609,337,478	19,428,756,166
6,903,383,328	9,018,051,329
174,600,000	189,540,000
26,112,120	46,453,350
1,989,633	1,989,633
32,000,000	32,000,000
30,747,422,558	28,716,790,478

22.1 General reserve

Opening balance

Add: Addition/(adjustment) made this year

Closing balance

19,428,756,166	16,866,067,837
4,180,581,312	2,562,688,329
23,609,337,478	19,428,756,166

22.2 Assets revaluation reserve

Opening balance

Add: Addition made this year

Add: Deferred tax impact on excess depreciation

Less: Adjustment/sale made during the year (*)

Less: Depreciation adjustment on revalued amount of building

Closing balance

9,018,051,329	9,071,295,675
-	-
69,617,359	31,946,607
2,103,769,139	-
80,516,221	85,190,953
6,903,383,328	9,018,051,329

* A portion of revalued Land & Building has been sold out during the year 2023.

22.3 Revaluation reserve of securities

Opening balance

Add: Addition made this year

Add: Deferred tax impact on revaluation reserve of securities

Less: Adjustment made this year

Closing balance

189,540,000	126,950,400
(16,600,000)	69,544,000
1,660,000	(6,954,400)
-	-
174,600,000	189,540,000

22.4 Translation reserve

Opening balance

Add: Addition/(adjustment) made this year

Closing balance

46,453,350	17,627,126
(20,341,230)	28,826,224
26,112,120	46,453,350

22.(a) Consolidated other reserves

Islami Bank Bangladesh PLC.

Islami Bank Securities Limited

Islami Bank Capital Management Limited

Total

30,747,422,558	28,716,790,478
79,118,053	55,817,675
-	-
30,826,540,611	28,772,608,153

23.0 Letters of guarantee

(a) Claim against the bank which is not acknowledged as debt

(b) Money for which the bank is contingently liable in respect

of guarantees issued favouring:

i) Directors

ii) Government

iii) Bank and other financial institutions

iv) Others

Total

-	-
-	-
7,384,216,295	8,091,236,549
185,410,410	235,146,254
19,147,835,297	22,785,883,360
26,716,961,910	31,062,356,163

1 SEP 2024

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Head Office, Dhaka.

	2023 Taka	2022 Taka
24.0 Investment income		
Income from general investment (Note-24.1)	98,062,333,861	81,644,170,911
Profit on deposits with other banks & financial institutions (Note-24.2)	6,965,118,773	6,340,086,342
Total	105,027,452,635	87,984,257,253
24.1 Income from general investment (*)		
Bai Murabaha	59,572,569,746	51,604,063,081
Musharaka /Musharaka Documentary Bills	620,339,430	379,098,358
Bai Muajjal	7,417,688,251	7,037,011,641
Hire Purchase under Shirkatul Melk	18,394,233,089	15,306,802,752
Bai Salam	1,076,985,376	1,431,902,372
Bai -As- Sarf (FDB /FCD), IBP, MFCI and UPAS	1,216,969,857	870,685,213
Investment income: Off-shore Banking Unit (OBU)	9,645,982,189	4,909,057,151
Income on overseas Investment	-	-
Income on Mudaraba Investment	117,565,924	105,550,342
Sub total	98,062,333,861	81,644,170,911
(*) This amount includes any amount transferred from profit/rent suspense due to recovery or regularization of investment (i.e. due to declassification of investment) during the year. Amount transferred from profit/rent suspense is included in the "Investment income under respective mode of investment" and amount transferred from compensation suspense is included under "Compensation income".		
24.2 Profit on deposits with other banks & financial institutions		
In Bangladesh	6,965,118,773	6,340,086,342
Outside Bangladesh	-	-
Sub total	6,965,118,773	6,340,086,342
Grand total (24.1+24.2)	105,027,452,635	87,984,257,253
24.3 Investment income derived from the fund deployed by		
Mudaraba deposits	91,576,429,354	82,529,233,303
Other deposits/fund	13,451,023,281	5,455,023,950
Total	105,027,452,635	87,984,257,253
24(a) Consolidated investment income		
Islami Bank Bangladesh PLC.	105,027,452,635	87,984,257,253
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Inter-company transactions	(122,634,924)	(105,908,901)
Total	104,904,817,711	87,878,348,352
25.0 Profit paid on mudaraba deposits		
Profit paid on Mudaraba Savings Deposit	10,004,553,696	8,432,349,976
Profit paid on Mudaraba Term Deposit Account	32,999,123,433	27,150,454,732
Profit paid on other Mudaraba Deposits	13,423,752,287	13,753,100,226
Profit paid on Placement	5,730,093,889	3,312,973,190
Profit paid on Mudaraba Subordinate Bond	1,324,337,441	1,160,653,424
Profit Paid on MPSA	-	95,349,161
Profit Paid on Agri-Refinance & Pre-Finance	107,893,300	28,245,549
Profit Paid on borrowing from BGIS & other banks	2,102,823,669	143,924,011
Total	65,692,577,714	54,077,050,268
25(a) Consolidated profit paid on mudaraba deposits		
Islami Bank Bangladesh PLC.	65,692,577,714	54,077,050,268
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Inter-company transactions	(77,779,613)	(58,565,787)
Total	65,614,798,101	54,018,484,481
26.0 Income from investments in shares & securities		
i. Inside Bangladesh		
Bangladesh Government Islamic Investment Bond (BGIB)	2,108,358,167	248,740,902
Bangladesh Government Sukuk Bond (Islamic Bond)	1,513,615,623	1,255,647,937
Income on Share Securities Trading	14,381,573	125,766,484
Dividend Income (Note-26.1)	112,903,928	215,721,237
Profit on Mudaraba Perpetual Bond	415,229,168	410,432,111
Profit on Mudaraba Subordinated Bond	403,617,050	445,160,946
Sub total (i)	4,568,105,509	2,701,469,616
ii. Outside Bangladesh		
Sub total (ii)		
Total (i+ii)	4,568,105,509	2,701,469,616
26.1 Dividend Income		
Bangladesh Shipping Corporation (BSC)	5,000,000	6,400,000
Central Depository Bangladesh Ltd. (CDBL)	4,569,442	5,711,803
Islami Bank Securities Limited	-	-
Islami Bank Capital Management Limited	-	-
Other Companies	103,334,486	203,609,434
Total	112,903,928	215,721,237
26(a) Consolidated income from investments in shares & securities		
Islami Bank Bangladesh PLC.	4,568,105,509	2,701,469,616
Islami Bank Securities Limited	140,527,797	256,585,487
Islami Bank Capital Management Limited	12,411,671	30,682,972
Inter-company transactions	-	-
Total	4,721,044,977	2,988,738,075
27.0 Commission, exchange & brokerage income		
Commission income	4,872,074,925	5,039,249,497
Exchange income (Note 27.1)	2,656,367,091	4,358,213,341
Total	7,528,442,016	9,397,462,838
27.1 Exchange income		
Gross exchange gain	2,656,367,091	4,358,213,341
Less: exchange loss	-	-
Net exchange gain	2,656,367,091	4,358,213,341

1 SEP 2024

Nasimul Baten

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Md. Faris Uddin
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

	2023 Taka	2022 Taka
27(a) Consolidated commission, exchange & brokerage income Islami Bank Bangladesh PLC. Islami Bank Securities Limited Islami Bank Capital Management Limited Total	7,528,442,016 64,056,898 - 7,592,498,914	9,397,462,838 38,610,150 - 9,436,072,988
28.0 Other operating income Rent on locker Telephone/ trunk call charge E & TA fees recovered Account maintenance charges Service charges recovered Income from Mobile Wallet Rent on premises realised Sale proceeds of tender schedule Profit on sale of bank's car Cheque charge realised P&T Charge realised Commission on NPS network transaction Proposal processing fees & services charge Commission on remote transaction Document processing fee (F.Ex.) Commission on agent banking SMS Charge Others Total	32,019,298 26,484 2,480 1,015,476,300 255,210,444 10,348,081 15,104,121 1,462,953 1,195,536 90,915,222 15,287,339 208,501,853 731,970,899 661,137,586 219,622,240 530,375,897 1,088,084,106 4,032,747,087 8,909,487,926	28,637,071 22,159 154,539 1,018,291,102 442,881,278 14,618,061 11,707,282 1,724,400 12,891,173 90,370,957 49,482,552 130,801,217 702,567,316 819,894,471 170,309,459 449,898,010 930,709,224 1,648,016,916 6,522,977,186
28(a) Consolidated other operating income Islami Bank Bangladesh PLC. Islami Bank Securities Limited Islami Bank Capital Management Limited Inter Company Transactions Total	8,909,487,926 417,975,407 28,157,878 (77,779,613) 9,277,841,598	6,522,977,186 340,687,555 26,332,807 (58,565,787) 6,831,431,761
29.0 Salary & allowances (*) Basic pay Allowances Bonus Contribution to provident fund Contribution to Gratuity Contribution to benevolent fund and superannuation fund Total	9,749,880,287 7,679,089,461 2,868,141,975 729,282,452 881,213,303 115,800,000 22,023,407,478	9,139,297,069 6,831,729,036 2,658,153,672 645,331,546 886,800,000 91,815,300 20,253,126,623
29(a) Consolidated salary & allowances Islami Bank Bangladesh PLC. Islami Bank Securities Limited Islami Bank Capital Management Limited Total	22,023,407,478 45,498,665 15,079,630 22,083,985,773	20,253,126,623 35,926,451 14,289,156 20,303,342,230
30.0 Rent, taxes, insurances, electricity etc. Rent, rates and taxes (*) Insurance Electricity and lighting Total	644,114,750 981,377,537 507,045,243 2,132,537,530	682,766,582 994,793,118 457,597,424 2,135,157,124
(*) Rent expense reverse Tk. 332,423,025 for implementing IFRS-16: Lease.		
30(a) Consolidated rent, taxes, insurances, electricity etc. Islami Bank Bangladesh PLC. Islami Bank Securities Limited Islami Bank Capital Management Limited Total	2,132,537,530 7,866,842 61,823 2,140,466,195	2,135,157,124 7,349,140 43,060 2,142,549,324
31.0 Legal expenses Legal charges	7,577,062	8,480,848
31(a) Consolidated legal expenses Islami Bank Bangladesh PLC. Islami Bank Securities Limited Islami Bank Capital Management Limited Total	7,577,062 472,970 839,696 8,889,728	8,480,848 2,905,279 1,146,748 12,532,875
32.0 Postage, stamps, telecommunications etc. Telephone Postage Fax, internet & stamps charges Total	134,317,856 - 3,455,885 137,773,741	118,465,257 - 11,707,087 130,172,344
32(a) Consolidated postage, stamps and telecommunication etc. Islami Bank Bangladesh PLC. Islami Bank Securities Limited Islami Bank Capital Management Limited Total	137,773,741 325,328 259,039 138,358,108	130,172,344 460,662 232,543 130,865,549
33.0 Stationery, printing and advertisement etc. Paper & table stationery Printing and stationery (registers and forms) Advertisement & publicity Total	55,531,297 105,808,255 198,878,011 360,217,563	50,493,694 94,229,212 154,052,752 298,775,659

11 SEP 2024

Nasim Baten

Nasim Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

Md. Farid Uddin FC, CMA
SVP, Head of AD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

	2023 Taka	2022 Taka
33(a) Consolidated stationery, printing and advertisement etc.		
Islami Bank Bangladesh PLC.	360,217,563	298,775,659
Islami Bank Securities Limited	389,283	557,475
Islami Bank Capital Management Limited	95,452	72,882
Total	360,702,298	299,406,016
34.0 Chief executive's salary & fees		
Basic pay	9,261,000	8,820,000
House rent allowance	840,000	840,000
Medical allowance	1,440,000	1,440,000
Utilities allowance	1,080,000	1,080,000
Festival bonus	1,962,850	1,617,000
Incentive bonus	735,000	750,000
Leave Fare Assistance	1,440,000	1,440,000
House Maintenance	1,200,000	1,200,000
Bank Contribution to PF	460,478	882,000
Total	18,419,328	18,069,000
35.0 Directors' fees and expenses		
Directors' fees for attending board/ executive committee/ other committees meeting	3,784,000	3,177,200
TA/DA/hotel fare for local & foreign directors	2,845,860	410,778
Others	-	-
Total	6,629,860	3,587,978
35.1 Rate of fees for attending board/ executive committee/ other committees meeting		
For board meeting	8,000	8,000
For executive committee/ other committees meeting	8,000	8,000
35(a) Consolidated directors' fees and expenses		
Islami Bank Bangladesh PLC.	6,629,860	3,587,978
Islami Bank Securities Limited	1,170,875	1,340,954
Islami Bank Capital Management Limited	544,588	437,647
Total	8,345,323	5,366,579
36.0 Shari'ah supervisory committee's fees & expenses		
Shari'ah supervisory members' fees for attending meeting	1,556,000	1,681,265
TA/DA/hotel fare	-	32,000
Total	1,556,000	1,713,265
36.1 Rate of fees for attending shariah supervisory		
For shariah supervisory meeting	8,000	8,000
For sub-committee meeting	8,000	8,000
37.0 Auditors' fees		
Auditors' fees	3,086,250	3,450,000
37(a) Consolidated auditors' fees		
Islami Bank Bangladesh PLC.	3,086,250	3,450,000
Islami Bank Securities Limited	92,000	92,000
Islami Bank Capital Management Limited	57,500	57,500
Total	3,235,750	3,599,500
38.0 Depreciation/amortization and repair to bank's assets		
i) Depreciation/amortization		
Premises (building)	113,348,329	119,929,274
Furniture & fixtures	81,203,221	79,453,120
Mechanical appliances	149,829,461	163,258,068
Computer	211,006,645	161,062,508
Motor vehicles	163,979,230	191,966,966
Books	389,055	498,858
ATM	529,608,014	444,297,194
Depreciation on lease assets	275,247,816	330,184,768
Amortization: intangible assets	70,116,964	68,238,653
Sub total (i)	1,594,728,734	1,558,889,409
ii) Repair of bank's properties/assets	148,984,103	121,852,037
Grand total (i+ii)	1,743,712,837	1,680,741,446
38(a) Consolidated depreciation and repair to bank's assets		
Islami Bank Bangladesh PLC.	1,743,712,837	1,680,741,446
Islami Bank Securities Limited	5,790,900	5,515,060
Islami Bank Capital Management Limited	2,453,100	2,189,169
Total	1,751,956,837	1,688,445,675
39.0 Other expenses		
TA/ DA	139,880,052	175,037,594
Repairs to rented premises	4,621,226	20,286,612
Motor car running & maintenance (Note-39.1)	206,737,237	177,430,387
Periodicals & newspapers	21,511,262	18,392,838
Entertainment Expenses	137,707,867	131,992,861
Overtime	62,190,582	60,758,863
Training expenses	35,108,869	28,876,657
Meeting expenses	1,655,052	312,598
Bank charges	20,946,106	32,556,462
Uniforms	25,077,389	25,801,870
Conveyance	41,845,451	41,078,768
Cash award	46,703,588	43,718,200
Membership fees	14,364,026	12,725,629
Staff welfare	2,006,040	1,991,410

11 SEP 2024


Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

11 SEP 2024


Md. Farid Uddin, CPA
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 FAD, Head Office, Dhaka



11 SEP 2024


Mohammad Jahangir Alam
 Company Secretary (C.C.)
 Islami Bank Bangladesh PLC.
 Head Office, 40, Dilkusha C/A, Dhaka,

11 SEP 2024


Mohammed Monirul Moulana
 Managing Director
 Islami Bank Bangladesh PLC.
 Head Office, Dhaka.

	2023 Taka	2022 Taka
Evening banking allowance	28,950	1,620,542
Computer expenses	55,600,425	55,654,271
Wages	61,860,183	64,545,204
Discomfort allowance	71,237,840	57,770,349
Air condition maintenance	2,126,718	1,377,758
WASA/gas expenses	30,512,618	28,934,669
Washing charges	26,579,420	23,836,911
Transportation charges	8,443,038	18,492,122
Reuters charges	15,683,066	34,050
Business development expenses	841,974,979	440,746,565
Photocopy expenses	24,942,430	22,908,113
Upkeep of office premises	36,546,749	33,586,749
Clearing house expenses	90,291	82,641
Band width charges	139,736,378	147,565,434
Bond expenses (*)	437,980,820	422,393,438
Recruitment expenses	789,640	9,739,118
Professional fees	8,512,560	2,609,698
Loss on sale of bank's fixed asset	5,082,036	3,400,312
Mobile wallet expense	8,026,083	9,972,384
BACH Expense	640,196	734,430
RDS expenses (Note-39.2)	112,532,506	105,556,905
NPS network transactions charges	23,717,707	22,637,343
VISA expenses	306,198,096	190,842,060
Maintenance of software	224,625,526	60,190,861
Diploma in Islamic Banking related expenses	10,224,054	10,992,560
Agent Banking related expenses	2,573,970,089	2,266,513,990
Finance charge on lease rental	62,562,661	76,877,066
Safety materials (COVID-19) & Special aid	169,900	3,721,984
ATM related expense	229,481,372	23,147,849
Others	4,149,279,469	899,989,072
Total	10,229,510,546	5,777,435,198

(*) Bond expenses includes Tk. 1,948,918 incurred against 02 (two) Perpetual Bonds, Tk. 41,083,013 incurred against 05 (five) redeemable bonds and Tk. 394,394,889 incurred against payment as additional coupon/profit to the bondholders of redeemable bonds.

39.1 Motor car running and maintenance

As on 31.12.2023 the Bank had 450 (Four hundred and fifty) Motor Vehicles (Car- 359, Jeep- 41, Pickup- 48 and Microbus- 2). Out of 450 vehicles, 334 cars are attached with the senior executives of the Bank as per transport policy of the Bank and rest vehicles are used for carrying cash, development works and other important works of the Bank. A sum of Tk. 206,737,237 was incurred during the year 2023 as against Tk. 177,430,387 incurred during the year 2022 for repairs, maintenance, purchase of fuel & lubricants and insurance etc. for the motor vehicles of the Bank.

39.2 RDS expenses

Risk allowance	33,418,000	30,235,000
By-cycle allowance	2,526,000	2,504,000
Motor cycle allowance	32,308,906	32,224,000
Field allowance	6,445,600	6,428,503
TA/ DA	10,821,000	9,898,000
Fuel	10,885,000	10,563,451
Stationary	10,407,000	8,801,950
Repairing	5,721,000	4,902,000
Total	112,532,506	105,556,904

39.3 VAT related to expenditures

All the expenditures reported in this Financial Statements are inclusive of VAT except for specific items which are exempted from VAT by appropriate authority.

39(a) Consolidated other expenses

Islami Bank Bangladesh PLC.	10,229,510,546	5,777,435,198
Islami Bank Securities Limited	129,061,728	112,025,268
Islami Bank Capital Management Limited	6,795,775	5,933,952
Inter Company transactions	(122,634,924)	(105,908,901)
Total	10,242,733,125	5,789,485,517

40.0 Retained earnings: movement of surplus in profit & loss account

Retained earnings as on 1 January	1,609,990,668	1,609,990,668
Revaluation reserve of assets/securities transferred to retained earnings (**)	1,530,645,029	30,491,680
Add: Net profit after tax for the year	6,114,152,254	5,923,445,627
Add: Depreciation adjustment on revalued assets	80,516,221	85,190,953
Sub-total	9,335,304,172	7,649,078,928
Less:		
Transfer to statutory reserve	1,000,000,000	1,000,000,000
Transfer to/(from) general reserve	4,180,581,312	2,562,688,329
Dividend paid (Previous Year)	1,609,990,668	1,609,990,668
Transfer to start-up Fund	61,141,523	59,234,456
Coupon/profit on perpetual bond (**)	873,600,002	807,174,807
Sub-total	7,725,313,504	6,039,088,260
Balance of retained earnings as at 31 December	1,609,990,668	1,609,990,668

(*) The amount has been arisen due to sale of a revalued Land & Building during the year 2023.

(**) As per Bangladesh Bank's Letter BRPD (BS)661/14BP/2022-3317 payment of Coupon/Profit against perpetual bond should be presented as Distributable items of the Bank.

40(a) Consolidated retained earnings

Retained earnings as on 1 January	2,962,834,552	2,749,579,142
Revaluation reserve of assets/securities transferred to retained earnings	1,530,645,029	30,491,680
Add: Net profit attributable to equity holders of IBBPLC	6,353,317,684	6,166,984,693
Add: Transfer from Assets Revaluation Reserve to Retained Earnings	80,516,221	85,190,953
Sub-total	10,927,313,486	9,032,246,468

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

11 SEP 2024

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11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

11 SEP 2024

Mohammed Monirul Mouta
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

	2023 Taka	2022 Taka
Less:		
Transfer to statutory reserve	1,000,000,000	1,000,000,000
Transfer to/(from) general reserve	4,203,881,689	2,593,011,985
Dividend paid (cash dividend)	1,609,990,668	1,609,990,668
Transfer to start-up Fund	61,141,523	59,234,456
Coupon/profit on perpetual bond	873,600,002	807,174,807
Sub-total	7,748,613,882	6,069,411,916
Balance of retained earnings as at 31 December	3,178,699,604	2,962,834,552

40(b) Non-controlling interest

Particulars	As on 01.01.2023	Share of profit or loss for the year 2023	Adjustments	As on 31.12.2023	As on 31.12.2022
A. Islami Bank Securities Limited	288,329	12,972	-	301,301	288,329
Add: Adjustment for changing in shares position	-	-	-	-	-
Less: Dividend	-	-	-	-	-
Sub-total	288,329	12,972	-	301,301	288,329
B. Islami Bank Capital Management Limited	9,786	274	-	10,060	9,786
Less: Dividend	-	-	-	-	-
Sub-total	9,786	274	-	10,060	9,786
Total (A+B)	298,115	13,246	-	311,361	298,115

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 minority is Tk. 154,000/- divided into 154 shares of Tk. 1,000/- each which represent 0.0057% of total share of the subsidiary Company.

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 minority is Tk. 7,000/- divided into 7 shares of Tk. 1,000/- each which represent 0.0023% of total share of the subsidiary Company.

41.0 Events after reporting period

The Board of Directors of the Bank in its 335th meeting held on 24 April, 2024 recommended 10% Cash Dividend for the year 2023 subject to approval of the shareholders in the ensuing 41st Annual General Meeting to be held on 25 June 2024.

42.0 Earnings per share (EPS)

	2023 Taka	2022 Taka
a) Attributable profit for the year	6,114,152,254	5,923,445,627
b) Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Basic earnings per share (EPS) (a ÷ b)	3.80	3.68

Diluted earnings per share is not applicable since there is no possibility of dilution of shares during the year.

42(a) Consolidated earnings per share

	2023 Taka	2022 Taka
Consolidated net profit after tax	6,353,330,930	6,166,998,229
Less: Profit attributable to non-controlling interest	13,246	13,536
Attributable profit for distribution to shareholders of IBBPLC	6,353,317,684	6,166,984,693
Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Consolidated basic earnings per share	3.95	3.83

43.0 Net asset value per share (NAV) of the Bank

	31.12.2023 Taka	31.12.2022 Taka
a) Capital/shareholders' equity for the year	71,192,786,164	68,162,154,084
b) Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Net asset value per share (NAV) (a ÷ b)	44.22	42.34

Net asset value per share (NAV) has been disclosed as per the Bangladesh Securities and Exchange Commission's Notification No.BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018.

44.0 Net operating cash flow per share (NOCFPS)

	2023 Taka	2022 Taka
a) Net cash flows from operating activities	(17,351,396,647)	(89,655,476,581)
b) Weighted average number of ordinary share during the year	1,609,990,668	1,609,990,668
Net operating cash flow per share (NOCFPS) (a ÷ b)	(10.78)	(55.69)

The Net Operating Cash Flow Per Share (NOCFPS) on solo basis has significantly increased by Tk. 44.91 than that of previous year mainly due to increase of deposit mobilization from customers Tk. 89,485.54 million, as well as decrease of investment to customers of Tk. 131,292.33 million during the year 2023. However, the cash & cash equivalents balance of the bank is Tk. 219,483.55 million as on 31 December 2023.

45.0 Reconciliation of cash and cash equivalent at the end of the year

	31.12.2023 Taka	31.12.2022 Taka
Cash in hand	35,241,123,870	30,645,815,136
Balance with Bangladesh Bank and its agent banks (Sonali Bank Ltd.)	82,663,599,136	92,858,977,487
Balance with other banks and financial institutions	101,578,824,230	110,787,004,358
Total	219,483,547,236	234,291,796,982

45(a) Reconciliation of consolidated cash and cash equivalent at the end of the year

	2023 Taka	2022 Taka
Cash in hand	35,241,166,165	30,645,839,722
Balance with Bangladesh Bank and its agent banks (Sonali Bank Ltd.)	82,663,599,136	92,858,977,487
Balance with other banks and financial institutions	106,288,372,039	115,248,794,287
Total	224,193,137,340	238,753,611,497

Note: The reconciliation of net profit with cash flows from operating activities has been presented at Annexure- E.

46.0 Currency wise exposures

Currency wise exposures are shown at Annexure- C.

11 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Director

Dhaka; 24 April 2024

Director

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Director

11 SEP 2024

Managing Director & CEO

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024
Md. Farid Uddin, CIPA
SVP, Head of Finance
Islami Bank Bangladesh PLC.
FAO, Head Office, Dhaka

Islami Bank Bangladesh PLC.
Fixed Assets Schedule
As at 31 December 2023

Annexure - A
(Amount in Taka)

Group of Fixed Assets	Cost			Depreciation/Amortization			Written Down Value			
	Balance as at 01.01.2023	Addition during the year	Sale / adjustment during the year	Total as at 31.12.2023	Charged up to 01.01.2023	Charged during the year	Adjustment during the year	Total as at 31.12.2023	as at 31.12.2023	as at 31.12.2022
	2	3	4	3+2-4	6	7	8	9(6+7-8)	10(5-9)	11
A. Tangible Assets										
i) Premises										
Cost										
Land	682,129,033	-	127,173,090	554,955,943	-	-	-	-	554,955,943	682,129,033
Building	1,981,662,887	10,023,979	51,253,705	1,940,433,161	626,868,352	32,832,106	-	659,700,458	1,280,732,703	1,354,794,535
Construction/ capital work in process	-	-	-	-	626,868,352	32,832,106	-	659,700,458	1,835,688,646	2,036,923,568
Sub total	2,663,791,920	10,023,979	178,426,795	2,495,389,104	1,253,736,704	80,516,223	44,569,126	1,270,949,402	9,959,941,423	12,300,892,582
Revaluation										
Land	6,941,521,852	-	1,965,826,910	4,975,694,942	-	-	-	-	4,975,694,942	6,941,521,852
Building	4,557,449,467	-	137,942,230	4,419,507,237	1,235,002,305	80,516,223	44,569,126	1,270,949,402	3,148,557,835	3,322,447,162
Sub total	11,498,971,319	-	2,103,769,140	9,395,202,179	1,861,870,657	113,348,329	44,569,126	1,930,649,860	8,464,557,567	10,263,969,014
Sub total (i)	14,162,763,239	10,023,979	2,282,195,935	11,890,591,283	1,861,870,657	113,348,329	44,569,126	1,930,649,860	9,959,941,423	12,300,892,582
ii) Other fixed assets										
Furniture and fixtures	1,728,582,193	67,946,373	2,302,900	1,794,225,666	838,850,653	81,203,221	1,705,753	938,348,121	855,877,545	869,731,540
Mechanical appliances	3,078,275,343	88,355,544	10,575,800	3,156,055,087	2,373,594,880	149,829,461	9,184,943	2,514,239,398	641,815,689	704,680,463
Computer	2,307,615,731	290,965,881	18,519,830	2,580,061,782	1,884,638,848	211,006,645	18,097,085	2,077,548,408	502,513,374	422,976,883
Motor vehicles	1,631,823,019	62,871,942	60,664,179	1,634,030,782	1,219,933,596	163,979,230	57,705,964	1,326,206,862	307,823,920	411,889,423
Books	11,547,478	55,444	-	11,602,922	10,031,625	389,055	-	10,420,880	1,182,241	1,515,853
ATM	3,896,801,136	304,800,227	27,109,000	4,174,492,363	1,493,640,840	529,608,014	22,884,258	2,000,364,596	2,174,127,767	2,403,160,296
ROU-Assets for lease rent	2,380,392,163	-	-	2,380,392,163	1,234,167,749	275,247,816	-	1,509,415,565	870,976,598	1,146,224,414
Sub Total (ii)	15,035,037,063	814,995,411	119,171,709	15,730,860,765	9,074,858,192	1,411,263,441	109,578,003	10,376,543,630	5,354,317,135	5,960,178,871
Total (i+ii)	29,197,800,302	825,019,390	2,401,367,644	27,621,452,048	10,936,728,849	1,524,611,770	154,147,129	12,307,193,490	15,314,258,558	18,261,071,453
B. Intangible assets	822,847,696	15,272,971	-	838,120,667	646,599,061	70,116,964	-	716,716,025	121,404,642	176,248,635
Total (A+B)	30,020,647,998	840,292,361	2,401,367,644	28,459,572,715	11,583,327,910	1,594,728,734	154,147,129	13,023,909,515	15,435,663,200	18,437,320,088



11 SEP 2024
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Managing Director & CEO
DBH Finance PLC.

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FAD, Head Office, Dhaka

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Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.


11 SEP 2024
Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024



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11 SEP 2024



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11 SEP 2024



Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Consolidated Fixed Assets Schedule
As at 31 December 2023

Annexure - B

(Amount in Taka)

Group of Fixed Assets	Cost			Depreciation/Amortization				Written Down Value		
	Balance as at 01.01.2023	Addition during the year	Sale / adjustment during the year	Total as at 31.12.2023	Charged up to 01.01.2023	Charged during the year	Adjustment during the year	Total as at 31.12.2023	as at 31.12.2023	as at 31.12.2022
	2	3	4	5 (2+3-4)	6	7	8	9 (6+7-8)	10 (5-9)	11
A. Tangible Assets										
(i) Premises										
Cost										
Land	682,129,033	-	127,173,090	554,955,943	-	-	-	-	554,955,943	682,129,033
Building	1,981,662,887	10,023,979	51,253,705	1,940,433,161	626,868,352	32,832,106	-	659,700,458	1,280,732,703	1,354,794,535
Construction/capital work in process	-	-	-	-	-	-	-	-	-	-
Sub total (i)	2,663,791,920	10,023,979	178,426,795	2,495,389,104	626,868,352	32,832,106	-	659,700,458	1,835,686,646	2,036,923,568
Revaluation										
Land	6,941,521,852	-	1,965,826,910	4,975,694,942	-	-	-	-	4,975,694,942	6,941,521,852
Building	4,557,449,467	-	137,942,230	4,419,507,237	1,235,002,305	80,516,223	44,569,126	1,270,949,402	3,148,557,835	3,322,447,162
Sub total	11,498,971,319	-	2,103,769,140	9,395,202,179	1,235,002,305	80,516,223	44,569,126	1,270,949,402	8,124,252,777	10,263,969,014
Sub total (i)	14,162,763,239	10,023,979	2,282,195,935	11,890,291,283	1,861,870,657	113,348,329	44,569,126	1,930,649,860	9,959,941,423	12,300,892,582
(ii) Other fixed assets										
Furniture and fixtures	1,740,059,301	67,954,436	2,302,900	1,805,710,837	861,764,276	82,059,745	1,705,753	942,118,269	863,592,568	878,295,025
Mechanical appliances	3,083,245,559	88,517,289	10,669,400	3,161,092,448	2,375,417,021	150,353,378	9,184,943	2,516,585,456	644,507,992	707,828,538
Computer	2,314,613,059	291,154,481	18,519,830	2,587,247,710	1,888,591,919	212,732,576	18,190,685	2,083,133,810	504,113,900	426,021,140
Motor vehicles	1,639,180,519	62,871,942	60,664,179	1,641,388,282	1,225,602,611	165,450,730	57,705,964	1,333,347,377	308,040,905	413,577,908
Books	11,547,478	55,444	-	11,602,922	10,031,025	389,055	-	10,420,811	1,182,241	1,515,853
ATM	3,896,801,136	304,800,227	27,109,000	4,174,492,363	1,493,640,840	529,608,014	22,884,258	2,000,364,596	2,174,127,767	2,403,160,296
ROU-Assets for lease rent	2,382,852,126	2,676,082	2,459,963	2,383,068,245	1,236,627,712	276,320,910	2,459,963	1,510,488,659	872,579,586	1,146,224,414
Sub Total (ii)	15,068,299,178	818,029,901	121,725,272	15,764,602,807	9,091,676,005	1,416,914,408	112,131,566	10,396,458,847	5,368,144,960	5,976,623,173
Total (i+ii)	29,231,062,417	828,053,880	2,403,921,207	27,655,195,090	10,953,546,662	1,530,262,737	156,700,692	12,327,108,707	15,328,086,383	18,277,515,755
B. Intangible Assets										
	825,242,886	15,272,971	30,000	840,485,857	647,388,201	70,708,262	-	718,096,463	122,389,394	177,854,685
Total (A+B)	30,056,305,303	843,326,851	2,403,951,207	28,495,680,947	11,600,934,863	1,600,970,999	156,700,692	13,045,205,170	15,450,475,777	18,455,370,440



Islami Bank Bangladesh PLC.
Currency wise Exposures
As at 31 December 2023

Amount in Taka

ASSETS	Taka			Equivalent Taka of US Dollar			Equivalent Taka of GBP			Equivalent Taka of EURO			Equivalent Taka of Other Currency			Total Taka		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Cash in hand	35,168,504,840	30,654,295,167	21,335,048	72,481,197	21,335,048	94,945	64,251	94,945	-	-	73,582	89,576	35,241,123,870	30,645,815,136	21,335,048	106,797,004,358	106,797,004,358	106,797,004,358
Balance with Bangladesh Bank & its agent bank	78,097,259,658	91,135,288,482	1,708,202,944	4,556,428,907	1,708,202,944	695,842	695,842	931,628	14,323,325	179,542	231,109	82,663,599,136	92,838,977,487	92,838,977,487	92,838,977,487	92,838,977,487	92,838,977,487	92,838,977,487
Balance with banks & other financial institutions	84,536,717,667	86,842,245,128	10,859,494,576	10,859,494,576	22,848,152,057	139,866,590	139,866,590	120,177,808	1,394,631,101	378,728,778	4,658,113,937	597,700,627	101,579,024,231	110,797,004,358	110,797,004,358	110,797,004,358	110,797,004,358	110,797,004,358
Placement with other banks & financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments (in shares & securities)	87,055,162,121	89,471,452,136	983,211,300	983,211,300	983,211,300	-	-	-	-	-	-	-	88,038,773,421	98,454,663,436	98,454,663,436	98,454,663,436	98,454,663,436	98,454,663,436
Investments	1,378,802,628,149	1,273,462,599,343	221,463,033,951	187,902,898,171	187,902,898,171	-	-	-	-	-	-	-	1,606,265,662,100	1,461,365,497,513	1,461,365,497,513	1,606,265,662,100	1,606,265,662,100	1,606,265,662,100
Fixed assets including premises	15,435,663,200	18,437,320,088	-	-	-	-	-	-	-	-	-	-	15,435,663,200	18,437,320,088	18,437,320,088	18,437,320,088	18,437,320,088	18,437,320,088
Other assets	108,309,536,758	33,530,927,106	-	-	-	-	-	-	-	-	-	-	108,309,536,758	33,530,927,106	33,530,927,106	108,309,536,758	33,530,927,106	108,309,536,758
Non banking assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	1,797,395,572,392	1,623,584,127,650	237,934,649,991	237,934,649,991	237,934,649,991	140,627,643	140,627,643	131,304,381	1,403,566,227	393,052,063	4,658,867,861	598,821,712	2,031,532,782,714	2,031,532,782,714	2,031,532,782,714	2,031,532,782,714	2,031,532,782,714	2,031,532,782,714

LIABILITIES	Taka			Equivalent Taka of US Dollar			Equivalent Taka of GBP			Equivalent Taka of EURO			Equivalent Taka of Other Currency			Total Taka		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Placement from Bangladesh Bank, other banks, financial institutions and agents	195,428,924,541	143,000,000,000	44,438,369,400	15,950,000,000	44,438,369,400	-	-	-	-	-	-	-	211,378,924,541	187,438,269,400	187,438,269,400	211,378,924,541	187,438,269,400	187,438,269,400
Deposits	1,480,237,264,962	1,344,897,302,209	41,661,538,881	41,661,538,881	53,244,978,847	4,380,323	4,380,323	8,901,926	3,542,685	4,835,928	844,685	988,690	1,521,287,771,538	1,480,187,087,808	1,480,187,087,808	1,521,287,771,538	1,480,187,087,808	1,480,187,087,808
Bills payable	12,638,234,695	10,288,421,539	-	-	-	-	-	-	-	-	-	-	12,638,234,695	10,288,421,539	10,288,421,539	12,638,234,695	10,288,421,539	10,288,421,539
Other liabilities	183,135,518,584	140,987,821,049	46,831,254	46,831,254	46,831,254	-	-	-	-	-	-	-	183,135,518,584	141,034,152,303	141,034,152,303	183,135,518,584	141,034,152,303	141,034,152,303
Mutuals/Proprietary fund	11,000,000,000	11,000,000,000	-	-	-	-	-	-	-	-	-	-	11,000,000,000	11,000,000,000	11,000,000,000	11,000,000,000	11,000,000,000	11,000,000,000
Mutuals/ Redeemable Subordinated Bond	20,200,000,000	20,000,000,000	-	-	-	-	-	-	-	-	-	-	20,200,000,000	20,000,000,000	20,000,000,000	20,200,000,000	20,000,000,000	20,000,000,000
Total liabilities	1,902,659,942,782	1,678,173,144,897	57,871,064,972	57,871,064,972	99,728,179,601	4,380,323	4,380,323	8,901,926	3,542,685	4,835,928	844,685	988,690	1,900,335,594,550	1,769,518,051,842	1,769,518,051,842	1,900,335,594,550	1,769,518,051,842	1,769,518,051,842
Net position	(115,264,370,390)	(46,609,017,447)	180,263,563,919	180,263,563,919	113,733,619,918	136,046,718	136,046,718	112,302,455	1,400,023,542	388,216,135	4,657,522,376	597,832,022	71,192,786,164	68,162,154,083	68,162,154,083	71,192,786,164	68,162,154,083	68,162,154,083



Nasimul Baten
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Md. Farid Uddin, CIPA
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FAD, Head Office, Dhaka

Islami Bank Bangladesh PLC.
Consolidated Segment Reporting
For the year ended 31 December 2023

A. Segmental operating income, profit and loss

Particulars	Amount in Taka										
	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	Consolidated
Investment income	32,730,150,000	12,080,180,000	1,405,660,000	2,740,980,000	3,224,320,000	1,314,020,000	9,074,030,000	4,378,770,000	1,285,260,000	41,391,892,688	109,025,862,688
Profit paid on mudaraba deposits	(5,713,217,204)	(4,637,109,108)	(2,360,719,706)	(3,976,490,292)	(2,193,832,273)	(4,035,429,779)	(2,670,207,938)	(3,454,182,851)	(3,912,697,136)	(32,710,892,712)	(65,014,798,101)
Profit received/(paid) on IB General A/C	(18,135,000,000)	(259,060,000)	3,104,430,000	4,350,210,000	1,323,080,000	6,570,970,000	(3,717,900,000)	2,299,230,000	5,790,620,000	1,528,600,000	-
Net investment income	8,881,932,796	7,184,010,892	2,149,370,294	3,164,699,708	2,855,547,725	3,850,160,221	2,685,922,962	3,223,837,149	3,163,182,864	10,309,699,976	44,011,064,587
Commission, exchange & other income	3,692,050,000	2,058,050,000	449,230,000	736,050,000	501,780,000	440,150,000	561,810,000	446,760,000	419,620,000	7,564,840,512	16,870,340,512
Total operating income	12,573,982,796	9,242,060,892	2,598,600,294	3,900,749,708	3,857,327,725	4,290,310,221	3,247,732,962	3,670,597,149	3,582,802,864	17,774,440,488	60,881,405,099
Total operating expenses	(1,324,216,733)	(1,677,211,715)	(1,158,377,412)	(1,554,887,123)	(1,350,356,605)	(1,238,333,323)	(1,335,770,939)	(1,291,105,109)	(1,224,603,953)	(25,666,739,384)	(27,821,562,330)
Operating Profit	11,249,766,063	7,564,849,177	1,440,222,882	2,345,862,585	1,706,971,120	3,052,016,898	1,911,962,023	2,379,492,040	2,358,198,911	(7,892,298,896)	33,059,842,763

There are 19 operating segments including subsidiaries as on 31 December 2023. Out of which only 9 are reportable as per IFRS-8 "Operating Segments". Hence other non-reportable segments have been shown as under 'Common'.

Consolidated Segment Reporting
For the year ended 31 December 2022

Particulars	Amount in Taka										
	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	Consolidated
Investment income	31,625,640,000	10,446,790,000	1,348,290,000	2,654,110,000	2,954,810,000	1,383,490,000	5,402,790,000	2,973,830,000	1,286,330,000	30,791,016,427	90,867,086,427
Profit paid on mudaraba deposits	(6,617,016,952)	(4,360,139,424)	(2,155,671,976)	(3,487,252,804)	(2,065,145,738)	(3,779,108,376)	(2,229,894,339)	(2,952,114,449)	(3,513,383,410)	(24,858,737,013)	(54,018,484,481)
Profit received/(paid) on IB General Account	(13,990,000,000)	(1,057,400,000)	2,267,200,000	3,120,100,000	1,370,680,000	5,341,200,000	1,68,050,000	3,223,020,000	4,504,680,000	4,948,250,000	-
Net investment income	13,018,623,048	5,029,250,576	1,459,818,024	2,286,957,196	2,260,344,262	2,946,301,624	3,348,945,661	3,244,725,551	2,277,626,590	10,880,529,414	36,848,601,946
Commission, exchange & other income	3,464,850,000	1,798,080,000	301,880,000	456,650,000	357,160,000	227,660,000	376,730,000	218,780,000	234,530,000	8,921,184,749	16,267,504,749
Total operating income	16,483,473,048	6,737,330,576	1,761,698,024	2,743,607,196	2,617,504,262	3,173,961,624	3,717,675,661	3,463,505,551	2,512,156,590	19,801,714,163	53,116,106,695
Total operating expenses	(1,284,424,831)	(1,382,205,009)	(951,185,320)	(1,291,912,858)	(1,076,339,484)	(1,022,964,556)	(1,062,730,234)	(992,840,927)	(1,009,958,859)	(21,291,812,514)	(21,366,374,658)
Operating Profit	15,199,048,217	5,355,105,567	810,512,698	1,451,694,338	1,541,164,778	2,150,997,068	2,654,945,427	2,470,664,624	1,502,197,731	(1,490,098,352)	21,749,732,036

B. 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 here.

11 SEP 2024

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

11 SEP 2024

Mohammad Jahangir Alam
Company Secretary (C.C.)
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Head Office, 40, Dilkusha C/A, Dhaka.



Islami Bank Bangladesh PLC.
Reconciliation of Net Profit with Cash Flows from Operating Activities
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Profit before tax as per profit and loss accounts		16,501,660,106	14,592,921,537
Adjustment for non cash items			
Provision for investments & off- balance sheet exposures		5,715,676,548	6,364,930,031
Provision for diminution in value of investments in shares		114,330,599	326,256,888
Other provisions		281,901,053	(36,700,445)
Depreciation of property plant & equipment		1,594,728,734	1,558,889,409
Foreign exchange gain/(Loss)		(20,341,230)	28,826,224
Profit on sale of the fixed assets		(3,886,500)	9,490,861
		7,682,409,204	8,251,692,969
Increase/decrease in operating assets & liabilities			
Investments to customers		(138,900,164,587)	(270,192,497,267)
Placement from other banks		23,940,555,141	150,673,069,400
Other assets		(74,778,609,651)	(24,228,468,461)
Deposits from other banks		11,300,560,101	5,131,425,754
Deposits received from customers		112,820,016,793	23,334,474,088
Other liabilities		32,566,778,785	9,534,387,245
Income tax paid		(8,484,602,539)	(6,752,481,846)
		(41,535,465,957)	(112,500,091,087)
Cash flows from operating activities as per cash flow statement		(17,351,396,647)	(89,655,476,581)



11 SEP 2024

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

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Md. Farid Uddin
 SVP, Head of Finance
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 FAD, Head Office, Dhaka.

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Mohammad Jahangir Alam
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Mohammed Monirul Moula
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 Head Office, Dhaka.

Islami Bank Bangladesh PLC.
Financial Highlights
As at and for the year ended 31 December 2023

Amount in Million Taka

Sl. No.	Particulars	2023	2022
1	Paid-up Capital	16,099.91	16,099.91
2	Total Capital (Equity)	108,376.71	102,738.44
3	Capital Surplus/(Deficit)	1,072.17	318.84
4	Total Assets (Excluding contra)	2,031,532.78	1,838,080.21
5	Total Deposits	1,534,566.01	1,410,445.43
6	Total Investments (excluding Investment in shares/securities)	1,600,265.66	1,461,365.50
7	Total Contingent Liabilities and Commitments	223,707.34	268,015.46
8	Investment Deposit Ratio (IDR)	91.90%	91.64%
9	Percentage of classified investment against total general investments	4.32%	3.70%
10	Profit after Tax & Provision	6,114.15	5,923.45
11	Amount of classified investment during current year	15,166.09	14,634.90
12	Provision kept against classified investments	48,662.86	42,073.98
13	Provision surplus/ (deficit)	0.50	0.50
14	Cost of Fund	7.17%	6.55%
15	Profit Earning Assets	1,264,162.31	1,423,908.05
16	Non-profit Earning Assets	767,370.47	414,172.16
17	Return on Investments	6.76%	6.39%
18	Return on Assets	0.32%	0.34%
19	Income from Investments	109,595.56	90,685.73
20	Earnings Per Share (EPS) in Taka	3.80	3.68
21	Net Income Per Share in Taka	3.80	3.68
22	Price Earning Ratio (Times)	8.58	8.70
23	Net Asset Value (NAV)	71,192.79	68,162.15
24	Net Asset Value (NAV) Per Share in Taka	44.22	42.34
25	Net Operating Cash Flow Per Share (NOCFPS) in Taka	(10.78)	(55.69)
26	Dividend Yield Per Share	3.07%	3.03%
27	Dividend Pay Out Ratio Per Share	26.33%	27.18%
28	Dividend Cover Ratio (Times)	3.80	3.68

Nasimul Baten 11 SEP 2024

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Mohammed Monirul Molla
 11 SEP 2024

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 Managing Director
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 Head Office, Dhaka.

Islami Bank Bangladesh PLC. (Off-Shore Banking Unit)

Balance Sheet

As at 31 December 2023

Particulars	Notes	31.12.2023		31.12.2022	
		USD	BDT	USD	BDT
Property and assets					
Cash in hand					
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		-	-	-	-
Balance with other banks & financial institutions		409,523.83	45,047,621	2,518,483.50	260,151,791
In Bangladesh		-	-	-	-
Outside Bangladesh	2.0	409,523.83	45,047,621	2,518,483.50	260,151,791
Placement with banks & other financial institutions	3.0	-	-	2,587,480.50	267,278,973
Investments in shares & securities					
Government		-	-	-	-
Others		-	-	-	-
Investments	4.0	1,704,844,789.76	187,532,926,874	1,333,023,489.10	137,697,327,353
General investments etc.		-	-	-	-
Bills purchased & discounted	4.1	1,704,844,789.76	187,532,926,874	1,333,023,489.10	137,697,327,353
Fixed assets		-	-	-	-
Other assets	5.0	396,784.71	43,646,318	783,263.97	80,908,818
Non - banking assets		-	-	-	-
Total property and assets		<u>1,705,651,098.30</u>	<u>187,621,620,813</u>	<u>1,338,912,717.07</u>	<u>138,305,666,935</u>
Liabilities and Capital					
Liabilities					
Placement from banks & other financial institutions	6.0	1,650,373,838.80	181,541,122,268	1,294,440,615.04	133,711,832,212
Deposits & other accounts		112,898.06	12,418,787	211,938.93	21,892,655.00
Mudaraba Savings Deposits		1,990.70	218,977	1,991	205,633
Mudaraba Term Deposits		110,907.36	12,199,810	209,948	21,687,022
Other Mudaraba Deposits		-	-	-	-
Al- Wad'eah Current and other deposit accounts		-	-	-	-
Bills payable		-	-	-	-
Other liabilities	7.0	55,164,361.44	6,068,079,758	44,260,163.10	4,571,942,068
Deferred tax liabilities /(assets)		-	-	-	-
Total liabilities		<u>1,705,651,098.30</u>	<u>187,621,620,813</u>	<u>1,338,912,717.07</u>	<u>138,305,666,935</u>
Capital/ share-holders' equity					0
Paid - up capital		-	-	-	-
Statutory reserve		-	-	-	-
Translation reserves	8.0	-	26,112,120	-	46,453,350
Retained earnings	17.0	-	(26,112,120)	-	(46,453,350)
Total liabilities & shareholders' equity		<u>1,705,651,098.30</u>	<u>187,621,620,813</u>	<u>1,338,912,717.07</u>	<u>138,305,666,935</u>
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		-	-	-	-
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 and other commitments		-	-	-	-
Total		-	-	-	-
Total off-balance sheet items including contingent liabilities		-	-	-	-

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

1 SEP 2024

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Managing Director & CEO
DBH Finance PLC.

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Islami Bank Bangladesh PLC. (Off-Shore Banking Unit)

Profit & Loss Account

For the year ended 31 December 2023

Particulars	Notes	2023		2022	
		USD	BDT	USD	BDT
Operating income					
Investment income	9.0	85,148,828.31	9,328,054,141	48,578,733.99	4,908,881,070
Profit paid on mudaraba deposits/placement	10.0	(29,491,752.30)	(3,230,821,464)	(28,603,007.46)	(2,890,333,904)
Net investment income		55,657,076.01	6,097,232,677	19,975,726.53	2,018,547,166
Income from investments in shares & securities		-	-	-	-
Commission, exchange & brokerage income		-	-	-	-
Other operating income	11.0	2,899,252.48	317,613,109	2,396,059.21	242,121,783
Total operating income		58,556,328.49	6,414,845,786	22,371,785.74	2,260,668,949
Operating expenses					
Salary & allowances	12.0	-	-	3,252.97	328,713
Rent, taxes, insurances, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamps and telecommunication etc.	13.0	-	-	-	-
Stationery, printing and advertisement etc.		-	-	-	-
Chief executive's salary & fees		-	-	-	-
Directors' fees & expenses		-	-	-	-
Shari'ah supervisory committee's fees & expenses		-	-	-	-
Auditors' fees		-	-	-	-
Charges on investment losses		-	-	-	-
Depreciation and repair to bank's assets		-	-	-	-
Zakat expenses		-	-	-	-
Other expenses	14.0	529,396.72	57,995,411	1,695,034.54	171,283,240
Total operating expenses		529,396.72	57,995,411	1,698,287.51	171,611,953
Profit/(loss) before provision		58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Provision for investments & off- balance sheet items	15.0	-	-	-	-
Provision for diminution in value of investments in shares		-	-	-	-
Other provisions		-	-	-	-
Total provision		-	-	-	-
Total profit/(loss) before taxes		58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Provision for taxation for the period					
Current tax	16.0	-	-	-	-
Deferred tax	16.0	-	-	-	-
Net profit/(loss) after tax		58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Retained earnings from previous year		-	-	-	-
Less: Interim dividend paid		-	-	-	-
Add: Net profit after tax		58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Profit available for appropriation		58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Less: Appropriation		58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Retained earnings (Transferred to main operation)	17.0	58,026,931.77	6,382,962,495	20,673,498.23	2,135,510,346
Translation reserve movement		-	(26,112,120)	-	(46,453,350)

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



1 SEP 2024

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Managing Director & CEO
DBH Finance PLC.



1 SEP 2024

Mohammed Monirul Moula

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Managing Director
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Mohammad Jahangir Alam
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Islami Bank Bangladesh PLC. (Off-Shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2023

Particulars	2023		2022	
	USD	BDT	USD	BDT
Cash flows from operating activities				
Investment income	85,148,828.31	9,328,054,141	48,578,733.99	4,908,881,070
Profit paid on mudaraba deposits/placement	(29,491,752.30)	(3,230,821,464)	(28,603,007.46)	(2,890,333,904)
Income/ dividend receipt from investments in shares & securities	-	-	-	-
Fees & commission receipt in cash	-	-	-	-
Recovery from written off investments	-	-	-	-
Payments to employees	-	-	(3,252.97)	(328,713)
Cash payments to suppliers	-	-	-	-
Income tax paid	-	-	-	-
Receipts from other operating activities	2,899,252.48	317,613,109	2,396,059.21	242,121,783
Payments for other operating activities	(529,396.72)	(57,995,411)	(1,695,034.54)	(171,283,240)
i) Operating profit before changes in operating assets & liabilities	58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Changes in operating assets and liabilities				
Increase/(decrease) of statutory deposits	-	-	-	-
(Increase)/decrease of net trading securities	-	-	-	-
(Increase)/decrease of placement to other banks	2,587,480.50	267,278,973	45,962,941.52	3,898,347,236
(Increase)/decrease of investments to customers	(371,821,300.66)	(49,835,599,521)	(684,527,226.30)	(82,056,348,005)
(Increase)/decrease of other assets	386,479.26	37,262,500	(692,236.19)	(73,098,634)
Increase/(decrease) of placement from other banks	-	-	-	-
Increase/(decrease) of deposits from other banks	-	-	-	-
Increase/(decrease) of deposits received from customers	(99,040.87)	(9,473,868)	132,232.03	15,053,803
Increase/(decrease) of other liabilities account of customers	-	-	-	-
Increase/(decrease) of trading liabilities	-	-	-	-
Increase/(decrease) of other liabilities	10,904,198.34	1,548,361,929	31,842,790.74	3,599,438,219
(ii) Cash flows from operating assets and liabilities	(358,042,183.43)	(47,992,169,987)	(607,281,498.20)	(74,616,607,381)
Net cash flows from operating activities (A)=(i+ii)	(300,015,251.66)	(41,635,319,612)	(586,607,999.97)	(72,527,550,385)
Cash flows from investing activities				
Proceeds from sale of securities	-	-	-	-
Payment for purchase of securities/membership	-	-	-	-
Purchase/sale of property, plants & equipments	-	-	-	-
Purchase/sale of subsidiaries	-	-	-	-
Net cash flows from investing activities (B)	-	-	-	-
Cash flows from financing activities				
Receipts from issue of debt instruments	-	-	-	-
Payment for redemption of debt instruments	-	-	-	-
Fund obtained from banks & other financial institutions	355,933,223.76	47,829,290,056	607,782,715.28	74,796,584,413
Profit transferred to main operation	(58,026,931.77)	(6,382,962,495)	(20,673,498.23)	(2,135,510,346)
Net cash flows from financing activities (C)	297,906,291.99	41,446,327,561	587,109,217.05	72,661,074,067
Net increase/(decrease) in cash (A+B+C)	(2,108,959.67)	(188,992,051)	501,217.08	133,523,682
Add/(less) effects of exchange rate changes on cash & cash equivalent	-	(26,112,120)	-	(46,453,350)
Add: cash & cash equivalents at beginning of the year	2,518,483.50	260,151,791	2,017,266.42	173,081,459
Cash & cash equivalents at the end of the year	409,523.83	45,047,621	2,518,483.50	260,151,791



11 SEP 2024

[Signature]

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11 SEP 2024

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11 SEP 2024

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Md. Farid Uddin FCA, CIPA
SVP, Head of FAD & CFO
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Islami Bank Bangladesh PLC. (Off-Shore Banking Unit)

Notes to the Financial Statements

As at and for the year ended 31 December 2023

1.0 Status of the Units

Off-shore Banking Units (OBU) of Islami Bank Bangladesh PLC. governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission from Bangladesh Bank for operating of Off-shore Banking Units located at Head Office Complex Branch, Dhaka, Agrabad Branch, Chottogram and Uttara Branch, Dhaka vide Bangladesh Bank letter no. BRPD (P-3)744 (111)/2010-1032 dated 28 March 2010. The Bank has Commenced the operation of its Off-shore Banking Units from 08.02.2011 at Head Office Complex Branch, Dhaka, from 27 September 2011 at Agrabad Branch, Chottogram and from 01 June 2015 at Uttara Branch.

1.1 Principal activities

The principal activities of the OBU are to provide mudaraba investment against payment of import bills under UPAS (Usance Payment at Sight) to its customers of Off-shore Banking Units in Bangladesh.

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Company Act, 1991 as amended, International Financial Reporting Standards (IFRSs) and other applicable directives issued by Bangladesh Bank. All the financial statements relating to the OBU has already been accounted for in the separate financial statements of the Bank (considering necessary adjustments relating to intra-units transactions and balances). Along with that, this financial statements relating to OBU only is prepared and disclosed in compliance with the requirements of Bangladesh Bank.

1.2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the report amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The figures (BD Taka/BDT) appearing in these Financial Statements have been rounded off to the nearest integer.

1.2.3 Foreign currency transactions

a. Foreign currency transactions

Foreign currency transactions are converted in to equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21 "The Effects of changes in Foreign Exchange Rates". Foreign currency balances held in US Dollars (USD) are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month.

b. Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

1.2.4 Translation reserve

The activities of OBU is considered as foreign operation due to it's different functional currency other than the non-OBU operation of the Bank. As per IAS - 21, items of balance sheet of OBU has been translated to presentation currency using closing rate and items of income and expenditure has been translated to presentation currency using spot rate prevailing on the date of actual transaction, otherwise average rate has been used. Due to the above translation using two rates the arising differences have been kept as translation reserve.

1.2.5 Retained earnings/Net profit transferred to main operation

As on 31 December the net income in USD/foreign currency of OBU is transferred to main operation of the Bank at exchange rate prevailing on that date.

1.2.6 Cash flow statement

Cash flow statement has been prepared as per BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

1.2.7 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.

1.2.8 Reporting period

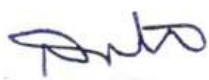
The financial statements cover from 01 January 2023 to 31 December 2023.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the unit's management for its short-term commitments.


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1.3.2 Investments

Investment of OBU are stated in the balance sheet on net basis. Profit is calculated on daily product basis but charged and account for on realisation/cash basis.

1.4 Allocation of common expenses

Establishment expenses in the nature of rent, rates, taxes, management expenses, printing and stationery, electricity, postage, stamps, telecommunication and audit fees etc. have not been separately accounted for in the financial statements, but staff costs (salaries and allowances) are separately accounted for OBU.

1.5 Profit paid on mudaraba deposits/placement

OBU obtains fund under placement from abroad (different foreign Banks) and OBUs of different Banks in Bangladesh (BD) based on Mudaraba Agreement and pays proportionate amount of investment income earned through deploying these fund as profit. In some cases OBU pays profit at provisional rate in advance which is shown as "Prepaid profit on placement" under other assets.

1.6 Placement from banks & other financial institutions

Off-shore Banking Units (OBUs) of IBBPLC obtains fund under placement from its Head Office (Treasury Division), abroad (different foreign Banks) and OBUs of different Banks in Bangladesh (BD) as per Bangladesh Bank Letter No.BCD(P)744(27)/1416, dated 17 December 1985.

2.0 Balance with other banks & financial institutions

	31.12.2023		31.12.2022	
	USD	BDT	USD	BDT
In Bangladesh (balance with Treasury Division)	409,523.83	45,047,621	2,518,483.50	260,151,791
Outside Bangladesh	-	-	-	-
Total	409,523.83	45,047,621	2,518,483.50	260,151,791

3.0 Placement with banks & other financial institutions

	31.12.2023	31.12.2022
Fund provided to AD Branches for MDB in FC (*)	-	2,587,480.50

(*) This amount has been provided to AD branches to finance investment in MDB in FC as per the requirement of the AD branches as per Bangladesh Bank FE Circular No. 03 dated 04 February 2013.

4.0 Investments

	31.12.2023	31.12.2022
General investments etc.	-	-
Bills purchased & discounted (Note-4.1)	1,704,844,789.76	187,532,926,874
Total	1,704,844,789.76	187,532,926,874

4.1 Bills purchased & discounted

	31.12.2023	31.12.2022
Mudaraba Documentary Import Bills (MDIB-UPAS) (*)	1,597,844,233.30	175,762,865,663
Hire-Purchase under Shirkatul Meelk (HPSM in FC)	107,000,556.46	11,770,061,211
Total	1,704,844,789.76	187,532,926,874

(*) OBU allows the facilities as per Bangladesh Bank BRPD Circular No. 28, dated 05 September 2010.

5.0 Other assets

	31.12.2023	31.12.2022
Prepaid profit on placement from banks & other financial institutions	396,784.71	43,646,318
Total	396,784.71	43,646,318

6.0 Placement from banks & other financial institutions

	31.12.2023	31.12.2022
IBB PLC -main operation (Treasury Division)	1,505,373,838.80	165,591,122,268
Banks in BD (OBU)	20,000,000.00	2,200,000,000
Banks (abroad)	125,000,000.00	13,750,000,000
Total	1,650,373,838.80	181,541,122,268

7.0 Other liabilities

	31.12.2023	31.12.2022
Profit payable	2,416,092.12	265,770,133
Unearned Income	5,391,750.69	593,092,576
Profit Receivable UPAS	47,356,518.63	5,209,217,049
Profit during the year	-	-
Total	55,164,361.44	6,068,079,758

8.0 Translation reserve

	31.12.2023	31.12.2022
Balance as on 01 January	-	46,453,350
Addition/(adjustment) during the year	-	(20,341,230)
Balance as at 31 December	-	26,112,120

11 SEP 2024

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Mohammad Jahangir Alam
Company Secretary (C.C.)
Islami Bank Bangladesh PLC.
Head Office, 40, Dilkusha C/A, Dhaka.

Mohammed Momruu Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.

9.0 Investment income

	2023		2022	
	USD	BDT	USD	BDT
Mudaraba documentary import bills (MDIB-UPAS)	76,471,215.57	8,377,421,666	39,903,767.03	4,032,275,658
Hire-Purchase under Shirkatul Meelk (HPSM in FC)	8,568,504.53	938,679,671	6,973,883.18	704,710,895
Placement to AD branches (MDB-FC)	90,816.54	9,948,952	1,701,083.78	171,894,516
Mudaraba investment income	18,291.67	2,003,852	-	-
Total	85,148,828.31	9,328,054,141	48,578,733.99	4,908,881,070

10.0 Profit paid on mudaraba deposits/placement

Profit paid on mudaraba deposits	8,968.01	982,445	59,455.34	6,007,962
Profit paid on Placement from Banks/FIs in Abroad	18,420,282.16	2,017,941,911	13,887,882.77	1,403,370,554
Profit paid on Placement from Banks/FIs in BD (OBU)	11,062,502.13	1,211,897,108	14,655,669.35	1,480,955,388
Total	29,491,752.30	3,230,821,464	28,603,007.46	2,890,333,904

11.0 Other Income

Service charge realized (MDIB-UPAS)	96,597.82	10,582,291	416,327.57	42,069,901
Management fees (Mura UPAS, MDB & HPSM in FC)	2,802,654.66	307,030,818	1,979,731.64	200,051,882
Total	2,899,252.48	317,613,109	2,396,059.21	242,121,783

12.0 Salary & allowances

Basic pay	-	-	1,193.47	120,600
Allowances	-	-	1,403.15	141,788
Bonus	-	-	537.00	54,264
Contribution to Provident Fund	-	-	119.35	12,060
Total	-	-	3,252.97	328,713

13.0 Postage, stamps and telecommunication etc.

Telephone Bill	-	-	-	-
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14.0 Other expenses

Profit Share of ADs	529,396.72	57,995,411	1,695,034.54	171,283,240
Printing & Stationery	-	-	-	-
Entertainment	-	-	-	-
Total	529,396.72	57,995,411	1,695,034.54	171,283,240

15.0 Provision for investment

Provision for investment have not been separately accounted for in the financial statements of OBU. These are accounted for directly in the main financial statements of the Bank.


16.0 Provision for tax

Provision for current and deferred tax have not been separately accounted for in the financial statements of OBU. These are accounted for directly in the main financial statements of the Bank.

17.0 Retained earnings

Balance as at 01 January	-	(46,453,350)	-	(17,627,125)
Addition during the year	58,026,931.77	6,356,850,375	20,673,498.23	2,089,056,996
Effect of translation reserve	-	46,453,350	-	17,627,125
Transferred to main operation	58,026,931.77	6,382,962,495	20,673,498.23	2,135,510,346
Balance as at 31 December	-	(26,112,120)	-	(46,453,350)

11 SEP 2024




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



11 SEP 2024


Md. Farid Uddin FCA, CPA
SVP, Head of FAD & CFO
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FAD, Head Office, Dhaka

11 SEP 2024


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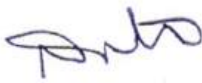

Mohammed Monirul Moula
Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.



ANNEXURE – 2

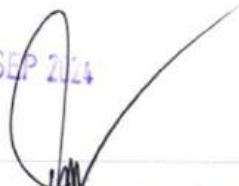
(Credit Rating of the Issue)

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Head Office, Dhaka.

11 SEP 2024



Md. Farid Uddin
SVP, Head of FAD & CFO
Islami Bank Bangladesh PLC.
FAD, Head Office, Dhaka



September 09, 2024

To

Managing Director & CEO
Islami Bank Bangladesh PLC.
Islami Bank Tower,
40, Dilkusha Commercial Area,
Dhaka-1000, Bangladesh

Subject: Initial credit rating report review of "IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond".

Dear Sir,

We are pleased to inform you that Emerging Credit Rating Limited (ECRL) has assigned the following rating to "IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond".

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
May 30, 2024	May 29, 2025	Initial	AA+ ^{IB*}	Stable

**IB denotes Islamic Bond*

The long-term rating is valid up to May 29, 2025. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the coupon payment structure, operations and/or performance of the bond rated.

We hope the rating will serve the intended purpose of your organization.

Yours Sincerely,

Arifur Rahman, FCCA, FCA, CSAA
Chief Executive Officer

Enclosed: Two copies of credit rating report of **IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond**

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SVP, Head of FAD & CFO
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Credit Rating Report
Of
IBBPLC Fifth Mudaraba Redeemable
Non-Convertible Subordinated Bond

11 SEP 2024




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DBH Finance PLC.

11 SEP 2024



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Head Office, Dhaka.



EMERGING Credit Rating Ltd

IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond

Credit Rating Report

Subordinated Bond Rating (Agreement: 2024-05-29-81274)

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
May 30, 2024	May 29, 2025	Initial	AA+IB*	Stable

* IB denotes Islamic Bond

Date of Incorporation	: March 13, 1983
Managing Director	: Mr. Mohammed Monirul Moula
Issue	: IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond of BDT 5,000.00 million in face value
Issue Tenure	: 7 years
Issuer	: Islami Bank Bangladesh PLC. (Previously Known as Islami Bank Bangladesh Limited)
Trustee	: DBH Finance PLC.
Mandated Joint Arrangers	: UCB Investment Limited Prime Bank Investment Limited Islami Bank Capital Management Limited
Contact Analysts	: Rubaiya Hassan Lamia lamia@emergingrating.com Prosenjit Datta Kanongo prosenjit@emergingrating.com

Credit Analysis

11 SEP 2024

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Anifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

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Emerging Credit Rating Ltd

CREDIT ANALYSIS

Subordinated Bond

2024 Initial Review

IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond

Major Rating Factors

- Strengths**
- Good presence in the market with country-wide network of branches.
 - Consistent growth in asset base.
 - Healthy growth in net investment income.
 - Timely repayments of the previously issued bonds.
- Challenge/Risks**
- Significant increase in NPI.
 - High level of rescheduled amount.
 - CRAR has reached very close to regulatory requirement of capital conservation buffer.
 - Investment to deposit ratio reached very close to regulatory ceiling leaving less room for investment enhancement.

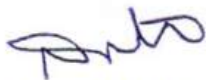
Rationale Emerging Credit Rating Limited (ECRL) has assigned **AA+IB** (Pronounced as Double A Plus Islamic Bond) long term credit rating to IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond (hereinafter referred to as "The Subordinated Bond" or "The Bond" or "The Issue") issuance of BDT 5,000.00 million in face value. The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of bond rating. ECRL considered financial performance, capital base, asset quality, management experience, liquidity and prospect of the industry while assigning the bond rating. **The initial rating report has been reviewed as per the current changes related to the issuer and the issue. As per Bangladesh Bank letter dated July 16, 2024 the size of the bond has been reduced to BDT 5,000.00 million. The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer, trustee and arrangers provided by the entity in discussion and the rating may significantly change if the covenants in those agreements are altered.**

The Subordinated Bond, which qualifies as Tier-II Capital for Islami Bank Bangladesh PLC. (hereinafter referred to as "IBB" or "The Bank" or "The Issuer"), is rated lower than IBB's standalone rating, because of the subordinated position of the bond relative to the IBB's depositors and other borrowers.

The rating is backed by the strength of the bank which includes good presence in the market with country-wide network of branches, consistent growth in asset base, healthy growth in net investment income and timely repayments of the previously issued bonds. However, few challenges could potentially affect the overall performance of the bank which include significant increase in NPI, CRAR has reached very close to regulatory requirement of capital conservation buffer, investment to deposit ratio reached very close to regulatory ceiling leaving less room for investment enhancement.

The Issue is an unsecured, subordinated, non-Convertible, fully paid-up, Redeemable Bond. Islami Bank Capital Management Limited, Prime Bank Investment Limited and UCB Investment Limited will be the Mandated Joint Arrangers of the issue and DBH Finance PLC. will be the trustee. IBB will issue the bond to strengthen the capital

11 SEP 2024



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base of the bank by augmenting Tier-II Capital and to comply with the capital adequacy requirements as per Risk Based Capital Adequacy (RBCA) Guideline of Bangladesh Bank in line with BASEL-III. The total face value of the bond is BDT 5,000.00 million which will be issued through private placement. The tenor of the issue is 7 years. The bond will be redeemed at par in 5 equal annual instalments starting from end of 3rd year from the issue date/deemed date of allotment and each 12 months from thereafter.

IBB has maintained both Tier-I ratio and CRAR as per the regulatory requirement by Bangladesh Bank. In FY2023, total capital of the bank has increased by 7.51% owing to the transfer of profit to statutory reserve and general reserve, while the risk weighted assets increased by 5.05% eventually leading to a marginal increase in CRAR to 12.62% in FY2023 from 12.54% in FY2022. Notably, CRAR has reached very close to regulatory requirement of capital conservation buffer. Nevertheless, upon issuance of the subordinated bond, the CRAR of the bank is expected to improve.

IBB's asset base has consistently grown over the reviewed years, expanding by 10.52% (12.35% in FY2022) in FY2023 mainly driven by rise in the gross investment portfolio and other uncategorized assets. However, the gross investment portfolio has increased at a decelerated rate of 9.50% in FY2023 from 22.68% in FY2022 and reached BDT 1,600,265.66 million in FY2023 from BDT 1,461,365.50 million in FY2022. Notably, IBB's high investment deposit ratio (91.90% in FY2023) limited its scope to increase its gross investments. Meanwhile, the other assets surged exponentially by 3.23 times, owing to a substantial rise of 4.76 times in Un-reconciled entries of Inter Branch Transactions.

Notably, IBB's non-performing investments (NPI) have significantly increased in the last two years, rising by 28.07% in FY2023 following a 37.16% surge in FY2022. This growth outpaced the increase in gross investments, raising the NPI ratio to 4.32% in FY2023 from 3.70% in FY2022. The increase in the bank's NPI was primarily driven by newly classified investments as indicated by the 120.07% surge in Sub-Standard investments. Meanwhile, the bank has rescheduled BDT 161,924 million (10.12% of gross investments, and 2.34 times the size of its NPI), compared to BDT 35,852.00 million (2.45% of gross investments, and 66.37% of NPI). On the other hand, bank has not written off any investment in FY2023, similar to previous year. This indicates that the bank is not being able to control its NPI despite rescheduling large portions of its NPI. If no investments were written off the NPI of the bank would have reached 14.44% in FY2023, compared to 6.15% in the previous year. Nonetheless, the IBB has maintained the required provision against loans and advances with a surplus of BDT 0.5 million. Meanwhile, the investment in shares and securities of the bank has marginally decreased by 2.67% in FY2023 following 4.60% decrease in the previous year.

The bank's deposit base grew by 8.80% in FY2023, up from 2.06% in FY2022, driven by a 28.96% increase in low-cost current deposits. Consequently, the proportion of current account and savings account (CASA) deposits rose to 44.53% from 42.77%. However, the deposit growth is below industry average deposit growth of 10.15% in FY2023. The investment deposit ratio reached 91.90%, close to the regulatory limit of 92.00%, due to slower deposit growth compared to investments, leaving very little room for enhancing investment portfolio before collecting more deposit. Meanwhile, the bank has maintained CRR and SLR as per the regulatory requirement.

In the last two years (FY2023 and FY2022), IBB has maintained double digit growth in its net investment income. In the year of 2023, the net investment income of the bank has increased by 16.01%, compared to 19.06% in FY2022. Both investment income and profit paid on deposit of the bank has increased during FY2023 due to a combination of enhancement of the investment and deposit portfolio and rising interest rates. Moreover, owing to increased concentration of low cost current deposits, the average spread of the bank has improved to 2.62% compared to 2.28% in the preceding year.

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Stamp: Islami Bank Bangladesh PLC, Dhaka, Bangladesh. Includes text: "Rahman FCA, EGA, USA", "Executive Office", "Emerging Credit Rating".



On the other hand, the non-investment income of the bank has risen by 12.80% (25.43% in FY2022) in FY2023 facilitated by a significant rise of 69.10% in income from investment in shares and securities. Subsequently, the total operating income further boosted by 14.87%, reaching BDT 60,340.91 million in FY2023, compared to BDT 52,529.12 million in the previous year. Meanwhile, the banks' operating expense significantly increased by 20.61% FY2022 owing to 77.06% increase in other uncategorized expenses. In the meantime, in FY2023, the provision expense of the bank was 8.15% lower while tax expense was 19.82% higher compared to previous year. Overall, higher operating income, along with lower provision expense, has led to a 3.22% rise in post-tax profit of the bank despite noticeable increase in operating expense and tax expense. In line with this, the post-tax profit of the bank stood at BDT 6,114.15 million which was BDT 5,923.45 million a year ago.

ECRL views IBB's outlook as **Stable** due its current business position, asset quality, and ECRL's expectation that the bank will be able to meet regulatory requirement of CRAR, and investment deposit ratio.

Exhibit 1: Financial Highlights: Islami Bank Bangladesh PLC.

FY 31 December	2023	2022	2021	2020
Total Assets (BDT million)	2,031,532.78	1,838,080.21	1,635,992.80	1,416,828.50
Asset Growth (%)	10.52	12.35	15.47	24.12
Gross Investment (BDT Million)	1,600,265.66	1,461,365.50	1,191,173.00	1,035,287.88
Gross Investment Growth (%)	9.50	22.68	15.06	15.16
Deposits (BDT Million)	1,534,566.01	1,410,445.43	1,381,979.53	1,179,476.48
Deposit Growth (%)	8.80	2.06	17.17	24.64
Gross NPI Ratio (%)	4.32	3.70	3.31	3.41
Investment/Deposit Ratio (%)	77.74	91.64	79.74	80.42
Net Investment Income (BDT million)	39,334.87	33,907.21	28,479.86	29,518.33
Net Investment Income Growth (%)	16.01	19.06	(3.52)	(4.18)
Non-Investment Income (BDT million)	21,006.04	18,621.91	14,846.92	10,188.05
Non-Investment Income Growth (%)	12.80	25.43	45.73	(17.72)
Pre-Tax Profit (BDT million)	16,501.66	14,592.92	11,441.28	10,689.09
Post-Tax Profit (BDT Million)	6,114.15	5,923.45	4,639.20	4,521.01
Post-Tax Profit Growth (%)	3.22	27.68	2.61	(15.15)
Post-Tax ROAE (%)	8.77	8.93	7.35	7.52
CRAR (%)	12.62	12.54	13.54	13.55

FY2020-2023 Data Extracted from Audited Financial Statements

11 SEP 2024

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Managing Director & CEO
DBH Finance PLC.

Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

11 SEP 2024

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11 SEP 2024

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Managing Director
Islami Bank Bangladesh PLC.
Head Office, Dhaka.



A. BUSINESS DESCRIPTION

A.1. Company Background

Islami Bank Bangladesh PLC. (IBB) was incorporated on March 13, 1983 as a public limited company under the Companies Act 1913. IBB is the first Shari'ah based scheduled commercial bank in South East Asia. The bank is listed with both Dhaka Stock Exchange and Chittagong Stock Exchange. Authorized Capital of the Bank is BDT 20,000.00 Million and Paid-up Capital is BDT 16,099.91 Million. 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 precepts of Islam.

The bank has two wholly-owned subsidiary companies (Local) - Islami Bank Securities Limited (IBSL) and Islami Bank Capital Management Limited (IBCML). IBSL was incorporated in March 22, 2010 as a Public Limited Company under Companies Act, 1994 with the objective to carry out business of Stock Broker and Stock Dealer in the capital Market. IBCML was incorporated on the 01 April 2010 under the Companies Act 1994 as a Public Limited Company. The main objectives of the company are to carry out the business of a Merchant Banking in all its aspects including Underwriting and / or Management of Issue, Public offer of Shares, Stocks, Debentures, Bonds etc., sale or purchase of Securities or transfer thereof; Fund Management for clients, Managing Portfolio Investment of any person or Company by making profitable Investment in various avenues etc.

A.2. Operational Network

The Bank carries out its business activities through its Head office in Dhaka, 16 Zonal Offices, 394 Branches including 76 Authorized Dealer (AD) Branches, 237 Sub Branches, 2,771 Agent Banking Outlets and 3 Off-shore Banking Units (OBUs) in Bangladesh. Moreover, the bank has 2,989 owned & more than 12,000+ shared ATM booths, 126 IDM, 47 Sheba Ghars & 2,771 Agent Banking Outlets have expanded this network up to the doorstep of the customers. The principal place of business is the registered office of the bank situated at Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.

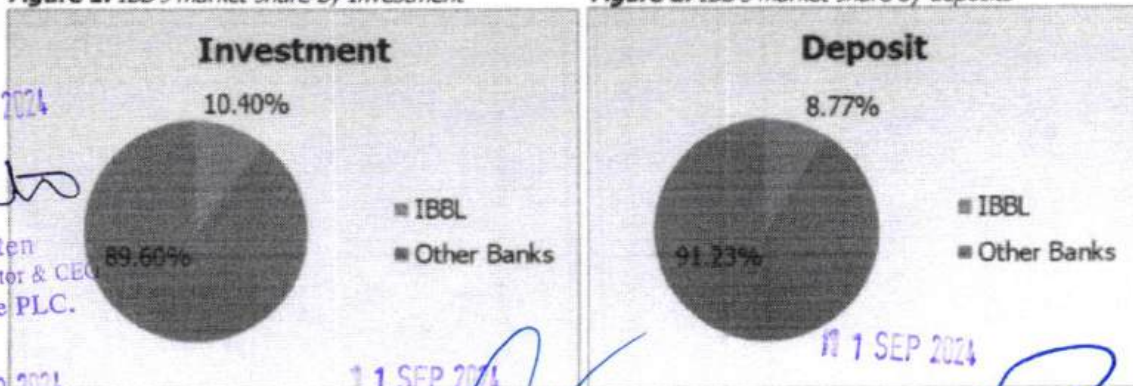
All the branches of the bank are running on Islamic Shari'ah basis. To achieve competitive advantage, IBB is using banking software, which enables the bank to perform real time banking service to the clients. All products and services are backed by IT infrastructure, which are upgrading on continuous basis.

A.3. Market Share

IBB's investment and deposit position were BDT 1,600,265.66 million and BDT 1,534,566.01 million respectively at the end December 2023. Considering the banking industry as a whole, aggregated loans & advances and deposit of the industry were BDT 15,383,429.10 million and BDT 17,491,322.50 million respectively at the same period. IBB contributed 10.40% of market share in terms of investment and 8.77% of market share in terms of deposit at the end of December 2023.

Figure 1: IBB's market share by Investment

Figure 2: IBB's market share by deposits



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A.4. Products and Services

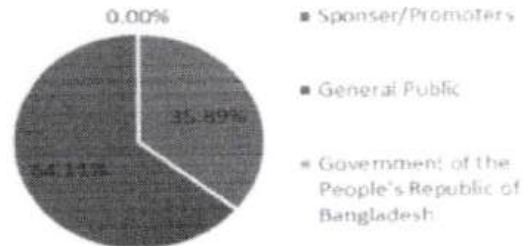
Islami Bank Bangladesh PLC. provides all kinds of commercial banking services as well as various deposit and investment schemes like other private commercial banks. IBB's products and services include deposit products (local & foreign currency), investment products, welfare-oriented deposit and investment schemes, offshore banking unit (OBU) products, remittance services, alternative delivery channel products, online banking facilities, NRB service, SME service, foreign exchange business service, locker services etc. Investment products of IBB includes Bai-Murabaha, Bai-Muajjal, Bai-Istijrar, Bai-Salam, Bai-Istisna, Mudaraba, Musharaka, Hire Purchase under Shirkatul Melk, Murabaha Post Import, Murabaha Import Bills, Murabaha Import LC, Murabaha Foreign Currency Investment under EDF, Bai-Muajjal Back to Back Bills, Bai-as-Sarf etc.

Deposit products include Al-Wadeah Current Account, Mudaraba Saving Account, Mudaraba Special Notice Account, Mudaraba Special Savings (Pension) Account, Mudaraba Term Deposit Account, Students Mudaraba Savings Account, Mudaraba Farmers Savings Account, Mudaraba Waqf Cash Deposit Scheme, Mudaraba Hajj Savings Account, Mudarab Muhar Savings Deposit Account, Mudaraba Foreign Currency Account, Mudaraba Exporters' Retention Quota Account, etc. IBB has also different types of welfare-oriented investment schemes, rural development scheme, forex investment products, offshore banking unit products. The bank has also launched mobile financial services under the name "Islami Bank mCash" as per Bangladesh Bank approval on 27 December 2012. CellFin is the App based Omni channel digital banking platform where any Bangladeshi citizen with a National Identity Card (NID) or IBB bank account can register CellFin account through smart phone. With the CellFin app, the bank has successfully launched BanglaQR services for the customers as one of the member bank among first three banks under NPSB in 2022. The bank is playing role both as issuer and acquirer. Now, the bank is participating with the CashLess Motijheel project as declared by Bangladesh Bank. In 2022, the bank has successfully launched BINIMOY services which is integrated under CellFin apps as a SDK service provider of BINIMOY. Now, the bank's customers are enjoying BINIMOY services with our mCash and bank account.

A.5. Shareholding Structure

IBB has authorized capital of BDT 20,000.00 Million and Paid-up Capital of BDT 16,099.91 Million. Moreover, 35.89% of shares were held by sponsors/ promoters whereas 64.11% share was held by general public in FY2023. The Government of the People's Republic of Bangladesh holds very small portion of share of the bank's Paid-up Capital. The diagram depicts the shareholding structure of IBB as on December 31, 2023.

Figure 3: Ownership Pattern: IBB



A.6. Subordinated Bond

A.6.1. Issuance Objectives

The Unsecured, Non-Convertible, Redeemable, Floating Rate Subordinated Bond will be issued in order 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 Issuer for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.

A.6.2. Use of Proceeds of the Bond

The funds being to be raised by the Issuer (i.e. Bank) through the bond are not meant for financing any particular project. The Issuer shall utilize the proceeds of the Issue for its regular business activities. The Issuer 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).

1 SEP 2024

Nasimul Baten
Managing Director & CEO
DBH Finance PLC

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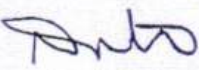



A.7. Structure of Subordinated Bond and Terms

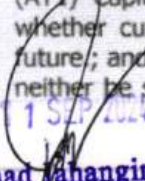
Exhibit 2: Structure of Mudaraba Redeemable Non-Convertible Subordinated Bond and Terms
(Based on Revised Information Memorandum)

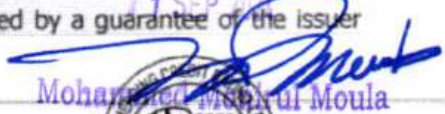
Name of the Issue	IBBPLC Fifth Mudaraba Redeemable Non-Convertible Subordinated Bond.
Issuer	Islami Bank Bangladesh PLC.
Issue Type	Unsecured, Non-Convertible, Fully Redeemable, Floating Rate BASEL III compliant Subordinated debt instrument (i.e. bond) for inclusion in Tier 2 regulatory capital for capital adequacy purposes.
Mandated Joint Arrangers	i) UCB Investment Limited, ii) Prime Bank Investment Limited and iii) Islami Bank Capital Management Limited
Trustee	DBH Finance PLC.
Issue Size	BDT 5,000.00 Million
Face Value/ Issue Price of each bond	BDT 5,00,000/- (Taka five hundred thousand or five lakh) only per bond at par.
Number of Issuing Unit	10,000 units/bonds.
Mode of Issue	Private offer/placement basis
Market Lot	01(one) unit/bond which totaling of BDT 5,00,000/- (Taka five lakh) and in multiples of 01 unit/bond thereafter.
Tenor	07 years (i.e. 84 months from the issue date/deemed date of allotment/proceeds receiving date).
Purposes and Objectives	Augmenting Tier-II 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.
Details of the utilization of the proceeds	The funds to be raised by the Issuer through the present Issue are not meant for financing any particular project. The Issuer shall utilize the proceeds of the Issue for its regular business activities. The Issuer 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).
Security	Unsecured without any credit enhancement. The obligation is not a deposit and is not insured by any deposit insurance scheme.
Deemed Date of Allotment/Issue Date	Upon realization of proceeds of subscription money in the designated bank account(s).
Transferability	Freely transferable in accordance with the provisions of the Trust Deed
Listing	As approved by the BSEC.
Seniority of Claims/ Seniority of the Instrument/ Claim Settlement in the event of Liquidation or Wind-up/Ranking among the claimants	The Claims of the Bondholders shall: <ul style="list-style-type: none"> (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 Bond (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

11 SEP 2024


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	nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.
Redemption date	Tier I Capital and Tier II Capital shall have the meaning ascribed to such terms in the Basel III Guidelines of Bangladesh Bank. Redeemable after 03 years (36 month) from the deemed date of allotment/ Issue Date/ proceeds receiving date.
Redemption Premium/ Discount	Not Applicable.
Put Option	Not Applicable.
Legal Advisor	Barrister Md. Mydul H. Khan of Lex Juris
Depository	Central Depository Bangladesh Limited (CDBL).
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. IBBPLC) will also not grant advances against the security of the instrument issued by them.
Profit/Coupon Payment Frequency	Semi-annually
Profit/Coupon Type	Floating Rate and total profit on the Bond will be calculated by Benchmark/reference rate plus a predetermined margin/ additional rate.
Benchmark (Reference) Coupon/Profit Rate	The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months' tenor of Full-fledged Islami Shariah based banks (excluding foreign and "Z" category banks) to be applied semi-annually. The published profit rates of the banks to be collected from latest available Announced Interest Rate Chart of the Scheduled Banks (Deposit Rate) (Percentage Per Annum) published by Bangladesh Bank in its website. After each financial year end, issuer shall give adjustment to the bondholders, if final profit rates of banks against applied all Mudaraba Term Deposit profit rates are reported and published for a respective financial year. The Benchmark/Reference Rate including year-end adjustment, if any, shall be calculated by the trustee and notified to the issuer as well as all bondholders on every Profit Rate Determination Date.

Coupon Margin/ Additional Rate Risk Premium
Bondholders will get an additional profit rate of **3.00%** per annum to be paid semi-annually along with the benchmark/reference rate. In case a downgrade of credit rating of the Bond below the rating trigger (i.e. 'BBB' or equivalent rating in the long term and "ST-3" or equivalent rating in the short term) under surveillance rating, Risk Premium (additional rate) should be added with the reference coupon/profit rate as per following table:

Issue Rating	Risk Premium
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

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Penalty rate on delay

2.00% as per provisions of Rule No. 14(1-h) of Bangladesh

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repayment	Securities and Exchange (Debt Securities) Rules, 2021.
Prepayment, Call, Refunding, conversion features	Not applicable.

A.8. Repayment Schedule & Subscribers

The bond is to be redeemed at par in 5 equal annual instalments starting from end of 3rd year from the issue date/deemed date of allotment and each 12 months from thereafter as per following table:

Exhibit 3: Structure of Mudaraba Redeemable Non-Convertible Subordinated Bond and Terms

No. of Installment	Installment due (In Months)	End of the Year	Repayment
1	36 th months	3 rd year	20% of Investment
2	48 th months	4 th year	20% of Investment
3	60 th months	5 th year	20% of Investment
4	72 nd months	6 th year	20% of Investment
5	84 th months	7 th year	20% of Investment
Total			100% Principal at par

B. FINANCIAL ANALYSIS

B.1. Capital Adequacy

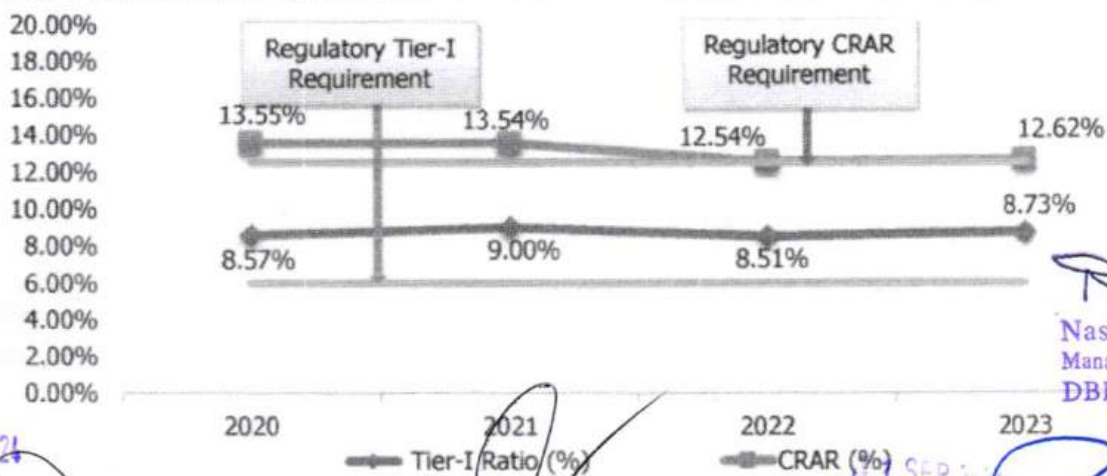
Exhibit 4: Selected indicators of IBB

FY 31 December	2023	2022	2021	2020
Tier-I Capital (BDT Million)	74,967.30	69,731.86	65,304.82	55,181.93
Total Capital (BDT Million)	108,376.73	102,738.44	98,189.08	87,252.72
Total Risk Weighted Assets (BDT Million)	858,436.39	819,356.86	725,369.93	644,094.71
Tier-I Ratio (%)	8.73	8.51	9.00	8.57
CRAR (%)	12.62	12.54	13.54	13.55

FY2020-2023 Data Extracted from Audited Financial Statements

IBB has maintained both Tier-I ratio and CRAR as per the regulatory requirement by Bangladesh Bank. During the year of 2023, IBB's Tier-I or core capital saw an incline of 7.51% primarily due to increase the general reserve by 21.59% followed by statutory reserve by 4.60%. Similarly, the Bank's Tier-II capital has marginally increased by 1.22% which eventually made the total capital of BDT 74,967.30 million marking an incline of 5.49% in FY2023 compared to the prior year. Simultaneously, the bank's risk-weighted assets have increased by 4.77% to reach BDT 858.44 million by the end of FY2023. Despite this growth, the CRAR of the bank has marginally moved to 12.62% in FY2023 from 12.54% in FY2022.

Figure 4: Capital Adequacy Position of IBB



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B.2. Asset Composition & Trends

Exhibit 5: Selected Indicators for IBB

FY 31 December	2023	2022	2021	2020
Total Asset (BDT Million)	2,031,532.78	1,838,080.21	1,635,992.80	1,416,828.50
Asset Growth (%)	10.52	12.35	15.47	24.12
Gross Investments (BDT Million)	1,600,265.66	1,461,365.50	1,191,173.00	1,035,287.88
Gross Investments Growth (%)	9.50	22.68	15.06	15.16
Gross Investments to Total Assets (%)	78.77	79.50	72.81	73.07
Investments (BDT Million)	88,038.37	90,454.66	94,819.40	74,107.43
Investments Growth (%)	(2.67)	(4.60)	27.95	36.89
NPIs (BDT Million)	69,188.11	54,022.01	39,387.11	35,259.10
NPIs Growth (%)	28.07	37.16	11.71	2.54
Gross NPI Ratio (%)	4.32	3.70	3.31	3.41
Net NPI Ratio (%)	(3.47)	(3.49)	(4.34)	(4.26)
Investment Loss Reserve Coverage (%)	94.82	106.89	129.71	132.03
NPIs to Equity & Investment Loss Reserve (%)	50.58	42.91	34.06	32.60

FY2020-2023 Data Extracted from Audited Financial Statements

*ECRL considers total provision against the investment (both general and specific) while calculating the Net NPI Ratio

IBB's asset base has consistently expanded over the reviewed years. In the recent financial year, i.e. FY2023, the asset base of the bank has further expanded by 10.52%, a slightly lower pace compared to 12.35% in the previous year. The growth in asset base was facilitated by two components i.e. gross investments, and other assets. The gross investment portfolio grew by 9.50% during the period, while the other assets surged exponentially by 3.23 times, owing to a substantial rise of 4.76 times in Un-reconciled entries of Inter Branch Transactions. This made other assets the third most contributing component of the asset base with 5.33% (1.82% in FY2022) contribution, after investment portfolio (78.77% in FY2023 and 79.50% in FY2022), and cash (5.80% in FY2023 and 6.72% in FY2022).

B.2.1. Asset Quality

The gross investment portfolio of the bank has been following upward trend over the four-year period under review. However, the growth rate has decelerated in FY2023 to 9.50% compared to 22.68% in the previous year. Thus, the investment portfolio reached BDT 1,600,265.66 million in FY2023 from BDT 1,461,365.50 million in FY2022.

Meanwhile, the investment in shares and securities of the bank has been gradually depleting for the last two years. In FY2023, the investment in shares and securities of the bank has marginally decreased by 2.67% following 4.60% decrease in the previous year owing to a combination of withdrawal of investment, decrease in market value of investments and redemption of bonds.

IBB's non-performing investment (NPI) has been witnessing significant rise for the last two years. In FY2023, the NPI of the bank surged substantially by 28.07% following a surge of 37.16% in FY2022. The NPI of the bank is advancing at a higher pace compared to its gross investment for the last two years eventually leading to an increasing trend in NPI ratio. Consequently, the NPI ratio of the bank reached 4.32% in FY2023, up from 3.70% in FY2022. However, IBB has recovered BDT 530.16 million from its non-performing investment in FY2023.

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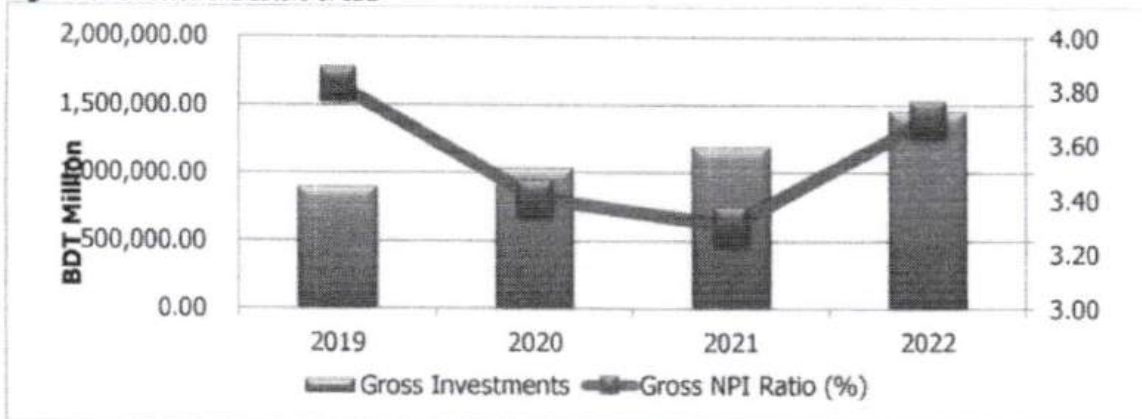
Mohammad Jahangir Alam

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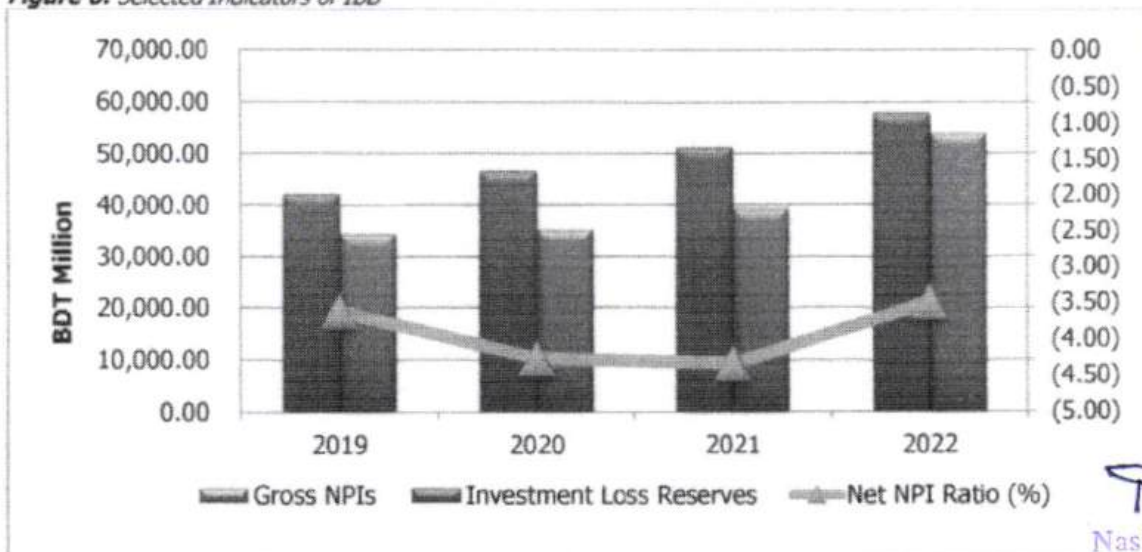
Figure 5: Selected Indicators of IBB



The primary driver behind the bank's NPI increase was a notable surge of newly classified investments as indicated by 120.07% surge in Sub-Standard investments representing 25.01% (14.55% in FY2022) of the total NPI in FY2023. Meanwhile, bad/loss investments increased by 12.15% in FY2023 and contributed 66.41% (75.84% in FY2022), and doubtful investments increased by 14.45% in FY2023 and contributed 8.58% (9.61% in FY2022). Moreover, the bank has recorded BDT 18,121.50 million as top 20 NPI which was 1.13% of the total investment portfolio. In addition, total outstanding of BDT 15,548.00 million have been in bad investment status for more than 2 years as of December 31, 2023.

Nonetheless, the IBB has maintained the required provision against gross investments with surplus of BDT 0.50 million. The investment loss reserve coverage of the bank reduced to 94.82% in FY2023, from 106.89% indicating decreased safety against potential losses on gross investment.

Figure 6: Selected Indicators of IBB



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B.2.2. Investment Diversification and Concentration

In terms of sector concentration, the investment portfolio of IBB is primarily dominated by the trade & commerce sector, comprising 31.40% of the total, followed by steel, re-rolling & engineering at 14.74%, garments and garments accessories at 14.74%, textiles at 12.43% with the remaining balance distributed among other industries during FY2023. Geographically, merely 6.01% of the bank's investments are made in rural areas and the remaining large investments of 93.99% are concentrated in urban zones. Specifically, IBB has the largest concentration within the Dhaka division by 58.92% while the smallest share, just 1.65%, is held by the Khulna division.

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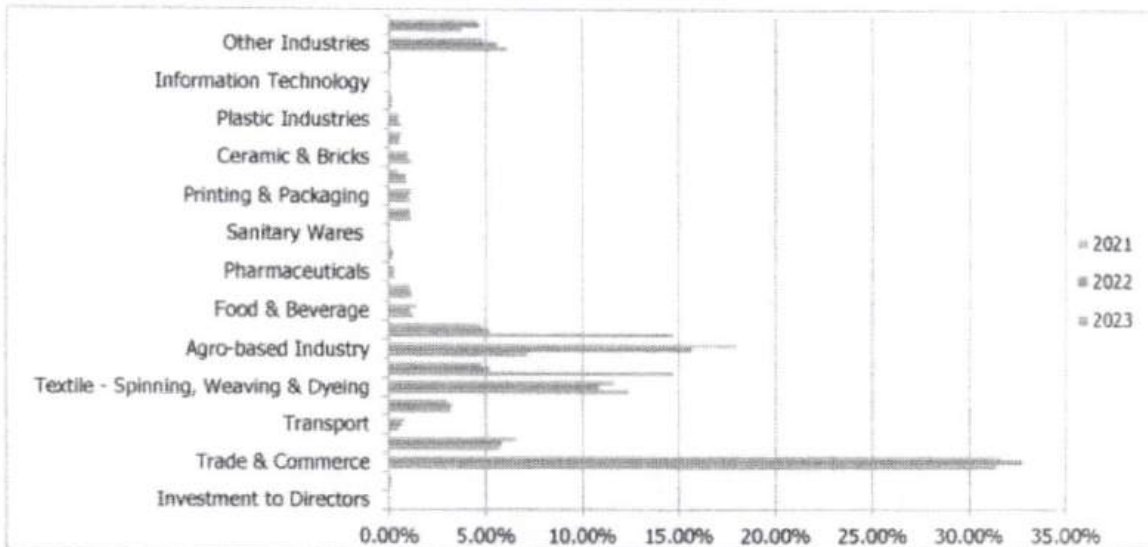
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Figure 7: Industry-wise distribution of investments & advances of IBB



B.2.3. Rescheduled and Written-Off Investments

To control the non-performing investments during FY2023, the bank’s rescheduling of investments has remarkably inclined by 4.52 times to BDT 161,924 million against 667 clients from BDT 35,852.00 million against 811 clients in FY2022. On the other hand, over the four years of review period the bank has not recorded any investment as write off. By year-end, the NPIs, rescheduled investments and written-off investments altogether represented 4.32% of the investment book of the bank, exhibiting a downfall from 6.15% in the previous year.

B.2.4. Large Investment Exposure

By the end of FY2023, the bank’s exposure to large investments, including both funded and non-funded investments exceeding 10% of the total capital, witnessed a decrease compared to the preceding year. The outstanding balance of these investments reached BDT 494,503.50 million, distributed among 32 customers, contrasting with BDT 554,448.20 million in FY2022 spread across 36 clients. Additionally, the combined value of the top 20 funded and non-funded investments constituted 19.64% of the total investment portfolio.

B.2.5. Off-Balance sheet exposure

The off-balance sheet exposure of IBB is consisted of 68.15% of irrevocable letters of credit, 19.90% of bills for collection and 11.94% of letter of guarantee in FY2023. Therefore, the bank reported total off-balance sheet exposure of BDT 223,707.34 million in FY2023 which is lower compared to BDT 268,015.46 million in the previous year.

B.3. Funding and Liquidity

Exhibit 6: Selected indicators of IBB

FY 31 December	2023	2022	2021	2020
Deposits (BDT in Millions)	1,534,566.01	1,410,445.43	1,381,979.53	1,179,691.35
Deposit Growth (%)	8.80	2.06	17.15	24.66
Investment to Deposit Ratio (IDR) (%)	91.90	91.64	79.74	80.42
Net Investments/Stable Funding Base (%)	162.97	158.30	133.88	132.93
Net Investments/Customer Deposits (%)	77.74	78.74	79.74	80.42
Deposits to Total Funding (%)	75.54	76.73	84.47	83.26
Interbank Liabilities to Total Funding (%)	10.40	10.20	2.25	3.14

FY2020-2023 Data Extracted from Audited Financial Statements

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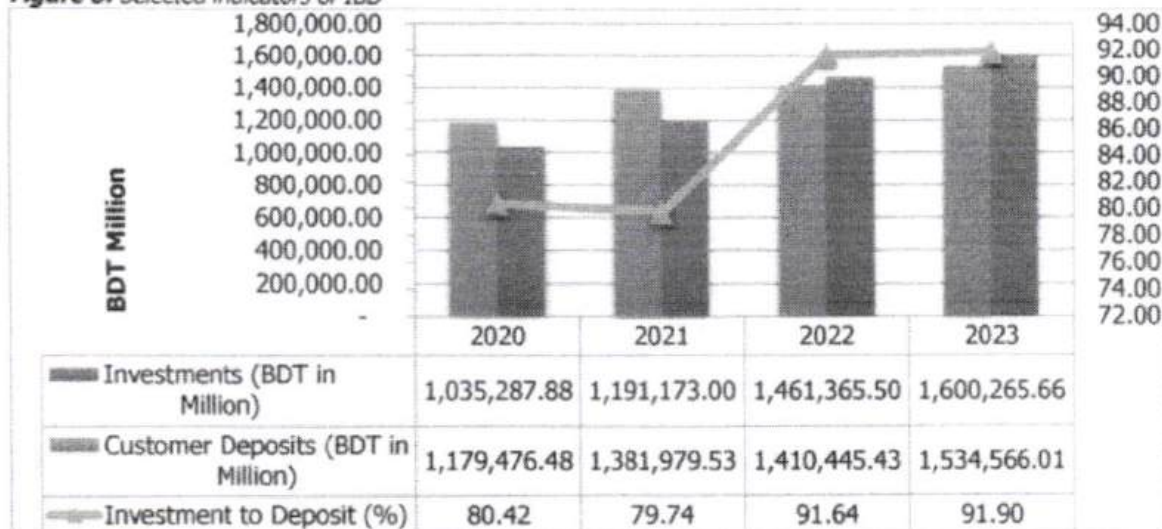


B.3.1. Fund Management

Total funding base of IBB has enlarged by 10.51% in FY2023, compared to 12.35% rise in the previous year. The growth of funding base of IBB mainly stemmed from growth in its largest component of deposit base which compromised 75.54% of total funding. However, among the total liabilities, interbank liabilities are the second major component which is constituting of 10.40% of total funding, followed by uncategorized liabilities of 8.96%, equity of 3.50%, sub-debt of 1.53% and remaining 0.06% of deferred tax liability.

The deposit base of the bank has grown moderately by 8.80% in FY2023, following a mere 2.06% growth in FY2022. The growth was mainly achieved by significant rise of 28.96% in low cost current deposits pushing up its contribution to 12.99% in total deposit portfolio from 10.95% a year ago. As a consequence of the same, the current account and saving account deposits (CASA) of the bank reached 44.53% of the total deposits from 42.77% in the preceding year. Notably, the investment deposit ratio of the bank reached 91.90% in FY2023 from 91.64% in FY2022 due to slower growth of deposit compared to investments. Notably, the investment deposit ratio of the bank reached very close to the regulatory ceiling of 92.00% limiting scope of increasing investment portfolio. The dependency on borrowing from other banks and FI's which is the second largest contributor of funding base has increased by 12.77% by the end of FY2023. As result, interbank liabilities to total funding ratio has slightly increased to 10.40% in FY2023 from 10.20% in FY2022. Furthermore, the net investments were 162.97% of the stable funding base at the end of FY2023, showing an increase from 158.30% in the previous year.

Figure 8: Selected indicators of IBB



B.3.2. Liquidity Management

According to Bangladesh Bank regulations, banks must uphold a Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) on their time and demand liabilities. For Islamic Banking Units, the mandated minimum CRR stands at 4%, while the minimum SLR required is 5.50% on bi-weekly basis. During 2023, IBB reported surpluses of BDT 16,379.78 million and BDT 8,142.83 million respectively in relation to the requirements for the Cash Reserve Ratio (CRR) and the Statutory Liquidity Ratio (SLR). As per IBB's asset and liability maturity profile, the bank has effectively distributed its assets and liabilities across various time frames. However, the maturity profile of assets and liabilities highlights a liquidity mismatch in 1 to 3 months' and 1-5 years' bracket. Despite this, there was an overall liquidity surplus of BDT 71,192.79 million at the end of FY2023.

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B.4. Earning Trends and Profitability

Exhibit 7: Selected Indicators of IBB

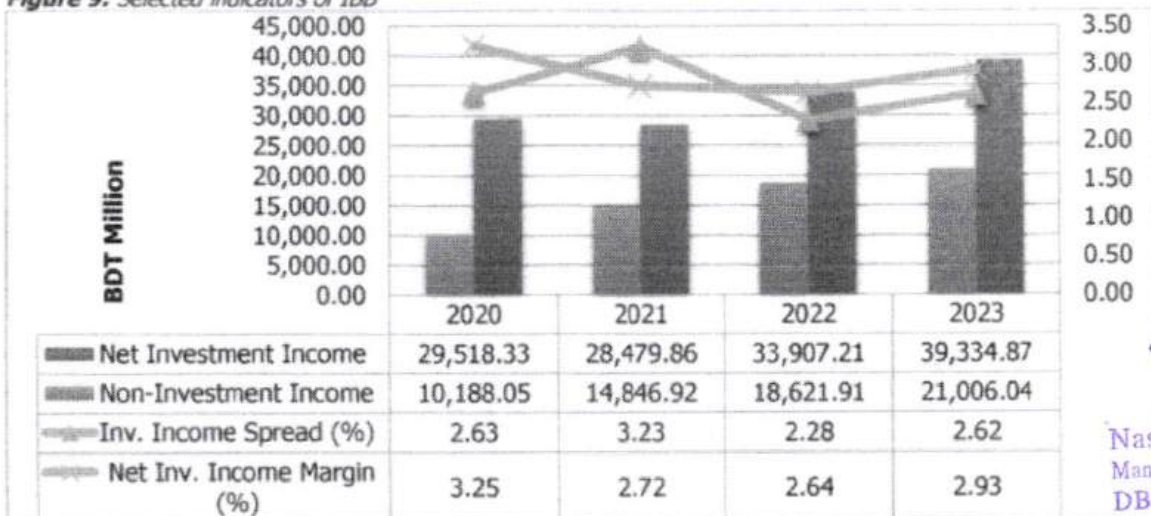
FY 31 December	2023	2022	2021	2020
Net Investment Income (BDT Million)	39,334.87	33,907.21	28,479.86	29,518.33
Net Investment Income Growth (%)	16.01	19.06	(3.52)	(4.18)
Non-Investment Income (BDT Million)	21,006.04	18,621.91	14,846.92	10,188.05
Non-Investment Income Growth (%)	12.80	25.43	45.73	(17.72)
Pre-Provision Profit (BDT Million)	22,613.57	21,247.41	16,554.41	14,798.22
Pre-Tax Profit (BDT Million)	16,501.66	14,592.92	11,441.28	10,689.09
Post-Tax Profit (BDT Million)	6,114.15	5,923.45	4,639.20	4,521.01
Post-Tax Profit Growth (%)	3.22	27.68	2.61	(15.15)
Post - Tax ROAE (%)	8.77	8.93	7.35	7.52
Inv. Income Spread (%)	2.62	2.28	3.23	2.63
Net Inv. Income Margin (%)	2.93	2.64	2.72	3.25
Cost to Income Ratio (%)	62.52	59.55	61.79	62.73

FY2020-2023 Data Extracted from Audited Financial Statements

In the last two years (FY2023 and FY2022), IBB has maintained double digit growth in its net investment income. In the year of 2023, the net investment income of the bank has increased by 16.01%, compared to 19.06% in FY2022. Both the investment income and profit paid on deposit of the bank has increased during FY2023 due to a combination of enhancement of the investment and deposit portfolio and rising interest rates. In line with this, the investment income from general investment has inclined by 19.37%. Meanwhile, the profit paid on deposit has increased at a higher pace of 21.48% in FY2023, and slowed the growth of net investment income. However, owing to increased concentration of current deposits, the average spread of the bank has improved to 2.62% compared to 2.28% in the preceding year.

The non-investment income of the bank has risen by 12.80% (25.43% in FY2022) in FY2023 facilitated by a significant rise of 69.10% in income from investment in shares and securities. Especially, income from Bangladesh Government Islamic Investment Bond (BGIIB) rose abruptly by 8.48 times to BDT 2,108.36 million from BDT 248.74 million. Subsequently, the total operating income further boosted by 14.87%, reaching BDT 60,340.91 million in FY2023, compared to BDT 52,529.12 million in the previous year.

Figure 9: Selected indicators of IBB



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Managing Director & CEO
DBH Finance PLC.

Meanwhile, the bank has recorded operating expense of BDT 37,727.34 million which has significantly escalated by 20.61% and resulted in an increased cost to income ratio of 62.52% in FY2023 from 59.55% in FY2022 owing to 77.06% increase in other uncategorized expenses. Nonetheless, despite increased operating expenses, the bank's pre-provision profit of bank remained 6.43% higher compared to previous year.

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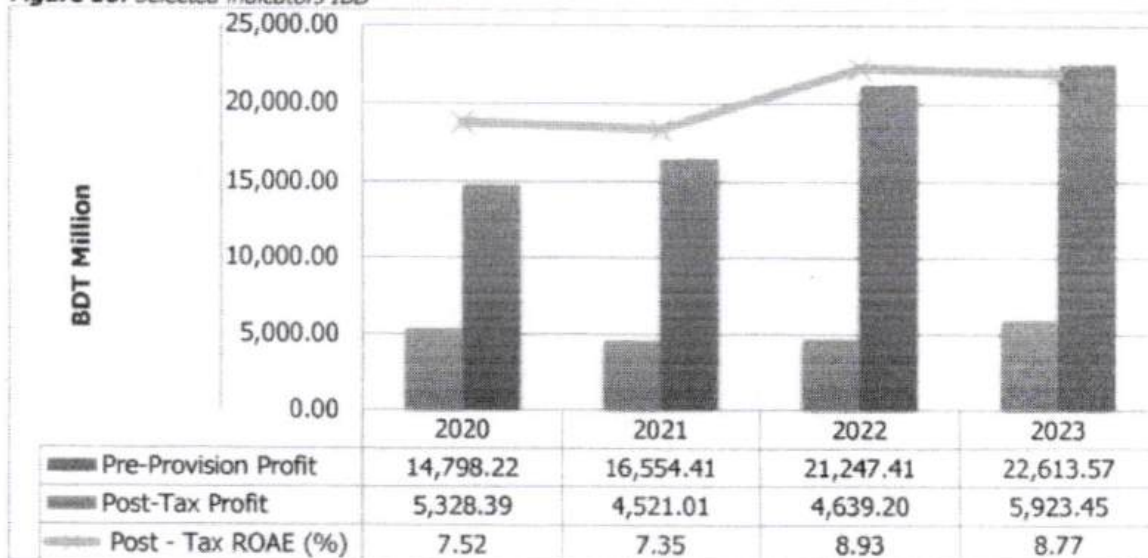


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Besides this, regardless of increasing the investment portfolio along with the non-performing investment, the bank has recorded 8.15% lower provision expense in FY2023. On the other hand, tax expenses of the bank increased by 19.82% in FY2023. Overall, higher operating income, along with lower provision expense, has led to a 3.22% rise in post-tax profit of the bank despite increase in operating expense and tax expense. In line with this, the post-tax profit of the bank stood at BDT 6,114.15 million which was BDT 5,923.45 million a year ago.

Figure 10: Selected indicators IBB



C. MARKET RISK ANALYSIS

Markets risks of a Subordinated Bond may arise due to uncertainty related to the redemption risk, investment profit rate risk and pricing risk of the bond. Moreover, bond by nature are exposed to many sources of risk. The term structure of the profit rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties.

However, the debt instrument that Islami Bank Bangladesh PLC. offered to the market is sensitive towards both market and company specific risks. All investments which offer a balance between risk and potential return are graded to be the higher rated investment. The balance between risk and return varies by the type of investment (in this case Subordinated Bond), the entity that issues it, the state of the economy and the cycle of the securities markets (this risk is eliminated as it will not be publicly traded in secondary market). To evaluate the proper pricing and coupon rate structure offered for the instruments. ECRL considered the following risk analysis related to the both market and instrument specific risk.

C.1. Profit Rate Risk of the Bond

Profit rate risk affects the value of bonds that arises when an investment's value will change due to a change in the absolute level of profit rates. The total profit on the Bonds is being calculated by Benchmark Mudaraba Term Deposit profit rate (6 months' tenor) of Full-fledged Islami Shariah based banks plus an additional 3.00% profit rate on semi-annual basis.

C.2. Counterparty Risk

The issue under consideration has several relevant parties apart from the investor whose credentials and backgrounds add to the credit worthiness of the issue of Subordinated bond.

C.3. Trustee

DBH Finance PLC. (DBH) is acting as the trustee to the issue who will be performing the custodial role in this regard. The trustee is expected to abide by the terms and conditions signed by DBH & IBB which covers topics ranging from specifying their duties to covenants of repayment as well as course

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of action in the event of default. DBH has previous track record in performing the role of trustee, the counterparty risk is expected to be low.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. Banks are exposed to six core risks through their operation, which are Investment (Credit) Risk, Asset-Liability Management Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk and Information & Communication Technology (ICT) Risk. As a prudent and responsible financial institution, the bank attaches top priority to ensuring safety and security of the finances that are being extended.

D.1. Investment Risk Management

One of the major risks faced by IBB is the investment risk which is an inherent factor of engaging in banking businesses. This can be described as potential loss arising from the failure of counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness or inability of the counter party in discharging his /her financial obligation. Therefore, bank's Investment Risk Management activities have been designed to address all these issues. The bank has designed its own operational manuals for each modes and products. It has also designed its own investment risk management guideline which is compatible with the regulatory guideline and Islamic modes of finance. There is a dedicated committee namely "Investment Risk Management Committee" which periodically reviews the operational manuals and risk management guidelines and ensures compliance of the same.

D.2. Asset Liability Management Risk

The Asset Liability Management Committee (ALCO) of the bank monitors balance sheet risk, liquidity risks, investment deposit ratio (IDR), deposit mix, investment mix, gap analysis etc. under the leadership of MD & CEO of the bank. Asset Liability Management Committee (ALCO) reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and investment pricing strategy, sensitivity of assets and liabilities, management indicators/ratios and the liquidity contingency plan. The primary objective of the ALCO is Liquidity management, Fund management and Assets-Liabilities matching. The committee also monitors and averts significant volatility in Net Investment Income (NII), investment value and exchange earnings.

D.2.1. Liquidity Risk

Liquidity risk, one of the core components of the Asset Liability Management Risk, is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. It is triggered by the consequences of other financial risks such as investment risk, profit rate risk, foreign exchange risk, etc. In IBB management of liquidity and funding is carried out by the Asset Liability Committee (ALCO). The objective of it is to ensure that all foreseeable funding commitments and deposit withdrawals have to be met in due time.

Investment deposit ratio indicates a banks liquidity position and IBB's investment deposit ratio stood at 91.90% as on December 31, 2023 which is within the regulatory limit of 92.00% for Islamic banks. IBB has been maintaining Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR) in line with Bangladesh Bank requirement.

D.2.2. Investment Profit Rate Risk

Investment profit rate risk is the potential impact on the bank's earnings and net asset values due to changes in market profit rates. This can arise due to mismatches between maturities of investment and funds, imbalance between supply and demand of fund for investment etc. The Asset Liability Management Committee (ALCO) of IBB is the main body which looks after and monitors investment profit rate structure. The committee also evaluate any market risk arises from the regulatory pressure thus reducing the profit rate. Moreover, ALCO is always watchful to adverse movement of the different market variables.

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D.2.3. Foreign Exchange Risk

Foreign Exchange Risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. The bank is exposed to profit rate risk and settlement risk on account of its foreign exchange business. Foreign Exchange business includes trading of foreign currencies relating to import, export, remittances and other ancillary services. The bank is dealing with a substantial volume of foreign trade and remittance business of the country which exposes the bank to foreign exchange risk. The bank has adopted foreign exchange risk manual through which the foreign exchange operations are dealt with. Foreign Exchange risks are measured and monitored by the Treasury Division. Treasury Division consists of separate Front Office, Back Office and Mid Office. The Treasury Front Office (Dealing Room) independently performs the deals and the Treasury Back Office is responsible for verification of the deals and passing of their entries in the books of account.

D.3. Operational Risk

Operational risk is the potential loss arising from a breakdown in company's systems and procedures, internal control, compliance requirements or corporate governance practices that results in human error, fraud, failure, damage of reputations, delay to perform or compromise of the company's interests by employees. These may arise due to turnover of trained staff, risk of insider dealing, leakage of sensitive information, shortcoming of organizational structure, risk of falling in credit rating, money laundering, changes in statutory requirement as well as technological obsolescence. The Shari'ah Council observes all the operational activities of the bank.

D.3.1. Information & Communication Technology Risk

The banking industry over the years has consistently relied on modern technology. Increased reliance on the ICT sector has similarly spawned risk aspects as well. The bank has adequately addressed Information and Communication Technology (ICT) Risk Management. The ICT Risk Management exercise mainly includes minimizing financial and image loss to the institution in all events such as natural disasters, technological failures, human errors etc. In line with the Bangladesh Bank directives, the bank has approved its own ICT policies for its operations and services. The bank uses own developed Core Banking Software to perform all types of transactions including local/ online/ internet in a secured way. To take care of its core banking system, a separate security module has been incorporated in the software which manages different roles/privileges for different users. All financial transactions can be tracked for future audit purposes. The bank uses Central Data Centre to replicate transactions in branches in case of data failure or inconsistencies.

D.3.2. Internal Control and Compliance Risk

Internal control facilitates systematic and orderly flow of various operational activities within the organization. To confront operational risk, IBB follows "Internal Control and Compliance (ICC) guidelines" which is approved by the Board through Audit Committee of bank and bank should review ICC policy on yearly basis. IBB organizes its management through Internal Control & Compliance Wing consisting of three Divisions namely (i) Audit & Inspection Division (ii) Compliance Division, and (iii) Monitoring Division to develop sound, sustainable and secured growth of the bank. The Audit Committee of the Board subsequently reviews the lapses identified by the Audit & Inspection Division, Bangladesh Bank and other regulators. Subsequently appropriate actions are taken as per decisions of the said Committee for protecting the Bank's interest. Thus Internal Control & Compliance (ICC) system of IBB plays active role in mitigating operational risk and contributes in the process of being a well compliant Bank.

D.3.3. Money Laundering Risk

Money Laundering is the generic term used to describe the process by which criminals disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source. In order to ensure the best corporate governance practices and aiming at protecting the Bank and its employees, shareholders, management and customers, IBB is committed to comply the Money Laundering Prevention Act- 2012 (amended in 2015), Anti-Terrorism Act- 2009 (amended in 2012 & 2013), Money Laundering Prevention Rule- 2013, Anti-Terrorism Rule- 2013 and the guidance/instructions issued by Bangladesh Financial Intelligence Unit (BFIU) and other regulatory authorities (where applicable). For mitigating risks, the bank has formed

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Central Compliance Committee (CCC) under the leadership of the Chief Anti Money Laundering Compliance Officer (CAMLCO). The independent CCC of the bank is performing supervisory and monitoring activities for the event of the aforesaid programs on Anti-Money Laundering and Anti-Terrorism. In addition, an independent division namely Money Laundering and Terrorist Financing Prevention Division (MLTFPD) is providing secretarial assistance to the CCC for implementing its program.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

Corporate governance of the entity can be reflected in its quality of financial reporting and disclosures; strength of internal control system and internal audit function. Induction of professionally competent, independent non-executive directors on corporate board also reflects good corporate governance. It can also be reflected through the formation of Audit Committee; delegation of authority to executives and staffs; protection of corporate governance for strengthening organizational strength.

The board of directors comprises of five members. The Chairman of the board is Mr. Md. Obayed Ullah Al Masud, who is the Ex-Managing Director of Rupali Bank PLC. The board ensures that the company achieves superior financial result and stewards its leadership position in the industry. Moreover, the board is engaged in major activities such as addressing major policy, regulatory and strategic issue and providing proper guidelines, monitoring financial performance, monitoring operations of internal control, approval of annual budget, major capital expenditure etc. Evaluation of financial performance, approval of audit report, appointment and evaluation of Managing Director and Senior Management Team are the key decision where the board of directors plays a good part to carry on a sound banking system. In addition, the board of directors is the responsible body to make timely reporting to shareholder about the affairs and performance of the company.

E.1.1. Shari'ah Supervisory Committee

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. As per Islamic Banking Guideline circulated by Bangladesh Bank, The Shari'ah Supervisory Committee is represented by 13 members. The Shari'ah Supervisory Committee of IBB 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 bye-laws approved by the Board of Directors. As part of major responsibilities of the Committee Shari'ah inspections are also conducted in all the branches under its direct supervision to ensure Shari'ah compliance in all activities of the bank.

E.1.2. Executive Committee

IBB has constituted seven members executive committee of the board. The executive committee of the board is responsible for developing policy and strategy for smooth operations of the business. Moreover, the committee is also responsible for business development of the bank to ensure maximization of shareholders' wealth and protecting other stakeholders' interest in the company as well. Mr. Md. Abdul Jalil is the Chairman of the present Executive Committee of the bank.

E.1.3. Audit Committee

IBB has formulated an audit committee that plays an effective role in devising an efficient and secured banking system. The Audit Committee has been formed comprising five members and is chaired by Mr. Md. Abdus Salam FCA, FCS.

The Board approves the objectives, strategies and overall business plan of the bank while the Audit Committee assists the Board in fulfilling oversight responsibilities. The Audit Committee also assist the Board in ensuring the financial statements reflect true affairs and ensures a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors.

E.1.4. Risk Management Committee (RMC)

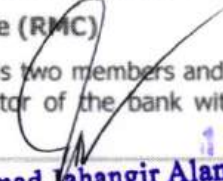
Risk Management Committee (RMC) has two members and presently headed by Mr. Professor Dr. M. Masud Rahman, an independent director of the bank with the objective to reduce probable risks

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arising during execution of board approved policies, procedures and strategies. The committee monitors risk management policies & methods and reviews the risk management process to ensure effective prevention and control measures. The functions of RMC include identifying and assessing risk of the bank and guide management to formulate strategies for minimizing/controlling of various risks, reviewing the risk management policy of the bank and modifying the same as per requirement, reviewing the limits of investment and others and take necessary initiatives to modify the same as per requirement, evaluating and monitoring certain risks, supervising capital management, examining market conditions and volatility and comply with different directives/guidelines as issued by regulators from time to time etc.

E.2. Senior Management

The strategic management activities and overall business operations of IBB are supervised and directed by the core management team of the bank. The core management team, as well as the whole bank, is led by the Managing Director, Mr. Mohammed Monirul Moula who has above 38 years of diversified experience with extensive and immense experience in banking. The members of the team have also attended numerous training and development programs both at home and abroad which enabled them to build enormous knowledge base in banking. To ensure that the bank operates efficiently, IBB has formulated the following different committees to represent the board in different strategic areas.

E.2.1. Management committee (MANCOM)

Management committee is comprised of 14 (fourteen) senior members of the bank, headed by Managing Director; Mr. Mohammed Monirul Moula. All of the members are from different respective wings/divisions. The committee is highly experienced in the related field and possesses great deal of versatility in the overall management practice. The day to day operations of the bank is handled by these professionals with modern banking expertise in their respective fields. MANCOM meets on regular basis to discuss relevant agenda and scrutinizes all the cases thoroughly before referring to Executive Committee/Board for due approval decision.

E.2.2. Asset Liability Management Committee (ALCO)

To support the asset liability management process, the bank has established a committee called Asset Liability Committee (ALCO) headed by the Managing Director. The Bank's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term liquidity and ensuring adequate liquidity at optimal funding cost. The committee regularly meets to review economic, market status, outlook and liquidity position of the bank.

E.3. Human Resource Management

The bank has defined HR policies including recruitment, training & development, promotion, leave, transfer and disciplinary action policy. Usually internal recruitment procedures are considered to fill up the mid and top management positions, while entry-level positions are filled with regularly through competitive recruitment exams. The Human Resources Wing (HRW) follows transparent, well-defined and strict rules for appointment of officers and staff. HRW of IBB annually determines manpower requirement as per available vacant positions, necessity, and based on organogram. According to the manpower requirement, the HRW makes plans for recruitment of new employees and takes recruitment initiatives as per plan. IBB maintains a separate Human Resources Wing (HRW) to manage policies and practices regarding this intellectual pool. HRW of the bank follows a standardized, transparent and free & fair system to ensure standard recruitment, training & development of intellectual capital of the bank. At the end of 2023 total manpower of the bank were 20,809 people including 1,045 executives, 12,610 officers, 1,816 sub-staffs, 3,131 Rural Development Scheme (RDS) staff and 2,207 Other (Temporary) employees.

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CORPORATE INFORMATION

The Board of Directors of Islami Bank Bangladesh PLC. has been reconstituted by the Central Bank of Bangladesh (i.e. Bangladesh Bank) vide its letter No. BRPD(BMMA)651/9(6) DA/2024-7335; dated August 22, 2024 by dissolving previous Board of Directors pursuant to section No. 45, 47(1) and 48(1) of Bank Company Act, 1991. List of existing members of the Board are as follows:

SL. No.	Name of the Directors	Position
01	Mr. Md. Obayed Ullah Al Masud Ex-Managing Director, Rupali Bank PLC.	Chairman & Independent Director
02	Mr. Mohammad Khurshid Wahab Ex-Executive Director, Bangladesh Bank	Independent Director
03	Mr. Md. Abdul Jalil Ex-Deputy Managing Director, Al-Arafah Islami Bank PLC.	Independent Director
04	Dr. M. Masud Rahman Ex-Professor, Department of Finance, University of Dhaka	Independent Director
05	Mr. Md. Abdus Salam FCA, FCS Chartered Accountants	Independent Director

Share Holding Position [as on December 31, 2023]

Sponsor/Promoters	35.89%
General Public	64.11%
Government of the People's Republic of Bangladesh	0.0013%

Registered Office

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

Auditor

ACNABIN

Chartered Accountants
BPBL Bhaban (Level-13)
12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh

Khan Wahab Shafique Rahman & Co.

Chartered Accountants
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BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

Disclaimer

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ANNEXURE – I


(Declaration of the Management)

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ANNEXURE – II

(Due Diligence Report of the Trustee)


11 SEP 2024



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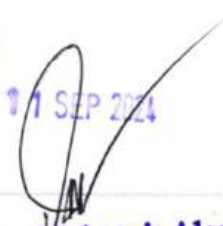
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