

**Islami Bank Bangladesh Limited and Its Subsidiaries**  
**Condensed Consolidated Balance Sheet**  
**As at 30 September 2016**

(Amount in Taka)

| Particulars   | As at<br>30 September 2016 | As at<br>31 December 2015 |
|---|----------------------------|---------------------------|
| <b>Property and assets</b>  |                            |                           |
| <b>Cash in hand</b>   | 60,105,398,708             | 55,256,081,820            |
| Cash in hand (including foreign currency)                                     | 9,615,372,484              | 8,625,867,409             |
| Balance with Bangladesh Bank & its agent bank(s) (including foreign currency) | 50,490,026,224             | 46,630,214,411            |
| <b>Balance with other banks &amp; financial institutions</b>                  | 21,947,101,009             | 25,844,591,295            |
| In Bangladesh   | 19,830,214,420             | 23,974,968,279            |
| Outside Bangladesh  | 2,116,886,589              | 1,869,623,016             |
| <b>Placement with banks &amp; other financial institutions</b>                | 8,811,404,893              | 3,000,000,000             |
| <b>Investments in shares &amp; securities</b>                                 | 94,343,291,407             | 98,397,090,217            |
| Government  | 89,436,637,770             | 95,482,757,770            |
| Others  | 4,906,653,637              | 2,914,332,447             |
| <b>Investments</b>  | 588,002,866,303            | 525,104,502,716           |
| General investments etc.  | 533,671,905,222            | 488,699,301,422           |
| Bills purchased & discounted  | 34,330,961,081             | 36,405,201,294            |
| <b>Fixed assets including premises</b>  | 15,475,264,463             | 15,838,557,191            |
| <b>Other assets</b>   | 5,426,266,355              | 2,527,292,915             |
| <b>Non - banking assets</b>   | -                          | -                         |
| <b>Total property and assets</b>  | <b>774,111,593,138</b>     | <b>725,768,116,154</b>    |
| <b>Liabilities and capital</b>  |                            |                           |
| <b>Liabilities</b>  |                            |                           |
| <b>Placement from banks &amp; other financial institutions</b>                | 12,551,840,000             | 17,766,330,139            |
| <b>Deposits &amp; other accounts</b>  | 667,432,929,483            | 614,877,266,437           |
| Mudaraba savings deposits   | 233,574,186,761            | 211,327,625,463           |
| Mudaraba term deposits  | 197,862,482,414            | 179,234,913,867           |
| Other mudaraba deposits   | 168,033,555,016            | 162,097,186,257           |
| Al- wadeeah current and other deposit accounts                                | 64,368,392,874             | 57,126,253,285            |
| Bills payable   | 3,594,312,418              | 5,091,285,545             |
| <b>Mudaraba perpetual bond</b>  | 3,000,000,000              | 3,000,000,000             |
| <b>Other liabilities</b>  | 41,239,563,726             | 41,256,004,562            |
| <b>Deferred tax liabilities</b>   | 310,729,883                | 310,066,332               |
| <b>Total liabilities</b>  | <b>724,535,062,892</b>     | <b>677,209,667,470</b>    |
| <b>Capital/shareholders' equity</b>   | <b>49,576,530,246</b>      | <b>48,558,448,684</b>     |
| Paid - up capital   | 16,099,906,680             | 16,099,906,680            |
| Statutory reserve   | 16,099,906,680             | 16,099,906,680            |
| Other reserves  | 11,813,698,312             | 11,779,818,313            |
| Retained earnings   | 5,562,950,362              | 4,578,754,064             |
| Non-controlling interest  | 68,212                     | 62,947                    |
| <b>Total liabilities &amp; shareholders' equity</b>                           | <b>774,111,593,138</b>     | <b>725,768,116,154</b>    |

**Islami Bank Bangladesh Limited and Its Subsidiaries**  
**Condensed Consolidated Balance Sheet**  
**As at 30 September 2016**

(Amount in Taka)

| Particulars   | As at<br>30 September 2016 | As at<br>31 December 2015 |
|---|----------------------------|---------------------------|
| <b>Off-balance Sheet Items</b>  |                            |                           |
| <b>Contingent liabilities</b>   |                            |                           |
| Acceptances & endorsements  | -                          | -                         |
| Letters of guarantee  | 11,887,335,529             | 10,629,688,357            |
| Irrevocable letters of credit (including back to back bills)          | 111,411,841,004            | 115,229,781,408           |
| Bills for collection  | 6,844,555,817              | 7,496,874,228             |
| Other contingent liabilities  | 23,581,701                 | 23,581,701                |
| <b>Total</b>  | <b>130,167,314,051</b>     | <b>133,379,925,694</b>    |
| <b>Other commitments</b>  |                            |                           |
| Documentary credits, short term and trade related transactions        | -                          | -                         |
| Forward assets purchased and forward deposits placed                  | -                          | -                         |
| Undrawn note issuance, revolving and underwriting facilities          | -                          | -                         |
| Undrawn formal standby facilities, credit lines and other commitments | -                          | -                         |
| <b>Total</b>  | <b>-</b>                   | <b>-</b>                  |
| <b>Total off-balance sheet items including contingent liabilities</b> | <b>130,167,314,051</b>     | <b>133,379,925,694</b>    |
| <b>Consolidated Net Asset Value (NAV) per share</b>                   | <b>30.79</b>               | <b>30.16</b>              |

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

  
**Mohammed Shanid Ullah FCA**  
**Chief Financial Officer**

  
**Abu Reza Md. Yeahla**  
**Company Secretary**

  
**Mohammad Abdul Mannan**  
**Managing Director & CEO**

  
**Prof. Syed Ahsanul Alam**  
**Director**

  
**Engr. Mustafa Anwar**  
**Chairman**

**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Condensed Consolidated Profit & Loss Account**  
**For the 3rd Quarter ended 30 September 2016**


(Amount in Taka)

| Particulars  | 01 January to<br>30 September<br>2016 | 01 January to<br>30 September<br>2015 | 01 July to<br>30 September<br>2016 | 01 July to<br>30 September<br>2015 |
|--|---------------------------------------|---------------------------------------|------------------------------------|------------------------------------|
| <b>Operating income</b>  |                                       |                                       |                                    |                                    |
| Investment income  | 39,667,095,647                        | 35,730,013,692                        | 13,105,701,138                     | 12,218,624,872                     |
| Profit paid on mudaraba deposits                                   | (22,306,166,287)                      | (21,517,484,938)                      | (7,565,019,240)                    | (7,392,871,172)                    |
| <b>Net investment income</b>                                       | <b>17,360,929,360</b>                 | <b>14,212,528,754</b>                 | <b>5,540,681,898</b>               | <b>4,825,753,700</b>               |
| Income from investments in shares & securities                     | 781,794,293                           | 776,850,149                           | 513,961,749                        | 113,969,792                        |
| Commission, exchange & brokerage income                            | 4,157,653,017                         | 4,412,240,519                         | 1,262,048,299                      | 1,299,599,568                      |
| Other operating income   | 1,178,854,992                         | 1,266,536,174                         | 47,088,283                         | 322,364,691                        |
| <b>Total operating income</b>                                      | <b>23,479,031,662</b>                 | <b>20,668,155,596</b>                 | <b>7,363,780,229</b>               | <b>6,561,707,751</b>               |
| <b>Operating expenses</b>  |                                       |                                       |                                    |                                    |
| Salary & allowances  | 7,992,403,995                         | 5,705,224,650                         | 3,180,889,233                      | 2,346,102,125                      |
| Rent, taxes, insurances, electricity etc.                          | 872,117,218                           | 763,416,174                           | 313,820,399                        | 281,972,517                        |
| Legal expenses   | 27,866,472                            | 31,722,660                            | 6,249,344                          | 12,827,432                         |
| Postage, stamps and telecommunication etc.                         | 85,435,172                            | 92,936,879                            | 23,791,666                         | 28,044,318                         |
| Stationery, printing and advertisement etc.                        | 163,299,728                           | 165,477,315                           | 54,264,953                         | 55,279,231                         |
| Chief executive's salary & fees                                    | 8,555,808                             | 5,750,000                             | 3,300,000                          | 2,450,000                          |
| Directors' fees & expenses   | 5,984,360                             | 9,489,060                             | 1,521,909                          | 2,601,831                          |
| Shar'ah supervisory committee's fees & expenses                    | 1,442,718                             | 3,105,965                             | 152,429                            | 1,177,173                          |
| Auditors' fees   | 1,929,003                             | 1,880,253                             | 758,001                            | 628,751                            |
| Charges on investment losses                                       | -                                     | -                                     | -                                  | -                                  |
| Depreciation and repair to bank's assets                           | 808,156,841                           | 892,327,714                           | 275,130,813                        | 300,198,934                        |
| Zakat expenses   | 315,984,705                           | 319,488,931                           | 105,328,235                        | 106,496,311                        |
| Other expenses   | 1,604,624,730                         | 1,146,833,493                         | 472,648,838                        | 285,613,363                        |
| <b>Total operating expenses</b>                                    | <b>11,987,799,748</b>                 | <b>9,137,654,894</b>                  | <b>4,437,855,820</b>               | <b>3,423,369,966</b>               |
| <b>Profit/ (loss) before provision</b>                             | <b>11,591,231,914</b>                 | <b>11,530,500,702</b>                 | <b>2,925,924,409</b>               | <b>3,138,337,785</b>               |
| Provision for investments & off- balance sheet items               | 2,938,640,000                         | 3,192,980,000                         | 1,190,300,000                      | 1,667,430,000                      |
| Provision for diminution in value of investments in shares         | (86,407,949)                          | 114,745,652                           | (119,827,860)                      | (15,191,818)                       |
| Other provisions   | -                                     | 3,846,500                             | -                                  | (406,389)                          |
| <b>Total provision</b>   | <b>2,852,232,051</b>                  | <b>3,311,572,152</b>                  | <b>1,070,472,140</b>               | <b>1,641,831,793</b>               |
| <b>Total profit/ (loss) before taxes</b>                           | <b>8,738,999,863</b>                  | <b>8,218,928,550</b>                  | <b>1,855,452,269</b>               | <b>1,496,485,972</b>               |
| <b>Provision for taxation for the period</b>                       | <b>4,534,816,984</b>                  | <b>4,291,200,123</b>                  | <b>1,117,124,050</b>               | <b>964,001,764</b>                 |
| Current tax  | 4,534,705,481                         | 4,291,200,123                         | 1,117,041,325                      | 964,001,764                        |
| Deferred tax   | 111,483                               | -                                     | 82,725                             | -                                  |
| <b>Net profit/ (loss) after tax</b>                                | <b>4,204,182,879</b>                  | <b>3,927,728,427</b>                  | <b>738,328,219</b>                 | <b>532,484,218</b>                 |
| <b>Net profit after tax attributable to:</b>                       | <b>4,204,182,879</b>                  | <b>3,927,728,427</b>                  | <b>738,328,219</b>                 | <b>532,484,218</b>                 |
| Equity holders of IBBL   | 4,204,177,634                         | 3,927,726,763                         | 738,324,069                        | 532,482,879                        |
| Non-controlling interest   | 5,265                                 | 1,664                                 | 4,150                              | 1,339                              |
| Retained earnings from previous year/period                        | 4,578,754,064                         | 2,386,670,563                         | 4,578,754,064                      | 3,366,928,445                      |
| Add: Net profit after tax (attributable to equity holders of IBBL) | 4,204,177,634                         | 3,927,726,763                         | 738,324,069                        | 532,482,879                        |
| <b>Profit available for appropriation</b>                          | <b>8,782,931,698</b>                  | <b>6,314,397,326</b>                  | <b>5,317,078,133</b>               | <b>3,899,411,324</b>               |
| <b>Appropriation:</b>  | <b>8,782,931,698</b>                  | <b>6,314,397,326</b>                  | <b>5,317,078,133</b>               | <b>3,899,411,324</b>               |
| Statutory reserve  | -                                     | -                                     | -                                  | -                                  |
| General reserve  | -                                     | -                                     | -                                  | -                                  |
| Dividend   | 3,219,981,336                         | 2,414,986,002                         | -                                  | -                                  |
| Retained earnings  | 5,562,950,362                         | 3,899,411,324                         | 5,317,078,133                      | 3,899,411,324                      |
| <b>Consolidated Earnings Per share (EPS)</b>                       | <b>2.61</b>                           | <b>2.44</b>                           | <b>0.46</b>                        | <b>0.33</b>                        |

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

  
**Mohammed Shahid Ullah FCA**  
**Chief Financial Officer**

  
**Abu Reza Md. Yeasmin**  
**Company Secretary**

  
**Mohammad Abdul Mannan**  
**Managing Director & CEO**

  
**Prof. Syed Ahsanul Alam**  
**Director**

  
**Engr. Mustafa Anwar**  
**Chairman**

**Islami Bank Bangladesh Limited and Its Subsidiaries**  
**Condensed Consolidated Cash Flow Statement**  
**For the 3rd Quarter ended 30 September 2016**

(Amount in Taka)

| Particulars  | 01 January to 30<br>September 2016 | 01 January to 30<br>September 2015 |
|--|------------------------------------|------------------------------------|
| <b>Cash flows from operating activities</b>                            |                                    |                                    |
| Investment income  | 36,892,455,997                     | 36,806,419,898                     |
| Profit paid on mudaraba deposits                                       | (20,635,813,267)                   | (21,137,036,087)                   |
| Income/ dividend receipt from investments in shares & securities       | 1,185,868,151                      | 2,027,978,770                      |
| Fees & commission receipt in cash                                      | 4,157,653,017                      | 4,412,240,519                      |
| Recovery from written off investments                                  | 24,181,036                         | 14,515,621                         |
| Payments to employees  | (9,480,793,158)                    | (6,837,857,846)                    |
| Cash payments to suppliers   | (182,971,203)                      | (199,502,631)                      |
| Income tax paid  | (5,892,780,620)                    | (7,392,656,715)                    |
| Receipts from other operating activities                               | 1,160,742,306                      | 1,285,732,214                      |
| Payments for other operating activities                                | (2,447,814,363)                    | (2,038,505,281)                    |
| <b>(I) Operating profit before changes in operating assets</b>         | <b>4,780,727,896</b>               | <b>6,941,328,462</b>               |
| <b>Changes in operating assets and liabilities</b>                     |                                    |                                    |
| Increase/(decrease) of statutory deposits                              | -                                  | -                                  |
| (Increase)/decrease of net trading securities                          | (194,597,752)                      | -                                  |
| (Increase)/decrease of placement to other banks                        | (264,619,521)                      | (4,000,000,000)                    |
| (Increase)/decrease of investments to customers                        | (42,808,363,587)                   | (29,041,602,612)                   |
| (Increase)/decrease of other assets                                    | (2,892,213,020)                    | (2,284,394,669)                    |
| Increase/(decrease) of placement from other banks                      | (5,214,490,139)                    | 4,037,611,952                      |
| Increase/(decrease) of deposits from other banks                       | 308,176,966                        | 199,934,127                        |
| Increase/(decrease) of deposits received from customers                | 51,747,361,516                     | 46,923,801,519                     |
| Increase/(decrease) of other liabilities account of customers          | -                                  | -                                  |
| Increase/(decrease) of trading liabilities                             | -                                  | -                                  |
| Increase/(decrease) of other liabilities                               | (5,084,025,729)                    | 517,350,775                        |
| <b>(II) Cash flows from operating assets and liabilities</b>           | <b>(4,402,771,266)</b>             | <b>16,352,701,092</b>              |
| <b>Net cash flows from operating activities (A)=(I+II)</b>             | <b>377,956,629</b>                 | <b>23,294,029,554</b>              |
| <b>Cash flows from investing activities</b>                            |                                    |                                    |
| Proceeds from sale of securities                                       | -                                  | 935,096,401                        |
| Payment for purchase of securities/BGIIIB                              | 4,282,276,562                      | (13,968,968,537)                   |
| Payment for purchase of securities/membership                          | -                                  | (1,124,850,527)                    |
| Purchase/sale of property, plants & equipments                         | (288,425,253)                      | (580,734,100)                      |
| Purchase/sale of subsidiaries  | -                                  | -                                  |
| <b>Net Cash flows from investing activities (B)</b>                    | <b>3,993,851,309</b>               | <b>(14,739,456,763)</b>            |
| <b>Cash flows from financing activities</b>                            |                                    |                                    |
| Receipts from issue of debt instruments                                | -                                  | -                                  |
| Payment for redemption of debt instruments                             | -                                  | -                                  |
| Receipts from issuing ordinary share/ rights share                     | -                                  | -                                  |
| Dividend paid in Cash  | (3,219,981,336)                    | (2,519,986,002)                    |
| <b>Net cash flows from financing activities (C)</b>                    | <b>(3,219,981,336)</b>             | <b>(2,519,986,002)</b>             |
| <b>Net Increase/(decrease) in cash (A+B+C)</b>                         | <b>1,151,826,602</b>               | <b>6,034,586,789</b>               |
| Add/(less): effects of exchange rate changes on cash & cash equivalent | -                                  | -                                  |
| Add: cash & cash equivalents at beginning of the year                  | 80,900,673,115                     | 69,834,578,037                     |
| <b>Cash &amp; cash equivalents at the end of the period</b>            | <b>82,052,499,717</b>              | <b>75,869,164,826</b>              |
| <b>Consolidated Net Operating Cash Flow Per Share (NOCFPS)</b>         | <b>0.23</b>                        | <b>14.47</b>                       |

  
**Mohammed Shahid Ullah FCA**  
**Chief Financial Officer**

  
**Abu Reza Md. Yeasmin**  
**Company Secretary**

  
**Mohammad Abdul Mannan**  
**Managing Director & CEO**

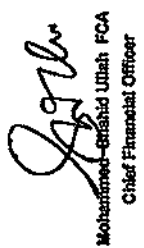
  
**Prof. Syed Ahsanul Alam**  
**Director**

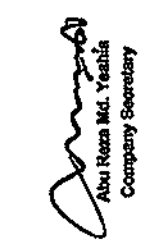
  
**Engr. Mustafa Anwar**  
**Chairman**

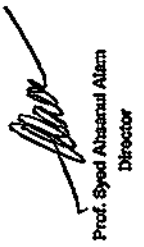
**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the 3rd Quarter ended 30 September 2016**

| Particulars   | (Amount in Taka) |           |           |                |               |                 |              |                 |             |                         |
|---|------------------|-----------|-----------|----------------|---------------|-----------------|--------------|-----------------|-------------|-------------------------|
|   | 1                | 2         | 3         | 4              | 5             | 6               | 7            | 8               | 9           | 30 January to June 2016 |
| Balance as at 01 January 2015   | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 428,387,821   | 11,498,971,520  | 61,500,000   | 2,386,670,563   | 60,460      | 102,344,442,890         |
| Changes in accounting policy restated balance (Note-2.5)                                    | -                | -         | -         | -              | -             | -               | -            | 1,097,277,353   | -           | 46,594,563,157          |
| Restated Balance as at 01 January 2015  | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 428,387,821   | 11,498,971,520  | 61,500,000   | 3,483,947,916   | 60,460      | 1,097,277,353           |
| Surplus/ (deficit) on account of revaluation of investments (shares & securities)           | -                | -         | -         | -              | -             | -               | (28,920,000) | -               | -           | 47,691,640,510          |
| Net profit for the period   | -                | -         | -         | -              | -             | -               | -            | 3,927,726,763   | 325         | (25,920,000)            |
| Cash Dividend   | -                | -         | -         | -              | -             | -               | -            | (2,414,986,002) | -           | 3,927,727,088           |
| Restated Balance as at 30 September 2015  | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 428,387,821   | 11,498,971,520  | 59,580,000   | 4,996,688,677   | 60,788      | (2,414,986,002)         |
| Changes in accounting policy restated balance (Note-2.5)                                    | -                | -         | -         | -              | -             | -               | (9,100,000)  | 168,525,176     | -           | 168,525,176             |
| Surplus/ (deficit) on account of revaluation of investments (shares & securities)           | -                | -         | -         | -              | (2,077,725)   | -               | -            | -               | -           | (9,100,000)             |
| Currency translation differences  | -                | -         | -         | -              | -             | -               | -            | (777,362,525)   | 2,162       | (2,077,725)             |
| Net profit for the period   | -                | -         | -         | -              | -             | -               | -            | 190,902,756     | -           | (777,362,525)           |
| Transfer to/(from) reserve  | -                | -         | -         | -              | (190,902,736) | -               | -            | -               | -           | 190,902,756             |
| Restated Balance as at 01 January 2016  | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 232,377,360   | 11,498,971,520  | 46,480,000   | 4,578,784,054   | 62,947      | 48,588,448,684          |
| Changes in accounting policy restated balance   | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Surplus/ (deficit) on account of revaluation of properties                                  | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Surplus/ (deficit) on account of revaluation of investments (shares & securities)           | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Currency translation differences  | -                | -         | -         | -              | -             | -               | 39,880,000   | -               | -           | 39,880,000              |
| Net gain and losses not recognized in the income statement                                  | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Net profit for the period   | -                | -         | -         | -              | -             | -               | -            | 4,204,177,634   | 5,265       | 4,204,182,899           |
| Transfer to reserve   | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Dividend:   | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Bonus shares  | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Cash dividend   | -                | -         | -         | -              | -             | -               | -            | (3,219,981,336) | -           | (3,219,981,336)         |
| Issue of Share Capital  | -                | -         | -         | -              | -             | -               | -            | -               | -           | -                       |
| Total shareholders' equity as at 30 September 2016  | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 232,377,360   | 11,498,971,520  | 80,360,000   | 5,862,880,382   | 68,212      | 49,576,580,286          |
| Total shareholders' equity as on 30 September 2015 (Restated)                               | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 428,387,821   | 11,498,971,520  | 59,580,000   | 4,996,688,677   | 60,788      | 49,178,461,596          |
| Add: Mudaraba Perpetual Bond  | -                | -         | -         | -              | -             | -               | -            | -               | -           | 3,000,000,000           |
| Add: General provision for unclassified investments and off- balance sheet items (Note-3.2) | -                | -         | -         | -              | 5,770,810,000 | -               | -            | -               | -           | 5,770,810,000           |
| Adjustment for currency translation differences   | -                | -         | -         | -              | (4,314,759)   | -               | -            | -               | -           | (4,314,759)             |
| Less: Assets revaluation reserve (Note-3.2)   | -                | -         | -         | -              | -             | (8,049,279,924) | -            | -               | -           | (8,049,279,924)         |
| Less: Revaluation reserve of securities (Note-3.2)  | -                | -         | -         | -              | -             | -               | (35,910,000) | -               | -           | (35,910,000)            |
| Total equity as on 30 September 2016  | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 5,988,872,601 | 3,469,691,596   | 28,450,000   | 5,862,880,382   | 68,212      | 50,237,639,563          |
| Total equity as on 30 September 2015 (Restated)   | 16,099,906,680   | 1,989,633 | 1,989,633 | 16,099,906,680 | 4,782,857,118 | 4,999,898,528   | 32,600,000   | 4,996,688,677   | 62,124      | 49,583,579,440          |
| *Note : general/ other reserves   |                  |           |           |                |               |                 |              |                 | 01.01.2016  | 30.09.2015              |
| General reserve   |                  |           |           |                |               |                 |              |                 | 196,062,601 | 386,965,337             |
| Dividend equalization   |                  |           |           |                |               |                 |              |                 | 32,000,000  | 42,000,000              |
| Currency translation differences (Translation reserve)                                      |                  |           |           |                |               |                 |              |                 | 4,314,759   | 6,992,684               |
| Total   |                  |           |           |                |               |                 |              |                 | 232,377,360 | 429,387,821             |

\* Retained earnings have been restated due to changes of accounting policy as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". A separate disclosure has been shown at note no 2.5.

  
**Mohammed-Ehsid Ullah FCA**  
 Chief Financial Officer

  
**Mohammed Abdul Mannan**  
 Managing Director & CEO

  
**Prof. Syed Ahsanul Alam**  
 Director

  
**Engr. Mubtata Ayesha**  
 Chairman

**Islami Bank Bangladesh Limited**  
**Condensed Balance Sheet**  
**As at 30 September 2016**

(Amount in Taka)

| Particulars   | As at<br>30 September 2016 | As at<br>31 December 2015 |
|---|----------------------------|---------------------------|
| <b>Property and assets</b>  |                            |                           |
| <b>Cash in hand</b>   | <b>60,105,371,245</b>      | <b>55,258,075,599</b>     |
| Cash in hand (including foreign currency)                                     | 9,615,345,021              | 8,625,861,188             |
| Balance with Bangladesh Bank & its agent bank(s) (including foreign currency) | 50,490,026,224             | 46,630,214,411            |
| <b>Balance with other banks &amp; financial institutions</b>                  | <b>21,655,421,939</b>      | <b>19,766,322,649</b>     |
| In Bangladesh   | 19,538,535,350             | 18,096,699,633            |
| Outside Bangladesh  | 2,116,886,589              | 1,669,623,016             |
| <b>Placement with banks &amp; other financial institutions</b>                | <b>3,000,000,000</b>       | <b>3,000,000,000</b>      |
| <b>Investments in shares &amp; securities</b>                                 | <b>95,188,372,777</b>      | <b>99,436,769,339</b>     |
| Government  | 89,436,637,770             | 95,482,757,770            |
| Others  | 5,751,735,007              | 3,954,011,569             |
| <b>Investments</b>  | <b>573,002,866,303</b>     | <b>530,194,502,716</b>    |
| General investments etc.  | 538,671,905,222            | 493,789,301,422           |
| Bills purchased & discounted  | 34,330,961,081             | 36,405,201,294            |
| <b>Fixed assets including premises</b>  | <b>15,473,453,642</b>      | <b>15,836,479,086</b>     |
| <b>Other assets</b>   | <b>5,024,438,257</b>       | <b>2,330,975,328</b>      |
| <b>Non - banking assets</b>   | <b>-</b>                   | <b>-</b>                  |
| <b>Total property and assets</b>  | <b>773,449,924,163</b>     | <b>725,821,124,697</b>    |
| <b>Liabilities and capital</b>  |                            |                           |
| <b>Liabilities</b>  |                            |                           |
| <b>Placement from banks &amp; other financial institutions</b>                | <b>12,551,840,000</b>      | <b>17,766,330,139</b>     |
| <b>Deposits &amp; other accounts</b>  | <b>667,733,465,844</b>     | <b>615,359,210,035</b>    |
| Mudaraba savings deposits   | 233,594,234,159            | 211,543,849,041           |
| Mudaraba term deposits  | 198,093,887,307            | 179,464,913,887           |
| Other mudaraba deposits   | 168,040,548,013            | 162,093,214,256           |
| Al- wadeeah current and other deposit accounts                                | 64,410,483,947             | 57,160,947,306            |
| Bills payable   | 3,594,312,418              | 5,091,285,545             |
| <b>Mudaraba perpetual bond</b>  | <b>3,000,000,000</b>       | <b>3,000,000,000</b>      |
| <b>Other liabilities</b>  | <b>40,631,852,812</b>      | <b>40,919,439,303</b>     |
| <b>Deferred tax liabilities</b>   | <b>310,729,683</b>         | <b>310,729,682</b>        |
| <b>Total liabilities</b>  | <b>724,227,888,339</b>     | <b>677,355,709,159</b>    |
| <b>Capital/shareholders' equity</b>   | <b>49,222,035,824</b>      | <b>48,465,415,538</b>     |
| Paid - up capital   | 16,099,906,680             | 16,099,906,680            |
| Statutory reserve   | 16,099,906,680             | 16,099,906,680            |
| Other reserves  | 11,813,698,312             | 11,779,818,313            |
| Retained earnings   | 5,208,524,152              | 4,485,783,865             |
| <b>Total liabilities &amp; shareholders' equity</b>                           | <b>773,449,924,163</b>     | <b>725,821,124,697</b>    |

**Islami Bank Bangladesh Limited**  
**Condensed Balance Sheet**  
**As at 30 September 2016**

(Amount in Taka)

| Particulars   | As at<br>30 September 2016 | As at<br>31 December 2015 |
|---|----------------------------|---------------------------|
| <b>Off-balance Sheet Items</b>  |                            |                           |
| <b>Contingent liabilities</b>   |                            |                           |
| Acceptances & endorsements  | -                          | -                         |
| Letters of guarantee  | 11,887,335,529             | 10,629,688,357            |
| Irrevocable letters of credit (including back to back bills)          | 111,411,841,004            | 115,229,781,408           |
| Bills for collection  | 6,844,555,817              | 7,496,874,228             |
| Other contingent liabilities  | 23,581,701                 | 23,581,701                |
| <b>Total</b>  | <b>130,167,314,051</b>     | <b>133,379,925,694</b>    |
| <b>Other commitments</b>  |                            |                           |
| Documentary credits, short term and trade related transactions        | -                          | -                         |
| Forward assets purchased and forward deposits placed                  | -                          | -                         |
| Undrawn note issuance, revolving and underwriting facilities          | -                          | -                         |
| Undrawn formal standby facilities, credit lines and other commitments | -                          | -                         |
| <b>Total</b>  | <b>-</b>                   | <b>-</b>                  |
| <b>Total off-balance sheet items including contingent liabilities</b> | <b>130,167,314,051</b>     | <b>133,379,925,694</b>    |
| <b>Net Asset Value (NAV) per share</b>                                | <b>30.57</b>               | <b>30.10</b>              |

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

  
**Mohammed Shahid Ullah FCA**  
**Chief Financial Officer**

  
**Abu Reza Md. Yeahia**  
**Company Secretary**

  
**Mohammad Abdul Mannan**  
**Managing Director & CEO**

  
**Prof. Syed Ahsanul Alam**  
**Director**

  
**Engr. Mustafa Anwar**  
**Chairman**

**Islami Bank Bangladesh Limited**  
**Condensed Profit & Loss Account**  
**For the 3rd Quarter ended 30 September 2016**

(Amount in Taka)

| Particulars   | 01 January to 30 September 2016 | 01 January to 30 September 2015 | 01 July to 30 September 2016 | 01 July to 30 September 2015 |
|---|---------------------------------|---------------------------------|------------------------------|------------------------------|
| <b>Operating income</b>   |                                 |                                 |                              |                              |
| Investment income   | 39,667,095,647                  | 35,841,598,894                  | 13,105,701,138               | 12,330,210,074               |
| Profit paid on mudaraba deposits                                | (22,312,434,637)                | (21,551,196,599)                | (7,566,762,951)              | (7,408,366,029)              |
| <b>Net investment income</b>                                    | <b>17,354,661,010</b>           | <b>14,290,402,295</b>           | <b>5,538,938,187</b>         | <b>4,921,844,045</b>         |
| Income from investments in shares & securities                  | 384,453,297                     | 653,055,292                     | 138,635,448                  | 92,455,399                   |
| Commission, exchange & brokerage income                         | 4,141,017,739                   | 4,401,888,729                   | 1,257,154,979                | 1,293,629,124                |
| Other operating income  | 1,164,870,507                   | 1,032,082,597                   | 243,873,268                  | 240,955,931                  |
| <b>Total operating income</b>                                   | <b>23,045,002,553</b>           | <b>20,377,428,913</b>           | <b>7,178,601,882</b>         | <b>6,548,884,499</b>         |
| <b>Operating expenses</b>                                       |                                 |                                 |                              |                              |
| Salary & allowances   | 7,978,479,138                   | 5,693,625,657                   | 3,176,048,070                | 2,341,407,149                |
| Rent, taxes, insurances, electricity etc.                       | 868,925,182                     | 760,291,082                     | 312,747,343                  | 280,903,183                  |
| Legal expenses  | 27,865,472                      | 31,722,660                      | 6,249,344                    | 12,827,432                   |
| Postage, stamps and telecommunication etc.                      | 85,249,883                      | 92,753,957                      | 23,736,611                   | 27,987,372                   |
| Stationery, printing and advertisement etc.                     | 163,003,269                     | 164,998,563                     | 54,166,038                   | 55,153,328                   |
| Chief executive's salary & fees                                 | 8,555,806                       | 5,750,000                       | 3,300,000                    | 2,450,000                    |
| Directors' fees & expenses                                      | 5,423,160                       | 9,144,060                       | 1,098,709                    | 2,492,581                    |
| Shar'ah supervisory committee's fees & expenses                 | 1,442,718                       | 3,105,965                       | 152,429                      | 1,177,173                    |
| Auditors' fees  | 1,860,000                       | 1,811,250                       | 735,000                      | 603,750                      |
| Charges on investment losses                                    | -                               | -                               | -                            | -                            |
| Depreciation and repair to bank's assets                        | 806,840,209                     | 888,789,904                     | 273,990,981                  | 298,896,465                  |
| Zakat expenses  | 315,984,705                     | 319,488,931                     | 105,328,235                  | 106,496,311                  |
| Other expenses  | 1,447,692,676                   | 1,142,136,139                   | 420,698,076                  | 357,349,531                  |
| <b>Total operating expenses</b>                                 | <b>11,711,322,218</b>           | <b>9,113,616,168</b>            | <b>4,378,252,836</b>         | <b>3,487,744,275</b>         |
| <b>Profit/(loss) before provision</b>                           | <b>11,333,680,335</b>           | <b>11,263,810,745</b>           | <b>2,800,349,046</b>         | <b>3,061,140,224</b>         |
| Provision for investments & off- balance sheet items (Note-7.0) | 2,938,640,000                   | 3,192,980,000                   | 1,178,860,328                | 1,657,430,000                |
| Provision for diminution in value of investments in shares      | -                               | (452,000)                       | -                            | (1,613,856)                  |
| Other provisions  | -                               | 3,846,500                       | -                            | (406,389)                    |
| <b>Total provision</b>  | <b>2,938,640,000</b>            | <b>3,196,374,500</b>            | <b>1,178,860,328</b>         | <b>1,655,409,755</b>         |
| <b>Total profit/(loss) before taxes</b>                         | <b>8,395,040,335</b>            | <b>8,067,436,245</b>            | <b>1,621,488,718</b>         | <b>1,405,730,469</b>         |
| <b>Provision for taxation for the period</b>                    | <b>4,452,318,712</b>            | <b>4,220,524,298</b>            | <b>1,090,055,604</b>         | <b>939,456,090</b>           |
| Current tax   | 4,452,318,712                   | 4,220,524,298                   | 1,090,055,604                | 939,456,090                  |
| Deferred tax  | -                               | -                               | -                            | -                            |
| <b>Net profit/(loss) after tax</b>                              | <b>3,942,721,623</b>            | <b>3,846,911,947</b>            | <b>531,433,114</b>           | <b>466,274,379</b>           |
| Retained earnings from previous year/period                     | 4,485,783,865                   | 2,414,986,002                   | 3,380,637,568                | 3,380,637,568                |
| Add: Net profit after tax                                       | 3,942,721,623                   | 3,846,911,947                   | 531,433,114                  | 466,274,379                  |
| <b>Profit available for appropriation</b>                       | <b>8,428,505,488</b>            | <b>6,261,897,949</b>            | <b>3,912,070,682</b>         | <b>3,846,911,947</b>         |
| <b>Appropriation:</b>   | <b>8,428,505,488</b>            | <b>6,261,897,949</b>            | <b>3,912,070,682</b>         | <b>3,846,911,947</b>         |
| Statutory reserve   | -                               | -                               | -                            | -                            |
| General reserve   | -                               | -                               | -                            | -                            |
| Dividend  | 3,219,981,336                   | 2,414,986,002                   | -                            | -                            |
| Retained earnings   | 5,208,524,152                   | 3,846,911,947                   | 3,912,070,682                | 3,846,911,947                |
| <b>Earnings Per Share (EPS)</b>                                 | <b>2.45</b>                     | <b>2.39</b>                     | <b>0.33</b>                  | <b>0.29</b>                  |

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

  
**Mohammed Sharid Ullah FCA**  
**Chief Financial Officer**

  
**Abu Reza Md. Yeahia**  
**Company Secretary**

  
**Mohammad Abdul Mannan**  
**Managing Director & CEO**

  
**Prof. Syed Ahsanul Alam**  
**Director**

  
**Engr. Mustafa Anwar**  
**Chairman**



**Islami Bank Bangladesh Limited**  
**Condensed Cash Flow Statement**  
**For the 3rd Quarter ended 30 September 2016**

(Amount in Taka)

| Particulars  | 01 January to 30<br>September 2016 | 01 January to 30<br>September 2015 |
|--|------------------------------------|------------------------------------|
| <b>Cash flows from operating activities</b>                            |                                    |                                    |
| Investment Income  | 36,892,455,997                     | 36,806,419,898                     |
| Profit paid on mudaraba deposits                                       | (20,635,813,267)                   | (21,137,036,087)                   |
| Income/ dividend receipt from investments in shares & securities       | 788,627,155                        | 1,904,183,913                      |
| Fees & commission receipt in cash                                      | 4,141,017,739                      | 4,401,888,729                      |
| Recovery from written off investments                                  | 24,181,036                         | 14,515,621                         |
| Payments to employees  | (9,466,868,301)                    | (6,826,258,853)                    |
| Cash payments to suppliers   | (182,674,744)                      | (199,023,879)                      |
| Income tax paid  | (5,821,517,332)                    | (7,337,011,164)                    |
| Receipts from other operating activities                               | 1,140,689,471                      | 1,017,566,976                      |
| Payments for other operating activities                                | (2,286,874,781)                    | (1,917,544,991)                    |
| <b>(I) Operating profit before changes in operating assets</b>         | <b>4,593,122,973</b>               | <b>6,727,700,163</b>               |
| <b>Changes in operating assets and liabilities</b>                     |                                    |                                    |
| Increase/(decrease) of statutory deposits                              | -                                  | -                                  |
| (Increase)/decrease of net trading securities                          | -                                  | -                                  |
| (Increase)/decrease of placement to other banks                        | -                                  | (4,000,000,000)                    |
| (Increase)/decrease of investments to customers                        | (42,808,363,587)                   | (29,041,602,612)                   |
| (Increase)/decrease of other assets                                    | (2,693,462,929)                    | (2,196,535,286)                    |
| Increase/(decrease) of placement from other banks                      | (5,214,490,139)                    | 4,037,611,952                      |
| Increase/(decrease) of deposits from other banks                       | 308,176,966                        | 199,934,127                        |
| Increase/(decrease) of deposits received from customers                | 52,066,078,843                     | 47,928,266,857                     |
| Increase/(decrease) of other liabilities account of customers          | -                                  | -                                  |
| Increase/(decrease) of trading liabilities                             | -                                  | -                                  |
| Increase/(decrease) of other liabilities                               | (287,586,491)                      | (906,595,354)                      |
| <b>(II) Cash flows from operating assets and liabilities</b>           | <b>1,370,352,663</b>               | <b>16,019,079,484</b>              |
| <b>Net cash flows from operating activities (A)=(I+II)</b>             | <b>5,963,475,635</b>               | <b>22,746,779,647</b>              |
| <b>Cash flows from investing activities</b>                            |                                    |                                    |
| Proceeds from sale of securities                                       | -                                  | -                                  |
| Payment for purchase of securities/BGIB                                | 4,282,276,562                      | (13,968,968,537)                   |
| Payment for purchase of securities/membership                          | -                                  | -                                  |
| Purchase/sale of property, plants & equipments                         | (287,375,925)                      | (580,262,945)                      |
| Purchase/sale of subsidiaries  | -                                  | -                                  |
| <b>Net Cash flows from investing activities (B)</b>                    | <b>3,994,900,637</b>               | <b>(14,549,231,482)</b>            |
| <b>Cash flows from financing activities</b>                            |                                    |                                    |
| Receipts from issue of debt instruments                                | -                                  | -                                  |
| Payment for redemption of debt instruments                             | -                                  | -                                  |
| Receipts from issuing ordinary share/ rights share                     | -                                  | -                                  |
| Dividend paid in Cash  | (3,219,981,336)                    | (2,414,986,002)                    |
| <b>Net cash flows from financing activities (C)</b>                    | <b>(3,219,981,336)</b>             | <b>(2,414,986,002)</b>             |
| <b>Net increase/(decrease) in cash (A+B+C)</b>                         | <b>6,738,394,936</b>               | <b>5,782,562,163</b>               |
| Add/(less): effects of exchange rate changes on cash & cash equivalent | -                                  | -                                  |
| Add: cash & cash equivalents at beginning of the year                  | 75,022,398,248                     | 66,418,709,671                     |
| <b>Cash &amp; cash equivalents at the end of the period</b>            | <b>81,760,793,184</b>              | <b>72,201,271,834</b>              |
| <b>Net Operating Cash Flow Per Share (NOCFPS)</b>                      | <b>3.70</b>                        | <b>14.13</b>                       |

  
**Mohammed Shahid Ullah FCA**  
**Chief Financial Officer**

  
**Abu Reza Md. Yeahia**  
**Company Secretary**

  
**Mohammad Abdul Mannan**  
**Managing Director & CEO**

  
**Prof. Syed Ahsanul Alam**  
**Director**

  
**Engr. Mustafa Anwar**  
**Chairman**


**Islami Bank Bangladesh Limited**  
**Condensed Statement of Changes in Equity**  
**For the 3rd Quarter ended 30 September 2016**


(Amount in Taka)


| Particulars  | 1 | 2              | 3         | 4              | 5             | 6               | 7            | Retained earnings (Restated)* | 01 January to 30 September 2016 |
|--|---|----------------|-----------|----------------|---------------|-----------------|--------------|-------------------------------|---------------------------------|
|  |   |                |           |                |               |                 |              |                               |                                 |
| Balance as at 01 January 2015  |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 425,357,821   | 11,498,971,320  | 81,500,000   | 2,414,986,002                 | 46,622,618,136                  |
| Changes in accounting policy related balance (Note-2.5)                                    |   | -              | -         | -              | -             | -               | -            | 1,097,277,333                 | 1,097,277,333                   |
| Restated Balance as at 01 January 2015   |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 425,357,821   | 11,498,971,320  | 81,500,000   | 3,512,263,333                 | 47,719,895,469                  |
| Surplus/ (deficit) on account of revaluation of investments (shares & securities)          |   | -              | -         | -              | -             | -               | (25,920,000) | -                             | (25,920,000)                    |
| Net profit for the period  |   | -              | -         | -              | -             | -               | -            | 3,846,911,947                 | 3,846,911,947                   |
| Cash Dividend  |   | -              | -         | -              | -             | -               | -            | (2,414,986,002)               | (2,414,986,002)                 |
| Restated Balance as at 30 September 2015   |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 425,357,821   | 11,498,971,320  | 89,880,000   | 4,944,189,300                 | 49,129,901,434                  |
| Changes in accounting policy related balance (Note-2.5)                                    |   | -              | -         | -              | -             | -               | -            | 168,525,176                   | 168,525,176                     |
| Surplus/ (deficit) on account of revaluation of investments (shares & securities)          |   | -              | -         | -              | (2,077,725)   | -               | -            | -                             | (9,100,000)                     |
| Currency translation differences   |   | -              | -         | -              | -             | -               | -            | -                             | (2,077,725)                     |
| Net profit for the period  |   | -              | -         | -              | -             | -               | -            | (817,833,347)                 | (817,833,347)                   |
| Transfer to/(from) reserve   |   | -              | -         | -              | (190,902,736) | -               | -            | 190,902,736                   | -                               |
| Restated Balance as at 01 January 2016   |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 232,377,360   | 11,498,971,320  | 46,680,000   | 4,483,783,843                 | 48,468,615,838                  |
| Changes in accounting policy related balance   |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Surplus/ (deficit) on account of revaluation of properties                                 |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Surplus/ (deficit) on account of revaluation of investments (shares & securities)          |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Currency translation differences   |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Net gain and losses not recognized in the income statement                                 |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Net profit for the period  |   | -              | -         | -              | -             | -               | -            | 3,942,721,623                 | 3,942,721,623                   |
| Transfer to reserve  |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Dividend:  |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Bonus shares   |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Cash dividend  |   | -              | -         | -              | -             | -               | -            | (3,219,981,356)               | (3,219,981,356)                 |
| Issue of Share Capital   |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Total shareholders' equity as on 30 September 2016   |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 232,377,360   | 11,498,971,320  | 80,360,000   | 5,208,524,182                 | 49,222,163,824                  |
| Total shareholders' equity as on 30 September 2015 (Restated)                              |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 425,357,821   | 11,498,971,320  | 89,880,000   | 4,944,189,300                 | 49,129,901,434                  |
| Add: Mudaraba Perpetual Bond   |   | -              | -         | -              | -             | -               | -            | -                             | -                               |
| Add: General provision for unclassified investments and off-balance sheet items (Note-3.2) |   | -              | -         | -              | 5,770,810,000 | -               | -            | -                             | 5,770,810,000                   |
| Adjustment for currency translation differences  |   | -              | -         | -              | (4,314,759)   | -               | -            | -                             | (4,314,759)                     |
| Less: Assets revaluation reserve (Note-3.2)  |   | -              | -         | -              | -             | (8,049,279,924) | -            | -                             | (8,049,279,924)                 |
| Less: Revaluation reserve of securities (Note-3.2)   |   | -              | -         | -              | -             | -               | (53,910,000) | -                             | (53,910,000)                    |
| Total equity as on 30 September 2016   |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 5,999,877,601 | 9,449,691,396   | 28,450,000   | 5,208,524,182                 | 49,888,941,141                  |
| Total equity as on 30 September 2015 (Restated)  |   | 16,099,906,680 | 1,989,633 | 16,099,906,680 | 4,785,178,299 | 4,999,888,828   | 32,600,000   | 4,944,189,300                 | 49,563,359,120                  |

|  |                    |                    |
|--|--------------------|--------------------|
| *Note : general / other reserves                       | 01.01.2016         | 30.09.2015         |
| General reserve  | 196,062,601        | 386,965,397        |
| Dividend equalization                                  | 32,000,000         | 32,000,000         |
| Currency translation differences (Translation reserve) | 4,314,759          | 6,392,484          |
| <b>Total</b>   | <b>232,377,360</b> | <b>425,357,821</b> |


\* Retained earnings have been restated due to changes of accounting policy as per BAS-9 "Accounting Policies, Changes in Accounting Estimates and Errors". A separate disclosure has been shown at note no 2.5.

  
**Mohammed-Ghulam Ullah FCA**  
 Chief Financial Officer

  
**Abu Reza Md. Yousuf**  
 Company Secretary

  
**Mohammad Abdul Mannan**  
 Managing Director & CEO

  
**Prof. Syed Ahasanul Alam**  
 Director

  
**Engr. Mustafizur-Rasheed**  
 Chairman

**Islami Bank Bangladesh Limited and its Subsidiaries**  
**Notes to the condensed consolidated Interim financial report**  
**As at and for the 3rd Quarter ended 30 September 2016**

**1.0 The Bank and its activities**

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

The shares of the Bank are listed with both Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited. The Bank carries out its business activities through its Head Office in Dhaka, 14 Zonal Offices, 304 branches including 57 Authorised Dealer (AD) branches and 3 (three) Off-shore Banking Units (OBUs) in Bangladesh. The Principal place of business is the Registered Office of the Bank situated at Islami Bank Tower, 40, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.

This interim financial report as at and for the 3rd Quarter ended 30 September 2016 includes the condensed consolidated and the separate financial report of the Bank. The condensed consolidated interim financial report comprises the financial statements of the Bank and its two subsidiaries - Islami Bank Securities Limited (IBSL) and Islami Bank Capital Management Limited (IBCML) - together referred to as "the Companies".

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

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

**2.0 Basis of preparation**

**2.1 Statement of compliance**

The operations of the Bank and its subsidiaries are in strict compliance with the rules of Islamic Shari'ah. This condensed consolidated and separate interim financial report for the 3rd Quarter ended 30 September 2016 of the Bank has been prepared in accordance with "BAS: 34 Interim Financial Reporting" and as per Bangladesh Bank (BB) Department of Banking Inspection (DBI) Circular Letter No. 01 dated 24 February 2004, per Rule 13 of Securities & Exchange Rules 1987 and Financial Reporting Act 2015. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Bank since the last annual consolidated and separate financial statements as at and for the year ended 31 December 2015. This condensed consolidated and separate interim financial report does not include all the information required for full annual financial statements prepared in accordance with Bangladesh Financial Reporting Standards.

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

The condensed consolidated and separate interim financial report of the Bank have been authorized for issue by the Board of Directors on 20 October 2016.



### 2.3 Use of estimates and judgments

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

In preparing this condensed consolidated and separate interim financial report, significant judgements made by Management in applying the Companies'/Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated and separate financial statements as at and for the year ended 31 December 2015.

### 2.4 Reporting period

These condensed consolidated and separate interim financial report of the Bank and its subsidiaries cover up to 3rd Quarter from 1 January 2016 to 30 September 2016.

### 2.5 Prior period adjustments

Prior period adjustments, if any, to be recognized retrospectively as per BAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly for the period ended 2015 an adjustment was made on Zakat Payable under other liabilities due to changes in accounting policy. Since the inception of the bank tax on Zakat expenses was paid from regular income but the Management has changed this policy in the year 2016. Due to the above prior period adjustment Zakat payable amount has been adjusted by Tk. 1,265,802,529 which subsequently increased retained earnings by the same amount (Tk. 1,097,277,355 adjusted with beginning balance of January 2015 & rest amount Tk. 168,525,176 was adjusted during the year 2015) which resulted to increase Net Asset Value (NAV) by Tk. 0.69 in solo basis and Tk. 0.68 on consolidated basis as on 30 September 2015 and Tk. 0.79 in solo basis and consolidated basis respectively as on 31 December 2015 . Consequent to this, eligible capital under BASEL-III has been changed by the same amount. However, due to the changes there is no effect of increasing Earning Per Share for the year ended 2015.

### 3.0 Significant accounting policies

Except as described below, the accounting policies applied by the Bank/Companies in this condensed consolidated and separate interim financial report are the same as those applied by the Bank/Companies in its consolidated and separate financial statements as at and for the year ended 31 December 2015.

#### 3.1 Income tax expenses

No deferred tax has been calculated for this period.

#### 3.2 Regulatory capital in line with Basel-III

As per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III), the amount of general provision for regulatory capital will be maximum 1.25% of Risk Weighted Assets against Credit Risk and assets revaluation reserve and revaluation reserve of securities will gradually be deducted in a transitional arrangement starting from January 2015 to December 2019 (20% in each year). Subsequently as per BRPD Circular No-5, dated 31 May 2016, the full amount of general provision has been made eligible while calculating eligible capital of the bank. 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.

#### 4.0 Dividend payments

The honorable shareholders of the Bank approved 20% cash dividend for the year 2015 in the 33rd Annual General Meeting (AGM) of the Bank held on 02 June 2016. The dividend was paid during the 2nd quarter of the year 2016.

#### 5.0 Events after the reporting period

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



**6.0 Consolidated Fixed assets including premises, furniture and fixtures**

Opening balance (book/written down value)  
 Add: Acquisition/ addition/ purchase during the period  
 Less: Sale/disposal/adjustment during the period  
 Depreciation charged during the period  
 Closing book value/written down value at the end of the period

| 30 September 2016<br>Taka | 31 December 2015<br>Taka |
|---------------------------|--------------------------|
| 15,838,557,191            | 15,930,479,589           |
| 288,425,253               | 987,559,783              |
| 12,447,948                | 244,252,898              |
| 639,270,033               | 835,229,283              |
| <b>15,475,264,463</b>     | <b>15,838,557,191</b>    |

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

**A. Opening balance as on 1 January\***  
 General Provision for Unclassified Investment including OBU  
 Provision for Classified Investment  
 Provision for Off-Balance Sheet items

**B. Total deduction/adjustment from classified investment for the period**

**C. Available balance of provision (A-B)**

**D. Provision made during the period\***  
 General Provision for Unclassified Investment including OBU  
 Provision for Classified Investment  
 Provision for Off-Balance Sheet items

**E. Closing balance as on 30 September (C+D)**  
 General Provision for Unclassified Investment including OBU  
 Provision for Classified Investment  
 Provision for Off-Balance Sheet items

| 30 September 2016<br>Taka | 30 September 2015<br>Taka |
|---------------------------|---------------------------|
| 23,255,000,000            | 18,108,400,000            |
| 4,169,710,000             | 3,625,480,000             |
| 17,751,490,000            | 13,354,720,000            |
| 1,333,800,000             | 1,128,200,000             |
| -                         | 112,760,000               |
| <b>23,255,000,000</b>     | <b>17,995,640,000</b>     |
| <b>2,938,640,000</b>      | <b>5,995,140,000</b>      |
| 299,430,000               | -                         |
| 2,671,340,000             | 5,995,140,000             |
| (32,130,000)              | -                         |
| <b>26,193,640,000</b>     | <b>23,990,780,000</b>     |
| 4,469,140,000             | 3,625,480,000             |
| 20,422,830,000            | 19,237,100,000            |
| 1,301,670,000             | 1,128,200,000             |

\* As per instruction of Bangladesh Bank vide their letter No. DBI-4/42(7)/2016-722 dated on 19.04.2016, we have to keep provision of Tk. 5,231.47 million for writ clients. In compliance with the same we had kept provision of Tk.1,000 million while finalization of financial statements for the year 2016 and also kept proportionate provision of Tk.1,057.50 million as of 30 September, 2016 against Tk.1,410.49 million for the year 2016 and Tk. 1,410.49 million to be kept each year in 2017 and 2018.

**8.0 Earnings per share (EPS)**

a) Attributable profit for the period  
 b) Weighted average number of ordinary share during the period  
**Basic earnings per share (EPS) (a ÷ b)**

| 01 January to 30<br>September 2016 | 01 January to 30<br>September 2015 |
|------------------------------------|------------------------------------|
| 3,942,721,623                      | 3,846,911,947                      |
| 1,609,990,668                      | 1,609,990,668                      |
| <b>2.45</b>                        | <b>2.39</b>                        |

Diluted earnings per share is not applicable since there is no possibility of dilution of shares during the year/period.

**9.0 Consolidated earnings per share**

a) Attributable profit for distribution to shareholders of IBBL for the period  
 b) Weighted average number of ordinary share during the period  
**Consolidated basic earnings per share (EPS) (a ÷ b)**

|               |               |
|---------------|---------------|
| 4,204,177,634 | 3,927,726,763 |
| 1,609,990,668 | 1,609,990,668 |
| <b>2.61</b>   | <b>2.44</b>   |

