

# **FIRST SECURITY ISLAMI BANK LIMITED**

**AUDITORS' REPORT  
AND AUDITED FINANCIAL STATEMENTS  
AS AT END  
FOR THE YEAR ENDED ON DECEMBER, 31, 2021**

**Shafiq Basak & Co.**

Chartered Accountants  
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**Independent Auditor's Report  
To the Shareholders of  
First Security Islami Bank Ltd.**

**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of **First Security Islami Bank Ltd.** (the “**Group**”) as well as the separate financial statements of First Security Islami Bank Ltd. (the “**Bank**”), which comprise the consolidated and separate Balance sheets as at December 31, 2021, consolidated and separate profit or loss accounts, consolidated and separate statement of changes in equity, consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank (the “financial statements”) give a true and fair view of the consolidated Balance sheet of the Group and the separate Balance Sheets of the Bank as at December 31, 2021 and its consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and its consolidated and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and comply with the Banking Companies Act 1991 (as amended up to date), The Companies Act 1994, the rules and regulations issued by Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated and separate financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit matter	How the matter was addressed in our audit
<p><b>Measurement of provision for investment {See Note no. 7 and 15.3 to the financial statements}</b></p>	<p><b>{See Note no. 7 and 15.3 to the financial statements}</b></p>
<p>The process for estimating the provision for customer loans associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for availing investment facilities.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group and the bank reported total Investment of BDT 452,443,216,481 (2020: BDT 413,927,932,291) and provision for Investment of BDT 13,686,047,977 (2020: BDT 12,567,839,339).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Loan appraisal, disbursement and monitoring procedures, and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed quarterly Classification of Investments (Investment -CL) submitted to Bangladesh Bank;</li> </ul> <p>Our substantive procedures in relation to the provision for investment portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines and;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul> <p>Finally, compared the amount of provision requirement as determined by Bangladesh Bank Department of Banking Inspection (DBI) team to the actual amount of provision maintained.</p>
<p><b>Carrying value of investments in subsidiaries by the Bank {See Note no. 9(a) }</b></p>	

<p>The Banking Group has invested in equity shares of its two subsidiaries namely First Security Islami Capital &amp; Investment Limited and First Security Islami Exchange Italy S.R.L. As at December 31, 2021 the carrying value of this investment is BDT 317,340,058.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiaries mentioned above in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36 and it appeared appropriate to us.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>
<p><b>Measurement of deferred tax assets (DTA) (See Note no. 9.3 )</b></p>	
<p>The Group and the Bank reports net deferred tax assets to totaling BDT 449,858,867 as at December 31, 2021 that it believes are recoverable.</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 years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group and the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Group's and the Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

<b>Legal, regulatory matters and Contingent Liabilities</b>	
<p>We focused on this area because the Bank and its subsidiaries (the “Group”) operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential out flows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group’s best estimate for existing legal matters that have a probable and estimable impact on the Group’s financial position.</p> <p>The Bank has disclosed contingent liabilities amounting to BDT 44,525,606,270 at the year ended on December 31, 2021 (2020 BDT 46,909,116,111).</p> <p>As per IAS 37 Contingent liabilities are not required to be recognized but disclosed in the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group’s and the Bank’s key controls over the legal compliances.</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 Group’s and 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 provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group’s and the Bank’s provisions and contingent liabilities disclosure in the financial statements as per provisions of IAS 37: Provisions, Contingent Liabilities and Contingent Assets.</p>
<b>Recognition of Investment Income (See Note no 25.a)</b>	
<p>Recognition of investment income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of investment income has involvement of complex IT environment.</p> <p>This is one of the key performance indicators of the Group and the Bank and therefore there is an inherent risk of fraud and error in recognition of the same.</p>	<p>We tested the design and operating effectiveness of key control over recognition and measurement of the investment income.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize the same.</p> <p>We also performed substantive procedure to check whether the investment income is recognized completely and accurately.</p> <p>We assessed the appropriateness, presentation and disclosure against relevant International Accounting Standards (IAS) and Bangladesh Bank guidelines.</p>
<b>Investments {See Note no. 7(a)}</b>	

<p>Investments are the main element of the financial statements of the Bank. Investment requires robust documentation followed by approval from appropriate level of authority.</p> <p>This is one of the key performance indicators of the Group and the Bank and therefore there is an inherent risk of fraud and error in recognition of the same.</p>	<p>We tested the design and operative effectiveness of key controls focusing on investment appraisal, disbursement and monitoring process, Bangladesh Bank regulations and overall Bank's policy.</p> <p>Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>
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### **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 auditor's 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.

### **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 comply with the Banking Companies Act 1991 (as amended up to date), the Companies Act 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations 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 Banking Companies Act, 1991(as amended up to date) and the Bangladesh Bank Rules and 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.

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 considering the impact of the COVID-19 pandemic situation, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional 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 considering the impact of the COVID-19 pandemic situation and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- 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 and the bank to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group's and the Bank's 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 consolidated and separate 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, the Securities and Exchange Rules 1987, the Banking Companies Act, 1991, the rules and regulations issued by Bangladesh Bank, we also report that:


- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank 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;
- (iii) Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank and its related entities {other than matters disclosed in these financial statements};
- (iv) Financial statements for the year ended December 31, 2021 of Subsidiaries namely First Security Islami Capital & Investment Limited has been audited by SHAFIQ BASAK & CO. Chartered Accountants and First Security Islamic Exchange Italy S.R.L(unaudited) have been properly reflected in the consolidated financial statements under review;
- (v) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (vi) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred and payments made were for the purpose of the Group's and 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 investment and other assets which are in our opinion, doubtful of recovery;
- (x) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (xi) the information and explanations required by us have been received and found satisfactory;
- (xii) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,200 person hours; and
- (xiii) Minimum Capital without capital conservation buffer has been maintained by the Bank during the year.

  
**Md. Shafiqul Islam FCA**  
Enrolment No. 595  
Partner  
**Shafiq Basak & Co.**  
Chartered Accountants  
DVC: 2204200595AS933041  
Dhaka; April 20, 2022

  
**Mohammad Mofizul Haque Rinku FCA**  
Enrolment No. 1204  
Partner  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants  
DVC: 2204261204AS281110

**FIRST SECURITY ISLAMI BANK LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
AS AT 31 DECEMBER 2021

	Notes	31.12.2021 BDT	31.12.2020 BDT
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>		<b>34,073,843,637</b>	<b>33,292,252,610</b>
In hand (including foreign currencies)	3.1	3,318,477,065	2,443,786,817
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)	3.2	30,755,366,572	30,848,465,793
<b>Balance with other Banks and Financial Institutions</b>	4	<b>2,089,716,234</b>	<b>2,120,247,717</b>
In Bangladesh		1,362,218,799	533,038,039
Outside Bangladesh		727,497,435	1,587,209,678
<b>Placement with Banks &amp; Other Financial Institutions</b>	5	<b>12,490,000,000</b>	<b>12,570,500,000</b>
<b>Investments in Shares &amp; Securities</b>	6	<b>29,023,868,756</b>	<b>23,868,141,220</b>
Government		25,436,220,000	22,873,900,000
Others		3,587,648,756	994,241,220
<b>Investments</b>		<b>455,850,137,084</b>	<b>414,780,693,070</b>
General Investment etc.	7	452,443,216,481	413,927,932,291
Bills Purchased and Negotiated	7.1.B	3,406,920,603	852,760,779
<b>Fixed Assets Including Premises, Furniture &amp; Fixtures and Intangible Assets</b>	8	<b>6,562,294,567</b>	<b>6,492,528,366</b>
<b>Other Assets</b>	9	<b>4,680,183,865</b>	<b>4,101,277,554</b>
<b>Non Banking Assets</b>	10	<b>25,145,280</b>	<b>25,145,280</b>
<b>Total Assets</b>		<b>544,795,189,422</b>	<b>497,250,785,817</b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities</b>			
<b>Placement from Banks &amp; Other Financial Institutions</b>	11	<b>15,637,648,795</b>	<b>13,616,746,576</b>
<b>Deposits and Other Accounts</b>		<b>469,035,382,642</b>	<b>428,687,218,277</b>
Al-Wadia Current Deposits and Other Deposit Accounts	12.1	53,314,107,947	32,462,977,976
Bills Payable	12.2	3,387,782,139	2,597,028,530
Mudaraba Savings Deposits	12.3	43,329,472,074	36,361,246,250
Mudaraba Term Deposits	12.4	268,437,840,887	258,585,050,591
Other Mudaraba Deposits	12.5	100,566,179,595	98,680,914,930
<b>Mudaraba Subordinated Bond</b>	13	<b>9,700,000,000</b>	<b>10,600,000,000</b>
<b>Mudaraba Perpetual Bond</b>	14	<b>6,000,000,000</b>	<b>3,800,000,000</b>
<b>Other Liabilities</b>	15	<b>23,704,897,959</b>	<b>22,248,809,275</b>
<b>Total Liabilities</b>		<b>524,077,929,396</b>	<b>478,952,774,128</b>
<b>Capital/Shareholders' equity</b>			
Paid-up Capital	16.1	9,961,982,110	9,487,602,010
Statutory Reserve	17	6,456,663,581	5,293,570,982
Other Reserve	18	2,843,074,725	1,967,545,266
Asset Revaluation Reserve	19	194,933,303	321,954,358
Retained Earnings	20	887,102,932	874,829,851
<b>Total Shareholders' Equity</b>		<b>20,343,756,650</b>	<b>17,945,502,468</b>
Non-controlling Interest	21	373,503,376	352,509,221
<b>Total Liabilities and Shareholders' Equity</b>		<b>544,795,189,422</b>	<b>497,250,785,817</b>

**FIRST SECURITY ISLAMI BANK LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Notes	31.12.2021 BDT	31.12.2020 BDT
<b>OFF- BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
Acceptances and Endorsements		17,222,082,566	29,392,020,410
Letters of Guarantee	22	6,354,664,889	7,449,574,890
Irrevocable Letters of Credit	23	15,002,199,003	6,847,120,296
Bills for Collection	24	5,946,659,812	3,220,400,515
Other Contingent Liabilities		-	-
<b>Total</b>		<b>44,525,606,270</b>	<b>46,909,116,111</b>
<b>Other Commitments</b>			
Documentary Credits And Short Term Trade Related Transactions		-	-
Forward Assets Purchased And Forward Deposits Placed		-	-
Undrawn Note Issuance And Revolving Underwriting Facilities		-	-
Undrawn Formal Standby Facilities, Credit Lines And Other Commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total Off -Balance Sheet Items Including Contingent Liabilities</b>		<b>44,525,606,270</b>	<b>46,909,116,111</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
**Managing Director**


  
**Director**

  
**Director**

  
**Chairman**

Signed in terms of our separate report of even date

  
**Md. Shafiqul Islam FCA**  
 Enrolment No. 595  
 Partner  
**Shafiq Basak & Co.**  
 Chartered Accountants  
 DVC: 2204200595AS933041  
 Dhaka; April 20, 2022

  
**Mohammad Mofizul Haque Rinku FCA**  
 Enrolment No. 1204  
 Partner  
**Rahman Mostafa Alam & Co.**  
 Chartered Accountants  
 DVC: 2204261204AS281110

**FIRST SECURITY ISLAMI BANK LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 BDT	2020 BDT
<b>Operating Income:</b>			
Investments Income	25	40,773,789,203	42,614,694,604
Profit Paid on Deposits	26	(27,608,053,114)	(31,175,396,288)
<b>Net Investment Income</b>		<b>13,165,736,089</b>	<b>11,439,298,316</b>
Income from Investment in shares and securities	27	439,423,090	535,185,902
Commission, Exchange and Brokerage	28	803,588,638	831,602,496
Other Operating Income	29	736,964,549	654,405,148
		<b>1,979,976,277</b>	<b>2,021,193,546</b>
<b>Total Operating Income</b>		<b>15,145,712,366</b>	<b>13,460,491,862</b>
<b>Less: Operating Expenses</b>			
Salary and Allowances	30	4,507,682,664	4,200,749,919
Rent, Taxes, Insurances, Electricity etc.	31	710,559,066	631,753,208
Legal Expenses	32	9,414,203	4,179,334
Postage, Stamps, Telecommunication etc.	33	117,567,557	91,617,444
Stationery, Printings, Advertisements etc.	34	170,089,674	186,625,724
Managing Director's Salary and Fees	35	19,713,122	16,833,880
Directors' Fees & Expenses	36	2,141,400	1,721,800
Shariah Supervisory Committee's Fees & Expenses	37	459,000	236,000
Audit Fees	38	1,652,750	1,082,250
Depreciation & Repair of Bank's Assets	39	760,915,950	680,918,281
Zakat Expenses		174,244,555	126,544,854
Other Expenses	40	1,256,628,649	1,356,319,413
<b>Total Operating Expenses</b>		<b>7,731,068,590</b>	<b>7,298,582,107</b>
<b>Profit / (Loss) before Provision and Tax</b>		<b>7,414,643,776</b>	<b>6,161,909,755</b>
Provisions for Investments including off-B/S items	15.2	1,146,808,638	1,394,515,178
Provisions for Diminution in Value of Investment in Shares		(43,715,538)	(54,692,637)
Provisions for Other Assets		376,227,389	-
Provisions for Start-up Fund		33,210,421	28,189,907
<b>Total Provisions</b>		<b>1,512,530,910</b>	<b>1,368,012,448</b>
<b>Total Profit/(Loss) before Taxes</b>		<b>5,902,112,866</b>	<b>4,793,897,307</b>
Provision for Current Tax		2,590,337,472	2,016,697,838
Deferred Tax Income	41	(53,424,593)	(15,380,405)
<b>Total Provisions for Tax</b>		<b>2,536,912,879</b>	<b>2,001,317,433</b>
<b>Net Profit/(loss) after Tax</b>		<b>3,365,199,987</b>	<b>2,792,579,874</b>
<b>Net profit/(Loss) after tax attributable to:</b>			
Equity holders of FSIBL		3,344,205,832	2,779,961,641
Non-controlling Interest		20,994,155	12,618,234
		<b>3,365,199,987</b>	<b>2,792,579,874</b>
Retained Earnings from Previous Year		874,829,851	735,152,028
<b>Profit/(Loss) available for Appropriation</b>		<b>4,240,029,838</b>	<b>3,527,731,903</b>
<b>Appropriations:</b>			
Statutory Reserve		1,163,092,599	953,580,575
Other Reserve		861,340,664	824,193,972
Cash Dividend Paid		474,380,100	-
Bonus Share Issued		474,380,100	862,509,270
Profit/Coupon paid to perpetual bond holder		358,739,288	-
Non-controlling Interest		20,994,155	12,618,234
		<b>3,352,926,906</b>	<b>2,652,902,051</b>
Retained Earnings Carried Forward		<b>887,102,932</b>	<b>874,829,851</b>
<b>Earnings Per Share (EPS) previous year's figure re-stated</b>	42	<b>3.36</b>	<b>2.79</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
Managing Director


  
Director

  
Director

  
Chairman

Signed in terms of our separate report of even date

  
**Md. Shafiqul Islam FCA**  
Enrolment No. 595  
Partner  
**Shafiq Basak & Co.**  
Chartered Accountants  
DVC: 2204200595AS933041  
Dhaka; April 20, 2022

  
**Mohammad Mofizul Haque Rinku FCA**  
Enrolment No. 1204  
Partner  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants  
DVC: 2204261204AS281110

**FIRST SECURITY ISLAMI BANK LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 BDT	2020 BDT
<b>A. Cash Flows from Operating Activities</b>			
Investment Income Receipt		40,997,081,798	43,149,559,783
Profit paid on Deposits		(28,661,412,450)	(32,668,161,461)
Dividend Receipts		11,436,982	12,334,953
Fees & Commission Receipt		803,588,638	831,602,496
Payment to Employees		(4,527,395,786)	(4,217,583,799)
Payment to Suppliers		(372,543,440)	(292,469,598)
Income Tax Paid		(2,304,583,961)	(1,510,733,029)
Receipts from Other Operating Activities	45	781,757,883	661,406,706
Payment for Other Operating Activities	46	(2,121,602,334)	(2,134,960,869)
<b>Operating Profit before changes in Operating Assets &amp; Liabilities</b>		<b>4,606,327,330</b>	<b>3,830,995,182</b>
<b>Increase/(Decrease) in Operating Assets &amp; Liabilities</b>			
(Increase)/decrease in Investments to Customers		(41,324,255,858)	(51,528,365,560)
(Increase)/decrease of Other Assets	47	(562,213,505)	(140,270,666)
(Increase)/decrease of Placement with Banks & other Financial Institutions		80,500,000	1,033,200,000
Increase/(decrease) of Deposits Received from Customers		41,362,123,867	53,587,633,824
Increase/(decrease) of Placement from Banks & other Financial Institutions		2,020,902,219	326,051,744
Increase/(decrease) of Other Liabilities	48	(102,781,237)	(99,390,227)
<b>Cash Generated from Operating Assets &amp; Liabilities</b>		<b>1,474,275,486</b>	<b>3,178,859,115</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>6,080,602,817</b>	<b>7,009,854,297</b>
<b>B. Cash Flows from Investing Activities</b>			
(Purchase)/ Sale of Shares and Securities		(5,155,727,536)	(6,100,826,372)
Purchase of Property, Plant and Equipment		(622,759,643)	(283,315,827)
Sale of Property, Plant and Equipment		3,069,270	4,594,849
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>(5,775,417,909)</b>	<b>(6,379,547,350)</b>
<b>C. Cash Flows from Financing Activities</b>			
Receipt/(Redemption) for Issuance of Mudaraba Subordinated Bond		(900,000,000)	(900,000,000)
Receipt/(Redemption) for Issuance of Mudaraba Perpetual Bond		2,200,000,000	3,800,000,000
Profit paid on Lease Liabilities		(16,323,381)	(17,671,853)
Dividend/Coupon Paid in Cash		(833,119,388)	-
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<b>450,557,231</b>	<b>2,882,328,147</b>
<b>D. Net Increase/(Decrease) of Cash &amp; Cash Equivalents (A+B+C)</b>		<b>755,742,138</b>	<b>3,512,635,094</b>
<b>E. Effect of Exchange Rate Change on Cash &amp; Cash Equivalents</b>		(4,682,594)	(4,848,969)
<b>F. Opening Cash &amp; Cash Equivalents</b>		<b>35,412,500,327</b>	<b>31,904,714,202</b>
<b>G. Closing Cash &amp; Cash Equivalents (D+E+F)</b>		<b>36,163,559,871</b>	<b>35,412,500,327</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand (Including Foreign Currencies)		3,318,477,065	2,443,786,817
Balance with Bangladesh Bank and its Agent Bank(s) and Other Banks		32,845,082,806	32,968,713,510
		<b>36,163,559,871</b>	<b>35,412,500,327</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
Managing Director

  
Director

  
Director

  
Chairman

Dhaka; April 20, 2022

**FIRST SECURITY ISLAMI BANK LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**


**FOR THE YEAR ENDED 31 DECEMBER 2021**

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Assets Reval. Reserve	Retained Earnings	Non-controlling Interest	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Balance as on 01 January 2021</b>	<b>9,487,602,010</b>	<b>5,293,570,982</b>	<b>1,967,545,266</b>	<b>321,954,358</b>	<b>874,829,851</b>	<b>352,509,221</b>	<b>18,298,011,687</b>
Changes in Accounting Policy	-	-	-	-	-	-	-
<b>Restated Balance</b>	<b>9,487,602,010</b>	<b>5,293,570,982</b>	<b>1,967,545,266</b>	<b>321,954,358</b>	<b>874,829,851</b>	<b>352,509,221</b>	<b>18,298,011,687</b>
Net Profit for the Year	-	-	-	-	3,365,199,987	-	3,365,199,987
Bonus Share Issued	474,380,100	-	-	-	(474,380,100)	-	-
Cash Dividend	-	-	-	-	(474,380,100)	-	(474,380,100)
Profit/Coupon paid to perpetual bond holder	-	-	-	-	(358,739,288)	-	(358,739,288)
Transfer to Statutory Reserve	-	1,163,092,599	-	-	(1,163,092,599)	-	-
Transfer to Other Reserve	-	-	861,340,664	-	(861,340,664)	-	-
Revaluation Reserve to Other Reserve	-	-	10,061,074	(10,061,074)	-	-	-
Capital Increase in Subsidiary	-	-	-	-	-	-	-
Non-controlling Interest	-	-	-	-	(20,994,155)	20,994,155	-
Deferred tax impact on Revaluation Reserve	-	-	-	(116,959,982)	-	-	(116,959,982)
Currency translation difference	-	-	4,127,721	-	-	-	4,127,721
<b>Total Group Shareholders' Equity as on 31 December 2021</b>	<b>9,961,982,110</b>	<b>6,456,663,581</b>	<b>2,843,074,725</b>	<b>194,933,303</b>	<b>887,102,932</b>	<b>373,503,376</b>	<b>20,717,260,026</b>

**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>Balance as on 01 January 2020</b>	<b>8,625,092,740</b>	<b>4,339,990,406</b>	<b>1,133,290,220</b>	<b>332,015,432</b>	<b>735,152,028</b>	<b>339,890,987</b>	<b>15,505,431,813</b>
Net Profit for the Year	-	-	-	-	2,792,579,874	-	2,792,579,874
Bonus Share Issued	862,509,270	-	-	-	(862,509,270)	-	-
Transfer to Statutory Reserve	-	953,580,575	-	-	(953,580,575)	-	-
Transfer to Other Reserve	-	-	824,193,972	-	(824,193,972)	-	-
Revaluation Reserve to Other Reserve	-	-	10,061,074	(10,061,074)	-	-	-
Capital Increase in Subsidiary	-	-	-	-	-	-	-
Non-controlling Interest	-	-	-	-	(12,618,234)	12,618,234	-
<b>Total Group Shareholders' Equity as on 31 December 2020</b>	<b>9,487,602,010</b>	<b>5,293,570,982</b>	<b>1,967,545,266</b>	<b>321,954,358</b>	<b>874,829,851</b>	<b>352,509,221</b>	<b>18,298,011,689</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
Managing Director  
Dhaka; April 20, 2022



  
Director



  
Director

  
Chairman

**FIRST SECURITY ISLAMI BANK LTD.**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

Notes	31.12.2021 BDT	31.12.2020 BDT
<b><u>PROPERTY AND ASSETS</u></b>		
<b>Cash</b>	<b>34,059,157,124</b>	<b>33,288,889,759</b>
In hand (including foreign currencies)	3.1(a) 3,303,790,552	2,440,423,966
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)	3.2(a) 30,755,366,572	30,848,465,793
<b>Balance with other Banks and Financial Institutions</b>	<b>1,932,930,013</b>	<b>1,683,928,840</b>
In Bangladesh	1,287,692,771	182,104,201
Outside Bangladesh	645,237,242	1,501,824,639
<b>Placement with Banks &amp; Other Financial Institutions</b>	<b>12,490,000,000</b>	<b>12,570,500,000</b>
<b>Investments in Shares &amp; Securities</b>	<b>28,735,224,142</b>	<b>23,621,552,622</b>
Government	25,436,220,000	22,873,900,000
Others	3,299,004,142	747,652,622
<b>Investments</b>	<b>456,428,535,681</b>	<b>415,307,402,457</b>
General Investment etc.	7.1.A 453,021,615,078	414,454,641,678
Bills Purchased and Negotiated	7.1.B 3,406,920,603	852,760,779
<b>Fixed Assets Including Premises, Furniture &amp; Fixtures and Intangible Assets</b>	<b>6,545,049,530</b>	<b>6,482,682,705</b>
<b>Other Assets</b>	<b>3,664,142,702</b>	<b>3,445,378,009</b>
<b>Non Banking Assets</b>	<b>25,145,280</b>	<b>25,145,280</b>
<b>Total Assets</b>	<b>543,880,184,472</b>	<b>496,425,479,672</b>
<b><u>LIABILITIES AND CAPITAL</u></b>		
<b>Liabilities</b>		
<b>Placement from Banks &amp; Other Financial Institutions</b>	<b>15,226,048,795</b>	<b>13,134,871,657</b>
<b>Deposits and Other Accounts</b>	<b>469,061,867,848</b>	<b>428,701,521,736</b>
Al-Wadia Current Deposits and Other Deposit Accounts	12.1(a) 53,340,593,153	32,477,281,435
Bills Payable	12.2 3,387,782,139	2,597,028,530
Mudaraba Savings Deposits	12.3 43,329,472,074	36,361,246,250
Mudaraba Term Deposits	12.4 268,437,840,887	258,585,050,591
Other Mudaraba Deposits	12.5 100,566,179,595	98,680,914,930
<b>Mudaraba Subordinated Bond</b>	<b>9,700,000,000</b>	<b>10,600,000,000</b>
<b>Mudaraba Perpetual Bond</b>	<b>6,000,000,000</b>	<b>3,800,000,000</b>
<b>Other Liabilities</b>	<b>23,415,440,729</b>	<b>22,083,221,928</b>
<b>Total Liabilities</b>	<b>523,403,357,372</b>	<b>478,319,615,321</b>
<b>Capital/Shareholders' equity</b>		
Paid-up Capital	16.1 9,961,982,110	9,487,602,010
Statutory Reserve	17 6,456,663,581	5,293,570,982
Other Reserve	18(a) 2,838,947,004	1,967,545,266
Assets Revaluation Reserve	19 194,933,303	321,954,358
Retained Earnings	20(a) 1,024,301,103	1,035,191,735
<b>Total Shareholders' Equity</b>	<b>20,476,827,100</b>	<b>18,105,864,351</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>543,880,184,472</b>	<b>496,425,479,672</b>

**FIRST SECURITY ISLAMI BANK LTD.**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Notes	31.12.2021 BDT	31.12.2020 BDT
<b>OFF- BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
Acceptances and Endorsements		17,222,082,566	29,392,020,410
Letters of Guarantee	22	6,354,664,889	7,449,574,890
Irrevocable Letters of Credit	23	15,002,199,003	6,847,120,296
Bills for Collection	24	5,946,659,812	3,220,400,515
Other Contingent Liabilities		-	-
<b>Total</b>		<b>44,525,606,270</b>	<b>46,909,116,111</b>
<b>Other Commitments</b>			
Documentary Credits And Short Term Trade Related Transactions		-	-
Forward Assets Purchased And Forward Deposits Placed		-	-
Undrawn Note Issuance And Revolving Underwriting Facilities		-	-
Undrawn Formal Standby Facilities, Credit Lines And Other Commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total Off -Balance Sheet Items Including Contingent Liabilities</b>		<b>44,525,606,270</b>	<b>46,909,116,111</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
 Managing Director


  
 Director

  
 Director

  
 Chairman

Signed in terms of our separate report of even date

  
**Md. Shafiqul Islam FCA**  
 Enrolment No. 595  
 Partner  
**Shafiq Basak & Co.**  
 Chartered Accountants  
 DVC: 2204200595AS933041  
 Dhaka; April 20, 2022

  
**Mohammad Mofizul Haque Rinku FCA**  
 Enrolment No. 1204  
 Partner  
**Rahman Mostafa Alam & Co.**  
 Chartered Accountants  
 DVC: 2204261204AS281110



**FIRST SECURITY ISLAMI BANK LTD.**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 BDT	2020 BDT
<b>Operating Income:</b>			
Investments Income	25(a)	40,631,890,056	42,525,503,892
Profit Paid on Deposits	26	(27,608,053,114)	(31,175,396,288)
<b>Net Investment Income</b>		<b>13,023,836,942</b>	<b>11,350,107,604</b>
Income from Investment in Shares and Securities	27(a)	394,629,756	528,156,344
Commission, Exchange and Brokerage	28(a)	771,842,502	820,853,873
Other Operating Income	29(a)	678,783,672	624,899,882
		<b>1,845,255,930</b>	<b>1,973,910,099</b>
<b>Total Operating Income</b>		<b>14,869,092,872</b>	<b>13,324,017,703</b>
<b>Less: Operating Expenses</b>			
Salary and Allowances	30(a)	4,462,267,083	4,157,276,806
Rent, Taxes, Insurances, Electricity etc.	31(a)	707,114,615	627,893,362
Legal Expenses	32(a)	9,414,203	4,164,334
Postage, Stamps, Telecommunication etc.	33(a)	116,844,275	91,407,051
Stationery, Printings, Advertisements etc.	34(a)	169,488,898	186,455,405
Managing Director's Salary and Fees	35(a)	16,432,439	13,672,076
Directors' Fees & Expenses	36(a)	1,566,400	1,296,800
Shariah Supervisory Committee's Fees & Expenses	37	459,000	236,000
Audit Fees		1,380,000	920,000
Depreciation & Repair of Bank's Assets	39(a)	751,863,302	668,937,921
Zakat Expenses		174,244,555	126,544,854
Other Expenses	40(a)	1,178,624,196	1,314,497,770
<b>Total Operating Expenses</b>		<b>7,589,698,966</b>	<b>7,193,302,379</b>
<b>Profit/(Loss) before Provision and Tax</b>		<b>7,279,393,906</b>	<b>6,130,715,324</b>
Provisions for Investments including off-B/S items	15.2(a)	1,118,208,638	1,391,315,178
Provisions for Diminution in Value of Investment in Shares		(63,715,538)	(56,692,637)
Provisions for Other Assets		376,227,389	-
Provisions for Start-up Fund		33,210,421	28,189,907
<b>Total Provisions</b>		<b>1,463,930,910</b>	<b>1,362,812,448</b>
<b>Total Profit/(Loss) before Taxes</b>		<b>5,815,462,996</b>	<b>4,767,902,876</b>
Provision for Current Tax		2,547,845,471	1,992,482,480
Deferred Tax Income	41	(53,424,593)	(15,380,405)
<b>Total Provisions for Tax</b>		<b>2,494,420,878</b>	<b>1,977,102,075</b>
<b>Net Profit/(Loss) after Tax</b>		<b>3,321,042,118</b>	<b>2,790,800,801</b>
Retained Earnings from Previous Year		1,035,191,735	884,674,751
<b>Profit/(Loss) available for Appropriation</b>		<b>4,356,233,853</b>	<b>3,675,475,552</b>
<b>Appropriations:</b>			
Statutory Reserve		1,163,092,599	953,580,575
Other Reserve		861,340,664	824,193,972
Cash Dividend Paid		474,380,100	-
Bonus Share Issued		474,380,100	862,509,270
Profit/Coupon paid to perpetual bond holder		358,739,288	-
		<b>3,331,932,751</b>	<b>2,640,283,818</b>
Retained Earnings Carried Forward		<b>1,024,301,103</b>	<b>1,035,191,735</b>
<b>Earnings Per Share (EPS) previous year's figure re-stated</b>	42(a)	<b>3.33</b>	<b>2.80</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
Managing Director


  
Director

  
Director

  
Chairman

Signed in terms of our separate report of even date

  
**Md. Shafiqul Islam FCA**  
Enrolment No. 595  
Partner  
**Shafiq Basak & Co.**  
Chartered Accountants  
DVC: 2204200595AS933041  
Dhaka; April 20, 2022

  
**Mohammad Mofizul Haque Rinku FCA**  
Enrolment No. 1204  
Partner  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants  
DVC: 2204261204AS281110

**FIRST SECURITY ISLAMI BANK LTD.**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 BDT	2020 BDT
<b>A. Cash Flows from Operating Activities</b>			
Investment Income Receipt		40,855,182,651	43,060,369,071
Profit paid on Deposits		(28,661,412,450)	(32,668,161,461)
Dividend Receipts		11,436,982	12,334,953
Fees & Commission Receipt		771,842,502	820,853,873
Payment to Employees		(4,478,699,522)	(4,170,948,882)
Payment to Suppliers		(371,942,664)	(300,379,658)
Income Tax Paid		(2,276,240,816)	(1,494,298,220)
Receipts from Other Operating Activities	45(a)	678,783,672	624,871,882
Payment for Other Operating Activities	46(a)	(2,061,751,664)	(2,086,764,292)
<b>Operating Profit before changes in Operating Assets &amp; Liabilities</b>		<b>4,467,198,691</b>	<b>3,797,877,266</b>
<b>Increase/(Decrease) in Operating Assets &amp; Liabilities</b>			
(Increase)/decrease in Investments to Customers		(41,375,562,252)	(50,865,039,142)
(Increase)/decrease of Other Assets	47(a)	(218,373,288)	205,692,747
(Increase)/decrease of Placement with Banks & other Financial Institutions		80,500,000	1,033,200,000
Increase/(decrease) of Deposits Received from Customers		41,374,305,614	52,969,005,929
Increase/(decrease) of Placement from Banks & other Financial Institutions		2,091,177,138	(73,510,147)
Increase/(decrease) of Other Liabilities	48(a)	(113,528,693)	(134,263,514)
<b>Cash Generated from Operating Assets &amp; Liabilities</b>		<b>1,838,518,519</b>	<b>3,135,085,873</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>6,305,717,211</b>	<b>6,932,963,139</b>
<b>B. Cash Flows from Investing Activities</b>			
(Purchase)/ Sale of Shares and Securities		(5,113,671,520)	(6,093,900,000)
Purchase of Property, Plant and Equipment		(622,170,298)	(282,545,629)
Sale of Property, Plant and Equipment		3,069,270	4,594,849
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>(5,732,772,548)</b>	<b>(6,371,850,780)</b>
<b>C. Cash Flows from Financing Activities</b>			
Receipt/(Redemption) for Issuance of Mudaraba Subordinated Bond		(900,000,000)	(900,000,000)
Receipt/(Redemption) for Issuance of Mudaraba Perpetual Bond		2,200,000,000	3,800,000,000
Profit paid on Lease Liabilities		(15,874,143)	(17,350,560)
Dividend/Coupon Paid in Cash		(833,119,388)	-
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<b>451,006,469</b>	<b>2,882,649,440</b>
<b>D. Net Increase/(Decrease) of Cash &amp; Cash Equivalents (A+B+C)</b>		<b>1,023,951,132</b>	<b>3,443,761,799</b>
Effect of Exchange Rate Change on Cash & Cash Equivalents		(4,682,594)	(4,848,969)
<b>E. Opening Cash &amp; Cash Equivalents</b>		<b>34,972,818,599</b>	<b>31,533,905,769</b>
<b>F. Closing Cash &amp; Cash Equivalents (D+E)</b>		<b>35,992,087,137</b>	<b>34,972,818,599</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand (Including Foreign Currencies)		3,303,790,552	2,440,423,966
Balance with Bangladesh Bank and its Agent Bank(s) and Other Banks		32,688,296,585	32,532,394,633
		<b>35,992,087,137</b>	<b>34,972,818,599</b>

  
Managing Director

  
Director

  
Director

  
Chairman

**FIRST SECURITY ISLAMI BANK LTD.  
STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Assets Reval. Reserve	Retained Earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT
<b>Balance as on 01 January 2021</b>	<b>9,487,602,010</b>	<b>5,293,570,982</b>	<b>1,967,545,266</b>	<b>321,954,358</b>	<b>1,035,191,735</b>	<b>18,105,864,351</b>
Changes in Accounting Policy	-	-	-	-	-	-
<b>Restated Balance</b>	<b>9,487,602,010</b>	<b>5,293,570,982</b>	<b>1,967,545,266</b>	<b>321,954,358</b>	<b>1,035,191,735</b>	<b>18,105,864,351</b>
Net Profit for the Year	-	-	-	-	3,321,042,118	3,321,042,118
Bonus Share Issued	474,380,100	-	-	-	(474,380,100)	-
Cash Dividend	-	-	-	-	(474,380,100)	(474,380,100)
Profit/Coupon paid to perpetual bond holder	-	-	-	-	(358,739,288)	(358,739,288)
Transfer to Statutory Reserve	-	1,163,092,599	-	-	(1,163,092,599)	-
Transfer to Other Reserve	-	-	861,340,664	-	(861,340,664)	-
Revaluation Reserve transfer to Other Reserve	-	-	10,061,074	(10,061,074)	-	-
Deferred tax impact on Revaluation Reserve	-	-	-	(116,959,982)	-	(116,959,982)
<b>Total Shareholders' Equity as on 31 December 2021</b>	<b>9,961,982,110</b>	<b>6,456,663,581</b>	<b>2,838,947,004</b>	<b>194,933,303</b>	<b>1,024,301,103</b>	<b>20,476,827,100</b>

**FOR THE YEAR ENDED 31 DECEMBER 2020**


<b>Balance as on 01 January 2020</b>	<b>8,625,092,740</b>	<b>4,339,990,406</b>	<b>1,133,290,220</b>	<b>332,015,432</b>	<b>884,674,751</b>	<b>15,315,063,550</b>
Net Profit for the Year	-	-	-	-	2,790,800,801	2,790,800,801
Bonus Share Issued	862,509,270	-	-	-	(862,509,270)	-
Transfer to Statutory Reserve	-	953,580,575	-	-	(953,580,575)	-
Transfer to Other Reserve	-	-	824,193,972	-	(824,193,972)	-
Revaluation Reserve transfer to Other Reserve	-	-	10,061,074	(10,061,074)	-	-
<b>Total Shareholders' Equity as on 31 December 2020</b>	<b>9,487,602,010</b>	<b>5,293,570,982</b>	<b>1,967,545,266</b>	<b>321,954,358</b>	<b>1,035,191,735</b>	<b>18,105,864,351</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
Managing Director


Dhaka; April 20, 2022



  
Director




  
Director

  
Chairman

**FIRST SECURITY ISLAMI BANK LTD.**  
**LIQUIDITY STATEMENT ( ASSETS AND LIABILITY MATURITY ANALYSIS)**  
**AS AT 31 DECEMBER 2021**

Particulars	Up to 01	01-03	03-12	01-05	More than	Total 2021	Total 2020
	Month	Months	Months	Years	05 years		
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Assets</b>							
Cash in Hand	3,303,790,552	-	-	-	-	3,303,790,552	2,440,423,966
Balance with Bangladesh Bank and its Agent Bank(s)	10,112,166,572	-	-	-	20,643,200,000	30,755,366,572	30,848,465,793
Balance with other Banks & FIs and Placement	9,112,930,013	5,310,000,000	-	-	-	14,422,930,013	14,254,428,840
Investments in Shares and Securities	579,004,142	-	-	120,000,000	28,036,220,000	28,735,224,142	23,621,552,622
Investments	58,809,812,607	87,838,000,000	96,920,000,000	110,817,890,980	102,042,832,094	456,428,535,681	415,307,402,457
Fixed Assets including Premises, Furniture and Fixtures	-	-	-	1,181,038,607	5,364,010,923	6,545,049,530	6,482,682,705
Other Assets	-	-	-	1,165,039,371	2,499,103,331	3,664,142,702	3,445,378,009
Non-banking Assets	-	-	-	25,145,280	-	25,145,280	25,145,280
<b>Total Assets</b>	<b>81,917,703,886</b>	<b>93,148,000,000</b>	<b>96,920,000,000</b>	<b>113,309,114,238</b>	<b>158,585,366,348</b>	<b>543,880,184,472</b>	<b>496,425,479,672</b>
<b>Liabilities</b>							
Placement from Banks & Other Financial Institutions	3,765,148,795	2,944,700,000	-	8,516,200,000	-	15,226,048,795	13,134,871,657
Deposits and Other Accounts	62,576,211,337	87,347,100,000	95,891,800,000	91,486,700,000	131,760,056,511	469,061,867,848	428,701,521,736
Mudaraba Subordinated and Perpetual Bond	-	-	2,300,000,000	7,400,000,000	6,000,000,000	15,700,000,000	14,400,000,000
Other Liabilities	-	-	294,359,922	4,472,600,000	18,648,480,808	23,415,440,729	22,083,221,928
<b>Total Liabilities</b>	<b>66,341,360,132</b>	<b>90,291,800,000</b>	<b>98,486,159,922</b>	<b>111,875,500,000</b>	<b>156,408,537,319</b>	<b>523,403,357,372</b>	<b>478,319,615,321</b>
<b>Net Liquidity Gap</b>	<b>15,576,343,754</b>	<b>2,856,200,000</b>	<b>(1,566,159,922)</b>	<b>1,433,614,238</b>	<b>2,176,829,030</b>	<b>20,476,827,100</b>	<b>18,105,864,351</b>

The annexed notes (1 to 58) and Annexure A, B & C form an integral part of these financial statements.

  
Managing Director  
Dhaka; April 20, 2022



  
Director



  
Director

  
Chairman

**First Security Islami Bank Ltd. and its Subsidiaries**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December 2021**

**1. Corporate Information:**

**1.1 Status of the Bank**

First Security Islami Bank Ltd. (hereinafter referred to as “the Bank or FSIBL”) was established as a Public Limited Company in Bangladesh on 29 August 1999 under Companies Act 1994 to carry on banking business. The Bank converted its banking operation into Islamic Banking based on Islamic Shari’ah from traditional banking operation on 01 January 2009 after obtaining approval from honorable High Court, Ministry of Finance and Bangladesh Bank. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business. The Bank is one of the interest-free Shari’ah based banks in the country and its modus-operandi are substantially different from other conventional banks. The Bank went for public issue on 20 July 2008 and its shares are listed with Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. Presently the Bank carries out its banking activities through its 71 Agent outlets, 136 Sub-branches and 196 branches in the country. The Bank had no overseas branches as at December 31, 2021.

The registered office of the Bank is located at 23, Dilkusha C/A, Dhaka-1000.

**1.2 Principal Activities**

**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 Banking Company Act 1991 and Bangladesh Bank’s directives.

The bank renders commercial banking services to all types of customers. The range of services offered by the bank includes accepting deposit, making investment, purchasing bills, conducting domestic and international money transfer, carrying out foreign exchange transactions in addition to international money transfers, and offering other customer services such as safe keeping, collections and issuing guarantees, acceptances and letters of credit. Core business of the bank includes deposit mobilization and investing activities comprising short-term, long-term, import and export financing. Investment activities are extended to different sectors of the economy that could be grouped into several sectors including Rural & agriculture, Garments & Textiles, Jute, Cement & Bricks, Tannery, Steel & Engineering, Food & Beverage, Chemical & Pharmaceuticals, Printing & Packaging, Glass & Ceramics and Miscellaneous.

At a glance, the principal activities of the bank are:

- (a) To facilitate and handle all kinds of commercial banking services to its customers authorized by Bangladesh Bank.
- (b) To handle the export and import trade of Bangladesh
- (c) To take part in international banking etc.

**1.2.2 Mobile financial services-“ First Pay Sure Cash”**

FSIBL has launched mobile banking services from 2012 under the name of “First Pay Sure Cash”. First Security Islami Bank offers different services through the Mobile banking services that include free and quick opening of customer account, 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.

### **1.2.3 FSIBL Agent Banking**

First Security Islami Bank Ltd. launched its Agent Banking Operation under the brand name “FSIBL Agent Banking” on May 29, 2016 upon receiving permission from Bangladesh Bank on September 01, 2015. The Agent Banking outlet is running under the ABS system integrated with CBS.

It is a banking system exactly like a model branch which is located in the remote areas, where all kinds of branch banking facilities such as Account Opening, Cash Deposit/withdrawal, Fund Transfer, BEFTN, BACH & RTGS etc. in limited scale ( as per Bangladesh Bank guidelines) are provided to the underserved population through engaged agents under a valid agency agreement. Along with the general banking services, FSIBL Agent Banking is rendering the other banking services like BREB Bill Collection and Foreign Remittance Services to the underserved population of Bangladesh in the remote areas.

As per Agent Banking Model, the Agent Banking Outlets are being tagged with FSIBL Branches, considering the distance in terms of the nearest location from the Agent Outlet. The tagging branch manager will provide all sorts of supports to the concerned outlets as all the businesses, coming from the concerned outlets, are reflected in their affairs i.e. tagged branch, is the ultimate beneficiary of the Agent Banking Business.

### **1.2.4 Off Shore Banking Unit:**

Off-shore Banking Unit (OBU) is a Separate business unit of First Security Islami Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (OB)/744(126)/2020-4735 dated 06 July, 2020. The Bank commenced the operation of its Off-shore Banking Unit from August 06, 2020. The unit is located at Rangs RD Center, Block # SE(F), Plot#03, Gulshan-1, Dhaka-1212. 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 in **Annexure-C**.

## **1.3 Subsidiaries:**

### **1.3.1 First Security Islami Capital & Investment Limited**

First Security Islami Capital & Investment Limited, a private company limited by shares has been formed and registered under the Companies Act, 1994 with the Registrar of Joint Stock Companies (RJSC), Dhaka vide certificate of incorporation no. C-88567/10 dated 02 December 2010. The Bangladesh Securities and Exchange Commission (BSEC) vide its certificate No. MB-65/2011 dated 27 March 2011 has accorded approval to the bank for a full-fledged Merchant Banking operation under the Bangladesh Securities and Exchange Commission Act, 1993. First Security Islami Bank Ltd. holds 51% shares and 49% shares are held by other individuals. The company’s reporting period is January to December.

### **1.3.2 First Security Islami Exchange Italy S.R.L**

First Security Islami Exchange Italy S.R.L has been formed as per approval of Bangladesh Bank vide their Letter No. BRPD (M) 204/17/2009-95 dated 08 September 2009 for opening an owned exchange house. The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions activities and operations commonly carried on or undertaken by remittance and exchange houses.

## **2. Basis of Preparation of Financial Statements**

The Financial Statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of changes in Equity, Liquidity Statement (Assets and Liability Maturity Analysis) and relevant notes to the financial statements and disclosures thereto, of the Bank are prepared under historical cost convention on a going concern basis.

## 2.1 Statements of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

The financial statements of the Bank are made for the year ended 31 December, 2021 and are prepared under the historical cost convention on a going concern basis and in accordance with the “ First Schedule Section 38(4) of the Bank Companies Act, 1991 and Amendment 2013, BRPD Circular # 14 dated 25 June 2003, BRPD Circular # 15 dated 09 November 2009, Circulars, Rules and regulations issued by Bangladesh Bank time to time, International Accounting Standards and International Financial Reporting Standards, The Companies Act 1994, The Bangladesh Security and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges listing regulations, Income Tax Ordinance 1984, the Value Added Tax and Supplementary Duty Act-2012, and other laws and rules applicable in Bangladesh.

### 2.1.1 Compliance of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

IFRS Title	IFRS No.	Compliance Status
First-time Adoption of International Financial Reporting Standards	1	Not Applicable
Share-based Payment	2	Not Applicable
Business Combinations	3	Applied
Insurance Contracts	4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	6	Not Applicable
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	Not Applicable
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	Not Applicable
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied

<b>IAS Title</b>	<b>IAS No.</b>	<b>Compliance Status</b>
Presentation of Financial Statements	1	Applied
Inventories	2	Not Applicable
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Not Applicable
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	Not Applicable
Financial Reporting in Hyperinflationary Economies	29	Applied
Financial Instruments: Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	Not Applicable
Agriculture	41	Not Applicable

\* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to IAS /IFRS, some of the requirements specified in these IAS / IFRSs are not applied. Refer below for such recognition and measurement differences that are most relevant and material to the Bank.

\*\* This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

\*\*\* The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements.



## 2.1.2 Difference between IAS / IFRS and Bangladesh Bank Regulation:

The financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank and the Companies Act 1994. In case any requirement of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRS are as follows:

### i) Presentation of financial statements

**IFRS:** As per IAS 1 financial statements shall comprise statement of financial position, statement of profit or loss and other comprehensive income, changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

**Bangladesh Bank:** The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) and certain disclosures therein are guided by the 'First Schedule' (section 38) of the Banking Company Act 1991 (amendment up to 2013) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

### ii) Investment in shares and securities

**IFRS:** As per requirements of IFRS 9 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

### iii) Provision on investments and off-balance sheet exposure

**IFRS:** As per IFRS 9 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

**Bangladesh Bank:** As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012 and BRPD circular No. 05 dated 29 May 2014 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for Investments (loans and advances) depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, etc. a general provision at 1% is required to be provided for all off-balance sheet exposures excluding bill for collection. Such provision policies are not specifically in line with those prescribed by IFRS 9.

#### iv) Recognition of investment income in suspense

**IFRS:** Investment to customers are generally classified as Investment in General (loans and receivables) as per IAS 39 and Investment income is recognized through effective profit rate method over the term of the Investment. Once an investment (loan) is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once an investment (loan) is classified, investment income on such investments are not allowed to be recognized 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.

#### v) Other Comprehensive Income

**IFRS:** As per IAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

**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, the elements of OCI, if any, are shown in the statements of changes in equity.

#### vi) Financial Instruments – Presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

#### vii) Financial guarantees

**IFRS:** As per IAS 39, 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 recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 15/2009 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

#### viii) Cash and cash equivalent

**IFRS:** Cash and cash equivalent items should be reported as cash items as per IAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as ‘money at call on short notice’, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the balance sheet, and treasury bills, prize bonds are shown in investments.

#### ix) Non-banking assets

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

**Bangladesh Bank:** As per BRPD circular no. 15 dated 09 November 2009, there must exist a face items named Non-banking asset.

#### **x) 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 the specific format prescribed in BRPD circular no. 15 dated 09 November 2009, cash flow statements has to be prepared.

#### **xi) Balance with Bangladesh Bank (Cash Reserve Requirement)**

**IFRS:** Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

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

#### **xii) Presentation of intangible asset**

**IFRS:** An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

**Bangladesh Bank:** There is no regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003.

#### **xiii) Investments net off provision**

**IFRS:** Loans and advances/Investments should be presented net off provision.

**Bangladesh Bank:** As per BRPD circular no. 15 dated 09 November 2009 provision on loans and investments are presented separately as liability and cannot be net-off against Investments (loans and advances).

### **2.1.3 Comparative information and re-arrangement thereof**

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

### **2.1.4 Going Concern**

When preparing financial statements of the bank, the Managements make an assessment of the bank's ability to continue as a going concern. The bank prepares financial statements on a going concern basis.

### **2.1.5 Accrual basis of accounting**

The Bank prepares its financial statements other than cash flow statement, 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 when they satisfy the definition and recognition criteria for those elements in the Framework.

### **2.1.6 Reporting period**

These financial statements of the Bank and its subsidiaries cover one calendar year from 01 January 2021 to 31 December 2021.

## **2.2 Basis of Consolidation**

The consolidated Financial Statements include the financial statements of First Security Islami Bank Limited and its subsidiaries company First Security Islami Capital & Investment Limited and First Security Islami Exchange Italy S.R.L made up to the end of the December 31, 2021. Due to Global covid-19 pandemic situation and time gape the un-audited financial statements for the year ended 31 December 2021 of First Security Islami Exchange Italy S.R.L are consolidated at closing rate. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 10-“Consolidated Financial Statements”. The Consolidated Financial Statements are prepared for the common financial year ended 31 December 2021.

All intra-group transactions, balances, are eliminated at the time of consolidation. Profit and loss resulting from transactions is also eliminated from consolidated financial statements.

## **2.3 Use of Estimates and Judgments**

In the preparation of the financial statements management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

## **2.4 Accruals & Deferrals**

Accruals and deferrals have been made as per the guidance of IAS # 1: Presentation of Financial Statements. In order to meet their objectives, financial statements except for Statement of Cash Flow and related information are prepared on accrual Basis of accounting. Under this basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in accounts and reported in the financial statements of the periods to which they relate.

## **2.5 Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## **2.6 Significant Accounting Policies**

### **2.6.1 Cash and cash equivalent**

As per BRPD circular no. 15 dated November 09, 2009 and IAS-7, cash and cash equivalents include notes and coins in hand, balances lying with ATM, unrestricted balance held with Bangladesh Bank and its agent Bank and balance with other Banks and Financial Institutions. Cash flow statement is prepared principally in accordance with IAS 7 “Cash Flow Statement” and prescribed by BRPD circular no. 15 dated November 2009. The comparative operating cash flow has been rearranged through considering the placement to other banks and Financial Institution and with other banks and Financial Institution as operating activities.

### **2.6.2 Balance with Bangladesh Bank (Cash Reserve Requirement- CRR)**

IAS 7 requires balance with Bangladesh Bank to be treated as other assets. However, as per BRPD circular no 15, FSIBL treats balance with Bangladesh Bank as cash and cash equivalent though the amount is restricted for CRR purpose and cannot be used in our day to day operational requirement.

### 2.6.3 Investment in Shares and Securities

a) The bank investment in different securities has been valued on 31.12.2021 as under:

Quoted Shares	at Cost
Un-Quoted Shares (CDBL Share)	at Cost
Bangladesh Govt. Islamic Bond	at Cost

All investments in securities are initially recognized at cost, including acquisition charges associated with the investment.

As per BRPD Circular # 15 dated 09 November 2009, investment in quoted shares and un-quoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the company measures and recognizes investment in are higher than the cost. However as per requirements of International Accounting Standard (IAS)-39, investment in shares falls either under **“at fair value through profit and loss account”** or under “available for sale” where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively. FSIBL recognizes its investment in shares and securities and accounted for the required provision for diminution in value of shares and securities in the profit and loss account as per BRPD Circular # 15 dated 09 November 2009 issued by Bangladesh Bank.

b) Revaluation gains/losses on Government Securities

FSIBL is a Bank running on Islamic Sharia’h Principal. Hence, we do not participate in buying interest bearing Government securities.

### 2.6.4 Investments

a) Investments are stated in the Balance Sheet at the net amount excluding unearned income.

b) Investments and Provisions

As per IAS-36 impairment assessment should be done by considering whether any objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

However, provision for classified and unclassified investment is made on the basis of year and review by the management and of instructions contained in Bangladesh Bank BCD Circular No.34 dated 16 November 1989, BCD Circular No.20 dated 27 December 1994, BCD Circular No. 12 dated 04 September 1995, BRPD Circular No. 16 dated 06 December 1998, BRPD Circular No.09 dated 14 May 2001, BRPD Circular Letter No.10 dated 18 September 2007, BRPD Circular No.05 dated 29 April 2008, BRPD Circular Letter No.32 dated 10 October 2010, BRPD Circular No.14 dated 23 September 2012, BRPD Circular No.19 dated 27 December 2012, BRPD Circular No.05 dated 29 May 2013, BRPD Circular No.16 dated 18 November 2014, BRPD Circular No.08 dated 02 August 2015, BRPD Circular No.12 dated 20 August 2017, BRPD Circular No.15 dated 27 September 2017, BRPD Circular No.01 dated 20 February 2018, BRPD Circular No.07 dated 21 June 2018, BRPD Circular No.13 dated 18 October 2018, BRPD Circular No.03 dated 21 April 2019, BRPD Circular No.06 dated 19 May 2019, BRPD Circular No.16 dated 21 July 2020 , BRPD Circular No.17 dated 28 September 2020 , BRPD Circular Letter No.52 dated 20 October, 2020, BRPD Circular Letter No 56, date 10 December 2020 and BRPD Circular No.-03, date Jan 31, 2021, BRPD Circular No.-12, date June 13, 2021, BRPD Circular No.-13, date June 27, 2021, BRPD Circular No.- 19, date August 26, 2021, BRPD Circular No.-50 date December 14, 2021, BRPD Circular Letter No.- 51, date December 29, 2021, BRPD Circular Letter No.-52, date December 29, 2021, BRPD Circular Letter No.-53, date December 30, 2021 at the following rates:

<b>Particulars</b>	<b>Rate</b>
<b>General Provision on:</b>	
Contingent Liability/ Non Funded Business	1%
Unclassified Investment (All others Investment)	1%
Investment for Small and Medium Enterprise	0.25%
Investment for Professionals	2%
Investment for House Financing	1%
Investment for Consumer Financing	2%
Investment for Short Term Agriculture/Micro Investment	1%
Special Mention Account	(Same as standard)
<b>Specific Provision on:</b>	
Substandard Investment	20%
Doubtful Investment	50%
Bad/ Loss Investment	100%

As per BRPD Circular # 14 dated 23 September 2012, BRPD Circular # 19 dated 27 December 2012, and BRPD Circular # 05 dated 29 May 2013 and BRPD Circular # 16 dated 18 November 2014 a general provision at 0.25% to 5% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment. As per same circulars mentioned above we have to maintain provision @ 20%, 50% and 100% for investments classified as sub-standard, doubtful and bad & loss category respectively depending on the duration of overdue.

As per BRPD Circular # 10 dated 18 September 2007 and BRPD Circular No: 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet risk exposures (excluding bills for collection).

c) When an investment is deemed to be uncollectible, it is written off against the related provision for impairments. Subsequent recoveries of such investments are credited to the income statement.

d) Investment are normally written off, when there is no chance of recovery of these amounts in accordance with BRPD Circular no. 2 dated 13 January 2003, BRPD Circular no. 15 dated 23 September 2012 and BRPD circular no. 13 dated November 07, 2013. A separate Investment Monitoring and Recovery Division (IMRD) have been set up at the Head Office, which monitors investment recovery and legal action.

### **2.6.5 Property, Plant and Equipment**

All property and equipment are classified and grouped on the basis of their nature as required in as per provision of IAS-16: Property, Plant and Equipment. The major categories of property and equipment held by the bank are land and building, furniture and fixtures, office equipment, motor vehicles and books.

As guided in paragraph 30 of IAS-16 Property, Plant and Equipment: all property and equipment are stated at cost and revaluation less accumulated depreciation. The opening and closing carrying amounts of all property and equipment are presented including the amount of additions, disposals and depreciation charged during the period as required by paragraph 73 (a-e) of IAS-16. Maintenance expenses that does not increase the value of assets is charged to profit & loss account.

### **2.6.6 Presentation of Intangible Asset**

As per IAS 38: Intangible Assets, intangible assets are accounted for and amortized. Related necessary disclosures for the intangible asset; i.e. computer software is given in note 8.

### **2.6.7 Leases**

IFRS 16 Leases, defines a lease as “A contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration”. In order for such a contract to exist the user of the asset needs to have the right to :

- ✓ Obtain substantially all the economic benefits from the use of asset (identifiable asset)
- ✓ The right to direct the use of asset

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Bank assesses whether the contract meets two key evaluations which are whether:

- ✓ the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank
- ✓ the Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Bank has the right to direct the use of the identified asset throughout the period of use. The Bank assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

The Bank depreciates the right-of-use assets on a straight-line basis over the remaining useful life of the asset. The Bank also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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.

### **2.6.8 Revaluation**

Land and building are revalued as per International Accounting Standard (IAS)-16, ‘Property, Plant and Equipment’ as well as Bangladesh Bank BCD Circular Letter No. 12 & 18, dated 20 April 1993 & 15 June 1993, respectively and BRPD Circular # 10 and 09, Dated 25 November 2002 and 31 December 2008 respectively. The Bank revalued its land & building in the year 2012. Reserve is created by the sum of revaluation surplus and depreciation is charged on the revalued assets except land as per the respective rate of depreciation.

### **2.7 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.

### **2.8 Deposits and other Accounts**

Deposit and other accounts include Al-Wadia Current Deposit, Mudarabah Saving Deposit, Mudarabah Term Deposit 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.

## 2.9 Liabilities and Provision

### 2.9.1 Taxation

Tax expenses represent the sum of the tax which are payable during the current period.

### 2.9.2 Current Tax

Provision for corporate current income tax has been made @ 37.50% for business income and other applicable rate for other operating income as prescribed in the Finance Act 2021 of 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 in compliance with IAS 12 Income Taxes. Provision of current income tax has been made on taxable income of the Bank as per following rates:

Type of Income	2021	2020
Business Income	37.50%	37.50%
Capital Gain	10%-15%	10%-15%
Other Income (Dividend income)	20%	20%

### 2.9.3 Deferred Tax

As per IAS 12, deferred tax asset are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax is provided using the liability method for all temporary difference arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. The tax rate (37.50%) prevailing at the balance sheet date is used to determine deferred tax. Deferred tax asset is recognized to the extent which are expected to recover in future.

### 2.9.4 Retirement Benefits of Employees

Required in IAS 19, employee benefits, provident fund and gratuity benefits are given to eligible staff of the bank in accordance with the locally registered rules and the entity shall disclose the amount recognized as an expense for defined contribution plan.

### 2.9.5 Provident Fund

Provident fund benefits are given to staffs of FSIBL in accordance with the locally registered Provident Fund Rules. The employees' provident fund is administered by a Board of Trustees and is funded by contributions of both employees and the Bank at predetermined rate @ 10% of basic salary in equal portion. These contributions are invested separately from the assets of FSIBL and the profit on such contributions credited to the members' account. The Fund recognized by the National Board of Revenue.

### 2.9.6 Gratuity

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to get the benefits if his length of service is six (06) years in accordance with prevailing service rule as on 31 December 2021.

### 2.9.7 Social Security Benevolent Fund

The Bank operates a social security benevolent fund by all employees' contribution for the sake of death and disability of employees.

### 2.9.8 Employees Group Life Insurance Fund

The First Security Islami Bank Limited makes Employees Group Life Insurance Fund commence with effect from 19<sup>th</sup> September 2019. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on yearly basis and with the contribution of the Bank.



## **2.9.9 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 Companies Act 1991. As such consistent with widely accepted industry practice and lawyer opinion the Bank did not make any provision during the year for WPPF.

## **2.9.10 Profit/Rent/Compensation Suspense Account**

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per BRPD Circular # 15, dated 09 November 2009 issued by the Bangladesh Bank. Moreover, income that are irregular (doubtful) as per Sharia'h are not included in the distributable income of the Bank.

Income on unclassified overdue investment of Bai-Murabaha and Bai-Muazzal is charged under compensation account instead of showing as income of the Bank.

## **2.10 Capital/Shareholders' Equity**

### **2.10.1 Authorized capital**

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association.

### **2.10.2 Paid up Capital**

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details are shown in Note-16.1.

### **2.10.3 Statutory Reserve**

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 (as amended up to 2013) until such reserve equal to its paid up capital together with the share premium

## **2.11 Off-balance sheet items**

### **Contingent Liabilities**

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognized because:

- \* It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- \* The amount of the obligation cannot be measured with sufficient reliability.

As per IAS 37, Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated. Contingent assets are not recognized in the financial statements as this may results in the recognition of income which may never be realized. However, the amount of cash margin is recognized as liability. As per BRPD Circular # 15 dated 09 November 2009 contingent liabilities are disclosed as off balance sheet items.

## 2.12 Financial Guarantees and Commitments

Financial guarantees such as letter of credit, letter of guarantee etc. are treated as off-balance sheet items as per relevant BRPD Circular # 15, Dated November 09, 2009 whereas as per IAS 39, these should be treated as 'Other Liability'. No liability is recognized for the guarantee except the cash margin. We account for the financial guarantees as per BRPD Circular # 15, Dated November 09, 2009 and liability for financial guarantees are not recognized initially at their fair value and the fair value amortization of the same liability is not done either as per IAS 39. So that the financial guarantees are not also carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable.

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date. The outstanding balances for the same as at 31 December 2021 have been shown in the Balance Sheet under Off-Balance Sheet items. Exchange rates with major foreign currencies as 31 December 2021 were as:

Currency Name	Exchange Rate (TK)
US \$	85.7750
EURO	97.2345
ACU	85.7750
GBP	115.6676
SAR	22.8398
CAD	67.0536
JPY	00.7455

## 2.13 Foreign Currency Translation

### 2.13.1 Foreign Currency Transaction

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per IAS-21. Assets and liabilities in foreign currencies as at 31 December 2021 have been converted into Taka currency at the average of the prevailing buying and selling rates of the concerned foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no BRPD(R) 717/2004-959 dated 21 November 2004.

### 2.13.2 Transaction gains and losses

As per provision of IAS-21: The Effects of Changes in Foreign Exchange Rates, foreign currency transactions are translated into Taka at rates prevailing (contracting) on the dates of such transactions. The resulting exchange transaction gains and losses arising through foreign currency buying and selling transactions effected on different dates of the year have been adjusted by debiting /crediting exchange gain or loss charged to profit and loss account.

## 2.14 Income

The revenues during the period are recognized on an accrual basis, which comply with the conditions of revenue recognition as provided in IFRS # 15: Revenue from Contracts with Customers.

### 2.14.1 Income from Investments

Profit on investments are recognized against the investment of fund under Mudaraba, Musharaka, Murabaha, Bai-Muazzal and Hire Purchase etc. in line with related approved policy of the Bank. Profit on investment ceases to be taken into income when such investment accounts are classified. It is then kept in compensation/rent suspense account and the same is accounted for on cash basis as and when recovered or de-classified as per related BRPD circular. Fees and commission income are recognized when it is earned.

## 2.14.2 Income from Investments in Securities

- Dividend income on shares is accounted for on actual basis when it is received.
- Gain on sale of shares and securities are recognized as income on actual basis except. Bangladesh Govt. Mudaraba Bond.
- Profit on investment of Bangladesh Govt. Mudaraba Bond is recognized on accrual basis.

## 2.14.3 Commission Income

Commission and discount on Bills Purchased and Negotiated are recognized at the time of realization. Commission charged to customers on letter of credit and guarantees are credited to income at the time of effecting the transactions.

## 2.14.4 Other Comprehensive Income

As per IAS1: Presentation of Financial Statements, Other Comprehensive Income (OCI) or components of OCI, as a part of financial statements are to be included in a single Other Comprehensive Income statement. But as per BRPD Circular # 15, Dated 09 November 2009, there is no statement of OCI and we follow the template for reporting as per the Bangladesh Bank circular. If there is any component of OCI, it is shown in statement of changes in equity.

## 2.15 Expenses

### 2.15.1 Profit paid on Deposit

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. 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.

### 2.15.2 Depreciation on Property, Plant and Equipment

As required in paragraph 43 of IAS 16 Property Plant and Equipment depreciation has been charged on property and office equipment at the following rates using reducing balance method, except on motor vehicles and building on which straight-line method is applied.

Nature of Assets	Rate of Depreciation	Method of Depreciation
Building	2.5%	Straight Line Method
Furniture and Fixtures	10%	Reducing Balance Method
Office Equipment	20%	Reducing Balance Method
Computer Printer & Peripheral	20%	Straight Line Method
Vehicles	20%	Straight Line Method
Books	20%	Reducing Balance Method

Depreciation on additional to fixed assets is charged from the month when the asset is available for use and the charge of depreciation is ceased from the month when the asset is sold out/disposed off/fully depreciated.

### 2.15.3 Zakat

Zakat is paid by the bank at the rate of 2.58% (instead of 2.50% as the bank maintains its account following Gregorian year) on the closing balances of statutory reserve, other reserve, exchange equalization account and surplus retained earnings. Payment of zakat on paid up capital and deposits is the responsibility of the shareholders and depositors respectively.

#### **2.15.4 Dividend Payments**

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders. Dividend is deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

#### **2.16 Earnings Per Share (EPS)**

##### **2.16.1 Basic Earnings per Share**

Earnings per share have been calculated in accordance with IAS-33 "Earnings Per Share" (EPS) which has been shown on the face of profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

##### **2.16.2 Diluted Earnings Per Share**

No diluted earnings per share is required to calculate for the period as there was no scope for dilution during the period under review.

#### **2.17 Statement of Changes in Equity**

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

#### **2.18 Statement of Cash Flow**

Cash flow statement is to be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with a basis to assess the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows. Cash flow statement has been prepared under an adopted method of direct and indirect for the period, classified by operating, investing and financing activities in accordance with the BRPD Circular No. 15, dated 09 November 2009 issued by Bangladesh Bank as well as requirements of IAS 7.

#### **2.19 Liquidity Statement**

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis.

- Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their residual maturity term;
- Investments are on the basis of their respective residual maturity;
- General Investments are on the basis of their repayment schedule.
- Fixed assets are on the basis of their useful life;
- Other assets are on the basis of their realization / amortization;
- Borrowing from other Banks, financial institutions and agents, etc. are as per their residual maturity / repayment term;
- Deposits and other accounts are on the basis of their residual maturity term and past trend of withdrawal by the depositors;
- Provisions and other liabilities are on the basis of their payment / adjustments schedule.

#### **2.20 Functional and presentation currency**

The financial statements are presented in Bangladeshi Taka which is also the functional currency of the Bank.

## 2.21 Credit rating of the Bank

As per BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Emerging Credit Rating Limited based on the last four years audited financial statements. The following ratings have been awarded:

Particulars	Periods	Long term	Short term
Entity rating	15 May 2021 to 14 May 2022	A+	ST-2
Entity rating	15 May 2020 to 14 May 2021	A+	ST-2
Entity rating	15 May 2019 to 14 May 2020	A+	ST-2
Entity rating	15 May 2018 to 14 May 2019	A+	ST-2

## 2.22 Risk Management

Risks are the potential that an event, action or inaction will adversely impact the ability of an entity to achieve its organizational objectives. Risk management is a process of identifying, analyzing, assessing, devising & implementation of appropriate policies to control or mitigate the material uncertainties for the organization effectively and efficiently.

FSIBL has high powered 'Board Risk Management Committee (BRMC)' comprising of honorable vice-chairman of the bank as chairman and two directors of the Board as member. The committee defines the risk appetite for the bank, designs organizational structure to manage risk within the bank, reviews and approves risk management policies, enforces and uses adequate recordkeeping and reporting system, and monitors compliance of overall risk management in the bank.

FSIBL has been addressing its risks through a separate risk management division under the direct supervision of the Chief Risk Officer (CRO). The Additional Managing Director (AMD) of FSIBL has been nominated as Chief Risk Officer (CRO) to ensure the highest priority in risk management activities.

FSIBL has also an Executive Risk Management Committee (ERMC) at management level consisting of member from the different core risks management divisions under the chairmanship of Chief Risk Officer (CRO) of the Bank. The Divisional Head of Risk Management Division has been assigned as the "Deputy Chief Risk Officer (DCRO)" of the bank and Member Secretary of the committee (ERMC).

The Risk Management Division of FSIBL is conducting its activities through the eight different desks covering core functional areas of the bank. An overview of the operational activities is highlighted below.

### 2.22.1 Investment Risk Management

Investment Risk is one of the major risks faced by the bank. This can be described as potential losses arising from the failure of counterparty to perform according to agreement with the bank. The failure may result from the unwillingness of the counterparty or decline in his/her economic condition; market situation etc. With each and every coin of investment, there is an involvement of risk. Investment Risk includes financial risk, operational risk, security risk, management risk, business risk, industry risk, relationship risk, market risk, social risk, money laundering risk, fraud & forgeries, asset liability management risk, governmental risk, political risk, equity risk, commodity risk, legal risk, systematic risk, technical risk, concentration risk, profit rate risk, liquidity risk, reputational risk, strategic risk, settlement risk, environmental and climate change risk and so on. In addition to those risks, Islami Banking has some specific risks like fiduciary risk, displaced commercial risk, liquidity risk for lack of non-structural Islamic Financial Market, Sharia'h compliance risk etc. Risk gradation and weight changes depending on the circumstances and environment of investment.

### **2.22.2 Foreign Exchange Risk Management**

Since Foreign Exchange Risk involves purchase and sale of any national currency against other national currency, thus Foreign Exchange Risk is the chance of loss due to unexpected movement of market price of the currencies of different countries or the price of the assets denominated by foreign currencies. The Foreign Exchange Risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions.

Treasury Division independently conducts the transactions and the Back Office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market-to-Market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by the Management for their settlement.

### **2.22.3 Asset Liability Management**

Asset Liability Management (ALM) is an integral part of Bank Management and it is essential to have a structured and systematic process for managing the Balance Sheet. The Asset Liability committee (ALCO) of our bank consists of the senior executives chaired by the Managing Director, and the head of Treasury is the member secretary of this committee, should meet at least once every month to analyze, review and formulate strategy to manage the balance sheet and also if needed special ALCO meeting is arranged. The result of balance sheet analysis along with recommendation is placed in the ALCO meeting by the Treasury Division where important decisions are made to minimize risk and maximize return. ALCO mainly reviews the balance sheet of the bank such as liquidity requirement, the maturity of assets and liabilities, deposit and investment, pricing strategy and the liquidity contingency plan and also monitor Net Profit Income (NPI), return on assets, investment value and exchange earnings, Capital Adequacy Ratio, Investment Deposit Ratio, Investable Fund, Deposit Mix, Cost of Deposit, Cost of Fund, LCR, NSFR, and leverage ratios etc. as a part of regulatory compliance. ALCO is a decision-making unit responsible for balance sheet planning and management from risk-return perspective, and also responsible for the strategic management of profit rate risk and liquidity risks.

### **2.22.4 Anti-Money Laundering & Combating Financing of Terrorism**

Keeping pace with the modern advancement of financial service facilities, money laundering and financing of terrorism are getting new dimensions day by day. As a responsible commercial bank, First Security Islami Bank Ltd. (FSIBL) is always agile and vigilant against all kinds of money laundering and financing of terrorism activities. Managing Director of the bank every year declares written clear commitment regarding Anti Money Laundering & Combating Financing of Terrorism for all the employees and ensures implementation of these activities. For effective prevention of money laundering and terrorist financing in the bank, an Additional Managing Director (AMD) as Chief Anti Money Laundering Compliance Officer (CAMLCO) and a Senior Vice President as Deputy Chief Anti Money Laundering Compliance Officer (D-CAMLCO) of the bank have been duly assigned. However, a powerful “Central Compliance Committee (CCC)” consisting of senior executives and divisional heads and chaired by the aforesaid AMD has been continuously supervising overall anti money laundering & combating financing of terrorism activities of the bank.

As per Bangladesh Financial Intelligence Unit (BFIU) guidelines, a full-fledged division named “Anti Money Laundering (AML) & Combating Financing of Terrorism (CFT) Division” headed by the D-CAMLCO has been working in the head office of the bank under the close supervision of CAMLCO. Circulars issued by BFIU, Bangladesh Bank regarding AML & CFT compliance are instantly circulated to all the branches, divisions, zonal offices and training institutes of the bank. At the same time, the bank issues necessary AML & CFT related circulars in line with the applicable laws, circulars, guidelines etc. of regulatory authorities.

The bank has its own “Anti Money Laundering & Combating Financing of Terrorism Policy”, “Customer Acceptance Policy”, “Money Laundering and Terrorist Financing Risk Management Guidelines for FSIBL” and “Guidelines for Prevention of Trade Based Money Laundering of FSIBL” approved by the Board of Directors which are prepared in line with the prevailing laws, circulars, guidelines issued by the regulatory authorities. In accordance with the instruction of BFIU, a senior and experienced official or manager operation of every branch has been nominated as “Branch Anti Money Laundering Compliance Officer (BAMLCO)” by the CCC of the bank for preventing money laundering and terrorist financing at the branch along with the concerned tagged

sub-branch and agent banking outlets. Bank's AML & CFT Division inspects branches on a random basis for overseeing the implementation of AML & CFT activities at the branch level. AML & CFT Division checks & submits monthly Cash Transaction Report (CTR) in due time and submits Suspicious Transaction Report (STR)/Suspicious Activity Report (SAR) to BFIU when required.

The bank conducts Customer Due Diligence (CDD) for every customer at the time of account opening and Enhanced Due Diligence (EDD) when required in compliance with the instruction of BFIU, Bangladesh Bank. The bank verifies NID information of every customer by using the election commission's database to ensure complete and accurate KYC of the bank's new and existing customers. As per "Guidelines on Electronic Know Your Customer(e-KYC)" issued by BFIU, the bank has successfully launched e-KYC based solution "FSIBL FREEDOM" to facilitate bank account opening from anywhere, anytime instantly. The bank is availing Politically Exposed Persons (PEPs) and Influential Persons' (IPs) and adverse media news data from the Accuity (a UK based international database provider) under the agreement which is integrated with bank's Sanction Screening Software [S3] for real time and automated identification of PEPs, IPs and suspicious persons involved with crimes.

FSIBL's own Training Institute in collaboration with AML & CFT Division regularly organizes training & workshop for the employees of the bank on the subject of Anti Money Laundering and Combating Financing of Terrorism where prevention of trade based money laundering gets special emphasis. In 2020, a day long workshop for all the BAMLCOs named BAMLCO Conference has been held at Dhaka on the topic of Anti Money Laundering and Combating Financing of Terrorism. Bank's officials & executives regularly attend training and workshops on the topic of Anti Money Laundering and Combating Financing of Terrorism at home and abroad.

The bank distributes an adequate number of leaflets and hang posters on the topic of Anti Money Laundering and Combating Financing of Terrorism at every branch for building public awareness on these issues.

### **2.22.5 Internal Control and Compliance**

Internal control and compliance (ICC) in Banks is a process for giving reasonable assurance of an organization's objectives in operational effectiveness and efficiency and compliance with laws, regulations and policies of Bangladesh Bank, BSEC and other regulatory authorities. IC&CD is identified with internal audit; but the scope is not limited to audit work only. It identifies the risks associated with the process and adopts measures to mitigate or eliminate these risks. On the other hand, ICC reinforces the control system through regular review of the effectiveness of the controls.

ICC is affected by a bank's BODs, management, organization and other mechanism. (1) BODs is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the company is appropriately and effectively managed and controlled. (2) Management actively manages and operates the company in a sound and prudent manner. (3) Organizational and procedural controls supported by effective management information system to soundly and prudently manage the company's exposure to risk. (4) An independent audit mechanism to monitor the effectiveness of the organizational and procedural controls.

The Head of ICC will report his activities and findings to the Senior Management. However, the Head of Audit will report directly to ACB and will be responsible to the ACB. Head of Compliance and Head of Monitoring will report to Head of IC&CD. The BODs approves the objectives, strategies and overall business plans of the bank and the ACB assists the BODs in fulfilling its oversight responsibilities. The ACB reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

## 2.22.6 Information & Communication Technology

Banks play a pivotal role in the sustained growth of an economy. Banking sector is important to maintain financial equilibrium and economic stability. On the other hand, Information and Communication Technology (ICT) is increasingly becoming an invaluable and powerful tool for driving development, supporting growth, promoting innovation and enhancing competitiveness. It is introducing global environment which will bring all nations around the world to come together to form a global networked community. Banks are increasingly using sophisticated digital technology for banking activities with a view to achieve more customer's satisfaction with less cost. In addition, it increases the efficiency of the banking and payment system, benefiting customers and merchants leading to bridging additional risks.

Information assets are critical to the services provided by the Bank to its customers. Protection and maintenance of these assets are vital to its sustainability. In order to ensure protection of critical IT assets from unauthorized access, modification, disclosure and destruction the Bank has already taken initiative, which safeguard the interest of customers. In this context Bank has implemented a core banking software ensuring adequate security. The Bank has a Data Center which is fault-tolerant, allowing us to upgrade, install patch, maintenance and any activity without downtime. The establishment enables to satisfy valued clients with sharp & better service. To protect sensitive information of core banking in the event of any disaster, the Bank has implemented a disaster Recovery Site. Up gradation of the FIRE Safety Security System for both Data Center and Disaster recovery site have been completed.

The Bank has already developed its own ICT security policy for various operation and services which are closely in line with the ICT security policy guideline of Bangladesh Bank. Active Directory Domain Controller (ADC) is implemented in all branches and head office according to the Guideline of Bangladesh Bank. The in-house software team of ICT Division is developing various in-house software. To enhance the security of in-house software necessary steps has been taken. ICT Division has implemented the Attendance Management System for monitoring attendance of employees of all branches and divisions. Using this system employee performance of all branches and divisions can be monitored centrally by the management. In our country financial transactions through bKash is going on a huge volume regularly. Integration with bKash for remittance payment has been updated successfully so that the customer can receive his or her money directly to their bKash account.

For ensuring smooth communication between branches and head office divisions ICT Division has implemented IP Phone among all branches and divisions. Through this IP Phone system video conferencing can be performed to ensure the security of all officials during this pandemic situation. ICT Division has already performed its manager's conference through video conferencing.

Internet banking facility has taken banking era one step ahead for future generations. Inclusion of RTGS and EFTN in i-banking platform has increased its credibility towards modernization. ICT Division also put its step in mobile apps feature, too. FSIBL mobile apps FSIBL CLOUD has brought the whole banking system within customer's fist. Different features like bank to bank transfer, DESCO, WASA, DPDC, TITAS payment, credit card bill pay, top-up to all mobile operators, fund transfer to NAGAD and bKash from FSIBL account, etc. has been implemented in the FSIBL CLOUD mobile apps.

Training is the key component of ICT Risk Management. The Bank has been continuously conducting training sessions on sensitive ICT tasks (i.e. Operation Procedure, Business Continuity Planning, Disaster Recovery Planning, Certification Preparation Training, etc.) for relevant employees. ICT Division has also established an IT Lab for training arrangement of ICT and non-ICT background employees of FSIBL.

The Bank has been maintaining adequate physical security inside its workplace to properly protect ICT resource. The bank is strictly following the Information security standard of Bangladesh bank covering Password Control, User ID Maintenance, Input Control, Network security, Data Encryption, Virus Protection and Access Control of Internet and Emailing. The Bank is regularly conducting internal ICT audit to all its branches and Head Office Divisions to ensure proper implementation of the ICT policy.



### **2.22.7 Environmental Risk Management (ERM)**

Environmental Risk is a facilitating element of Investment risk arising from environmental issues and applicable across all financing transactions undertaken by the Bank. The responsibilities of Investment Risk Management functions are: i) to be aware of environmental issues confronting the various sectors, ii) to review the completed due-diligence checklist and the environmental risk rating, iii) to integrate environmental risk considerations into the investment risk assessment and iv) to specify financing conditions/covenants, if any, are required.

Environmental risk is assessed by Environmental Due Diligence (EDD) Checklists. It is a set of questionnaire provided by Bangladesh Bank. There are eleven checklists, one for general purpose and ten others for ten specific sectors for environmental risk rating. For a specific sector both General EDD and Specific EDD checklists are applicable and for other than these specific sectors only General EDD checklist is applicable to determine the environmental risk rating (EnvRR). The EnvRR can be High, Moderate or Low depending on the borrower's business activity and the vulnerability of the location of the business activity.

### **2.23 Risk Based Capital (Basel-III)**

To comply with the international best practice and to make the bank's capital more risk sensitive as well as to build the banking industry more shock absorbent and stable, Bangladesh Bank is aimed to implement Basel-III reporting from 2015. As per the directive of Bangladesh Bank, all schedule banks in Bangladesh are now required to report risk Based capital adequacy for banks under Basel-III. All scheduled banks are also required to disclose capital adequacy in both quantitative terms as per Bangladesh Bank BRPD Circular No. 18 Dated December 21, 2014.

### **2.24 Stress Testing**

A bank's Stress Testing is an analysis conducted under hypothetical scenarios (minor shock, moderate shock and major shock) designed to determine whether a bank has enough capital to withstand a negative economic shock. It identifies the specific vulnerabilities/area of concern i.e. (Changes in investment exposure and rating, profit rate changes, exchange rate fluctuations, events which influence liquidity, changes in equity price etc.), construction of the scenario, performing the numerical analysis and summarizing and interpreting the results. Finally, it produces a numerical estimate of the change in the value of risk exposed positions. FSIBL prepares Stress Testing Report on quarterly basis and submit to Bangladesh Bank as per the guideline.

### **2.25 Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged as per IAS 24 "Related Party Disclosures", Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC) guidelines. Details of Related party transactions have been disclosed in note # 50.

### **2.26 Audited Financial Statements of the Investment Client (Loanee)**

Bank collects latest audited Financial Statements of the Investment Client as available and preserve the same in the particular Investment Account. In the line with the instruction of Bangladesh Bank BRPD Circular letter no. 04 dated 04 January 2021. Moreover, the bank has already signed a MOU with The Institute of Chartered Accounts of Bangladesh and obtain necessary access to the Document Verification System (DVS) for checking information the Financial Statements through the DVS as per requirement of BRPD Circular letter no. 35 dated 06 July 2021. But the investments which were approved/renewed in the year 2021, all the audited Financial Statements submitted by the investment client based on 30.06.2020 and the audited Financial Statements were signed by the auditor in the year 2020. As a result, it is not possible to verify whether the financial statements are consistent with the information provided in Document Verified System (DVS).

### **2.27 General**

- (i) Wherever considered necessary, previous year's phrases and figures have been rearranged to confirm to current year/periods presentation.
- (ii) All amounts in these financial statements have been recorded off to the nearest Taka.

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>3 CASH</b>		
<b>3.1 Consolidated Cash in Hand</b>		
First Security Islami Bank Limited (Note-3.1 ( a))	3,303,790,552	2,440,423,966
First Security Islami Capital & Investment Limited	13,371	55,000
First Security Islami Exchange Italy	14,673,142	3,307,851
	<b>3,318,477,065</b>	<b>2,443,786,817</b>
<b>3.1 (a) Cash in Hand</b>		
In Local Currency	2,923,523,310	2,147,292,626
In Foreign Currencies	11,052,742	17,007,840
ATM Balance	369,214,500	276,123,500
	<b>3,303,790,552</b>	<b>2,440,423,966</b>
<b>3.2 Consolidated Balance with Bangladesh Bank and its Agent Bank</b>		
First Security Islami Bank Limited (Note-3.2 (a))	30,755,366,572	30,848,465,793
First Security Islami Capital & Investment Limited	-	-
	<b>30,755,366,572</b>	<b>30,848,465,793</b>
	<b>30,755,366,572</b>	<b>30,848,465,793</b>
<b>3.2 (a) Balance with Bangladesh Bank and its Agent Bank</b>		
Balance with Bangladesh Bank (Note-3.2.1)	30,291,981,033	30,473,616,749
Balance with Sonali Bank Ltd. (Note-3.2.2)	463,385,539	374,849,044
	<b>30,755,366,572</b>	<b>30,848,465,793</b>
	<b>34,059,157,124</b>	<b>33,288,889,759</b>
<b>3.2.1 Balance with Bangladesh Bank (Including Foreign Currencies)</b>		
In Local Currency	30,250,884,954	29,696,824,428
In Foreign Currencies	41,096,079	776,792,321
	<b>30,291,981,033</b>	<b>30,473,616,749</b>
<b>3.2.2 Balance with Sonali Bank Ltd. (as Agent of Bangladesh Bank)</b>		
In Local Currency	<b>463,385,539</b>	<b>374,849,044</b>
<b>3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)</b>		
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Companies Act. 1991 and subsequent BCD Circular No. 13 dated May 24, 1992; BRPD Circular No. 12 dated September 06, 1998, BRPD Circular No.12, dated September 20, 1999, BRPD Circular No. 22 dated November 06, 2003, BRPD Circular No. 03 dated 17 February, 2005 and BRPD Circular No. 11 & 12 dated 25 August 2005, Bangladesh Bank Letter # DOS (SR) 1153/120-A/2009-46 dated 22 March 2009, MPD circular # 01 dated 04 May 2010 , MPD circular # 04 & 05 dated 01 December 2010 , DOS Circular# 01 dated 19/01/2014, MPD Circular# 01 dated 23/06/2014, MPD Circular# 01 dated 03 April 2018 and DOS Circular# 26 dated 19/08/2019, MPD Circular# 01 dated 23 March 2020 and MPD Circular# 03 dated 09 April 2020.		
<b>3.4 Cash Reserve Ratio (CRR): 4.00% of Average Demand and Time Liabilities:</b>		
Required Reserve	18,766,941,000	16,318,846,000
Actual Reserve maintained	30,993,107,000	30,483,753,000
<b>Surplus/(Short)</b>	<b>12,226,166,000</b>	<b>14,164,907,000</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>3.5 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities:</b>		
Required Reserve	25,835,897,000	22,438,413,000
Actual Reserve held	41,429,560,000	39,845,080,000
<b>Surplus/(Short)</b>	<b>15,593,663,000</b>	<b>17,406,667,000</b>

<b>3.6 Held for Statutory Liquidity Ratio</b>		
Cash in Hand	3,303,789,000	2,440,424,000
Surplus Balance with Bangladesh Bank and its Agent Bank	12,689,551,000	14,539,756,000
Balance of Bangladesh Govt. Islamic Bond & Other Eligible Approved Securities	25,436,220,000	22,873,900,000
	<b>41,429,560,000</b>	<b>39,854,080,000</b>

#### 4 CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

##### In Bangladesh:

First Security Islami Bank Limited (Note-4 (A))	1,287,692,771	182,104,201
First Security Islami Capital & Investment Limited	26,912,479	286,745,021
First Security Islami Exchange Italy	147,837,273	170,199,198
Inter-company Transaction	(100,223,724)	(106,010,381)
	<b>1,362,218,799</b>	<b>533,038,039</b>

##### Outside Bangladesh:

First Security Islami Bank Limited (Note-4 (B))	645,237,242	1,501,824,639
First Security Islami Capital & Investment Limited	-	-
First Security Islami Exchange Italy	82,260,193	85,385,039
	<b>727,497,435</b>	<b>1,587,209,678</b>
	<b>2,089,716,234</b>	<b>2,120,247,717</b>

#### 4 (a) BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

##### A. Balance Inside Bangladesh

##### Al-wadiah/ Current Accounts

Agrani Bank Limited	5,158,607	6,327,325
Janata Bank Ltd.	1,536,572	-
Rupali Bank Limited	399,367	-
Trust Bank Ltd.	182,364,788	98,170,912
Social Islami Bank Ltd.	173,909	168,343
Dhaka Bank Ltd. (Islamic Banking Branch)	384,919	378,261
Islami Bank Bangladesh Ltd.	213,720	213,720
Eastern Bank Ltd.	12,221,201	8,603,698
	<b>202,453,084</b>	<b>113,862,259</b>

##### Mudaraba Short Notice Deposits

Southeast Bank Ltd. (Islamic Banking Branch)	162,187	165,182
AB Bank Ltd. (Islamic Banking Branch)	693,112	676,123
Islami Bank Bangladesh Ltd.	52,111,452	44,667,937
Pubali Bank Ltd. (Islamic Banking Branch)	27,994,844	20,956,492
Union Bank Ltd.	1,004,278,093	1,776,208
	<b>1,085,239,687</b>	<b>68,241,942</b>
<b>Total Inside Bangladesh</b>	<b>1,287,692,771</b>	<b>182,104,201</b>

				31.12.2021	31.12.2020
				BDT	BDT
<b>B. Balance Outside Bangladesh</b>					
<b>In Deposit Account (non-profit bearing) with:</b>					
<b>Current Account:</b>	<b>Currency</b>	<b>Amount</b>	<b>Rate</b>		
1. Mashreq Bank, PSC, New York	USD	1,681,408.75	85.775	144,222,836	1,101,300,748
2. MCB Bank Ltd. Karachi	ACU\$	7,690.91	85.775	659,688	652,766
3. Commerz Bank AG, Frankfurt, Germany	EURO	43,365.60	97.235	4,216,632	27,693,128
4. Bank of Bhutan, Thimpo, Bhutan	ACU\$	11,526.50	85.775	988,686	978,312
5. Sonali Bank Ltd. , Kolkata, India	ACU\$	18,977.88	85.775	1,627,828	657,601
6. AB Bank Ltd, Mumbai, India	ACU\$	862,152.74	85.775	73,951,151	140,421,950
7. ICICI Bank Ltd, Hongkong	USD	56,472.18	85.775	4,843,901	8,577,305
8. ICICI Bank Ltd, Kolkata, India	ACU\$	773,872.80	85.775	66,378,939	16,347,791
9. Habib Metropolitan Bank Limited, Karachi, Pakistan	ACU\$	79,843.72	85.775	6,848,595	2,586,457
10. Habib American Bank, N,Y	USD	2,353,301.56	85.775	201,854,441	96,965,612
11. Banca UBAE SPA, Rome, Italy	USD	140,141.80	85.775	12,020,663	10,142,426
12. Banca UBAE SPA, Rome, Italy	EURO	801,355.03	97.235	77,919,356	54,317,625
13. Bank Al-Jazira, Jeddah	USD	223,970.93	85.775	19,211,107	19,509,843
14. Bank Al-Jazira, Jeddah	SAR	465,024.33	22.840	10,621,063	10,788,573
15. Aktif Yatrim Bank Istanbul	USD	54,467.03	85.775	4,671,909	5,277,558
16. Aktif Yatrim Bank Istanbul	JPY	522,154.00	0.746	389,266	928,479
17. Aktif Yatrim Bank Istanbul	GBP	4,660.59	115.668	539,079	4,678,466
18. Sonali Bank Ltd. , UK, Ltd.	GBP	123,388.94	115.668	14,272,103	
				<b>645,237,242</b>	<b>1,501,824,639</b>
				<b>1,932,930,013</b>	<b>1,683,928,840</b>
<b>5 Placement with Banks &amp; other Financial Institutions</b>					
Aviva Finance Limited				12,490,000,000	12,570,500,000
Placement of Fund to OBU				587,264,735	48,413,848
				<b>13,077,264,735</b>	<b>12,618,913,848</b>
Less: Intercompany Transaction-OBU				587,264,735	48,413,848
				<b>12,490,000,000</b>	<b>12,570,500,000</b>
<b>Total Balance with other Banks &amp; Financial Institutions and Placement (Note 4+5)</b>				<b>14,422,930,013</b>	<b>14,254,428,840</b>
<b>5.1 Balance with other Banks &amp; Financial Institutions and Placement (according to remaining maturity grouping)</b>					
Up to One Month				9,112,930,013	8,810,628,840
Up to Three Months				5,310,000,000	5,443,800,000
Three Months to One Year				-	-
One Year to Five Years				-	-
Above Five Years				-	-
				<b>14,422,930,013</b>	<b>14,254,428,840</b>
<b>6 CONSOLIDATED INVESTMENTS IN SHARES AND SECURITIES</b>					
<b>Government Securities</b>					
First Security Islami Bank Limited (Note-6(a))				25,436,220,000	22,873,900,000
First Security Islami Capital & Investment Limited				-	-
				<b>25,436,220,000</b>	<b>22,873,900,000</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>Others</b>		
First Security Islami Bank Limited (Note-6 (a))	3,299,004,142	747,652,622
First Security Islami Capital & Investment Limited	288,644,614	246,588,598
	<b>3,587,648,756</b>	<b>994,241,220</b>
	<b>29,023,868,756</b>	<b>23,868,141,220</b>

#### 6(a) INVESTMENTS IN SHARES AND SECURITIES

##### Government Securities

Bangladesh Govt. Islamic Bond	18,000,000,000	21,950,000,000
BDG Investment Sukuk (Ijara Sukuk)	7,436,220,000	923,900,000
	<b>25,436,220,000</b>	<b>22,873,900,000</b>

##### Others

Subordinated Bond	120,000,000	200,000,000
Investment in Beximco Green-Sukuk al Istisinaa	600,000,000	-
Investment in Mudaraba Perpetual Bond - Al Arafa Islami Bank	1,000,000,000	-
Investment in 1st Mudaraba Perpetual Bond -Standard Bank Ltd.	1,000,000,000	-
Quoted/Unquoted Shares (Note - 6.1)	579,004,142	547,652,622
	<b>3,299,004,142</b>	<b>747,652,622</b>
	<b>28,735,224,142</b>	<b>23,621,552,622</b>

#### 6.1 Quoted/Unquoted Shares

Name of Companies	Acquisition cost (Taka)	Acquisition cost (Taka)
<b>Quoted:</b>		
ACI	974,602	-
BBS Cables Co. Ltd.	11,558,787	12,984,416
Bashundhara Paper Mills Limited	77,277,237	30,311,635
ICB	48,664,351	-
INTRACO	5,137,302	-
LEGACYFOOT	54,150,449	21,327,666
MJL Bangladesh Ltd.	53,038,739	44,660,732
Padma Oil Company Ltd.	63,431,537	59,047,847
SAPORTL	7,100,310	-
SPCL	171,700,245	155,811,801
BPPL	5,724,802	-
BSCCL	7,888,110	-
Heidelberg Cement Bd. Ltd.	13,236,610	9,858,420
RAKCERAMIC	2,362,844	-
SHASHADNIM	7,504,795	-
SINGERBD	8,123,113	-
SQURPHARMA	36,407,393	-
Lafarge Holcim Bangladesh Limited	-	150,418,369
CVO Petrochemical Refinery Limited	-	42,678,259
Mozaffar Hossain Spinning Mills Ltd.	-	14,959,379
BSRMLTD	-	4,024,648
	<b>574,281,226</b>	<b>546,083,172</b>
<b>Unquoted:</b>		
Central Depository Bangladesh Ltd.	1,569,450	1,569,450
Share of SWIFT	3,153,466	-
	<b>4,722,916</b>	<b>1,569,450</b>
	<b>579,004,142</b>	<b>547,652,622</b>
<b>6.2 Market Value of Quoted Shares</b>	<b>439,551,610</b>	<b>347,638,017</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>6.3 Remaining Maturity Grouping of Investments in Shares and Securities</b>		
On Demand	579,004,142	547,652,622
Within One Month	-	-
One Month to three Months	-	-
Three Months to One Year	-	-
One Year to Five Years	120,000,000	200,000,000
More than Five Years	28,036,220,000	22,873,900,000
	<b>28,735,224,142</b>	<b>23,621,552,622</b>
<b>7 CONSOLIDATED GENERAL INVESTMENT ETC. (All Inside Bangladesh)</b>		
First Security Islami Bank Limited (Note-7.1.A)	453,021,615,078	414,454,641,678
Less: Inter-company transaction (Investment in Subsidiary)	(578,398,597)	(526,709,387)
	<b>452,443,216,481</b>	<b>413,927,932,291</b>
<b>7(a) INVESTMENTS</b>		
General Investment etc. (Note-7.1.A)	453,021,615,078	414,454,641,678
Bills Purchased and Negotiated (Note - 7.1.B)	3,406,920,603	852,760,779
	<b>456,428,535,681</b>	<b>415,307,402,457</b>
<b>7.1.A General Investment etc.</b>		
<b>Inside Bangladesh (Mode wise)</b>		
Bai-Murabaha	402,981,871,449	371,606,032,524
Hire-Purchase Sirkatul Meelk	40,227,423,726	39,346,252,936
Bai-Muajjal	2,790,258	3,881,889
Bai-Salam	126,737,114	110,348,224
Quard	9,682,792,531	3,388,126,105
	<b>453,021,615,078</b>	<b>414,454,641,678</b>
<b>Outside Bangladesh</b>	-	-
	<b>453,021,615,078</b>	<b>414,454,641,678</b>
<b>7.1.B Bills Purchased and Negotiated</b>		
Payable in Bangladesh	906,052,934	625,462,584
Payable outside Bangladesh	11,960,693	12,860,997
	<b>918,013,627</b>	<b>638,323,581</b>
Payable in Bangladesh OBU	2,488,906,976	214,437,198
	<b>3,406,920,603</b>	<b>852,760,779</b>
	<b>456,428,535,681</b>	<b>415,307,402,457</b>
<b>7.2 Maturity Grouping of Investments</b>		
Payable on Demand	58,809,812,607	64,980,602,457
Up to Three Months	87,838,000,000	82,601,500,000
Three Months to One Year	96,920,000,000	96,855,100,000
One Year to Five Years	110,817,890,980	110,105,000,000
Above Five Years	102,042,832,094	60,765,200,000
	<b>456,428,535,681</b>	<b>415,307,402,457</b>
<b>7.3 Investments on the basis of Significant Concentration</b>		
Investments to Directors of Other Banks	29,846,200,000	32,254,342,000
Investments to Chief Executive and Other high Officials	-	-
Investments to Customers Group	381,937,007,311	347,663,281,082
Investments to Industry	43,417,786,275	34,318,862,229
Investment to Staff	1,227,542,095	1,070,917,146
	<b>456,428,535,681</b>	<b>415,307,402,457</b>

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>7.4 Investments to Customers for more than 10% of FSIBL's Total Eligible Capital</b>		
Number of Clients	46	53
Amount of Outstanding Investments		
Funded	81,375,800,000	88,036,400,000
Non-funded	15,943,400,000	28,606,500,000
	<b>97,319,200,000</b>	<b>116,642,900,000</b>
<b>7.5 Industry wise Investments</b>		
<b>Agriculture:</b>		
Fishing	712,859,872	702,720,065
Others	1,538,075,623	1,386,675,136
<b>Textile and Readymade Garments:</b>		
Readymade Garments - Export	14,016,255,418	8,338,569,412
Textile and Textile Products- Import	8,681,278,129	9,209,496,003
Others -Export	4,473,124,631	3,855,204,918
Others -Import	26,822,319,093	22,997,645,937
Contractor Finance	7,415,416,841	7,915,159,857
Transport	1,357,130,931	1,910,558,797
<b>Internal Trade Finance:</b>		
Whole Sale Trading	201,876,887,460	198,908,459,712
Retail Trading	13,158,546,511	10,802,568,713
Others	7,971,465,785	3,914,300,646
<b>House Building:</b>		
Residential & Commercial	21,092,971,244	20,344,259,715
Staff	1,227,542,095	1,070,917,146
<b>Special Program:</b>		
Consumer Finance and Hire Purchase Scheme	188,291,822	169,052,063
Others	145,896,370,227	123,781,814,336
	<b>456,428,535,681</b>	<b>415,307,402,457</b>
<b>7.6 Division/Geographical wise Investment*</b>		
<b>Urban</b>		
Dhaka	139,172,216,069	122,049,667,997
Chattogram	281,418,924,369	259,872,466,009
Barishal	393,348,629	344,349,471
Rajshahi	861,859,884	864,664,326
Khulna	1,608,468,339	1,367,854,485
Rangpur	425,137,356	572,221,161
Sylhet	790,131,915	778,267,656
Mymensingh	137,633,369	134,086,062
	<b>424,807,719,930</b>	<b>385,983,577,167</b>
<b>Rural</b>		
Dhaka	4,046,989,574	1,310,056,740
Chattogram	25,630,411,080	26,139,085,045
Barishal	122,341,550	108,143,350
Rajshahi	108,360,584	125,225,579
Khulna	1,315,872,136	1,193,303,866
Rangpur	17,247,315	6,225,693
Sylhet	88,800,917	77,097,116
Mymensingh	290,792,594	364,687,901
	<b>31,620,815,751</b>	<b>29,323,825,290</b>
	<b>456,428,535,681</b>	<b>415,307,402,457</b>

\* Division wise distribution was made on the basis of the location of the respective branch.

## 7.7 Classification of Investments as per Bangladesh Bank Circulars

### Unclassified:

	31.12.2021 BDT	31.12.2020 BDT
Standard	416,416,523,616	379,999,877,306
Special Mention Account	18,440,503,075	17,062,743,109
	<b>434,857,026,691</b>	<b>397,062,620,415</b>

### Classified:

Sub-standard	1,887,799,454	1,068,297,970
Doubtful	4,215,437,717	3,725,574,434
Bad & Loss	15,468,271,819	13,450,909,639
	<b>21,571,508,990</b>	<b>18,244,782,042</b>
	<b>456,428,535,681</b>	<b>415,307,402,457</b>

## 7.8 Sector-wise Classification of Investments

### Unclassified:

Small Enterprise Financing (SEF)	39,036,870,256	41,365,113,750
Consumer Financing (Other than HF & LP)	181,025,402	163,347,175
Investments to BHs/MBs/SDs against Share	800,500,453	187,754,633
Other than SMEF, CF, BHs/ MBs,/SDs	315,356,171,938	278,638,007,313
Housing Finance (HF)	21,720,391,428	20,738,421,506
Investments for professionals to set up business (LP)	15,180,000	443,243
Short Term Agri. Investments	2,125,662,383	1,974,972,071
Staff Investment	1,227,542,095	1,070,917,146
Others	54,393,682,736	52,923,643,578
	<b>434,857,026,692</b>	<b>397,062,620,415</b>

### Classified:

Small Enterprise Financing (SEF)	1,868,544,443	1,356,747,801
Consumer Financing (Other than HF & LP)	7,266,420	5,704,888
Investments to BHs/MBs/SDs against Share	100,689,516	103,308,689
Other than SMEF, CF, BHs/ MBs,/SDs	8,074,763,875	7,484,943,164
Housing Finance (HF)	3,481,004,999	3,292,738,904
Investments for professionals to set up business (LP)	-	3,848,681
Short Term Agri. Investments	125,273,111	114,423,130
Others	7,913,966,625	5,883,066,786
	<b>21,571,508,989</b>	<b>18,244,782,042</b>
	<b>456,428,535,681</b>	<b>415,307,402,457</b>

## 7.9 Particulars of Required Provision for Investments as per CL

### Classification status

	Base for Provision	Rate		
<b>Unclassified</b>				
Standard	416,416,523,616	0.25-5%	4,472,761,899	4,365,252,965
Special Mention Account	18,402,017,944	0.25-5%	360,446,772	634,770,586
Off -Balance Sheet Exposure	44,525,606,270	0-1%	385,789,465	436,887,156
			<b>5,218,998,136</b>	<b>5,436,910,707</b>
<b>Classified:</b>				
Sub - Standard	1,386,322,627	20%	277,264,525	179,117,991
Doubtful	1,716,981,522	50%	858,490,761	1,745,004,140
Bad and Loss	9,420,675,958	100%	9,420,675,958	8,266,632,606
			<b>10,556,431,244</b>	<b>10,190,754,737</b>
			<b>15,775,429,380</b>	<b>15,627,665,444</b>



	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
Total Required Provision against Investments as per CL	15,775,429,380	15,627,665,444
Total Provision Maintained	13,686,047,977	12,567,839,339
<b>Deferred Provision for next 3 years has to be maintained</b>	<b>2,089,381,403</b>	<b>3,059,826,105</b>

Bangladesh Bank inspection Team (DBI-6) has raised additional provision amount of Tk. 210.39 Crore out of which general provision by the amount of Tk. 132.74 crore, specific provision Tk. 43.10 crore and provision for other assets Tk. 34.55 crore vide their letter no. DBI-06/51(2)/2022-245 dated 07/04/2022. As per DOS letter no. DOS(CAMS)1157/41(Dividend)/2022-2000 dated 13th April 2022 the additional specific provision amount is Tk. 43.10 crore and provision for other asset amount is Tk. 34.55 crore has to be maintained from general provision. However there is no shortfall provision against classified investment and other assets and the deferred general provision amount is stands of Tk. 210.39 crore which has to be maintained equally for next three (03) years.

#### 7.10 Particulars of Investments

i) Investments considered good in respect of which the Bank Company is fully secured.	86,910,700,000	71,405,000,000
ii) Investments considered good for which the bank holds no Security other than the debtors personal security.	187,925,340,500	175,101,389,913
iii) Investment considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	181,592,495,181	168,801,012,544
iv) Investments adversely classified; provision not maintained there against.	-	-
	<b>456,428,535,681</b>	<b>415,307,402,457</b>
v) Investments due by directors or executives of the banking company or any of them taken either separately or jointly with any other person.	<b>29,846,200,000</b>	<b>32,254,342,000</b>
vi) Investments due by companies or firms in which the directors of the bank company are interested as directors partners or managing agents or in case of private companies, as members.	-	-
vii) Maximum total amount of investments, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	-	-
viii) Maximum total amount of investments, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
ix) Investment due from other banking companies	-	-
x) Total amount of classified Investments on which profit is not credited to income	<b>21,571,508,990</b>	<b>18,244,782,042</b>
a. Movement of classified Investments		
Opening balance	18,244,782,042	18,014,038,245
Increase/ (Decrease) during the year	3,326,726,948	230,743,797
	<b>21,571,508,990</b>	<b>18,244,782,042</b>
b. Amount of provision kept against classified investment as on the reporting date of Balance Sheet	<b>10,556,431,245</b>	<b>9,541,104,509</b>

	31.12.2021 BDT	31.12.2020 BDT
c. Profit credited to the profit/Rent/Compensation Suspense Account	2,126,818,203	1,545,776,562
<b>xi) Amount of written off Investment:</b>		
a. Cumulative amount	38,026,057	20,896,780
b. Amount written off during the year	-	17,129,277
c. Total amount of written off (a+b)	<b>38,026,057</b>	<b>38,026,057</b>
d. Amount recovered against such written- off up to this year	-	-
e. Amount of investment written- off against which suit has been filled to recover the same.	-	-

#### 7.11 Write off Investment

Balance at the beginning of the year	38,026,057	20,896,780
Add: Write off during the year	-	17,129,277
Less: Recovery of Write off Investment	-	-
<b>Balance at the end of the year</b>	<b>38,026,057</b>	<b>38,026,057</b>

Investments are written-off in line with Bangladesh Bank's BRPD Circular No. 02 dated 13 January 2003, DOS Circular No. 01 dated 29 December 2004, BRPD Circular No. 13 dated 07 November 2013 and BRPD Circular No. 01 dated 02 February 2019 when prospect of recovery of such Investments become non-existent. However, such write-off does not reduce the claim against the Investment Client. Detailed records for all write-off accounts are separately maintained by the Bank to continue the recovery efforts. The total amount of written-off bad debts by banks was BDT 3.80 Crore at end of the year 2021.

#### 7.12 Security against Investments including bills purchased & negotiated:

Collateral of movable/immovable assets	25,201,396,427	24,031,160,410
Local banks & financial institutions guarantee	-	-
Export documents	5,772,809,545	3,666,382,125
Own MTDR	86,910,700,000	71,405,000,000
MTDR of other Banks	-	-
Government Bonds	-	-
Personal guarantee	72,280,024,433	68,271,483,441
Other security	1,901,519,238	291,063,322
Unsecured	264,362,086,037	247,642,313,159
	<b>456,428,535,681</b>	<b>415,307,402,457</b>

#### 7.13 Maturity Grouping of Bills Purchased and Negotiated

Payable within one month	27,787,903	6,919,278
Over one month but less than three months	7,418,690	1,847,278
Over three months but less than six months	1,193,774,143	297,253,629
Six Months and Above	2,177,939,867	546,740,595
	<b>3,406,920,603</b>	<b>852,760,779</b>

#### 8 Consolidated Fixed Assets including premises, Furniture & Intangible Assets at cost less accumulated depreciation

First Security Islami Bank Limited (Note-8 (a))	6,545,049,530	6,482,682,705
First Security Islami Capital & Investment Limited	13,867,890	3,947,362
First Security Islami Exchange Italy	3,377,147	5,898,299
	<b>6,562,294,567</b>	<b>6,492,528,366</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>8(a) Fixed Assets including premises, Furniture &amp; Intangible Assets at cost less accumulated depreciation (Annexure-A)</b>		
Land	334,631,624	334,631,624
Building	4,068,443,511	4,068,443,511
Furniture & Fixtures	2,369,941,741	2,188,207,838
Office Equipment	2,607,669,117	2,245,035,710
Vehicles	202,644,613	203,124,113
Books	670,771	670,771
	<b>9,584,001,377</b>	<b>9,040,113,567</b>
Less: Accumulated Depreciation	3,402,083,201	2,972,657,367
	<b>6,181,918,176</b>	<b>6,067,456,200</b>
<b>Lease Assets-Premises</b>		
Right-of-use assets	332,468,808	332,468,808
Less: Accumulated Depreciation	92,697,950	46,348,975
	<b>239,770,858</b>	286,119,833
<b>Intangible Assets</b>		
Software -Core banking	321,682,268	298,451,293
Less: Accumulated Amortization	198,321,772	169,344,621
	<b>123,360,496</b>	<b>129,106,672</b>
	<b>6,545,049,530</b>	<b>6,482,682,705</b>

**Right of use assets:**

The bank has leases for the mainly for Head Office/Branch office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right -of -use asset and a lease liability. The Bank classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

**9 CONSOLIDATED OTHER ASSETS**

First Security Islami Bank Limited (Note-9 (a))	3,664,142,702	3,445,378,009
First Security Islami Capital & Investment Limited	1,749,789,079	1,409,729,964
First Security Islami Exchange Italy S.R.L	42,129,010	38,347,908
	<b>5,456,060,791</b>	<b>4,893,455,881</b>
Less: Inter-company transaction (Investment in Subsidiary)	775,876,926	792,178,327
	<b>4,680,183,865</b>	<b>4,101,277,554</b>

**9(a) OTHER ASSETS**

Inter - branch Transaction Account *	12,576,929	108,550,315
Accrued Income	1,165,039,371	1,005,139,192
Advances, Deposits and Prepayment (Note -9.1)	1,589,845,993	1,354,590,219
Stock of Stationery	52,283,840	39,652,155
Suspense Account (Note- 9.2)	9,905,106	40,190,192
Stamps on Hand	5,837,760	5,066,845
Protested Bills	61,454,778	61,454,778
Investment in FSI Capital & Investment Ltd.(Note-1.2.1)	255,000,000	255,000,000
Investment in FSIEL Italy S.R.L (Note-1.2.2)	62,340,058	62,340,058
Deferred Tax Assets (Note- 9.3)	449,858,867	513,394,256
	<b>3,664,142,702</b>	<b>3,445,378,009</b>

\* Inter-branch transaction account represents net outstanding balance between Inter-branch and Head Office transaction(net) originated but yet to be responded at the balance sheet date. However, the status of non-respondent entries on 31.12.2021 have been reconciled on 10/02/2022.

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>9.1 Advance, Deposits and Prepayment</b>		
Advance against Rent - Office*	396,118,348	342,462,494
Clearing Adjustment Account (under BACH)	52,680,000	22,000,000
Remittance Settlement Account	479,345,491	525,117,703
Prepayment	647,913,492	451,626,117
Prepaid Insurance	492,207	469,488
Advance Against Security Deposit	5,623,528	5,265,348
Advance Deposits	7,672,927	7,649,069
	<b>1,589,845,993</b>	<b>1,354,590,219</b>
<b>9.2 Suspense Account</b>		
Sundry Debtors and Others	9,738,257	39,918,374
Advance against TA/DA	25,000	51,000
Advance against petty cash	141,849	220,818
	<b>9,905,106</b>	<b>40,190,192</b>
<b>9.3 Deferred Tax Assets (net off liabilities)</b>		
Deferred tax asset (9.3.1)	1,034,785,584	931,680,507
Deferred tax liability (9.3.2)	584,926,717	418,286,252
	<b>449,858,867</b>	<b>513,394,255</b>
<b>9.3.1 Deferred Tax Assets</b>		
<b>Temporary timing difference between charging Specific provision and written off B/L Investments</b>		
Cumulative provision made against bad loss Investments	2,797,454,280	2,522,507,410
Adjustment of corresponding provision on write off	38,026,057	38,026,057
Deductible temporary difference	<b>2,759,428,223</b>	<b>2,484,481,353</b>
Tax Rate	37.50%	37.50%
<b>Deferred Tax Assets</b>	<b>1,034,785,584</b>	<b>931,680,507</b>
Opening Deferred Tax Assets	931,680,507	868,849,727
<b>Deferred Tax Income during the year</b>	<b>103,105,076</b>	<b>62,830,780</b>
<b>9.3.2 Deferred Tax Liabilities</b>		
<b>Temporary timing difference in written down value of fixed Assets</b>		
Carrying amount	6,305,278,672	6,196,562,872
Tax base	4,745,474,094	5,081,132,867
<b>Taxable temporary difference</b>	<b>1,559,804,578</b>	<b>1,115,430,005</b>
Tax Rate	37.50%	37.50%
<b>Deferred Tax Liabilities</b>	<b>584,926,717</b>	<b>418,286,252</b>
Opening Deferred Tax Liabilities	418,286,252	370,835,877
Deferred Tax Expenses Charged in profit and Loss A/C during the year	49,680,483	47,450,375
Deferred Tax transfer from Asset Revaluation Reserve	116,959,982	-
	<b>166,640,465</b>	<b>47,450,375</b>

As per International Accounting Standard (IAS)- 12 deferred tax is recognized since December 2007. Deferred tax assets have been arrived at Tk. 44.43 crore as on December 31, 2021. According to BRPD Circular No. 11 Dated 12 December 2011, the increased amount of the net income after tax due to the recognition of deferred tax will not be distributed as dividend. Deferred tax asset is recognized to the extents which are expected to recover in future.

	31.12.2021 BDT	31.12.2020 BDT
<b>10 NON-BANKING ASSETS</b>	<b>25,145,280</b>	<b>25,145,280</b>

The Bank has been awarded ownership of the mortgage properties of M/s. Ranuka Knit Fashion (Pvt.) Ltd. according to the verdict of the Honorable Court in accordance with section 33(7) of " Artharin Adalat -2003". An amount of Tk. 25,145,280/- is reported in the financial Statements as Non-Banking Assets through the adjustment of outstanding investment against the client as on 15/10/2015. The value of Non-Banking Assets has been determined on the basis of valuation report of an Independent surveyor Company.

**11 CONSOLIDATED PLACEMENT FROM BANK & OTHER FINANCIAL INSTITUTION**

First Security Islami Bank Limited (Note- 11(a))	15,226,048,795	13,134,871,657
First Security Islami Capital & Investment Limited	411,600,000	481,874,919
	<b>15,637,648,795</b>	<b>13,616,746,576</b>

**11(a) PLACEMENT FROM BANK & OTHER FINANCIAL INSTITUTION**

**Inside Bangladesh**

Bangladesh Bank (IMM Wings & Refinance Scheme)	879,180,912	2,129,152,832
Bangladesh Bank (EDF)	12,470,059,050	10,840,199,322
	<b>13,349,239,962</b>	<b>12,969,352,154</b>

**Outside Bangladesh**

Off-shore Banking Unit	1,876,808,833	165,519,503
	<b>15,226,048,795</b>	<b>13,134,871,657</b>
	<b>15,226,048,795</b>	<b>13,134,871,657</b>

**A. Security- wise grouping**

Secured Placement	-	-
Unsecured Placement	15,226,048,795	13,134,871,657
	<b>15,226,048,795</b>	<b>13,134,871,657</b>

**B. Repayment Nature wise Grouping**

Repayable on demand	-	-
Others	15,226,048,795	13,134,871,657
	<b>15,226,048,795</b>	<b>13,134,871,657</b>

**C. Maturity Analysis**

Repayable on Demand	-	-
Repayable within One Month	3,765,148,795	4,870,871,657
One Month to Six Months	2,944,700,000	2,000,000,000
Six Month to One Year	-	-
One Year to Five Years	8,516,200,000	6,264,000,000
Five Years to Ten Years	-	-
	<b>15,226,048,795</b>	<b>13,134,871,657</b>

**12 DEPOSITS AND OTHER ACCOUNTS**

**A. Deposits Received from Banks (Note A-1)**

	<b>226,182,997</b>	<b>8,943,667,765</b>
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**B. Other than Bank**

Payable on Demand (Note B-1)	33,810,604,821	15,808,441,381
Other Deposits (Note B-2)	435,025,080,030	403,949,412,591
	<b>468,835,684,851</b>	<b>419,757,853,971</b>
	<b>469,061,867,849</b>	<b>428,701,521,736</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>C. Maturity wise Grouping of Deposits and Other Accounts</b>		
Re-payable within 1 month	62,576,211,338	74,826,611,002
Over 1 month but within 6 months	87,347,100,000	80,715,700,000
Over 6 months but not more than 1 year	95,891,800,000	93,730,000,000
Over 1 year but not more than 5 years	91,486,700,000	90,890,800,000
Over 5 years but within for 10 years	131,750,499,999	88,533,800,000
Unclaimed Deposits For 10 years or more	9,556,512	4,610,734
	<b>469,061,867,849</b>	<b>428,701,521,736</b>
<b>A-1 Deposits Received from Banks</b>		
Islami Bank Bangladesh Ltd.	67,117,618	7,805,256,372
Exim Bank Ltd.	3,260,607	6,979,419
Union Bank Ltd.	24,164,896	48,705,561
Global Islami Bank Ltd.	99,876,322	44,625,961
Uttara Bank Ltd.	-	1,000,000,000
AB Bank Ltd.	478,224	458,018
Social Islami Bank Ltd.	31,285,330	37,642,434
	<b>226,182,997</b>	<b>8,943,667,765</b>
<b>Maturity wise Grouping of Deposits Received from Banks</b>		
Repayable on Demand	6,040,586	443,667,765
Repayable within One Month	220,142,411	-
Repayable over One Month but within Six Months	-	8,500,000,000
Repayable over Six Months but within one Year	-	-
Repayable over One Year but within Five Years	-	-
Repayable over Five Years but within Ten Years	-	-
Unclaimed Deposits for Ten Years and above	-	-
	<b>226,182,997</b>	<b>8,943,667,765</b>
<b>B-1 Payable on Demand</b>		
Al-wadiah Current Deposits	25,943,259,563	8,853,884,053
Mudaraba Saving Deposits (9%)	3,893,611,901	3,272,512,163
Security Deposit Receipt	57,130,324	38,852,106
Sundry Deposits	3,916,603,033	3,643,193,059
	<b>33,810,604,821</b>	<b>15,808,441,381</b>
<b>B- 2 Other Deposits</b>		
Mudaraba Saving Deposits (91%)	39,368,742,555	33,088,734,088
Mudaraba Term Deposits	268,437,840,887	250,085,050,591
Mudaraba Short Notice Deposits	22,772,450,673	19,064,610,077
Bills Payable (Note-12.2)	3,387,782,139	2,597,028,530
Bearer Certificates of Deposits	-	-
Mudaraba Deposit under Schemes (Note-12.5)	100,566,179,595	98,680,914,930
Foreign Currency Deposits	492,084,181	433,074,375
	<b>435,025,080,030</b>	<b>403,949,412,591</b>
<b>12.1 Consolidated Al-Wadiah Current Accounts &amp; Other Deposit Accounts</b>		
First Security Islami Bank Limited (Note-12.1)	53,340,593,153	32,477,281,435
First Security Islami Capital & Investment Limited	-	-
Less: Inter-company transaction	(26,485,206)	(14,303,459)
	<b>53,314,107,947</b>	<b>32,462,977,976</b>

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>12.1(a) Al-Wadiah Current Accounts &amp; Other Deposit Accounts</b>		
Al-wadiah Current Deposits	25,930,539,281	9,297,551,818
Mudaraba Short Notice Deposits	22,931,516,052	19,031,786,224
Sundry Deposits	3,916,603,033	3,643,193,059
Unclaimed Dividend Account (Note 12.1.1)	12,720,282	32,823,853
Security Deposit Receipt	57,130,324	38,852,106
Foreign Currency Deposits	492,084,181	433,074,375
	<b>53,340,593,153</b>	<b>32,477,281,435</b>

#### 12.1.1 Unclaimed Dividend Account

FSIBL IPO Collection -2009	5,494,104	5,494,104
FSIBL Right Issue 2010	642,950	642,950
FSIBL Cash Dividend-2013	12,088,668	12,088,668
FSIBL Right Issue 2014	54,070	54,070
FSIBL Cash Dividend-2015	9,108,793	9,108,793
FSIBL Cash Dividend-2016	4,882,206	4,882,206
FSIBL Bonus shares Fraction	553,087	553,062
FSIBL Cash Dividend-2020	12,617,127	-
	<b>45,441,005</b>	<b>32,823,853</b>
Paid to Capital Market Stabilization Fund	32,720,723	-
	<b>12,720,282</b>	<b>32,823,853</b>

The BO Account Number-wise or Name-wise or Folio Number-wise Unclaimed Dividend Account contains huge number of pages which has been submitted to Bangladesh Securities and Exchange Commission.

#### 12.2 Bills Payable

Pay Order Issued	3,385,917,723	2,595,159,052
Demand Draft Payable	1,716,347	1,717,797
Pay Slips Issued	148,069	151,681
	<b>3,387,782,139</b>	<b>2,597,028,530</b>

#### 12.3 Mudaraba Savings Deposits

As per BRPD Circular No. 06, dated 24 June 07, total saving deposits amount is bifurcated into:

9 % of total Mudaraba Savings Deposits	3,899,652,487	3,272,512,163
91% of total Mudaraba Savings Deposits	39,429,819,587	33,088,734,088
	<b>43,329,472,074</b>	<b>36,361,246,250</b>

#### 12.4 Mudaraba Term Deposits including other Banks - Maturity wise Grouping

Payable on Demand	4,795,896,198	4,528,444,979
Up to Three Months	117,140,240,169	113,741,067,500
From Three Months to Six Months	60,288,284,423	56,574,699,281
Above Six Months to One Year	86,070,737,601	81,937,658,022
Above One Year to Two Years	55,745,264	74,534,331
Above Two Years	86,937,232	1,728,646,478
	<b>268,437,840,887</b>	<b>258,585,050,591</b>

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>12.5 Other Mudaraba Deposits</b>		
<b>Mudaraba Deposit under Schemes:</b>		
Mudaraba Monthly Savings Scheme	9,666,970,453	11,262,110,349
Mudaraba Double Benefit Deposits Scheme	20,727,589,989	23,931,131,881
Mudaraba Monthly Benefit Scheme	4,574,172,320	5,168,180,439
Mudaraba Hajj Scheme	260,633,794	222,758,344
Mudaraba Marriage Scheme	4,473,642,349	4,130,419,118
Mudaraba Health Care Scheme	20,903,420,688	18,559,141,186
Mudaraba Education Deposit Scheme	3,132,643,030	2,916,938,379
Mudaraba Pension Deposit Scheme	1,265,071,618	1,166,469,929
Mudaraba Millionaire Deposit Scheme	2,839,020,454	2,593,802,433
Mudaraba Kreropoti Deposit Scheme	2,294,783,947	2,040,832,832
Mudaraba Triple Times Deposit Scheme	532,508,098	661,545,259
Mudaraba Four Times Deposit Scheme	2,601,821,976	2,496,803,336
Mudaraba Probashi Deposit Scheme	304,976,711	300,063,298
Mudaraba Money Plant Deposit Scheme	284,200	883,700
Mudaraba Gift Cheque	10,996,244	11,316,744
Mudaraba Griheni Deposit Scheme	319,217,878	324,849,907
Mudaraba New Generation Deposit Scheme	67,386,157	71,638,666
Mudaraba Cash Waqf. Deposit Scheme	1,506,567	1,104,023
Mudarabah Monthly Profit Scheme -1 Year	2,461,409,788	4,297,670,419
Mudarabah Monthly Profit Scheme -2 Years	483,479,648	528,539,212
Mudarabah Others Deposit Scheme	23,644,643,686	17,994,715,476
	<b>100,566,179,595</b>	<b>98,680,914,930</b>
<b>13 MUDARABA SUBORDINATED BOND</b>	<b>9,700,000,000</b>	<b>10,600,000,000</b>

The bank issued FSIBL 2nd Mudaraba Subordinated Bond (Private Placement) amounting to BDT 450.00 (Four hundred fifty) crore only through private placement with 7 years maturity for enhancement of Tier-II capital as per requirement of Basel –III. The semi-annual profit has already been paid up to 31/12/2021. However, the amount of Tk. 180.00 crore had already been paid up to December 2021 as principal redemption.

The bank issued FSIBL 3rd Mudaraba Subordinated Bond (Private Placement) amounting of BDT 700.00 (Seven hundred ) crore only through private placement with 7 years maturity for enhancement of Tier-II capital as per requirement of Basel –III. The FSIBL 3rd Mudaraba Subordinated Bond has been fully subscribed by BDT 700.00 crore on 3rd July 2019. The semi-annual profit has already been paid up to 31/12/2021.

<b>14 MUDARABA PERPETUAL BOND</b>	<b>6,000,000,000</b>	<b>3,800,000,000</b>
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The Bangladesh Securities and Exchange Commission vide their letter No. BSEC/CI/DS-135/PB/2020/291 dated December 09, 2020 and Bangladesh Bank vide their letter no. BRPD (BPIS)661/14B(P)/2020-9530 dated November 09, 2020 have given their consent for raising regulatory capital by amount of BDT 600.00 (Six hundred ) crore only through issuance of Unsecured, Contingent-Convertible, Non-Cumulative FSIBL Mudaraba Perpetual Bond for enhancement of Additional Tier-1 Capital as per requirement of Basel –III. The FSIBL Mudaraba Perpetual Bond has been fully subscribed by BDT 600.00 crore on 17th October 2021. The annual profit has already been paid up to 31/12/2021.

<b>15 CONSOLIDATED OTHER LIABILITIES</b>		
First Security Islami Bank Limited (Note-15 (a))	23,415,440,729	22,083,221,928
First Security Islami Capital & Investment Limited	326,977,048	219,075,064
First Security Islami Exchange Italy S.R.L	454,374,648	471,525,163
	<b>24,196,792,425</b>	<b>22,773,822,155</b>
Less: Inter-company transaction	491,894,466	525,012,880
	<b>23,704,897,959</b>	<b>22,248,809,275</b>



	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>15(a) OTHER LIABILITIES</b>		
Current Tax Liabilities (Note-15.1)	2,747,416,094	2,475,811,439
Accumulated Provision against Investments(Note-15.3)	13,686,047,977	12,567,839,339
Profit/Rent/Compensation Suspense Account (Note -15.4)	2,126,818,203	1,545,776,562
Lease Liabilities	235,509,742	277,583,393
Accrued Profit and Expenses Payable (Note-15.5)	3,701,812,067	4,582,417,276
Provisions for diminution in value of Investments (Note-15.6)	134,729,617	198,445,155
Provision for Start up fund (Note-15.7)	61,400,328	28,189,907
Provisions for Other Assets (Note-15.8)	406,954,778	30,727,389
Provision for Zakat	171,243,555	125,544,854
Provident Fund	16,038	22,569
Benevolent Fund	7,749	4,867,820
Compensation Realized	11,034,817	27,987,507
Others	45,724,748	142,300,751
Gratuity	77,391,619	75,600,000
Off-shore Banking Unit	9,333,397	107,968
	<b>23,415,440,729</b>	<b>22,083,221,928</b>
<b>15.1 Current Tax Liabilities</b>		
<b>Provision for Tax</b>		
Opening Balance	12,692,140,964	10,699,658,483
Add : Provision made during the year	2,547,845,471	1,992,482,480
	<b>15,239,986,435</b>	<b>12,692,140,964</b>
<b>Advance Income Tax</b>		
Opening Balance	10,216,329,525	8,722,031,305
Add : Tax paid during the year	2,276,240,816	1,494,298,220
	<b>12,492,570,341</b>	<b>10,216,329,525</b>
<b>Net Tax Liabilities</b>	<b>2,747,416,094</b>	<b>2,475,811,439</b>
Assessment for the year 1999, 2002, 2005, 2006, 2009, 2012 and 2013 have been settled. Assessment order of 2000, 2001, 2003, 2004, 2007, 2008, 2010, 2011 and 2014 are pending with High Court and 2015 & 2016 are pending with Appellate Tribunal, 2017 is pending with 1st Appeal and the return for the year 2018, 2019 and 2020 have already been submitted and assessment is not yet completed by DCT level.		
<b>15.2 Consolidated Provision for Investments during the year</b>		
First Security Islami Bank Limited	1,118,208,638	1,391,315,178
First Security Islami Capital & Investment Limited	28,600,000	3,200,000
	<b>1,146,808,638</b>	<b>1,394,515,178</b>
<b>15.2 (a) Provision for Investments during the year</b>		
Specific Provision for Classified Investment	1,015,326,736	(611,797,087)
General Provision	(207,001,854)	1,848,071,287
Off -Balance Sheet exposure	(51,097,691)	(93,502,668)
Special General Provision-Covid-19	360,981,447	248,543,646
	<b>1,118,208,638</b>	<b>1,391,315,178</b>
<b>15.3 Accumulated Provision for Investments</b>		
Specific Provision for Classified Investments (Note -15.3.1)	10,556,431,245	9,541,104,509
General Provision (Note -15.3.2)	2,134,302,174	2,341,304,028
Off -Balance Sheet exposure (Note -15.3.3)	385,789,465	436,887,156
Special General Provision-Covid-19 (Note -15.3.4)	609,525,093	248,543,646
	<b>13,686,047,977</b>	<b>12,567,839,339</b>

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>15.3.1 Movement in Specific Provision for Classified Investments</b>		
Provision held at the beginning of the year	9,541,104,509	10,170,030,873
Less: Fully provided debts written off	-	(17,129,277)
Add: Recoveries of amounts previously written off	-	-
Add: Specific Provision during the year	584,313,484	(611,797,087)
Add: Transferred from General Provision during the year	431,013,252	-
	<b>10,556,431,245</b>	<b>9,541,104,509</b>
<b>15.3.2 General Provision</b>		
Provision held at the beginning of the year	2,341,304,028	493,232,741
Add: Addition during the year as per Bangladesh Bank Instruction	-	1,390,000,000
Add: Addition during the year	569,511,398	458,071,287
Less: Transferred to Specific Provision during the year	(431,013,252)	-
Less: Transferred to Provision for other Assets during the year	(345,500,000)	-
	<b>2,134,302,174</b>	<b>2,341,304,028</b>
As per Bangladesh Bank instruction additional specific provision amount of Tk. 43.10 crore and Provision for Other Assets Tk. 34.55 Crore has to be maintained from General Provision during the year vide their letter no. DOS(CAMS)1157/41(Dividend)/2022-2000 dated 13th April 2022.		
<b>15.3.3 Off-balance sheet exposure</b>		
Provision held at the beginning of the year	436,887,156	530,389,824
Addition/(transfer) during the year	(51,097,691)	(93,502,668)
	<b>385,789,465</b>	<b>436,887,156</b>
<b>15.3.4 Special General Provision-Covid-19</b>		
Provision held at the beginning of the year	248,543,646	-
Addition/(transfer) during the year	360,981,447	248,543,646
	<b>609,525,093</b>	<b>248,543,646</b>
<b>15.4 Profit/Rent/Compensation Suspense Account</b>		
<b>A) Profit Suspense (Old)</b>		
Opening Balance	33,676,036	33,676,036
Add: Transferred during the year	-	-
	<b>33,676,036</b>	<b>33,676,036</b>
Less: Recovered during the year	-	-
Less: Amount Written off/waived during the year	-	-
Balance at the end of the year	<b>33,676,036</b>	<b>33,676,036</b>
<b>B) Compensation Suspense Account</b>		
Opening Balance	1,512,100,526	601,475,029
Add: Addition during the year	584,889,153	927,160,482
	<b>2,096,989,679</b>	<b>1,528,635,511</b>
Less: Recovered during the year	3,847,512	16,534,985
Less: Amount Written off/waived during the year	-	-
Balance at the end of the year	<b>2,093,142,167</b>	<b>1,512,100,526</b>
<b>Total (A+B)</b>	<b>2,126,818,203</b>	<b>1,545,776,562</b>
<b>15.5 Accrued Profit and Expenses Payable</b>		
Profit Payable on Deposit Accounts	3,168,144,470	4,182,103,972
Power and Electricity	2,404,060	2,690,964
Telephone	222,476	181,432
Office Rent	34,223,724	27,920,490
Wages	2,293,196	1,117,799
Insurance	1,128,290	717,873
Audit Fee	920,000	920,000
Profit Payable on Borrowing from Bangladesh Bank	-	55,273,977
Others	492,475,851	311,490,769
	<b>3,701,812,067</b>	<b>4,582,417,276</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>15.6 Provisions for diminution in value of Investments in shares</b>		
Opening Balance	198,445,155	255,137,792
Add: Addition /(Adjustment) during the year	(63,715,538)	(56,692,637)
	<b>134,729,617</b>	<b>198,445,155</b>
<b>15.7 Provision for Start up fund</b>		
Opening Balance	28,189,907	28,189,907
Add: Addition during the year	33,210,421	-
	<b>61,400,328</b>	<b>28,189,907</b>
<b>15.8 Provisions for Other Assets</b>		
Opening Balance	30,727,389	30,727,389
Add: Addition during the year	30,727,389	-
Add: Transferred from General Provision during the year	345,500,000	-
	<b>406,954,778</b>	<b>30,727,389</b>
<b>16 CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
3,000,000,000 Ordinary shares of Taka 10 each.	<b>30,000,000,000</b>	<b>30,000,000,000</b>
<b>16.1 Issued, Subscribed and Paid-Up Capital</b>		
996,198,211 Ordinary Shares of Taka 10 each issued	9,961,982,110	9,487,602,010
	<b>9,961,982,110</b>	<b>9,487,602,010</b>

**16.2 History of paid-up capital**

Given below the history of raising share capital of First Security Islami Bank Limited:

Particulars	Allotment Year	Amount of Share Capital	Total Paid up Capital (Cumulative)
First (Subscription to the Memorandum & Articles of Association) at the time of Incorporation	1999	200,000,000	200,000,000
Paid up capital increase	2003	120,000,000	320,000,000
Paid up capital increase	2005	280,000,000	600,000,000
Paid up capital increase	2006	300,000,000	900,000,000
Paid up capital increase	2007	100,000,000	1,000,000,000
Paid up capital increase	2008	1,300,000,000	2,300,000,000
10% Bonus Share	2010	230,000,000	2,530,000,000
20% Right Share	2010	506,000,000	3,036,000,000
12% Bonus Share	2011	364,320,000	3,400,320,000
10% Bonus Share	2012	340,032,000	3,740,352,000
10% Bonus Share	2013	374,035,200	4,114,387,200
10% Bonus Share	2015	617,158,080	4,731,545,280
50% Right Share	2015	2,057,193,600	6,788,738,880
5% Bonus Share	2017	339,436,940	7,128,175,820
10% Bonus Share	2018	712,817,580	7,840,993,400
10% Bonus Share	2019	784,099,340	8,625,092,740
10% Bonus Share	2020	862,509,270	9,487,602,010
5% Bonus Share	2021	474,380,100	9,961,982,110
<b>Total</b>		<b>9,961,982,110</b>	

**16.3 Category of shareholding as at 31 December 2021**

<b>Name of Category</b>	<b>Percentage(%)</b>	<b>Percentage(%)</b>
Sponsors / Directors	33.35	33.34
Foreign Investor	1.87	2.03
Institute	18.34	20.63
General Public	46.44	44.00
	<b>100.00</b>	<b>100.00</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>16.4 Classification of Shareholders by holding position as at 31 December 2021</b>		
<b><u>Shareholding Range</u></b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Up to 500 Shares	2,997,479	2,760,008
501 to 5000 Shares	47,868,471	40,500,200
5001 to 10,000 Shares	25,889,047	20,761,661
10,001 to 20,000 Shares	31,586,853	27,004,409
20,001 to 30,000 Shares	22,760,700	17,827,509
30,001 to 40,000 Shares	14,839,274	13,776,685
40,001 to 50,000 Shares	17,286,213	12,179,408
50,001 to 100,000 Shares	41,906,881	31,387,127
100,001 to 1,000,000 Shares	126,642,120	112,888,143
Over 1,000,000 Shares	664,421,173	669,675,051
	<b>996,198,211</b>	<b>948,760,201</b>
<b>16.5 <u>Capital to Risk Weighted Assets Ratio (CRAR) Under Basel-III (Consolidated Basis)</u></b>		
<b><u>Tier-1 Capital:</u></b>		
<b>Common Equity Tier-1 Capital (CET-1):</b>		
Paid up Capital	9,961,982,110	9,487,602,010
Statutory Reserve	6,456,663,581	5,293,570,982
Other Reserve	2,843,074,725	1,967,545,266
Retained Earnings	887,102,932	874,829,851
Non-controlling Interest	373,503,376	352,509,221
Regulatory Adjustment	(573,219,363)	(513,394,255)
Others (5% of Deferred Tax Assets)	22,492,943	25,669,713
	<b>19,971,600,304</b>	<b>17,488,332,787</b>
<b>Additional Tier-1 Capital (AT-1)</b>	<b>4,543,867,247</b>	<b>3,800,000,000</b>
	<b>24,515,467,551</b>	<b>21,288,332,787</b>
<b><u>Tier -2 Capital:</u></b>		
General Provision	3,158,216,732	3,026,734,830
Assets Revaluation Reserves	-	191,160,401
Subordinated Debt	9,700,000,000	10,600,000,000
Adjustment (Assets Revaluation Reserves @ 100%)	-	(191,160,401)
	<b>12,858,216,732</b>	<b>13,626,734,830</b>
Maximum Limit of Tier-2 Capital (Tier-2 Capital can be maximum up to 4.00% of the Total RWA or 88.89% of CET-1, whichever is higher)	<b>12,116,979,324</b>	<b>15,545,379,015</b>
<b>A. Total Regulatory Capital</b>	<b>36,632,446,875</b>	<b>34,915,067,617</b>
<b>B. Total Risk Weighted Assets</b>	<b>302,924,483,107</b>	<b>287,963,444,601</b>
<b>C. Capital to Risk Weighted Assets Ratio (CRAR) (A/B)*100</b>	<b>12.09%</b>	<b>12.12%</b>
D. Common Equity Tier-1 To RWA (A -CET/B)*100	6.59%	6.07%
Requirement of Minimum CET-1 plus Capital Conservation Buffer	7.00%	7.00%
E. Tier-1 Capital to RWA (A -CET/B)*100	8.09%	7.39%
Requirement of Minimum Tier-1 Capital Ratio	8.50%	6.00%
F. Tier-2 Capital to RWA (A- AT/B)*100	4.00%	4.73%
<b>G. Minimum Capital Requirement (MCR)</b>	<b>30,292,448,311</b>	<b>28,796,344,460</b>
<b>Capital Surplus /(Deficiency) against MCR (A-G)</b>	<b>6,339,998,564</b>	<b>6,118,723,157</b>
<b>H. Required Minimum Capital Plus Capital Conservation Buffer.</b>	<b>37,865,560,388</b>	<b>35,995,430,575</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>16.5(a) Capital to Risk Weighted Assets Ratio (CRAR) Under Basel-III (Solo Basis)</b>		
<b>Tier-1 Capital:</b>		
<b>Common Equity Tier-1 Capital (CET-1):</b>		
Paid up Capital	9,961,982,110	9,487,602,010
Statutory Reserve	6,456,663,581	5,293,570,982
Other Reserve	2,838,947,004	1,967,545,266
Retained Earnings	1,024,301,103	1,035,191,735
Regulatory Adjustment	(573,219,363)	(513,394,255)
Others (5% of Deferred Tax Assets)	22,492,943	25,669,713
	<b>19,731,167,378</b>	<b>17,296,185,451</b>
<b>Additional Tier-1 Capital (AT-1)</b>	<b>4,508,575,419</b>	<b>3,800,000,000</b>
	<b>24,239,742,797</b>	<b>21,096,185,451</b>
<b>Tier -2 Capital:</b>		
General Provision	3,129,616,732	3,026,734,830
Assets Revaluation Reserves	-	191,160,401
Subordinated Debt	9,700,000,000	10,600,000,000
Adjustment (Assets Revaluation Reserves @ 100%)	-	(191,160,401)
	<b>12,829,616,732</b>	<b>13,626,734,830</b>
Maximum Limit of Tier-2 Capital (Tier-2 Capital can be maximum up to 4.00% of the Total RWA or 88.89% of CET-1, whichever is higher)	<b>12,022,867,785</b>	<b>15,374,579,248</b>
<b>A. Total Regulatory Capital</b>	<b>36,262,610,582</b>	<b>34,722,920,281</b>
<b>B. Total Risk Weighted Assets</b>	<b>300,571,694,627</b>	<b>286,781,502,192</b>
C. Capital to Risk Weighted Assets Ratio (CRAR) (A/B)*100	<b>12.06</b>	<b>12.11</b>
D. Common Equity Tier-1 To RWA (A -CET/B)*100	6.56%	6.03%
Requirement of Minimum CET-1 plus Capital Conservation Buffer	7.00%	7.00%
E. Tier-1 Capital to RWA (A -CET/B)*100	8.06%	7.36%
Requirement of Minimum Tier-1 Capital Ratio	8.50%	6.00%
F. Tier-2 Capital to RWA (A- AT/B)*100	4.00%	4.75%
<b>G. Minimum Capital Requirement (MCR)</b>	<b>30,057,169,463</b>	<b>28,678,150,219</b>
<b>Capital Surplus /(Deficiency) against MCR (A-G)</b>	<b>6,205,441,119</b>	<b>6,044,770,062</b>
<b>H.Required Minimum Capital Plus Capital Conservation Buffer</b>	<b>37,571,461,828</b>	<b>35,847,687,774</b>
<b>17 STATUTORY RESERVE</b>		
Opening Balance	5,293,570,982	4,339,990,406
Add: Addition during the year	1,163,092,599	953,580,575
	<b>6,456,663,581</b>	<b>5,293,570,982</b>
This has been done at least @ 20% or more of the net profit before tax according to Sec. 24 of Bank Companies Act, 1991 Amendment 2013 and shall be maintained until & unless it equals to Paid-up Capital.		
<b>18 CONSOLIDATED OTHER RESERVE</b>		
First Security Islami Bank Limited (Note 18(a))	2,838,947,004	1,967,545,266
First Security Islami Exchange Italy S.R.L	40,380,920	41,532,311
Translation Reserve	4,127,721	-
	<b>2,883,455,645</b>	<b>2,009,077,577</b>
Less: Intercompany Transaction	40,380,920	41,532,311
	<b>2,843,074,725</b>	<b>1,967,545,266</b>

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>18(a) OTHER RESERVE</b>		
Opening Balance	1,967,545,266	1,133,290,220
Add: Addition during the year	861,340,664	824,193,972
Add: Transferred from Asset Revaluation Reserve	10,061,074	10,061,074
	<b>2,838,947,004</b>	<b>1,967,545,266</b>
<b>19 ASSETS REVALUATION RESERVE</b>		
Opening Balance	321,954,358	332,015,432
Add: Additional made this year	-	-
Add: Deferred tax impact on Revaluation Reserve	(116,959,982)	-
Less: Transfer to Other Reserve	10,061,074	10,061,074
	<b>194,933,303</b>	<b>321,954,358</b>
<p>The Bank revalued the entire land and building during the year 2012 by an independent valuation firm according to paragraph 36 of IAS-16 as per approval of the meeting of 129th Board of Directors of the Bank. As per IAS-16, Revaluation reserve is transferred to Other Reserve in each year during the lifetime of those assets.</p>		
<b>20 CONSOLIDATED RETAINED EARNINGS</b>		
Opening Balance	874,829,851	735,152,028
Add: Post tax profit for the period	3,365,199,987	2,792,579,874
Less: Transfer to Statutory Reserve	1,163,092,599	953,580,575
Less: Transfer to Other Reserve	861,340,664	824,193,972
Less: Cash dividend paid during the period	474,380,100	-
Less: Capitalized during the period	474,380,100	862,509,270
Less: Profit/Coupon Paid to Perpetual Bond Holder	358,739,288	-
Less: Non-controlling Interest	20,994,155	12,618,234
	<b>887,102,932</b>	<b>874,829,851</b>
<b>20 (a) RETAINED EARNINGS</b>		
Opening Balance	1,035,191,735	884,674,751
Add: Post tax profit for the period	3,321,042,118	2,790,800,801
Less: Transfer to Statutory Reserve	1,163,092,599	953,580,575
Less: Transfer to Other Reserve	861,340,664	824,193,972
Less: Cash dividend paid during the period	474,380,100	-
Less: Capitalized during the period	474,380,100	862,509,270
Less: Profit/Coupon Paid to Perpetual Bond Holder	358,739,288	-
	<b>1,024,301,103</b>	<b>1,035,191,735</b>
<b>21 NON-CONTROLLING INTEREST</b>		
Opening Balance	352,509,221	339,890,987
Add: Capital Increase in Subsidiary	-	-
Add: Transfer during the year	20,994,155	12,618,234
Less: Cash Dividend paid during the period	-	-
	<b>373,503,376</b>	<b>352,509,221</b>
<b>22 LETTER OF GUARANTEES</b>		
<p>Money for which the Bank is contingently liable in respect of guarantees are given favoring:</p>		
Letters of Guarantee - Local	6,342,449,489	7,437,536,990
Letter of Guarantee - Foreign	12,215,400	12,037,900
	<b>6,354,664,889</b>	<b>7,449,574,890</b>

	31.12.2021 BDT	31.12.2020 BDT
<b>22.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:</b>		
Directors	-	-
Government	-	-
Banks and Other Financial Institutions	-	-
Others	6,354,664,889	7,449,574,890
	<b>6,354,664,889</b>	<b>7,449,574,890</b>
<b>23 IRREVOCABLE LETTERS OF CREDIT</b>		
Letters of Credit - Cash	12,842,744,980	5,969,766,609
Letter of Credit - Cash Inland	-	-
Back to Back letters of Credit - Local	949,495,559	541,197,932
Back to Back letters of Credit - Foreign	1,209,958,464	336,155,755
	<b>15,002,199,003</b>	<b>6,847,120,296</b>
<b>24 BILLS FOR COLLECTION ISSUED BY THE BANK</b>		
Foreign Documentary Bills	630,112,393	437,104,580
Outward Bills	-	51,346
Inland Documentary Bills	5,316,547,419	2,783,244,589
	<b>5,946,659,812</b>	<b>3,220,400,515</b>

	2021 BDT	2020 BDT
<b>25 CONSOLIDATED INVESTMENT INCOME</b>		
First Security Islami Bank Limited (Note-25 (a))	40,631,890,056	42,525,503,892
First Security Islami Capital & Investment Limited	141,899,147	89,190,712
	<b>40,773,789,203</b>	<b>42,614,694,604</b>
<b>25(a) INVESTMENT INCOME</b>		
<b>Profit Received from:</b>		
Bai Murabaha - General	1,294,836,716	1,786,156,180
Bai Murabaha Hypothecation	18,653,412,224	22,085,996,141
Bai Murabaha against MTD	9,688,054,126	5,161,147,446
Bai Murabaha Post Import (LTR)	360,960,216	532,902,792
Bai Murabaha Post Import (Pledge)	4,168,015	5,153,447
Bai Murabaha Real Estate	-	4,418
Bai Murabaha Import Bill	34,988,960	671,961,905
Investment in Placements	1,131,101,409	1,291,564,768
Bai Murabaha Import	460,733,390	701,235,247
Bai Murabaha Export	3,722,113	21,533,554
Bai Murabaha SME Investment	2,359,594,877	3,001,979,050
Bai-Murabaha (EMI) Investment	585,498,372	411,840,538
Bai-Murabaha(General) Under SME Invest	74,724,329	71,729,407
Bai-Murabaha Post Import(TR)-Under SME	146,858,078	197,346,933
Bai-Murabaha (EQI) Investment	1,521,109,523	1,384,870,269
Mudaraba Foreign Currency Investment (EDF)	200,913,399	147,622,954
Inland Documentary Bills Purchased (Foreign Currency Bills)	46,201,509	85,815,861
Pre-shipment Investment	575,256	172,827
HPSM Transport	112,318,191	195,742,374
HPSM Real Estate	659,803,470	768,337,403
HPSM Consumer	25,534,084	32,473,546
HPSM Agriculture	13,026,510	13,782,954
HPSM SME	39,440,956	37,467,351
HPSM HBL Commercial	1,144,919,585	1,327,596,653
HPSM Industrial	883,811,088	1,069,963,703
Rent on HPSM Scheme	63,599	631
HPSM House Building - Staff	37,941,943	33,533,155
Bai Muajjal	19,257	45,045
Agriculture Investment	115,457,338	125,559,827
Investment against Provident Fund (Staff)	4,681,164	3,978,578
Investment against Car Lease Scheme	10,676	21,587
Quard against MTDR	-	18,278
Wajira Bill Okalah	-	180
SME Investment (Others)	977,725,966	1,351,777,990
Bai-Murabaha Import Non-AD	3,573,886	5,724,058
Off-shore Banking Unit	46,109,831	446,842
	<b>40,631,890,056</b>	<b>42,525,503,892</b>



26 PROFIT PAID ON DEPOSITS/ BORROWINGS, ETC.

**Profit Paid on:**

Mudaraba Term Deposit
Mudaraba Double Benefit Deposits Scheme
Mudaraba Monthly Savings Scheme
Mudaraba Monthly Benefit Savings Scheme
Mudaraba Savings Deposits
Mudaraba Short Notice Deposits
MSB & Placement from Other Banks
Lease liabilities IFRS-16
Mudaraba Hajj Deposit Scheme
Mudaraba Student SB AC
Mudaraba Salary A/C
Mudaraba Senior Citizen AC
Mudaraba Marriage Scheme
Mudaraba Health Care Scheme
Mudaraba Education Deposit Scheme
Mudaraba Pension Deposit Scheme
Mudaraba Millionaire Deposit Scheme
Mudaraba Kroropoti Deposit Scheme
Mudaraba Triple Times Deposit Scheme
Mudaraba Four Times Deposit Scheme
Mudaraba Probashi Deposit Scheme
Mudaraba Money Plant Deposit Scheme
Mudaraba Griheni Deposit Scheme
Mudaraba Gift Cheque
Agent Savings A/C-Mobile Bank
Mudaraba New Generation Savings Scheme
Mudaraba New Generation Deposit Scheme
Mudaraba Shramajibi Savings
Mudaraba Cash Waqf. Deposit Scheme
Agent Banking Saving A/C
Agent Banking Float A/C
Mudaraba Monthly Profit 1 Year
Mudaraba Monthly Profit 2 Years
Mudaraba Specialized Saving Account (10 Taka)
Mudaraba Monthly Deposit Scheme GOLD
Mudaraba Mushafir Deposit Scheme
Mudaraba Monthly Profit Scheme (Morobbi) 1 Year
Mudaraba Sanchay Scheme 3 Years
Mudaraba Monthly Profit Scheme (Mahiyasi)
Mudaraba Workers Savings A/C
Off-shore Banking Unit

	2021 BDT	2020 BDT
16,262,421,359	18,028,422,474	
2,192,545,794	2,818,481,389	
860,410,340	1,122,971,638	
469,856,989	529,843,081	
1,054,014,117	1,529,456,474	
873,712,912	940,640,946	
791,140,313	1,398,484,015	
15,874,143	17,350,560	
21,963,315	19,898,549	
6,908,400	6,860,467	
19,035,812	18,991,183	
14,213,795	10,946,531	
340,757,334	358,820,528	
1,527,953,503	1,550,764,577	
244,325,426	263,113,903	
103,820,220	115,681,631	
241,906,586	236,340,116	
196,870,882	180,307,814	
66,038,841	76,884,883	
266,305,751	270,036,888	
25,183,831	29,435,006	
62,000	66,000	
25,980,950	29,558,367	
218,399	189,101	
2,309,535	2,666,624	
8,249,001	7,982,289	
5,670,945	7,024,974	
12,621,868	9,843,822	
144,914	119,380	
9,025,888	5,650,922	
23,592,250	14,345,788	
194,724,673	448,369,244	
33,638,133	59,449,053	
328,127	179,344	
4,532,774	2,989,433	
15,772,128	6,417,672	
502,313,879	414,191,125	
327,110,365	240,116,021	
819,845,255	402,421,080	
258,129	32,434	
26,394,238	50,962	
<b>27,608,053,114</b>	<b>31,175,396,288</b>	

	<b>2021</b>	<b>2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>27 CONSOLIDATED INCOME FROM INVESTMENT IN SHARES &amp; SECURITIES</b>		
First Security Islami Bank Limited (Note-27 (a))	394,629,756	528,156,344
First Security Islami Capital & Investment Limited	44,793,334	7,029,558
	<b>439,423,090</b>	<b>535,185,902</b>
<b>27(a) INCOME FROM INVESTMENT IN SHARES &amp; SECURITIES</b>		
Bangladesh Govt. Islamic Investment Bond	299,668,782	490,621,391
Dividend on Shares	11,436,982	12,334,953
Profit on Sale of Shares	48,225,362	-
Profit Received on MSB	16,800,000	25,200,000
Profit Received on Muduraba Perputual Bond	16,131,507	-
Profit Received on Sukuk Bond	2,367,123	-
	<b>394,629,756</b>	<b>528,156,344</b>
<b>28 CONSOLIDATED COMMISSION, EXCHANGE AND BROKERAGE</b>		
First Security Islami Bank Limited (Note-28 (a))	771,842,502	820,853,873
First Security Islami Capital & Investment Limited	31,746,136	10,748,623
	<b>803,588,638</b>	<b>831,602,496</b>
<b>28 (a) COMMISSION, EXCHANGE AND BROKERAGE</b>		
Commission	551,325,522	521,954,194
<b>Exchange Gain</b>	<b>220,516,980</b>	<b>298,899,679</b>
Exchange Earning	330,620,811	356,256,031
Less: Exchange Loss	110,103,831	57,356,352
	<b>771,842,502</b>	<b>820,853,873</b>
<b>29 CONSOLIDATED OTHER OPERATING INCOME</b>		
First Security Islami Bank Limited (Note-29 (a))	678,783,672	624,899,882
First Security Islami Capital & Investment Limited	2,784,168	1,759,758
First Security Islami Exchange Italy	55,396,709	27,745,508
	<b>736,964,549</b>	<b>654,405,148</b>
<b>29 (a) OTHER OPERATING INCOME</b>		
Charges on Account Closing	11,281,848	13,781,879
Standing Instruction Charges	11,954,403	4,126,451
Gain/(Loss) on Sale of Fixed Assets	1,817,206	(2,483,077)
Service Charge on Quard	6,270,675	1,073,008
Other Income ( Note-29.1)	647,459,540	608,401,621
	<b>678,783,672</b>	<b>624,899,882</b>
<b>29.1 Other Income</b>		
Postage Recoveries - Local	745,510	255,425
Tel/Fax/E-mail Chg. Recoveries	20,729,757	17,658,024
Incidental Charge on Al-Wadiah CD A/C	21,004,212	25,644,229
Incidental Charge on Mudaraba SB A/C	47,962,937	69,813,975
Incidental Charge on Mudaraba SND A/C	10,928,137	7,842,809
Income from Online	40,560,498	32,237,762
Investment Processing Fee	45,769,376	43,225,126

	<b>2021</b>	<b>2020</b>
	<b>BDT</b>	<b>BDT</b>
Income from ATM	61,527,677	52,140,488
Income from SMS Banking Services	226,972,354	217,408,959
Income from Internet Banking Services	1,249,800	1,140,120
Miscellaneous Earnings	170,009,282	141,034,704
	<b>647,459,540</b>	<b>608,401,621</b>

### 30 CONSOLIDATED SALARY & ALLOWANCES

First Security Islami Bank Limited (Note-30 (a))	4,462,267,083	4,157,276,806
First Security Islami Capital & Investment Limited	16,837,520	16,907,588
First Security Islami Exchange Italy	28,578,061	26,565,525
	<b>4,507,682,664</b>	<b>4,200,749,919</b>

### 30 (a) SALARY & ALLOWANCES

Basic Salary	1,726,158,029	1,511,715,434
Bonus	527,631,679	501,697,040
Allowances	1,768,155,403	1,745,513,870
Bank's Contribution to Staff Provident Fund	157,155,779	135,162,715
Gratuity	268,771,154	239,030,367
Employees' Insurance	5,773,110	4,699,380
Benevolent Fund	3,621,929	19,458,000
Death Compensation under COVID-19	5,000,000	-
	<b>4,462,267,083</b>	<b>4,157,276,806</b>

### 31 CONSOLIDATED RENT, TAXES, INSURANCE,ELECTRICITY ETC.

First Security Islami Bank Limited (Note-31 (a))	707,114,615	627,893,362
First Security Islami Capital & Investment Limited	963,330	1,283,033
First Security Islami Exchange Italy	2,481,121	2,576,813
	<b>710,559,066</b>	<b>631,753,208</b>

### 31(a) RENT, TAXES, INSURANCE, ELECTRICITY ETC.

Rent	383,383,380	330,121,849
Insurance	198,287,036	192,791,841
Rates and Taxes	19,500,194	17,977,003
Water Charges	3,725,006	3,094,681
Gas Charges	2,318,660	1,867,802
Electric Bills	99,900,339	82,040,186
	<b>707,114,615</b>	<b>627,893,362</b>

### 32 CONSOLIDATED LEGAL EXPENSES

First Security Islami Bank Limited (Note-32 (a))	9,414,203	4,164,334
First Security Islami Capital & Investment Limited	-	15,000
	<b>9,414,203</b>	<b>4,179,334</b>

	<b>2021</b>	<b>2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>32 (a) LEGAL EXPENSES</b>		
Legal fee & charges	254,225	321,430
Other legal expenses	9,159,978	3,842,904
	<b>9,414,203</b>	<b>4,164,334</b>
<b>33 CONSOLIDATED POSTAGE, STAMP AND TELECOMMUNICATION ETC.</b>		
First Security Islami Bank Limited (Note-33 (a))	116,844,275	91,407,051
First Security Islami Capital & Investment Limited	723,282	210,393
	<b>117,567,557</b>	<b>91,617,444</b>
<b>33(a) POSTAGE, STAMP AND TELECOMMUNICATION ETC.</b>		
Postage	8,552,256	6,063,335
Stamp	151,750	104,995
Telephone - Office	9,294,113	10,556,575
Telex, Fax and Email	12,897,592	8,627,582
Telephone - Residence	8,965	11,880
Data Communication	85,939,599	66,042,684
	<b>116,844,275</b>	<b>91,407,051</b>
<b>34 CONSOLIDATED STATIONERY, PRINTING AND ADVERTISEMENT ETC.</b>		
First Security Islami Bank Limited (Note-34 (a))	169,488,898	186,455,405
First Security Islami Capital & Investment Limited	600,776	170,319
	<b>170,089,674</b>	<b>186,625,724</b>
<b>34 (a) STATIONERY, PRINTING AND ADVERTISEMENT ETC.</b>		
Publicity and Advertisement	107,288,130	137,959,036
Printing and Stationery	58,326,539	45,132,103
Computer Stationery	3,874,229	3,364,266
	<b>169,488,898</b>	<b>186,455,405</b>
<b>35 CONSOLIDATED MANAGING DIRECTOR'S SALARY AND FEES</b>		
First Security Islami Bank Limited (Note-35 (a))	16,432,439	13,672,076
First Security Islami Capital & Investment Limited	3,280,683	3,161,804
	<b>19,713,122</b>	<b>16,833,880</b>
<b>35 (a) MANAGING DIRECTOR'S SALARY AND FEES</b>		
Basic Pay	6,874,375	5,420,516
House rent allowances	2,018,709	1,680,000
Leave Fare Assistance	1,718,710	1,380,000
Bonus	2,070,000	2,011,560
House Maintenance	2,030,322	1,740,000
Other Allowances	1,720,323	1,440,000
	<b>16,432,439</b>	<b>13,672,076</b>

	<b>2021</b>	<b>2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>36 CONSOLIDATED DIRECTORS' FEES &amp; EXPENSES</b>		
First Security Islami Bank Limited (Note-36 (a))	1,566,400	1,296,800
First Security Islami Capital & Investment Limited	575,000	425,000
	<b>2,141,400</b>	<b>1,721,800</b>
<b>36 (a) DIRECTORS' FEES &amp; EXPENSES</b>		
Directors Fees	1,566,400	1,284,800
Meeting Expenses	-	12,000
	<b>1,566,400</b>	<b>1,296,800</b>
<b>37 SHARIAH SUPERVISORY COMMITTEE'S FEES &amp; EXPENSES</b>		
Shariah Council Meeting Expenses	459,000	236,000
	<b>459,000</b>	<b>236,000</b>
<b>38 CONSOLIDATED AUDIT FEES</b>		
First Security Islami Bank Limited	1,380,000	920,000
First Security Islami Capital & Investment Limited	272,750	162,250
	<b>1,652,750</b>	<b>1,082,250</b>
<b>39 CONSOLIDATED DEPRECIATION AND REPAIRS OF FIXED ASSETS</b>		
First Security Islami Bank Limited (Note-39 (a))	751,863,302	668,937,921
First Security Islami Capital & Investment Limited	6,204,003	7,910,060
First Security Islami Exchange Italy	2,848,645	4,070,300
	<b>760,915,950</b>	<b>680,918,281</b>
<b>39 (a) DEPRECIATION AND REPAIRS OF BANK'S ASSETS</b>		
Depreciation on Fixed Assets (Annexure - A)	<b>549,409,536</b>	<b>555,013,668</b>
<b>Repairs:</b>	<b>202,453,766</b>	<b>113,924,253</b>
Office equipment	66,933,172	19,516,409
Renovation and Repair of Office Premises	3,568,582	3,550,887
Furniture and Fixtures	2,133,620	1,325,337
Maintenance and Services of SWIFT	1,205,568	1,283,317
Maintenance of Routers	2,099,238	2,033,415
Elect. Fitt. Rep. & Replacement	37,059,842	4,587,670
Reimbursement of Facility Management Charges	-	17,906,885
Office Maintenance Expenses	31,792,883	23,071,250
Maintenance of Software	46,943,335	31,849,723
Maintenance Expenses of ATM Machine	6,255,026	3,711,860
Maintenance of Disaster Recovery Site	4,462,500	5,087,500
	<b>751,863,302</b>	<b>668,937,921</b>

	<b>2021</b>	<b>2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>40 CONSOLIDATED OTHER EXPENSES</b>		
First Security Islami Bank Limited (Note-40 (a))	1,178,624,196	1,314,497,770
First Security Islami Capital & Investment Limited	57,828,225	23,316,349
First Security Islami Exchange Italy	20,176,228	18,505,294
	<b>1,256,628,649</b>	<b>1,356,319,413</b>
<b>40 (a) OTHER EXPENSES</b>		
Training, Seminar and Workshop	4,454,285	7,478,024
Entertainment	58,237,631	40,400,874
Traveling	11,096,818	12,715,861
Donation	254,812,473	588,538,535
Subscription	26,277,027	18,709,439
Newspaper and Periodicals	639,754	614,994
Wages	633,456,797	438,920,689
Conveyance	13,324,576	11,865,445
Business Development	62,005,825	81,825,699
Plantation	1,202,328	1,402,265
Liveries and Uniform	5,018,261	3,257,774
Photocopying	5,775,790	5,169,255
Generator Fuel	6,075,274	5,753,723
Car Expense	12,308,917	9,616,922
Cash Carrying	21,214,105	19,160,073
Washing and Cleaning	3,680,429	4,677,223
Cartage and Freight	32,670	98,100
Fire Extinguisher Refill	-	657,152
ATM Expenses	30,089,336	30,258,312
Meeting Expenses	9,859,563	19,615,958
Mobile Financial Service Expense	52,258	2,389,341
Bank Charges	4,236,481	2,644,742
Agent Banking Expenses	-	546,513
Sundry Expenses	11,051,116	8,180,857
Office Maintenance	749,692	
Recruitment Expenses	2,972,790	
	<b>1,178,624,196</b>	<b>1,314,497,770</b>
<b>41 DEFERRED TAX INCOME/(EXPENSE)</b>		
Closing balance of Deferred Tax Assets	449,858,867	513,394,255
Less: Opening balance of Deferred Tax Assets	(513,394,255)	(498,013,850)
Deferred Tax liabilities on revaluation reserve	116,959,982	-
Deferred Tax Income Charged in Profit and Loss A/c during the year	<b>53,424,593</b>	<b>15,380,405</b>
Deferred Tax liabilities on revaluation reserve by the amount of Tk. 11.70 crore has been transferred to Assets Revaluation Reserve in the statement of changes in equity as an other comprehensive income.		
<b>42 CONSOLIDATED EARNINGS PER SHARE</b>		
Profit after taxation	3,365,199,987	2,792,579,874
Less: Preference dividend	-	-
Less: Profit attributable to Minority	20,994,155	12,618,234
Profit attributable to ordinary shareholders of parent	<b>3,344,205,832</b>	<b>2,779,961,641</b>
Weighted average number of shares outstanding	996,198,211	996,198,211
Earnings Per Share (EPS) (Restated)	<b>3.36</b>	<b>2.79</b>

	<b>2021 BDT</b>	<b>2020 BDT</b>
<b>42 (a) EARNINGS PER SHARE</b>		
Profit after taxation	3,321,042,118	2,790,800,801
Less: Preference dividend	-	-
Profit attributable to ordinary shareholders	<b>3,321,042,118</b>	<b>2,790,800,801</b>
Weighted average number of shares outstanding	996,198,211	996,198,211
Earnings Per Share (EPS) (Restated)	<b>3.33</b>	<b>2.80</b>

Earnings Per Share (EPS) has been calculated as per IAS-33 "Earnings Per Share".

We calculate Earnings per share in accordance with IAS-33 "Earnings Per Share" (EPS) which has been calculated by net profit or loss attributable to the shareholder dividing by the weighted average number of ordinary shares outstanding during the period. Due to decrease deposit profit rate for the year 2021 consequently increase operating profit by the amount of Tk.114.87 Crore for the year ended 31 December 2021 compared to the previous year 2020. As a result, EPS has been increased to 3.33 for the current year 2021 from 2.80 for the previous year 2020.

It is noted that, as per Bangladesh Bank DOS Letter no. DOS(CAMS)1157/01(II)-A/2020-3790 dated December 01, 2020 Bank has to maintain minimum 6.00% common equity Tier 1 Capital. As a result to strengthen the common equity tier 1 capital the amount of Tk. 73.00 Crore has been transferred to other reserve as per Guidelines on Risk Based Capital Adequacy issued by Bangladesh Bank. According to the Bangladesh Bank BRPD Letter no. BRPD(BS)661/14(P)/2022-3257 dated March 30, 2022 Bank has to pay profit/Coupon to the perpetual bond holder from distributable items/Retained Earnings.

**43 CONSOLIDATED NET ASSET VALUE PER SHARE (NAV)**

Net Asset Value	20,343,756,650	17,945,502,468
Weighted average number of shares outstanding	996,198,211	996,198,211
	<b>20.42</b>	<b>18.01</b>

**43(a) NET ASSET VALUE PER SHARE (NAV)**

Net Asset Value	20,476,827,100	18,105,864,351
Weighted average number of shares outstanding	996,198,211	996,198,211
	<b>20.55</b>	<b>18.17</b>

**44 CONSOLIDATED NET OPERATING CASH FLOWS PER SHARE (NOCFPS)**

Net Cash Inflow/(Outflow) from Operating Activities	6,080,602,817	7,009,854,297
Weighted average number of shares outstanding	996,198,211	996,198,211
	<b>6.10</b>	<b>7.04</b>

**44 (a) NET OPERATING CASH FLOWS PER SHARE (NOCFPS)**

Net Cash Inflow/(Outflow) from Operating Activities	6,305,717,211	6,932,963,139
Weighted average number of shares outstanding	996,198,211	996,198,211
	<b>6.33</b>	<b>6.96</b>

\* Note no. 42 to 44(a) weighted average number of shares outstanding as on 31 December 2020 has been restated.

**Explanation for decreasing NOCFPS:**

Deposits Received from Customers has been decreased by the amount of Tk. 1,159.47 Crore compare to the previous year. As a result, the net operating cash inflows per share has been decreased to 6.33 as on 31 December 2021 compared to 6.96 on 31 December 2020.

	<b>2021</b>	<b>2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>45 CONSOLIDATED RECEIPTS FROM OTHER OPERATING ACTIVITIES</b>		
First Security Islami Bank Limited (Note-45 (a))	678,783,672	624,871,882
First Security Islami Capital & Investment Limited	47,577,502	8,789,316
First Security Islami Exchange Italy	55,396,709	27,745,508
	<b>781,757,883</b>	<b>661,406,706</b>
<b>45 (a) RECEIPTS FROM OTHER OPERATING ACTIVITIES</b>		
Charges on Account Closing	11,281,848	13,781,879
Standing Instruction Charges	11,954,403	4,126,451
Gain/(Loss) on Sale of Fixed Assets	1,817,206	(2,483,077)
Service Charge on Quard	6,270,675	1,073,008
Other Income	647,459,540	608,373,621
	<b>678,783,672</b>	<b>624,871,882</b>
<b>46 CONSOLIDATED PAYMENT FOR OTHER OPERATING ACTIVITIES</b>		
First Security Islami Bank Limited (Note-46 (a))	2,061,751,664	2,086,764,292
First Security Islami Capital & Investment Limited	39,674,442	29,691,283
First Security Islami Exchange Italy	20,176,228	18,505,294
	<b>2,121,602,334</b>	<b>2,134,960,869</b>
<b>46 (a) PAYMENT FOR OTHER OPERATING ACTIVITIES</b>		
Rent, Taxes, Insurances, Electricity etc.	753,463,590	674,242,337
Legal Expenses	9,414,203	4,164,334
Postage, Stamps, Telecommunications etc.	116,844,275	91,407,051
Audit Fees & Expenses	1,380,000	920,000
Directors' fees	1,566,400	1,296,800
Shariah Supervisory Committee's Fees & Expenses	459,000	236,000
Other Expenses	1,178,624,196	1,314,497,770
	<b>2,061,751,664</b>	<b>2,086,764,292</b>
<b>47 CONSOLIDATED INCREASE /DECREASE OF OTHER ASSETS</b>		
First Security Islami Bank Limited (Note-47 (a))	(218,373,288)	205,692,747
First Security Islami Capital & Investment Limited	(340,059,115)	(291,544,554)
First Security Islami Exchange Italy	(3,781,102)	(54,418,859)
	<b>(562,213,505)</b>	<b>(140,270,666)</b>
<b>47 (a) INCREASE /DECREASE OF OTHER ASSETS</b>		
Advances, Deposits and Prepayment	1,589,845,993	1,354,590,219
Stock of Stationery	52,283,840	39,652,155
Suspense Account	9,905,106	40,190,192
Stamps on Hand	5,837,760	5,066,845
Protested Bills	61,454,778	61,454,778
	<b>1,719,327,477</b>	<b>1,500,954,189</b>
(Increase)/Decrease during the year	<b>(218,373,288)</b>	<b>205,692,747</b>



	<b>2021</b>	<b>2020</b>
	<b>BDT</b>	<b>BDT</b>
<b>48 CONSOLIDATED INCREASE /DECREASE OF OTHER LIABILITIES</b>		
First Security Islami Bank Limited (Note-48 (a))	(113,528,693)	(134,263,514)
First Security Islami Capital & Investment Limited	27,897,971	59,981,557
First Security Islami Exchange Italy	(17,150,515)	(25,108,270)
	<b>(102,781,237)</b>	<b>(99,390,227)</b>
<b>48 (a) INCREASE /DECREASE OF OTHER LIABILITIES</b>		
Compensation Realized	11,034,817	27,987,507
Others	45,724,748	142,300,751
	<b>56,759,565</b>	<b>170,288,258</b>
Increase /(Decrease) during the year	<b>(113,528,693)</b>	<b>(134,263,514)</b>
<b>49 Reconciliation of Net profit after Taxation &amp; Operating Profit before changes in operating assets &amp; Liabilities:</b>		
<b>Cash flows from Operating activities:</b>		
Net profit after Taxation	3,321,042,118	2,790,800,801
Provision for Tax	2,494,420,878	1,977,102,075
Provision for Investment share & Contingent Liability	1,512,530,910	1,362,812,448
(Increase)/Decrease profit receivable	(159,900,179)	19,043,788
Increase/(Decrease) profit payable on Deposits	(971,198,368)	(1,405,265,248)
Depreciation & Amortization of fixed Assets	549,409,536	555,013,668
Recoveries on investment previously written off	-	-
Income tax paid	(2,276,240,816)	(1,494,298,220)
Profit/(Loss) on sale of Bank's Assets	1,817,206	(2,483,077)
Effect of exchange rate changes on cash & cash equivalents	(4,682,594)	(4,848,969)
<b>Operating profit before Changes operating assets &amp; liabilities</b>	<b>4,467,198,691</b>	<b>3,797,877,266</b>

**GENERAL DISCLOSURE:****50 RELATED PARTY TRANSACTIONS**

During the year, the Bank carried out some transactions with related party in the normal course of business and on an arm's length basis. The name of this related party, nature of this transaction and total value has been set out in accordance with provisions of International Accounting Standard 24 (IAS: 24) Related Party disclosure and as defined in the BRPD Circular no. 14 issued by the Bangladesh Bank on June 25, 2003. The significant related party transactions during the year were as follows:

**i) Significant Contracts where Bank is a Party and wherein Directors have Interest**

<u>Name of the Party</u>	<u>Nature of Transaction</u>	<u>Nature of Relationship</u>	<u>Total Value (in Tk.)</u>
Northern Islami Insurance Company Ltd.	Insurance Premium	Common Director	14,807,199
Northern Islami Insurance Company Ltd.	Deposit	Common Director	105,397,635
Aviva Finance Ltd.	Deposit	Common Director	314,310
Aviva Finance Ltd.	Placement	Common Director	12,490,000,000
Aviva Finance Ltd.	Subordinated Bond	Common Director	120,000,000
First Security Islami Capital & Investment Limited	Deposit	Common Director	30,061,584
First Security Islami Capital & Investment Limited	Capital	Common Director	255,000,000
First Security Islami Capital & Investment Limited	Investment	Common Director	578,398,597
ii) Related Party Transactions			Nil
iii) Shares issued to Directors and Executives without consideration or exercisable at discount			Nil
iv) Lending to Related Parties is effected as per requirements of Section 27 (1) of the Bank Companies Act, 1991.			Nil
v) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act, 1991 (as amended 2013)			Nil
vi) Investment in the Securities of Directors and their related concern.			Nil

**51 COMPENSATION OF KEY MANAGEMENT PERSONNEL:****MANAGING DIRECTOR'S SALARY AND FEES**

	<b>2021</b>	<b>2020</b>
Basic Pay	6,874,375	5,420,516
House rent allowances	2,018,709	1,680,000
Leave Fare Assistance	1,718,710	1,380,000
Bonus	2,070,000	2,011,560
House Maintenance	2,030,322	1,740,000
Other Allowances	1,720,323	1,440,000
	<b>16,432,439</b>	<b>13,672,076</b>

52 **DIRECTORS' INTEREST IN DIFFERENT BUSINESSES OR ENTITIES:**

Sl. No.	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
1	Mohammed Saiful Alam	Chairman	<p><b><u>Chairman/Board of Director:</u></b>            First Security Islami Capital &amp; Investment Ltd.            Aviva Finance Ltd.            S. S. Power I Limited            Norinco Engineering Ltd.            C&amp;H Power Management Company Ltd.            Reliance Brokerage Services Ltd.            Ekushey Television Ltd.            Karnaphuli Prakritik Gas Ltd.</p> <p><b><u>Managing Director:</u></b>            S. Alam Steels Ltd.            S. Alam Cement Ltd.            S. Alam Brothers Ltd.            S. Alam Hatchery Ltd.            S. Alam Trading Company (Pvt.) Ltd.            S. Alam Bag Manufacturing Mills Ltd.            S. Alam Soyaseed Extraction Plant Ltd.            S. Alam Refined Sugar Industries Ltd.            S. Alam Luxury Chair Coach Services Ltd.            S. Alam Tank Terminal Ltd.            S. Alam Properties Ltd.            Sonali Cargo Logistics (Pvt.) Ltd.            Fatehabad Farm Ltd.            Portman Cements Ltd.            Nexus Television &amp; Media Network Limited            Pavilion International Ltd.            Crest Holdings Ltd.            Virgin Assets Ltd.            Noor Islamic Holdings Ltd.            Disney Business Solution Ltd.</p> <p><b><u>Director:</u></b>            S. Alam Cold Rolled Steels Ltd.            Northern Islami Insurance Co. Ltd.</p> <p><b><u>Sponsor Shareholder:</u></b>            Al-Arafah Islami Bank Ltd.            S. Alam Super Edible Oil Ltd.            S. Alam Vegetable Oil Ltd.            S. Alam Power Generation Ltd.</p> <p><b><u>Shareholder:</u></b>            Padma Islami Life Insurance Ltd.</p> <p><b><u>Proprietor:</u></b>            S. Alam &amp; Co.</p>

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
2	Mohammed Abdul Maleque	Vice-Chairman	<p><b><u>Chairman:</u></b> ABM Tower Ltd.</p> <p><b><u>Chairman &amp; Managing Director :</u></b> Kharana Fish &amp; Poultry Ltd.</p> <p><b><u>Managing Director :</u></b> Chittagong Board and Paper Mills Ltd.</p> <p><b><u>Director :</u></b> First Security Islami Capital &amp; Investment Ltd.</p> <p><b><u>Ex-Director :</u></b> Chittagong Chamber of Commerce &amp; Industry</p> <p><b><u>Proprietor :</u></b> M/S. Bengal Corporation M/S. Bengal Trading M/S. Lucky Electronics</p>
3	Mrs. Farzana Parveen	Director	<p><b><u>Chairman/Board of Director</u></b> Nexus Television &amp; Media Network Limited</p> <p><b><u>Managing Director :</u></b> Dewan Assets Ltd.</p> <p><b><u>Director:</u></b> First Security Islami Capital &amp; Investment Ltd. Reliance Brokerage Services Ltd. S. Alam Vegetable Oil Ltd. Prasad Paradise Resorts Ltd. S. Alam Power Plant Ltd. S. Alam Properties Ltd. Sonali Cargo Logistics (Pvt.) Ltd. Norinco Engineering Ltd. Affinity Assets Ltd. Wesco Limited Noor Islamic Holdings Ltd.</p> <p><b><u>Shareholder:</u></b> S. Alam Steels Ltd. S. Alam Cold Rolled Steels Ltd. Union Bank Ltd. Aviva Finance Ltd. Ekushey Television Ltd. Padma Islami Life Insurance Ltd.</p> <p><b><u>Proprietor:</u></b> Fairy Trade International</p>

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
4	Mrs. Rahima Begum	Director	<p><b><u>Chairman:</u></b> Marsa Aviation Ltd. M/s. Mortoza Assets Ltd. Marsa Transport Ltd.</p> <p><b><u>Managing Director :</u></b> Marsa Fishing Ltd.</p> <p><b><u>Director:</u></b> Marsa Food &amp; Beverage Ltd. Parkview Hospital Limited</p>
5	Mrs. Atikur Nessa	Director	<p><b><u>Proprietor:</u></b> Atikur Nisa Enterprise</p> <p><b><u>Partner:</u></b> Rafe Enterprise Khorshed Paribahan Sangstha</p> <p><b><u>Shareholder:</u></b> Aviva Finance Ltd.</p>
6	Khandkar Iftekhar Ahmad	Nominated Director (Pusti Vegetable Ghee Ltd.)	Air Commodore ( Retired) Bangladesh Air Force.
7	Dr. Momtaz Uddin Ahmed	Independent Director	Former Professor University of Dhaka
8	Mrs. Badrun Nessa	Nominated Director (Padma Export Import & Trading Co. Ltd.)	<p><b><u>Director:</u></b> Excel Dyeing &amp; Printing Ltd.</p> <p><b><u>Proprietor:</u></b> M/s. Moni Traders</p>
9	Jamal Mostafa Chowdhury	Nominated Director (Honeywell Securities Corporation Limited)	<p><b><u>Chairman:</u></b> J.M.C. Builders (Pvt.) Ltd. J.M.C. Shipping Lines (Pvt.) Ltd.</p> <p><b><u>Managing Director :</u></b> Mostafa Salt Industries (Pvt.) Ltd., Moon Express (Pvt.) Ltd. Unique Investment &amp; Securities Ltd.</p> <p><b><u>Proprietor:</u></b> M/s. Mostafa Brothers, M/s. J.M. Chowdhury Complex, M/s. J.M.C Trading.</p>

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
10	Mohammad Abdullah Hassan	Nominated Director (Nowshin Steels Limited)	<b>Managing Director :</b> Hasan Abasan (Pvt.) Limited Modern Property Limited <b>Director:</b> First Security Islami Capital & Investment Ltd. S. Alam Cement Ltd. S. Alam Luxury Chair Coach Services Ltd. S. Alam Brothers Ltd. Portman Cements Ltd. S. Alam Soyaseed Extraction Plant Ltd. S. Alam Refined Sugar Industries Ltd. Sonal Cargo Logistics (Pvt.) Ltd. S. Alam Tank Terminal Ltd. Marine Empire Limited Fatehabad Farm Ltd. Karnaphuli Praktik Gas Ltd. <b>Shareholder:</b> S. Alam Steels Ltd. S. Alam Vegetable Oil Ltd. S. Alam Super Edible Oil Ltd. <b>Proprietor:</b> M/s. Abdullah Hasan M/s. Bering Sea Lines
11	Md. Ruhul Amin	Independent Director	Retired Bureaucrat
12	Mohammad Masum Kamal Bhuyan	Independent Director	Retired Official of Central Bank
13	Syed Waseque Md. Ali	Managing Director	

### 53 APPROVAL OF FINANCIAL STATEMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

The financial statements were approved by the Board of Directors in its 244th meeting held on April 20, 2022. The Board of Directors in its 244th meeting held on April 20, 2022 recommended @ 5% (Five percent) Cash Dividend and @ 5% (Five percent) Stock Dividend for eligible shareholders for the year 2021 to be approved in the Annual General Meeting. The total amount of dividend is Taka 996,198,211.00 (Ninety nine crore sixty one lac ninety eight thousand two hundred eleven) only. Stock dividend has been declared to strengthen the capital base of the Bank and the amount of stock dividend will be utilized to invest in the potential business sectors.

Other than the mentioned above issue, no material events which have occurred after the reporting period which could affect the values stated.

### 54 Impact of COVID 19

Following the declaration of COVID 19 as a pandemic by the World Health Organization (WHO) in early March 2020, like many other governments, the Governments of Bangladesh introduced restrictive measures including nationwide holidays to contain further spread of the virus, affecting free movement of people and goods. Considering the long-term impact of COVID 19 on most sectors in economy of Bangladesh, Bangladesh Bank (BB) has issued various circular not to downgrade the clients Investment classification status.. In addition, BB has issued circulars to provide stimulus package for some sectors through commercial bank. Both facilitate to boost the economy and banking operations during this pandemic. The Management has also assessed the overall impact on COVID 19 and has not identified any indications that may cast doubt on going concern of the group and the bank. Bank's primary business has not impacted expressively as it has a significant growth even the pandemic declared by WHO except trade business. Moreover, The Management continue to monitor the spread of the virus and its impact.

## 55 AUDIT COMMITTEE

a) Constitution:

The Bank has constituted an Audit Committee of the Board of Directors pursuant to the BRPD circular no. 11 dated 27 October 2013 with a view to act as a bridge among the Board of Directors, Executive Authority, Depositors, Shareholders etc so that the Committee can make an effective role in establishing an efficient, strong and secured banking system. Our Audit Committee has been formed comprising three members of the Board of Directors as follows :

Name	Status with the Bank	Status with the Committee
Mohammad Masum Kamal Bhuiyan	Independent Director	Chairman
Dr. Momtaz Uddin Ahmed	Independent Director	Member
Jamal Mostafa Chowdhury	Nominated Director	Member

b) During the year under review, the Audit Committee of the Board conducted 04 (Four) meetings.

c) The following steps have been taken for implementation of an effective Internal Control Procedure of the Bank:

A strong powerful division formed for internal audit and inspection as well as compliance thereof.

The division is divided into three separate units i.e. Audit & Inspection , compliance and Monitoring to implement effective internal control and compliances headed by highly experienced bankers.

Audit and Inspection unit is established with a view to carrying out comprehensive internal audit in the branch level and ensure the transparency and accountability in the banking operations in light of the guidelines of the regulatory authorities and policies set by the bank with regular intervals.

Monitoring Unit is established with a view to implementing proper banking practices in the branches. Day to day operations is the focusing area to implement the rules and procedures of the regulatory bodies, bank's policies and other prudential guidelines.

Compliance unit is established to take effective measures for collection and timely submission of compliances of internal, external and Bangladesh Bank Inspection Reports.

The committee is placing its report regularly to the Board of Directors of the bank mentioning its review and recommendations on internal system, compliance of rules and regulations and establishment of good governance within the organization.

The board has given the responsibility to implement internal control system in the bank as per requirement of core risk management and framework provided by the Bangladesh Bank.

## 56 Number of Employees

The number of employees including contractual engaged for the whole year or part.

	2021	2020
Executives and Officers	3,593	3,063
Members of Staff (Contractual)	936	672
	<b>4,529</b>	<b>3,735</b>

## 57 Coverage of External Audit:

The external auditors of the Bank, Shafiq Basak & Co., Chartered Accountants and Rahman Mostafa Alam & Co., Chartered Accountants worked about in excess of 5,200 man hours. During their audit, they audited above 80% of the Bank's risk weighted assets as on the Balance Sheet date.

## 58 Share Trading

The bank traded its ordinary shares in Central Depository Bangladesh Limited (CDBL) through Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The closing market price on 31 December 2021 was Tk. 12.90 at Dhaka Stock Exchange (DSE) and Tk. 12.90 at Chittagong Stock Exchange (CSE).

  
Managing Director

  
Director

  
Director

  
Chairman

Annexure - A

**FIRST SECURITY ISLAMI BANK LTD.**  
**STATEMENT OF FIXED ASSETS**  
**AS AT 31 DECEMBER 2021**

Figure in Taka

Particulars	C O S T			D E P R E C I A T I O N				Written down value as at 31 December 2021	
	Balance as on 01 January 2021	Addition during the Year	Sales/Transfer during the Year	Balance as on 31 December 2021	Balance as on 01 January 2021	Charge during the year	Adjustment on sale/transfer during the Year		Balance as on 31 December 2021
Land	334,631,624	-	-	334,631,624	-	-	-	-	334,631,624
Building	4,068,443,511	-	-	4,068,443,511	372,844,890	101,711,088	-	474,555,978	3,593,887,533
Furniture & Fixtures	2,188,207,838	204,253,161	22,519,258	2,369,941,741	1,071,170,622	120,187,700	17,137,489	1,174,220,833	1,195,720,908
Office Equipment	2,245,035,710	389,725,662	27,092,255	2,607,669,117	1,372,431,842	236,569,880	22,080,089	1,586,921,633	1,020,747,484
Vehicles	203,124,113	4,960,500	5,440,000	202,644,613	155,671,237	15,587,634	5,439,998	165,818,873	36,825,740
Books	670,771	-	-	670,771	538,776	27,108	-	565,884	104,887
<b>Sub-Total</b>	<b>9,040,113,567</b>	<b>598,939,323</b>	<b>55,051,513</b>	<b>9,584,001,377</b>	<b>2,972,657,367</b>	<b>474,083,410</b>	<b>44,657,576</b>	<b>3,402,083,201</b>	<b>6,181,918,176</b>

**Lease Assets- Premises**

Right -of- use assets	<b>332,468,808</b>	-	-	332,468,808	46,348,975.00	46,348,975	-	92,697,950	239,770,858
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**Software-Amortization**

Software -Core Banking	298,451,293	23,230,975	-	321,682,268	169,344,621	28,977,151	-	198,321,772	123,360,496
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<b>Total December 2021</b>	<b>9,671,033,668</b>	<b>622,170,298</b>	<b>55,051,513</b>	<b>10,238,152,453</b>	<b>3,188,350,963</b>	<b>549,409,536</b>	<b>44,657,576</b>	<b>3,693,102,923</b>	<b>6,545,049,530</b>
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<b>Total December 2020</b>	<b>9,104,627,494</b>	<b>615,014,437</b>	<b>48,608,263</b>	<b>9,671,033,668</b>	<b>2,669,454,364</b>	<b>555,013,668</b>	<b>36,117,069</b>	<b>3,188,350,963</b>	<b>6,482,682,705</b>
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**Annexure - B**

**First Security Islami Bank Ltd.**  
**Financial Highlights (Solo)**  
**As at and for the year ended 31 December 2021**

SL #	Particulars	31.12.2021	31.12.2020
1	Paid-up Capital	9,961,982,110	9,487,602,010
2	Total Capital Fund	36,262,610,582	34,722,920,281
3	Capital Surplus/(deficit) against Minimum Capital Requirement	6,205,441,119	6,044,770,062
4	Total Assets	543,880,184,472	496,425,479,672
5	Total Deposits	469,061,867,848	428,701,521,736
6	Total Investments	456,428,535,681	415,307,402,457
7	Total Contingent Liabilities and Commitments	44,525,606,270	46,909,116,111
8	Investment Deposit Ratio (in %) *	91.39%	91.90%
9	Percentage of Classified Investments against total Investments(in %)	4.73%	4.39%
10	Profit after tax & provision	3,321,042,118	2,790,800,801
11	Amount of Classified Investments	21,571,508,990	18,244,782,042
12	Provision kept against Classified Investments	10,556,431,245	9,541,104,509
13	Provision Surplus/(deficit) against Classified Investments	-	-
14	Cost of Fund	7.92%	7.96%
15	Profit Earning Assets	499,586,689,836	453,183,383,919
16	Non-profit Earning Assets	44,293,494,636	43,242,095,753
17	Return on Investment in Shares & securities(ROI)(in %)	1.51%	2.57%
18	Return on Assets (ROA)(in %)	0.64%	0.60%
19	Income from Investment in Shares and Securities	394,629,756	528,156,344
20	Earnings Per Share (EPS)-Restated	3.33	2.80
21	Net Income Per Share (Tk.)	3.33	2.80
22	Price Earnings Ratio (Times)	3.87	3.06

\* Investment Deposit ratio has been computed as per Bangladesh Bank guideline.

**First Security Islami Bank Ltd. (Off-shore Banking Unit)**  
**Balance Sheet**  
**As at 31 December 2021**

Particulars	Notes	31.12.2021		31.12.2020	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its Agent Bank (s) (including foreign currencies)		-	-	-	-
		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>					
In Bangladesh	3	-	-	1,013.06	85,046
Outside Bangladesh		-	-	-	-
		-	-	<b>1,013.06</b>	<b>85,046</b>
<b>Investments</b>					
General Investment etc.	4	-	-	-	-
Bills Purchased and Negotiated	5	29,223,945.23	2,488,906,976	2,554,344.23	214,437,198
		<b>29,223,945.23</b>	<b>2,488,906,976</b>	<b>2,554,344.23</b>	<b>214,437,198</b>
<b>Fixed Assets Including Premises, Furniture and Fixtures and Intangible Assets</b>					
<b>Other Assets</b>	6	-	-	-	-
<b>Non Banking Assets</b>	7	-	-	-	-
<b>Total Assets</b>		<b>29,223,945.23</b>	<b>2,488,906,976</b>	<b>2,555,357.29</b>	<b>214,522,244</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Placement from Banks &amp; Other Financial Institutions</b>					
<b>Deposits and other Accounts</b>					
Al-Wadia Current Deposits and Other Deposit Accounts	8	28,932,359.34	2,464,073,568	2,549,355.53	214,018,397
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits		-	-	-	-
		-	-	-	-
<b>Other Liabilities</b>	9	109,589.75	9,333,397	1,338.86	112,397
<b>Total Liabilities</b>		<b>29,041,949.09</b>	<b>2,473,406,966</b>	<b>2,550,694</b>	<b>214,130,794</b>
<b>Capital / Shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory Reserve		-	-	-	-
Retained Earnings		181,996.14	15,500,011	4,663	391,450
<b>Total Shareholders' Equity</b>		<b>181,996.14</b>	<b>15,500,011</b>	<b>4,663</b>	<b>391,450</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>29,223,945.23</b>	<b>2,488,906,976</b>	<b>2,555,357.29</b>	<b>214,522,244</b>
<b>OFF- BALANCE SHEET ITEMS</b>					
<b>Contingent Liabilities</b>					
Acceptances and Endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
<b>Total</b>		-	-	-	-
<b>Other commitments</b>					
Documentary credits and short term trade Related Transactions		-	-	-	-
Forward Assets purchased And Forward Deposits Placed		-	-	-	-
Undrawn Note Issuance And Revolving Underwriting Facilities		-	-	-	-
Undrawn Formal Standby Facilities , Credit Lines And Other Commitments		-	-	-	-
<b>Total</b>		-	-	-	-
<b>Total Off-Balance Sheet Items including contingent liabilities</b>		-	-	-	-

**First Security Islami Bank Ltd. (Off-shore Banking Unit)**  
**Profit and Loss Account**  
**For the year ended 31 December 2021**

Particulars	Notes	2021		2020	
		USD	Taka	USD	Taka
Investments Income	10	541,406.80	46,109,831	9,159.12	777,609
Profit Paid on Deposits and Borrowing etc.	11	(359,257.85)	(30,596,806)	(4,496)	(381,729)
<b>Net Investment Income</b>		<b>182,148.95</b>	<b>15,513,025</b>	<b>4,662.90</b>	<b>395,880</b>
Commission, Exchange, and Brokerage	12	-	-	-	-
Other Operating Income	13	-	-	-	-
<b>Total Operating Income</b>		<b>182,148.95</b>	<b>15,513,025</b>	<b>4,662.90</b>	<b>395,880</b>
Salaries and Allowances	14	-	-	-	-
Rent, Taxes, Insurance, Electricity, etc.	15	-	-	-	-
Legal Expenses		-	-	-	-
Postage, Stamp, Telecommunication, etc.	16	152.81	13,014	-	-
Stationery, Printing, Advertisements, etc.	17	-	-	-	-
Auditors' fees		-	-	-	-
Depreciation & repair of Bank's Assets	18	-	-	-	-
Other Expenses	19	-	-	-	-
<b>Total Operating Expenses</b>		<b>152.81</b>	<b>13,014</b>	<b>-</b>	<b>-</b>
<b>Profit before provision and Taxes</b>		<b>181,996.14</b>	<b>15,500,011</b>	<b>4,662.90</b>	<b>395,880</b>
Provisions for Investments including off-B/S items		-	-	-	-
Provisions for Diminution in Value of Investment in Shares		-	-	-	-
<b>Total provision</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit before taxes</b>		<b>181,996.14</b>	<b>15,500,011</b>	<b>4,662.90</b>	<b>395,880</b>
Provision for Current Tax		-	-	-	-
Deferred Tax Income		-	-	-	-
		-	-	-	-
<b>Net profit after taxation</b>		<b>181,996.14</b>	<b>15,500,011</b>	<b>4,662.90</b>	<b>395,880</b>

**First Security Islami Bank Ltd.(Off-shore Banking Unit)**  
**Cash Flow Statement**  
For the year ended 31 December 2021

Particulars	2021		2020	
	USD	Taka	USD	Taka
<b>A) Cash flows from Operating Activities</b>				
Investment Income Receipt	541,406.80	46,109,831	9,159.12	777,609
Profit Paid in Deposits	(251,006.96)	(21,375,806)	(3,157.36)	(255,207)
Fees and commission receipt	-	-	-	-
Payments to Employees	-	-	-	-
Payments to Suppliers	(152.81)	(13,014)	-	-
Receipts from other Operating Activities	-	-	-	-
Payments for other Operating Activities	-	-	-	-
<b>Operating Profit before changes in Operating Assets &amp; Liabilities</b>	<b>290,247.03</b>	<b>24,721,011</b>	<b>6,001.76</b>	<b>522,402</b>
<b>Increase / (Decrease) in operating Assets and Liabilities</b>				
(Increase)/decrease of Placement with Banks & other Financial Institutions	-	-	-	-
(Increase)/decrease in Investments to Customers	(26,669,601.00)	(2,274,469,778)	(2,554,344.23)	(214,437,198)
(Increase)/decrease of Other Assets	-	-	-	-
Increase/(decrease) of Placement from Banks & other Financial Institutions	26,383,003.81	2,250,055,171	2,549,355.53	214,018,397
Increase/(decrease) of Deposits Received from Customers	-	-	-	-
Increase/(decrease) of Other Liabilities	-	-	-	-
<b>Cash Generated from Operating Assets &amp; Liabilities</b>	<b>(286,597.19)</b>	<b>(24,414,607)</b>	<b>(4,988.70)</b>	<b>(418,801)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>3,649.84</b>	<b>306,404</b>	<b>1,013.06</b>	<b>103,601</b>
<b>B) Cash flows from investing activities</b>				
(Purchase)/ Sale of Shares and Securities	-	-	-	-
Purchase of Property, Plant and Equipment	-	-	-	-
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>				
Receipt/(Payment) for Issuance of debt instruments	-	-	-	-
Profit transferred to main operation	(4,662.90)	(395,880)	-	-
<b>Net cash use in financing activities</b>	<b>(4,662.90)</b>	<b>(395,880)</b>	<b>-</b>	<b>-</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>(1,013.06)</b>	<b>(89,476)</b>	<b>1,013.06</b>	<b>103,601</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>4,430</b>	<b>-</b>	<b>(18,555)</b>
<b>F) Cash and cash equivalent at beginning of the year</b>	<b>1,013.06</b>	<b>85,046</b>	<b>-</b>	<b>-</b>
<b>G) Cash and cash equivalent at end of the year(D+E+F)</b>	<b>-</b>	<b>-</b>	<b>1,013.06</b>	<b>85,046</b>
<b>The above closing Cash and Cash Equivalents include:</b>				
Cash in Hand (Including Foreign Currencies)	-	-	-	-
Balance with Bangladesh Bank and its Agent Bank(s) and Other Banks	-	-	1,013.06	85,046
	<b>-</b>	<b>-</b>	<b>1,013.06</b>	<b>85,046</b>

**First Security Islami Bank Ltd. (Off-Shore Banking Unit)**  
**Notes to the Financial Statements**  
**As at for the year ended 31 December 2021**

**1.1 Status of the unit**

Off-shore Banking Unit (OBU) is a Separate business unit of First Security Islami Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (OB)/744(126)/2020-4735 dated 06 July, 2020. The Bank commenced the operation of its Off-shore Banking Unit from August 06 2020. The unit is located at Rangas RD Center,Block #SE(F),Plot#03,Gulshan-1,Dhaka-1212.

**1.2 Principal activities**

The principal activities of the OBU are to provide all kind of Islami Sharih based commercial banking services to its customers Complying the application rules and regulations.

**Significant accounting policies and basis of preparation of financial statements**

**1.2.1 Basis of accounting**

The accounting records of the Off-shore Banking Unit are maintained in USD from and the financial statements are prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) and the requirements of the Bank Companies Bank Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh Bank.

**1.2.2 Foreign currency transaction**

**a) Foreign currencies translation**

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per IAS-21. Assets and liabilities in foreign currencies as at 31 December 2021 have been converted into Taka currency at the average of the prevailing buying and selling rates of the concerned foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no BRPD(R) 717/2004-959 dated 21 November 2004.

**b) Commitments**

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

**c) Translation gains and losses**

As per provision of IAS-21: The Effects of Changes in Foreign Exchange Rates, foreign currency transactions are translated into Taka at rates prevailing (contracting) on the dates of such transactions. The resulting exchange transaction gains and losses arising through foreign currency buying and selling transactions effected on different dates of the year have been adjusted by debiting /crediting exchange gain or loss charged to profit and loss account.

**1.2.3 Cash flow statement**

Cash flow statement has been prepared in accordance with the International Accounting Standard-7 "Cash Flow Statement" under the direct method or the indirect method as recommended in the BRPD Circular No.15, dated November 9, 2009 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

**1.2.4 Reporting period**

These financial statements cover from January 01 to December 31, 2021.

**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, balances lying with ATM unrestricted balances held with Bangladesh Bank and its agent Bank and balance with Other Bank and financial Institutions and highly liquid financial asset which are subject to insignificant risk of changes in their fair value, and are used by the unit management for its short-term commitments.

**1.3.2 Fixed assets and depreciation**

As required in Paragraph 43 of ISA-16 " Property, Plant and Equipment", Depreciation on additional to fixed assets is charged from the month when the asset is available for use and the charge of depreciation is ceased from the month when the assets is sold out/disposed off/fully depreciated.

**1.4 Revenue recognition**

**1.4.1 Profit income**

In terms of the provisions of the IAS-18 "Revenue", the Profit income is recognized on accrual basis.

**1.4.2 Fees and commission income**

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

### 1.4.3 Profit paid and other expenses

In terms of the provisions of the IAS - 1 "Presentation of Financial Statements" Profit and other expenses are recognized on accrual basis.

### 2. Common expense

a. Expenditure for audit fees has not been separately accounted for in the financial statements of OBU.

b. Provision for taxation, Investment and off-Balance sheet items have not been accounted for in the separate Financial Statement of the OBU. However all provisions have been accounted for in the Financial Statement of First Security Islami Bank Limited instead of OBU.

### 2.1 General

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities & income and expenses have been converted into Taka currency weighted average rate @ US\$1 = Taka 85.1667 as at 31<sup>st</sup> December 2021.

	2021		2020	
	USD	Taka	USD	Taka
<b>3 Balance with Other Banks and Financial Institutions</b>				
Balance with Bangladesh Bank (Note-3.1)	-	-	1,013.06	85,046
Balance with Bangladesh Bank (Note-3.2)	-	-	-	-
	-	-	<b>1,013.06</b>	<b>85,046</b>
<b>3.1 In Bangladesh</b>				
First Security Islami Bank Limited	-	-	1,013.06	85,046
First Security Islami Capital & Investment Limited	-	-	-	-
	-	-	<b>1,013.06</b>	<b>85,046</b>
<b>3.2 Outside Bangladesh (Nostro accounts)</b>				
Currents accounts	-	-	-	-
	-	-	-	-
<b>4 Investments</b>				
<b>i) General Investment etc.</b>				
Bai-Murabaha	-	-	-	-
Others	-	-	-	-
	-	-	-	-
<b>ii) Bills Purchased and Negotiated (note-5)</b>				
<b>Payable Inside Bangladesh</b>				
Inland bills purchased	29,223,945.23	2,488,906,976	2,554,344.23	214,437,198
<b>Payable Outside Bangladesh</b>				
Foreign bills purchased	-	-	-	-
	<b>29,223,945.23</b>	<b>2,488,906,976</b>	<b>2,554,344.23</b>	<b>214,437,198</b>
	<b>29,223,945.23</b>	<b>2,488,906,976</b>	<b>2,554,344.23</b>	<b>214,437,198</b>
<b>5 Bills purchased and discounted</b>				
Payable in Bangladesh	29,223,945.23	2,488,906,976	2,554,344	214,437,198
Payable outside Bangladesh	-	-	-	-
	<b>29,223,945.23</b>	<b>2,488,906,976</b>	<b>2,554,344.23</b>	<b>214,437,198</b>
<b>6 Fixed Assets including premises, Furniture &amp; Intangible Assets at cost</b>				
Furniture and fixtures	-	-	-	-
Office equipment	-	-	-	-
Vehicles	-	-	-	-
	-	-	-	-
<b>7 Other Assets</b>				
Advances, Deposits and Prepayment	-	-	-	-
Stock of Stationery	-	-	-	-
	-	-	-	-
<b>8 Placement from Banks &amp; Other Financial Institutions</b>				
First Security Islami Bank Ltd.	6,895,473.64	587,264,735	577,711.66	48,498,894
Other Bank & financial Institutions	22,036,885.70	1,876,808,833	1,971,643.87	165,519,503
	<b>28,932,359.34</b>	<b>2,464,073,568</b>	<b>2,549,355.53</b>	<b>214,018,397</b>
<b>9 Other liabilities</b>				
Accrued Profit and Expenses Payable	109,589.75	9,333,397	1,338.86	112,397
	<b>109,589.75</b>	<b>9,333,397</b>	<b>1,338.86</b>	<b>112,397</b>

	2021		2020	
	USD	Taka	USD	Taka
<b>10 Investments Income</b>				
Inland Documentary Bills Purchased (Foreign Currency Bills)	541,406.80	46,109,831	9,159.12	777,609
Others	-	-	-	-
	<b>541,406.80</b>	<b>46,109,831</b>	<b>9,159.12</b>	<b>777,609</b>
Profit on balance with other banks and financial institutions	-	-	-	-
Profit received from FC account	-	-	-	-
	<b>541,406.80</b>	<b>46,109,831</b>	<b>9,159</b>	<b>777,609</b>
Less: Inter Bank transaction	-	-	-	-
<b>Total Interest income</b>	<b>541,406.80</b>	<b>46,109,831</b>	<b>9,159.12</b>	<b>777,609</b>
<b>11 PROFIT PAID ON DEPOSITS and BORROWING ETC.</b>				
a) Mudaraba Term Deposit	-	-	-	-
b) Profit paid on local bank accounts	123,159.30	10,489,071	3,895.96	330,767
c) Profit paid on foreign bank accounts	236,098.55	20,107,734	600.26	50,962
	<b>359,257.85</b>	<b>30,596,806</b>	<b>4,496.22</b>	<b>381,729</b>
Less: Inter Bank transaction	-	-	-	-
	<b>359,257.85</b>	<b>30,596,806</b>	<b>4,496.22</b>	<b>381,729</b>
<b>12 COMMISSION, EXCHANGE AND BROKERAGE</b>				
Commission on L/Cs	-	-	-	-
Other commission	-	-	-	-
<b>Exchange Gain</b>	-	-	-	-
Brokerage	-	-	-	-
	-	-	-	-
<b>13 OTHER OPERATING INCOME</b>				
Postage Recoveries - Local	-	-	-	-
Miscellaneous earnings	-	-	-	-
	-	-	-	-
<b>14 SALARY &amp; ALLOWANCES</b>				
Basic Salary	-	-	-	-
Allowances	-	-	-	-
Bonus	-	-	-	-
Bank's Contribution to Staff Provident Fund	-	-	-	-
Gratuity	-	-	-	-
	-	-	-	-
<b>15 RENT, TAXES, INSURANCE, ELECTRICITY ETC.</b>				
Rates and Taxes	-	-	-	-
Electric Bills	-	-	-	-
	-	-	-	-
<b>16 POSTAGE, STAMP AND TELECOMMUNICATION ETC.</b>				
Postage	153	13,014	-	-
Telephone - Residence	-	-	-	-
	<b>153</b>	<b>13,014</b>	<b>-</b>	<b>-</b>
<b>17 STATIONERY, PRINTING AND ADVERTISEMENT ETC.</b>				
Publicity and Advertisement	-	-	-	-
Printing and Stationery	-	-	-	-
Computer Stationery	-	-	-	-
	-	-	-	-
<b>18 DEPRECIATION AND REPAIRS OF BANK'S ASSETS</b>				
<b>Depreciation</b>				
Depreciation on Fixed Assets	-	-	-	-
<b>Repairs</b>				
Furniture and Fixtures	-	-	-	-
Maintenance of Software	-	-	-	-
	-	-	-	-
<b>19 Other Expenses</b>				
Washing and Cleaning	-	-	-	-
Miscellaneous Expenses	-	-	-	-
	-	-	-	-