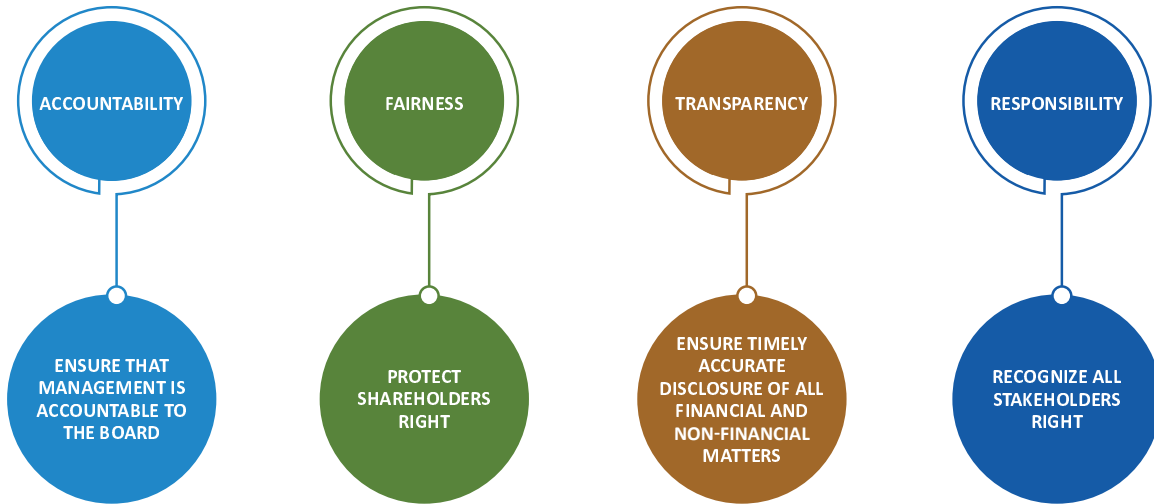


CORPORATE GOVERNANCE REPORT

Corporate governance is crucial for the proper functionality of the banking sector and the overall economy of a country. Banks play an important role in the economy by intermediating funds from depositors and advancing funds to their customers. Banks' safety and soundness are key to the financial stability of a country. The primary objective of corporate governance, therefore, is to safeguard stakeholders' interests on a sustainable basis. Good governance is manifested through adherence to ethical business norms, a firm commitment to values, and compliance with applicable laws and regulations while enhancing shareholders' value.

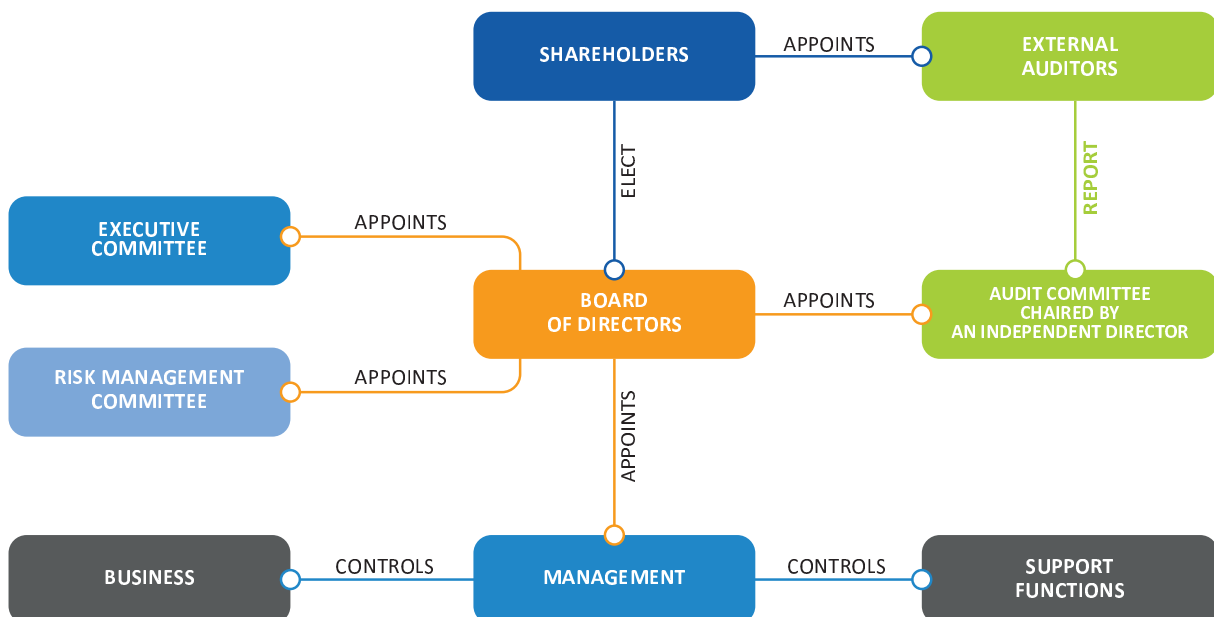
Since its inception, SJIBL has been pursuing responsible and ethical banking. We have initiated the best international corporate governance practices and adopted corporate culture to promote sustainable performance, client-centricity, innovation, and partnership. Our corporate governance report is a reflection of our strong adherence and commitment to best practices of corporate governance and our full compliance with the rules and regulations of various regulatory bodies including the Central Bank and Bangladesh Securities and Exchange Commission.



Governance structure of the Bank

The Board of Directors plays a pivotal role in shaping governance structure and practices through their choice of strategy and leadership to drive the Bank towards growth. The board is responsible for the design and implementation of governance

mechanisms including selection and appointment of members of sub-committees. The risk management and overall support functions of the Bank have been designed and kept fully independent from the ordinary course of business to safeguard against any unforeseen events that may weaken the brand value of the Bank. The Governance Structure of the Bank is as follows:



Guiding philosophy of governance practices

Principles of good governance are embedded in the core values of SJIBL, the Bank that strongly believes in inclusive and sustainable growth. As a locally incorporated bank, the following Acts, regulatory bodies played a major role in shaping the governance structure and practices of the Bank.

Sl. No.	Particulars
1	The Companies Act, 1994
2	The Bank Company Act, 1991
3	Bangladesh Securities and Exchange Commission (BSEC)
4	Bangladesh Bank
5	Dhaka Stock Exchange and Chittagong Stock Exchange
6	Financial Reporting Council (FRC)

1. BOARD OF DIRECTORS, CHAIRMAN AND CEO

The Board of Directors of SJIBL currently consists of twenty directors and all are Non-executive Directors, including the Chairman. The existing Board of Directors of the Bank includes three Independent Directors as prescribed in the Section 15 of Bank Company Act 1991.

The Senior Management supervises and monitors the Bank's Corporate Governance which is further reviewed by the Board of Directors. Any violation in Corporate Governance is treated seriously by the Board of Directors of the Bank.

1.1 Company's Policy on appointment of Directors

The Directors shall be appointed in accordance with the relevant provisions of the Companies Act 1994, the Bank Company Act 1991, the Corporate Governance Guidelines of the BSEC and the Bangladesh Bank and the Articles of Association of the Bank. The Board of Directors consists of renowned entrepreneurs and business professionals with experience and wisdom in a diverse range of businesses and operations. Together, they have enriched the Board with their knowledge and expertise in banking and insurance, IT, accounting, marketing, administration and engineering.

The Directors are elected by the shareholders in the Annual General Meeting and all appointments of the Board members are made subject to the approval of Bangladesh Bank. In case of any nomination, removal and causal vacancy, the Bank adheres to all relevant rules and regulations.

1.1.1 Induction policy of the Directors

Every new director is given appropriate induction when first appointed to the Board about the affairs of the Bank and laws and regulations applicable to the Bank. The induction program

Shares held by the Directors:

SL	Name of Directors	Position	No of Shares	% of Share
1	Mr. Md. Sanaullah Shahid	Chairman	25,081,556	2.56%
2	Mr. Md. Harun Miah (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Vice-Chairman	19,601,911	2.00%
3	Mr. Md. Abdul Berek	Vice-Chairman	19,601,997	2.00%
4	Dr. Anwer Hossain Khan	Director	29,298,293	2.99%
5	Mr. Abdul Halim	Director	23,841,881	2.43%
6	Mr. Mohiuddin Ahmed	Director	19,612,167	2.00%

includes meetings with the Chairman, the Managing Director & CEO, the Board Committee Chairs and the Bank's Executives.

1.1.2 Rotation, Retirement and Removal of Directors

In accordance with the provisions of Section 91 of the Companies Act 1994, Section 79-87 of Schedule I of the Act, and Clauses 20.12 & 20.13 of Articles of Association of the Bank, one-third of the Directors shall retire from office in every subsequent year and shall be eligible for re-election upon retirement immediately. The Bank's Articles of Association dictate that the election of Board members follow the resolution determined at shareholders' meetings. Accordingly, the respective Directors of SJIBL will retire and be reappointed in the 20th Annual General Meeting.

List of the Directors who appointed and re-appointed during 01-01-2020 to 31-12-2020

Name of the Director	Designation	Remarks
Mrs. Jabun Nahar, (Rep. of Daffodils Trading International)	Director	Appointed
Mr. Fakir Mashriqzaman, (Rep. of Fakir Knit Wears Ltd.)	Director	Appointed
Mr. Nasir Uddin Ahmed, FCA, FCS	Independent Director	Appointed
Mr. Md. Harun Miah (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Director	Appointed
Mr. Abdul Halim	Director	Re-appointed
Mr. Mohiuddin Ahmed	Director	Re-appointed
Mr. Akkas Uddin Mollah	Director	Re-appointed
Mr. Khandaker Sakib Ahmed	Director	Re-appointed
Mrs. Tahera Faruque	Director	Re-appointed

List of the Director who resigned during 01-01-2020 to 31-12-2020

SL	Name of the Director	Designation
1	Ms. Shahan Ara Begum	Director

1.1.2 Directors' Shareholding Status

All sponsors/promoters and directors of the Bank shall perpetually hold a minimum of 30% (thirty percent) shares of the Bank. Each director other than independent director(s) of the Bank shall hold a minimum of 2% (two percent) shares of the paid-up capital of the Bank. In compliance with BSEC Notification No. BSEC/CMRRCD/2009-193/119/Admin on Corporate Governance dated 22 November 2011; all directors (other than independent directors) of SJIBL have complied accordingly.

SL	Name of Directors	Position	No of Shares	% of Share
7	Mr. Akkas Uddin Mollah	Director	38,753,165	3.95%
8	Mr. Khandaker Sakib Ahmed	Director	19,602,703	2.00%
9	Engr. Md. Towhidur Rahman	Director	22,023,291	2.25%
10	Mr. A.K. Azad	Director	37,365,165	3.81%
11	Mr. Mohammed Younus	Director	24,230,698	2.47%
12	Mr. Fakir Akhtaruzzaman	Director	19,601,846	2.00%
13	Mr. Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.)	Director	19,652,324	2.01%
14	Mr. Md. Moshir Raman Chamak (Rep. of Fresh Export Import Ltd.)	Director	19,788,343	2.02%
15	Mrs. Tahera Faruque	Director	30,349,141	3.10%
16	Mrs. Jabun Nahar (Rep. of Daffodils Trading International)	Director	20,082,793	2.05%
17	Mr. Fakir Mashrikuzzaman (Rep. of Fakir Knitwears Limited)	Director	35,742,305	3.65%
18	Mr. Ekramul Hoque	Independent Director	Nil	-
19	Mr. KAM Majedur Rahman	Independent Director	Nil	-
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	Nil	-
21	Mr. M Shahidul Islam	Managing Director	Nil	-

1.1.3 Appointment of Chief Financial Officer (CFO), Company Secretary (CS), and Head of Internal Control and Compliance (IC&CD)

The Bank has appointed a Chief Financial Officer (CFO), a Head of Internal Control & Compliance (IC&CD) and a Company Secretary (CS) as per the policy of the Bank and other applicable laws and regulations. They are well-versed in their respective field of financial, regulatory and corporate laws to carry out their assigned responsibilities. The Board clearly defined and approved the respective roles, responsibilities and duties of the Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Control & Compliance.

1.2 Adequate representation of Non-Executive Directors

Non-Executive Director refers to a Director who does not hold any position in the Bank except being a member of the Board and its Committees. All the Directors of SJIBL, including the Chairman, are Non-Executive Directors except the Managing Director. The Bank's non-executive directors are independent of management and do not participate in day-to-day operations. Adequate representation of Non-Executive Directors ensures separation of management from the owners, which is an integral part of Corporate Governance.

1.2.1 Independence of Non-Executive Directors

Non-Executive Directors enjoy full freedom to carry out their coveted responsibilities. They attend Board Meetings and are actively involved in the formulation of general strategies of the Bank and ensure confidentiality regarding the Bank's affairs.

1.3 Independence of Independent Directors

In compliance with relevant Corporate Governance Guidelines, the Board has appointed 3 (three) Independent Directors. The independent directors are proficient in the field of financial, regulatory and corporate law and enjoy full freedom to carry out their assigned responsibilities.

Independent Directors exert an autonomous view on the policies and decisions of the Board in the best interest of the Bank. In order to comply with regulatory requirements, SJIBL's Independent Directors do not hold any shares of the Bank.

1.3.1 Appointment & qualification of Independent Directors

Independent Directors are critically evaluated before being appointed by the Board and approved by the shareholders in the AGM followed by the approval of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). While appointing Independent directors SJIBL emphasizes the mix of knowledge, skills, experience and perception. It is expected that Independent Directors will be such persons who will be able to exercise their knowledge and experience to guide the organization in the appropriate direction. One of our Independent Directors is a renowned Chartered Accountant and another two are former Managing Director & CEO of renowned private commercial banks.

1.4 Chairman to be independent of CEO

In compliance with Bangladesh Bank BRPD Circular No. 11 and Circular Letter No. 18 dated 27 October 2013 and Clause 1(4) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code dated 3 June 2018, the functional responsibilities of the Chairman of the Board and the Managing Director & CEO are kept separated and independent of each other. The Board has appointed Mr. Sanaullah Shahid as the Chairman and Mr. M Shahidul Islam as the Managing Director & CEO of the Bank.

The Chairman of the Board approves the agenda of the Board meetings. This consists of approving investment proposals beyond the CEO's authority and aspects of the Bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer services strategies, procurement policy, etc.

The CEO acts as the Head of the management team and is therefore accountable to the Board and its Committees. The role comprises running and managing the Bank following the prescribed policies, principles and strategies established by the Board and rules, regulations and guidelines of the Central Bank, BSEC and other regulatory authorities.

1.5 Responsibilities of the Chairman of the Board

As per BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Code issued by BSEC on 3 June 2018, the Chairman of the Board of Directors broadly possess the following major responsibilities:

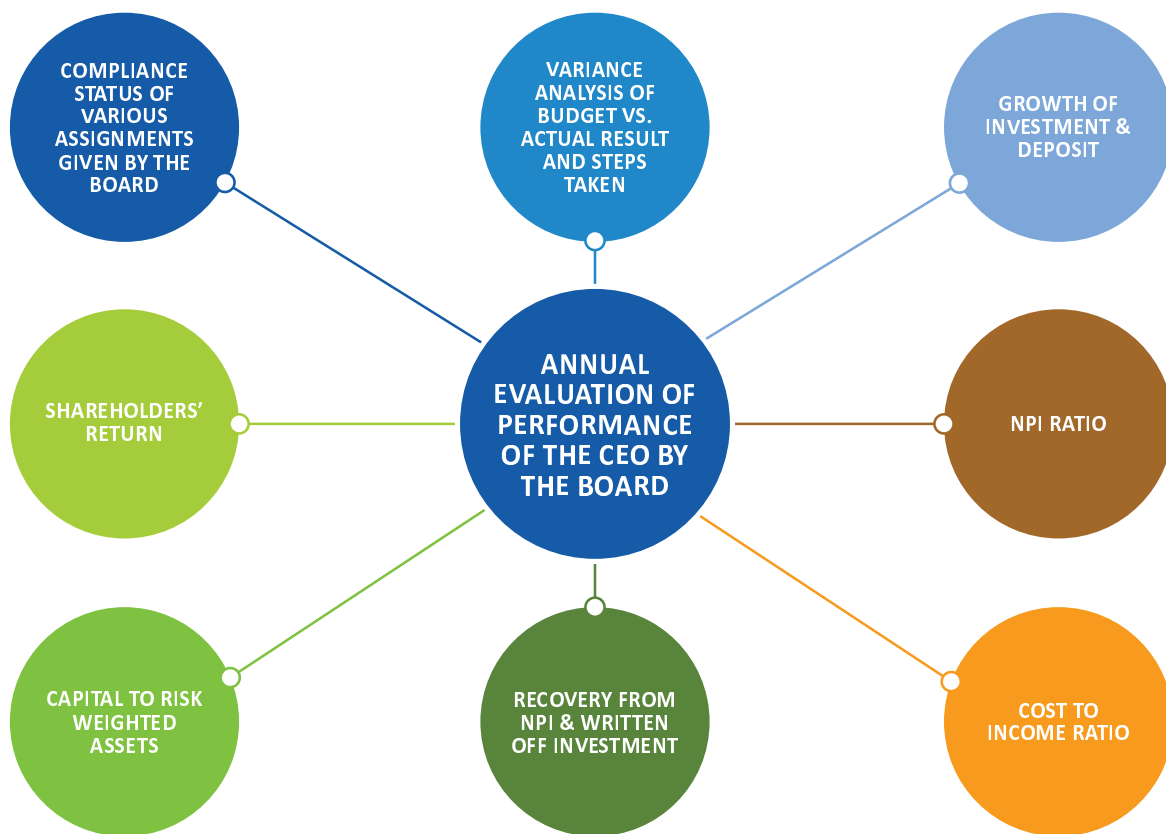
- Ensure that the Board sets and implements the Bank's direction and strategy effectively.
- Organizing the business of the Board, ensuring its effectiveness and setting its agenda.
- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance;
- Ensuring discussion of all key issues by the Board of Directors in a timely and constructive manner.
- Ensure non-intervention of any Director in the routine affairs of the Bank.
- Signing the minutes of the Board meeting for formal confirmation.

1.6 Annual Appraisal of the Board's performance

Shareholders critically appraise the performance of the Board, evaluate the financial position and performance of the Bank, adequacy and effectiveness of the internal control system, and the overall governance mechanism at the AGM. The shareholders also ask questions and make queries to the Board during the AGM and the Chairman of the Board gives a patient hearing and responds to all their queries. The performance of the Board is appraised based on certain parameters such as shareholder return, share price, return on capital employed, earnings per share, etc. of the Bank. The attendance of Directors and their active participation in the meeting on various agendas is ensured in every Board meeting. The Board approves the annual budget and monitors the monetary variance quarterly to ensure the achievement of the target. The Board's performance is greatly dependent on the achievement of the budgeted target. The performance reports of supporting committees of the Board are also placed in the Board meeting through which the performance of the Board members is regularly assessed.

1.7 Annual Performance Evaluation of the Chief Executive Officer

The Board of Directors of SJIBL has clearly defined and approved the roles, responsibilities and duties of the Managing Director/CEO. The Board annually evaluates the CEO's performance through various reports such as financial position and performance of the Bank. The parameters typically consist of:



In addition to the above, the competitive nature of the banking industry makes it relevant to assess the marketing and customer management skills of the MD/CEO.

1.7.1 Rules and Regulations for Appointing CEO

The Board is responsible to appoint a Chief Executive Officer/ Managing Director in compliance with the relevant circulars and rules of Bangladesh Bank and BSEC's Notification No.

BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The appointment of the Chief Executive Officer (CEO) is made final only after obtaining No Objection Certificate (NOC) from Bangladesh Bank. The following issues are considered before appointing a CEO:

Moral Integrity: It is required to ensure that the concerned person has not been convicted by any Criminal Court of Law or is punished for violating a rule.

Experience and Suitability: It is required to ensure that the concerned person has banking experience of at least 15 (fifteen) years as an active officer and at least 02 (two) years of experience in a post immediately below the Chief Executive Officer. A master's degree from any recognized university is also required.

Transparency and Financial Integrity: It is required to ensure that the concerned person was not involved in any illegal activity while performing his duties and also is not a bank defaulter or adjudicated as insolvent.

1.8 Policy on Training of Directors

The Policy on Training of Directors incorporates among others, providing training and information on the latest update related to the banking business such as relevant laws, policy guidelines, circulars, rules and regulations issued by the regulatory authorities. This is done in such a way that they can discharge their responsibilities effectively. Sometimes special discussion sessions are arranged with the experts on highly technical and complex issues. They also participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.

1.9 Directors' Knowledge and Expertise in Finance and Accounting

Mr. Nasir Uddin Ahmed, FCA, FCS, CGM, ACAM(UK), ACA(England & Wales) one of our Directors, has vast knowledge in the field

of finance and accounting. Two of our Directors are former Managing Director of different banks. They have tremendous expertise in banking, finance and accounting. One of our director is a Ph.D. holder, another director is an ex-President of the highest business forum FBCCI. Other directors are either successful entrepreneurs or seasoned professionals and are also well-conversant in the field of business, economics and administration. They provide guidance in matters applicable to accounting and audit-related issues to ensure compliance and reliable financial reporting.

1.10 Number of meetings of the Board and Participation of each Director

Meetings are generally conducted monthly, but more than one meetings may be called, if required. Management provides detailed information, references and discussion papers on each agenda to all Directors before the Board meeting. The Company Secretary, as per instruction of the Chairman of the Board, takes necessary steps to arrange regular Board Meetings throughout the year. The number of meetings held during 2020:

Particulars	No. of Meeting
Number of Board meeting	21
Number of Executive Committee (EC) meeting	19
Number of Audit Committee meeting	6
Number of Risk Management Committee (RMC) meeting	7

1.10.1 Board Meeting attendance and remuneration

The statement of Board meetings held during the year 2020 and the attendance of Directors from 01 January 2020 to 31 December 2020 are appended below:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)	Remarks
1	Mr. Md. Sanaullah Shahid	Chairman	21	21	8,000	
2	Mr. Md. Harun Miah	Vice-Chairman		12	8,000	Resides in UK
3	Mr. Md. Abdul Barek	Vice-Chairman		17	8,000	
4	Dr. Anwer Hossain Khan	Director		15	8,000	
5	Mr. Abdul Halim	Director		14	8,000	
6	Mr. Mohiuddin Ahmed	Director		21	8,000	
7	Mr. Akkas Uddin Mollah	Director		20	8,000	
8	Mr. Khandaker Sakib Ahmed	Director		21	8,000	
9	Engr. Md. Towhidur Rahman	Director		17	8,000	
10	Mr. A.K. Azad	Director		08	8,000	
11	Mr. Mohammed Younus	Director		17	8,000	
12	Mr. Fakir Akhtaruzzaman	Director		18	8,000	
13	Mr. Mohammed Golam Quddus	Director		21	8,000	
14	Mr. Md. Moshir Raman Chamak	Director		18	8,000	
15	Mrs. Tahera Faruque	Director		02	8,000	Resides in UK
	Mr. Masud as Alternative Director	Alternative Director		06	8,000	
16	Mrs. Jabun Nahar	Director		14	8,000	Approved by BB as a Director on 24-03-2020
17	Mr. Fakir Mashrikuzzaman	Director		11	8,000	Approved by BB as a Director on 14-07-2020
18	Mr. Ekramul Hoque	Independent Director		20	8,000	
19	Mr. K.A.M. Majedur Rahman	Independent Director		16	8,000	
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	14	8,000	Approved by BB as an Independent Director on 24-03-2020	

1.10.2 Board Committees and their responsibilities

To ensure good governance in the management of banks, Bangladesh Bank issued a circular (BRPD Circular No. 11 dated 27 October 2013) allowing banks to form a maximum of three committees or sub-committees of the Board. To ensure proper accountability and transparency, SJIBL has an Executive Committee, Audit Committee and Risk Management Committee to oversee and direct the operations, performance and strategic direction of the Bank. The composition of said Committees is presented below:

Executive Committee (EC)

In Compliance with Section 15B (2) of Bank Company Act 1991 and BRPD Circular No. 11 dated 27 October 2013, the Board of

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (per meeting)
1	Dr. Anwer Hossain Khan	Chairman	19	17	8,000
2	Mr. Fakir Akhtaruzzaman	Vice Chairman		16	8,000
3	Mr. Mohiuddin Ahmed	Member		19	8,000
4	Mr. Akkas Uddin Mollah	Member		19	8,000
5	Mr. Khandaker Sakib Ahmed	Member		19	8,000
6	Mr. Engr. Md. Towhidur Rahman	Member		14	8,000
7	Mr. Mohammed Yunus	Member		13	8,000

Audit Committee (AC)

The Audit Committee carries out its functions based on the Terms of Reference (ToR) approved by the Board. To make the quorum of the AC meeting, at least 01 (one) Independent Director has to be present. The Company Secretary acts as the secretary of the committee. In compliance with Bangladesh Bank BRPD Circular No.11 dated 27 October 2013, and BSEC's Corporate Governance Code dated 3 June 2018, the Audit Committee (AC) has been reconstituted consisting of 5 (five) members. Under the ToR, the Committee is required to review and oversee the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance from time to time.

Risk Management Committee (RMC)

In Compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of SJIBL has formed a 5 (five) member Risk Management Committee (RMC). The RMC has been formed to minimize probable risks that arise during the implementation of Board-approved policies, procedures and strategies. The RMC is entrusted to examine and review whether management is properly working on identification; management and mitigation of risks that arise in the ordinary course of business. The criteria consist of credit risk, foreign exchange risk, internal control

Directors of SJIBL has formulated the Executive Committee (EC) with 7 (Seven) members. The Company Secretary acts as the secretary of the committee.

The EC usually acts as a proxy for the BoD, conducts meetings on short notice and performs activities to ensure the effective operation of banking affairs. However, any decision taken by the committee has to be subsequently ratified by the Board. During the year 2020, a total of 19 (Nineteen) meetings of EC were held. The meeting and attendance are shown in the table below:

Executive Committee Meeting, attendance and remuneration

The statement of Executive Committee Meetings, attendance and remuneration of members from 1 January 2020 to 31 December 2020 are appended below:

and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk, liquidity risk and inadequate provision & capital risk. All five members of the RMC are Non-Executive Directors of the Board.

Responsibilities of RMC

It is the responsibility of RMC to identify and assess the risk of the bank and guide management to formulate action plans for mitigating risk. The committee reviews the risk management policy and amends it as required. The committee is required to conduct at least four meetings annually. The committee may invite the CEO, Chief Risk Officer (CRO), or any executive to attend the committee meeting. The RMC held 7 (seven) meetings during 2020 and had detailed discussions and review sessions with the CRO regarding their findings, observations and recommendations on issues of bank affairs.

Risk Management Committee meeting, attendance and remuneration

The statement of Risk Management Committee meeting, attendance and remuneration from 01 January 2020 to 31 December 2020 are appended below:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Mohammed Yunus	Chairman	07	07	8,000
2	Dr. Anwer Hossain Khan	Member		04	8,000
3	Mr. Md. Abdul Barek	Member		03	8,000
4	Mr. Mohiuddin Ahmed	Member		06	8,000
5	Mr. KAM Majedur Rahman	Member		06	8,000

1.11 Directors Report on Financial Statement and Corporate Governance

The Companies Act 1994 requires the Directors to prepare financial statements for each accounting year. The Board maintains adequate records to safeguard the assets of the Company, prevents and detects fraud and irregularities, selects and applies suitable accounting policies, makes reasonable judgments and estimates where necessary. A separate statement of the Directors' responsibility for financial reporting and corporate governance is given in this Annual Report.

1.12 Boards Accountability on Audit and Financial Reporting

The Board diligently fulfills its responsibilities by preparing and presenting a balanced and comprehensive assessment of the Bank's operations at the end of each financial year. The Annual Financial Statements and Annual Report are duly audited by the external auditor. All the financial statements and annual reports are available on the Bank's website for stakeholders.

1.13 Competent Leadership

For Competent leadership SJIBL prefers a process which provides a framework for leaders to listen, learn, and then lead. Management is willing to understand the problems employees and clients are facing before attempting to come up with ideas and solutions. For the development of products & services and approval by the Board, all steps go in the way to listen, learn, and then approve which also justify sustainable leadership both by the Board and the Management of the Bank.

1.14 Succession Plan

Succession planning is a pivotal part of corporate governance practices to meet the company's long-term goals & objectives and to ensure that the knowledge, experience, and skills of its members would be well suited to meet the demands of the ever-changing financial industry. The Bank has a well-defined Succession Plan for senior management and directors. Employees are promoted to take up the position of higher management as per the rules and needs of the bank. The appointment of a new director SJIBL considers their knowledge, experience, and skills to perform their duties.

1.15 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 operating decisions. Parties are also considered to be related if they are subject to common control or 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 & BSEC guidelines. Details of the related party transactions have been disclosed of this annual report.

The Bank carries out business with related parties in the ordinary course of business on an arm's length basis at commercial rates except for those transactions that the key management personnel have availed at concessionary rates which are applicable to all the eligible staff. The following process is followed by the bank for related party transactions.

- Report such Related Party Transactions to Bangladesh Bank in prescribed format on a quarterly basis.
- Reviews related party transactions by the Audit Committee to ensure compliance and keep the Board informed from time to time.
- Approval by the Board of Directors' for re-scheduling of investment given to any Director or his sister concern.
- The Board approves all related party transactions and ensures that these transactions with the Company are undertaken on an arm's length basis.
- No extra preference is given to the Directors as well as vendors and suppliers owned by them.
- All related party transactions are disclosed as per IAS 24 'Related Party Disclosures'

1.16 Management Committees

In an effective Corporate Governance structure, Bank management has a collective mandate under the leadership of the Managing Director to carry out daily operations in the best interest of its shareholders. Apart from the general segregation of functional departments, SJIBL formed several committees to support the management in carrying out banking operations smoothly. The Committees are shown in the diagram below:



The Committees are:

i) Senior Management Team (SMT)

The Senior Management Team consists of all AMDs, DMDs, CFO, Head of RMD, Head of BOD who guide the Bank for the sound and prudent day-to-day management. The Managing Director is the chairman of the SMT decision-making process of SMT is transparent and designed to promote proactive management culture.

ii) Supervisory Review Process (SRP) Team

The SRP Team, headed by the Managing Director of the Bank, comprises the divisional heads of ID, IRMD, ICCD, Treasury, SAMD, FAD, RMD and AMLD. The main function of the team is to assess additional capital requirements to mitigate the risks in accordance with pillar II of BASEL- III.

iii) Risk Management Committee (RMC)

The RMC, headed by the Chief Risk Officer, comprises the divisional heads of IRMD, ICCD, AMLD, IT, Treasury and FAD. The

function of RMC is to identify, measure and manage the bank's existing and potential risks through a detailed risk analysis.

iv) Investment Committee (IC)

The IC, headed by the Chief Business Officers (CBO), discusses all critical investment proposals that require formal review and approval. The investment proposals that need special attention from senior management prior to approval are discussed by the IC.

v) Asset-Liability Management Committee (ALCO)

The ALCO consists of the Managing Director, Additional Managing Directors, Deputy Managing Directors and strategically important Divisional Heads. The Treasury Division manages market risk covering liquidity, interest rate and foreign exchange risks with the recommendation from ALCO.

vi) Anti-Money Laundering (AML) Committee

The AML Committee manages and monitors all issues relating to AML and CFT. The AML Committee ensures that all employees get training on Anti Money Laundering at least once a year.

vii) Sustainable Finance Committee (SFC)

The Sustainable Finance Committee ensures compliance with all Green Banking activities of the Bank. The Sustainable Finance Unit (SFU) of the Bank regularly updates the SFC on improvements of Green Banking.

viii) Procurement Committee (PC)

The Procurement Committee (PC) ensures that the purchase of all goods and services is done efficiently, economically and objectively. The main objective of this Committee is to ensure transparency in all tenders. SJIBL has already implemented an E-Tender system that assists in neutral judgment.

ix) Shariah Inspections and Report Review Committee (SIRRC)

The committee is headed by the Managing Director which has among others AMDs, DMDs and all Muraquibs of Shariah Division. The Shariah Inspections and Report Review Committee ensures Shariah compliance in each operation of the Bank. It traces and reports suspicious income of the bank that needs to be segregated from profit as per Islamic shariah. The beauty of Islamic banking lies in using overdue investment income, suspicious income into public welfare instead of crediting the same to profit.

x) Central Compliance Committee (CCC)

The Central Compliance Committee (CCC) directly reports to the Managing Director. As instructed by the regulatory authority, Central Compliance Committee (CCC) is responsible to ensure compliance with the policy and guidelines of the central bank and other regulatory bodies as well as all internal policy manuals of SJIBL.

xi) Integrity Committee

The Integrity Committee is responsible to nominate 5 officers and executives who excelled all others in terms of professional commitment and integrity. The reward for integrity is given each year as per the regulatory instruction of Bangladesh Bank.

1.17 CEO & Roles and Responsibilities of CEO

At present Mr. Md. Shahidul Islam is the CEO and Managing Director of the bank. He is responsible for running the business efficiently and formulating and implementing appropriate business strategies. He is also responsible for the day-to-day business operation and is accountable to the Board for the financial and operational performance of the Bank. His major responsibilities as CEO are as follows:

- a) To remain accountable for the achievement of financial, operational and other business targets.
- b) To ensure compliance with the Bank Company Act, 1991 and other applicable laws and regulations.
- c) To facilitate the smooth operation of the Bank.
- d) To recruit and promote all the staff of the bank, except those in the two tiers below him (CEO).
- e) To give all types of approval within business delegation with full responsibility.

Besides, the authority relating to the transfer and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest upon him.

1.18 Role of Company Secretary

The Company Secretary of the Bank provides advice and support to the Board and is accountable to the Board for all matters relating to the proper functionality of the Board and its Committees. The Company Secretary is responsible for advising the Board on governance matters and ensuring compliance with applicable laws and regulations.

1.19 Role of Chief Financial Officer (CFO)

The Chief Financial Officer directs a company's financial goals, objectives and budgets. He also advises the Board of Directors on the kind of actions to be adopted in upholding high standards of financial control and reporting. The CFO oversees all the financial operations of the organization including accounting, financial reporting, tax and regulatory reporting.

1.20 Role of Head of Internal Control & Compliance

The Head of Internal Control & Compliance (IC&CD) is responsible for the Bank's strategic risk-based internal audit plan and managing the internal audit function under the Bank's internal audit charter. Responsibilities include providing reasonable assurance on the effectiveness of the organization's risk management and internal controls.

1.21 Attendance of CEO, CFO, CS & Ho IC&CD in the Board Meeting

Chief Financial Officer (CFO), Head of Internal Control & Compliance (IC&CD) and the Company Secretary (CS) of the Bank attend meetings of the Board of Directors. However, they do not attend meetings that involve consideration of an agenda item relating to their personal matters.

1.22 Governance of Board of Directors of Subsidiary Company

Shahjalal Islami Bank Limited is the parent company while Shahjalal Islami Bank Securities, which is a subsidiary company of the bank. The board of the parent company is aware of the material risks and issues that might affect both the bank as a whole and its subsidiaries. It exercises adequate control over its subsidiary while respecting the independent legal and governance responsibilities that may apply to the Board of Directors of the subsidiary.

2. VISION/MISSION AND STRATEGY

2.1 Vision / Mission Statements of SJIBL

The vision and mission statement of the Bank approved by the Board of Directors is presented in this Annual report. The said statements are also disclosed on the Bank's website and other related publications.

2.2 Business Objectives and Areas of Business Focus

Identification of business objectives and areas of business focus as well as strategies to achieve the business objectives have been incorporated in the chapter, Integrated Reporting in this Annual Report.

2.3 General description of Strategies to achieve the company's business objectives

Strategic priorities which are from time to time directed by the Board have been presented in this annual report. Our sector-wise business objectives, strategies, priorities and future business outlooks have been elaborately described in the "Management Discussion and Analysis" section of this report.

SJIBL formulates strategies and different action plans at the beginning of the year which is aligned with the banks' mission, vision and business objectives.

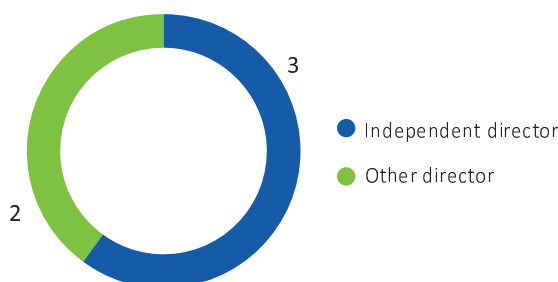
3. AUDIT COMMITTEE

An audit committee is one of the major operating committees of a Bank's board of directors. The Audit Committee carries out its functions based on the Terms of Reference (ToR) approved by the Board and is accountable to the Board of Directors. To make the quorum of the AC meeting at least 01 (one) Independent Director has to be present. The Company Secretary acts as the secretary of the committee.

3.1 Appointment and Composition

In compliance with Bangladesh Bank BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Code dated 3 June 2018, the Board Audit Committee has been re-constituted by the Board time to time to review and oversee the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance with applicable laws and regulations, etc. independently.

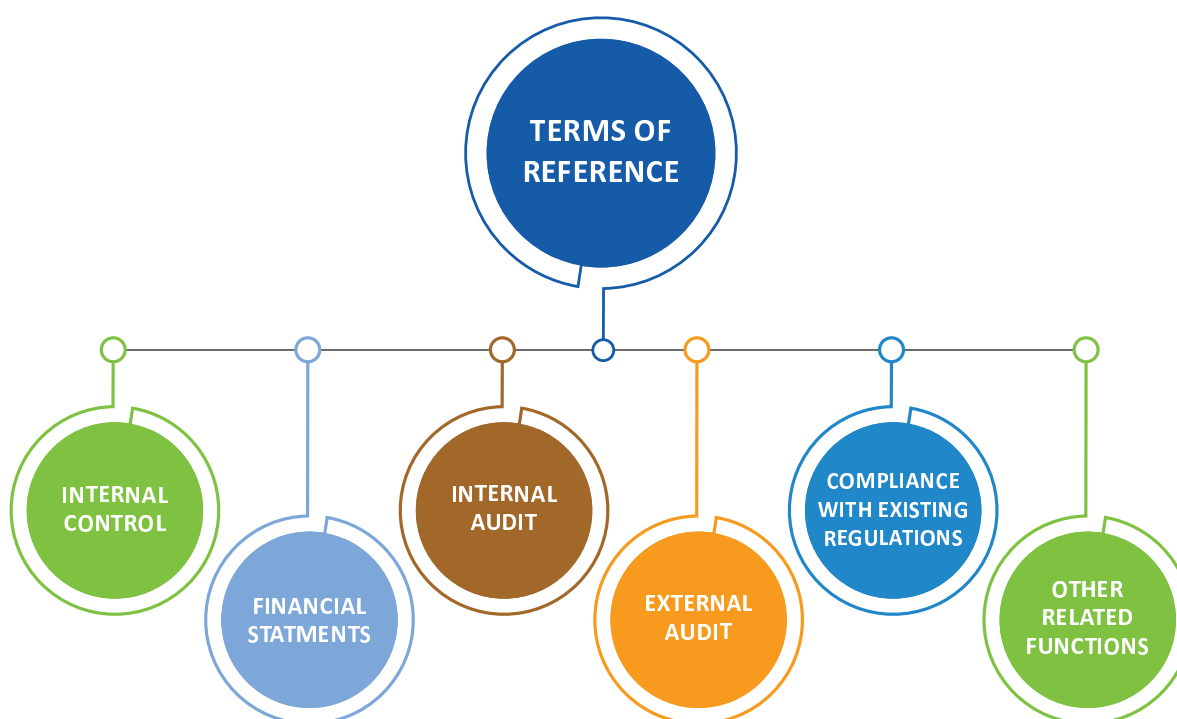
Percentage of Independent & Other Directors in Audit Committee



3.1.1 Chairman of the Audit Committee as an Independent & Non-Executive Director

Mr. Ekramul Hoque, an Independent Director, is the Chairman of the Audit Committee of the Bank. He does not participate in the day-to-day operations of the Bank. He is a renowned ex-banker and former Managing Director of a Bank. Furthermore, he is qualified enough to honor the post of Chairman of the Audit Committee. He completed his MA in Economics from the University of Dhaka. Mr. Ekram has made a great contribution to the banking sector and economy in Bangladesh.

3.1.2 Terms of Reference of Audit Committee



Audit committee is responsible for the supervision of the management and control of various risks resulting from banking operations. The committee strengthens the system of internal control and serves as a focal point for internal and external auditors to ensure disciplined banking operations. The role of the Audit Committee of the Board are as follows:

- Oversee the financial reporting process.
- Monitor accounting policies and principles.
- Monitor Internal Audit & Compliance process.
- Review hiring and performance of external auditors.
- Holding meetings with external auditors, whenever required.
- Review of quarterly and half-yearly Financial Statements.
- Review the adequacy of the internal audit function.
- Review statement of all related party transactions.
- Review Management Letters issued by statutory auditors.
- Oversee the determination of audit fees and evaluate the performance of external auditors.
- Be accountable to the Board of Directors for all responsibilities as mentioned above.

The Chairman of the Audit Committee of the Board is an Independent Director who performs his duties with full freedom while the Company Secretary acts as the secretary of the committee.

3.1.3 Composition of Audit Committee consisting of an Independent Director and Non-Executive Directors

The Audit Committee of SJIBL consists of 5(five) members including,3(three) independent directors. All the members of the Audit Committee of SJIBL are Non – Executive Directors. No executive of the bank is eligible to become a member of the Audit Committee and the company secretary acts as the secretary of the Audit Committee.

3.1.4 All members of the Audit Committee are suitably qualified and expertise in Finance & Accounting

The members of the Audit Committee are qualified, competent and have experience in the banking and financial sector.

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)	Remarks
1	Mr. Ekramul Hoque	Chairman	06	06	8,000	
2	Mr. Abdul Halim	Member		04	8,000	
3	Mr. Mohammed Golam Quddus	Member		05	8,000	
4	Mr. KAM Majedur Rahman	Independent Director		06	8,000	
5	Mr. Nasir Uddin Ahmed, FCA, FCS	Independent Director		04	8,000	Approved by BB as an Independent Director on 24-03-2020

3.1.7 Presence of the Chairman of the Audit Committee in the AGM

The Chairman of the Audit Committee attends every AGM of SJIBL to ensure transparency at the AGM.

3.1.8 Information applied to the Board

The Audit Committee reports its observations and findings to the Board of Directors. Observations such as a conflict of interest,

Mr. K.A.M. Majedur Rahman is a member of the Audit Committee as an Independent Director of the Bank. He did his Master's Degree from the University of Dhaka. He was Managing Director of Dhaka Stock Exchange Limited and Premier Bank Limited. Likewise, he was also Country Head of Bank Alfalah, an overseas bank in Bangladesh. Mr. Nasir Uddin Ahmed, FCA, FCS is a veteran professional in the financial, consulting & secretarial affairs with successful leadership experience over 34 years. He is the senior partner of the MABS & J partners, Chartered Accountants. He is a fellow member of ICAB & ICSB. He was a Board members of SAFA. The other members of the Audit Committee are Mr. Abdul Halim and Mr. Mohammed Golam Quddus, a former secretary of the Bangladesh Govt. Mr. Abdul Halim is the Chairman of Halim Group and many other business concerns.

3.1.5 Accessibility of Head of Internal Control and Compliance Division to Audit Committee

The Head of Internal Control and Compliance Division is well empowered to have direct access to the Audit Committee as and when required. Besides, the AC meets the Head of ICC at least once a year, without management being present, to discuss any issues arising from the internal audits. He has the authority to raise concerns whenever it felt necessary.

3.1.6 Meeting & Attendance Requirement:

The Audit Committee had six (6) meetings during 2020. The committee had extensive discussions and review sessions with the Head of ICC and External Auditors regarding their findings, observations and suggestions. Discussions also took place on corrective actions on related Bank business issues that need to be addressed. The Meeting Minutes of the Audit Committee containing various suggestions and recommendations are placed to the Board for ratification regularly. Key areas of focus for the AC in 2020 were presented in the 'Audit Committee Report' section of this Annual Report.

Audit Committee meeting, attendance and remuneration

Statement of Audit Committee Meeting, attendance and remuneration from 01 January 2020 to 31 December 2020 are appended below:

fraud, alleged or suspected irregularity, or alleged breach of law are reported. The Committee shall also inform the Board of any interference with its independence by an official of the bank, if any.

3.2 OBJECTIVE AND ACTIVITIES OF AUDIT COMMITTEE

The AC regularly reviews the internal control systems of the Bank. They also review, with management, the Bank's quarterly, semi-annual and annual financial statements before submission

to the Board for consideration. The objectives and activities of the AC are described in the "Audit Committee Report" on page no. 240-242 of this Annual Report.

3.2.1 Internal controls are well-conceived, properly administered and satisfactorily monitored

The Audit Committee is of the view that the internal control and compliance procedures are well-conceived properly administered and satisfactorily monitored. This view is based on the review of activities of IC & CD in 2020. This was mentioned in detail in the Audit Committee Report, on page no. 240-242 of this Annual Report.

3.2.2 Statement to indicate audit committees role in ensuring compliance with Laws and Regulations

The effectiveness of internal controls is reviewed on an ongoing basis by the Audit Committee to ensure that they are operating adequately and effectively. The Committee reviews the actions taken on lapses identified in reports of ICCD.

3.2.3 Audit Committee involvement in the review of the external audit function

Based on the proposal of the Audit Committee, the board recommended appointing ACNABIN, a Chartered Accountancy firm as statutory auditors of the company for 2020 to the shareholders in the 19th AGM. Accordingly, the shareholders have approved their appointment. In compliance with the BSEC

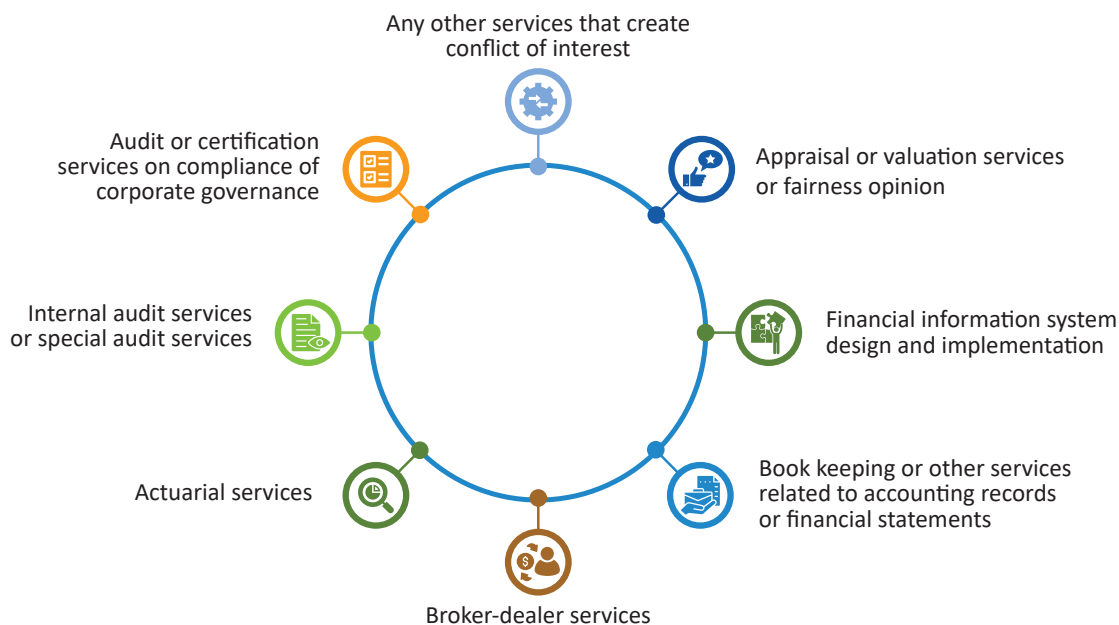
corporate governance code, the statutory auditors did not perform any activities other than the statutory audit. During their tenure, IC & CD department has coordinated and reviewed their functions and reported to the Audit Committee. Before presenting the financial statement to the board, the committee reviewed their activities and discussed with the external auditors in this regard and the committee and the auditors both have expressed their satisfaction.

Key Functions of Audit Committee relating to the review of the external audit function

- Ensure effective coordination of external audit function
- Ensure independence of external auditors
- Review the external auditor's findings to ensure actions being taken
- Review appointment/ reappointment of the external auditor
- Ensure that non-audit work was not assigned to the external auditor
- Ensure that independence of the external auditor is not compromised

Services not provided by External Auditors

In compliance with provision 7 of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, M/S. ACNABIN, Chartered Accountants, involved in statutory audit of the Bank. M/S. ACNABIN, Chartered Accountants, was not engaged in any of the following services during 2020:



3.2.4 Selection of appropriate accounting policies

The Audit Committee reviewed the financial statements of 2020. The Committee noted that the financial statements were prepared according to the appropriate accounting policies and applicable accounting standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The accounting methods were also verified by the statutory auditors and they expressed their satisfaction with the adequacy of the accounting methods as reflected in their report on page no. 289-293.

3.2.5 Review of annual and interim financial statements before presenting to the board for authentication

In compliance with BSEC Notification No. BSEC / CMRRCD / 2006 - 158 / 207 / Admin / 80 dated 3 June 2018 Audit Committee along with management review the quarterly, half-yearly and annual financial statements before submission to the Board for approval.

3.2.6 Review of reliability of the management information used for such computation

Effective Internal Control process prevents possible fraud and forgery. Based on internal audit throughout the year 2020, the Audit Committee expressed its satisfaction to the Board on the reliability of management information used for the preparation of Financial Statements. Based on the Internal Audit Function and Statutory Auditor's observation Audit Committee review the reliability of information used for preparing such computation.

4. INTERNAL CONTROL & RISK MANAGEMENT

Internal control is the process, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with applicable laws, regulations and internal policies. The internal control system of SJIBL oversees the whole process about the policies, processes, laws, regulations, tasks, behaviors and other aspects of the Bank. Internal Control & Risk Management facilitates the Bank's effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieve its objectives.

4.1 Statement of director's responsibility to establish an appropriate system of internal control

The board is vigilant on the internal control system of the bank to attain and maintain a satisfactory qualitative standard of its investment portfolio. The board established such an internal control system so that the internal audit process can be conducted independently of the management. The Board reviewed the reports submitted by its audit committee at quarterly rests regarding the compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

4.2 Key features of Internal Control system and monitoring technique

The Board of the Bank ensures the maintenance of a sound system of internal control to safeguard the bank's assets. The Board through its Audit Committee conducts an annual review and evaluates the effectiveness of the system of Internal Control of the Bank. The Key features of the Internal Control system are as follows:

Control environment

The Board of the Bank ensures integrity, ethical values, management philosophy, operating style, and assignment of authority & responsibility for establishing an appropriate control environment.

Risk assessment

The Board of the Bank established a process of risk assessment and management of the risks. The internal control system will identify and analyze these risks to prevent an adverse event.

Control activities

Control activities are the policies and procedures of the Bank which includes top-level reviews, and segregation of duties. The

internal control system is designed in such a way that the flow of responsibilities and transactions is diversified among staff as much as possible.

Information and communication

This is the exchange of information within our Bank. Clear lines of communication flow from management to employees, and from employees to management so that each member of the team can successfully carry out their responsibilities.

Monitoring

Monitoring is the process of assessing the internal control performance. The board regularly evaluates management and supervisory activities, the budget and all other financial documents.

4.3 Statement that the directors have reviewed the adequacy of the system of internal Controls

Shahjalal Islami Bank Limited has a sound system of internal control to safeguard the stakeholder's interests. To ensure an appropriate level of the internal control system, an Internal Control and Compliance Manual has been introduced in line with global practices and Regulatory Guidelines. The Board of Directors reviews the Internal Control System of the Bank from time to time and necessary guidelines are provided to improve the system.

SJIBL has also strengthened and segregated its Internal Control and Compliance Division (IC&CD) into three separate units as mentioned below chart based on the relative guidelines framed by Bangladesh Bank. The division is independent and carries out its assignment independently with objectivity and impartiality.



Based on the internal controls established and maintained by the Bank, work performed by internal and external auditors, reviews performed by management and various Board Committees as well as with CEO and CFO assurance, the Board believes that the Bank's internal controls are adequate and effective as at 31 December 2020 to address financial, operational, compliance risks and information technology risks which the Bank considers relevant and material to its operations.

4.4 Disclosure of the identification of risk the company is exposed to both internally and externally

SJIBL is fully aware of the paramount importance of being proactive and systematic in the management of risks that the Bank faces in daily operations. The Risk Management Division (RMD) of SJIBL is responsible for the management, integration and monitoring of all risks within the risk appetite set by the Risk Management Committee (RMC). The Risk Management Committee (RMC) of the Board reviews and monitors the overall risk management system of the Bank and updates the Board from time to time. The roles and responsibilities and major areas of focus of RMC in 2020 have been presented in the Risk Management Report of this annual report.

a) Investment Risk Management

The investment-related risks of SJIBL are primarily governed by the Investment Risk Management Guidelines approved by the Board of Directors. The Bank measures, monitors and manages investment risks at an individual borrower level and the portfolio level. The Bank has pursued a strategy of developing a diversified portfolio and investing in better-rated corporate customers.

b) Foreign Exchange Risk Management

Major foreign exchange-related transactions are carried out on behalf of the client thus the bank has minimal exposure to the captioned risk. It is mentionable that the bank does not involve in any speculative transactions. The treasury division independently conducts the transactions and the back office is responsible for verifying the deal and passes necessary accounting entries.

c) Asset Liability Risk Management

ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and investment pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors balance sheet risk and informs the same to the Board of Directors from time to time.

d) Money Laundering Risk Management

For mitigating the risks, the Bank has nominated a Chief Compliance Officer at Corporate Office and Branch Compliance Officers at branches, who independently review the accounting transactions to locate and verify suspicious transactions. Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for the opening of new accounts.

e) Internal Control & Compliance Risk Management

The Bank has a well-designed policy on Internal Control & Compliance Risk Management by which Internal Control & compliance risks are identified and managed through all levels of the organization. The Board and management are accountable for the bank's internal control & compliance, the compliance function has an important role in supporting corporate values, policies and processes that help ensure that the bank acts responsibly and fulfills all applicable obligations.

f) ICT Risk Management

The Bank's Information Technology policy ensures that the information technology-related measures are aligned with the business strategy of the Bank. The Head of the ICT Security Unit periodically reviews current IT projects, major IT incidents, technology risk indicators and the state of regulatory compliance. The IT Security Unit continually assesses, monitors and manages IT-related risks in accordance with the Bank's risk management policy.

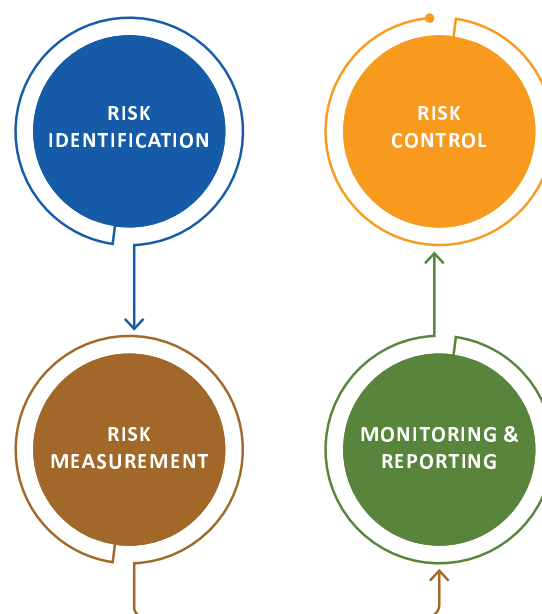
g) Liquidity Risk Management

SJIBL not only sets limits on major liquidity risk management indicators but also has an early warning system to identify a potential liquidity risk arising in the financial market. Besides, potential liquidity issues are constantly monitored through the application of various liquidity stress scenarios, statistical analysis and capital amount simulations. Contingency plans are also in place for various types of liquidity crises.

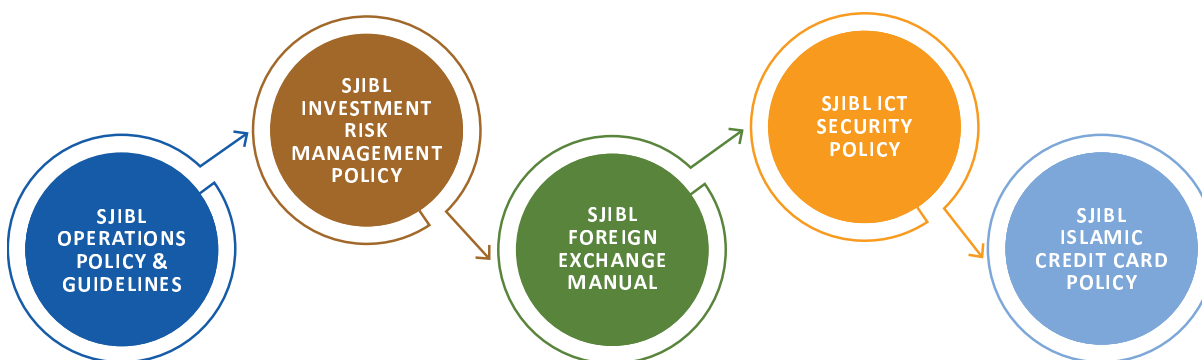
Risk Management Committee (RMC) of the Board

Apart from the Executive Committee and Audit Committee of the Board, a Risk Management Committee (RMC) has been formed which is responsible for planning and guiding on overall risk management of the Bank. Detailed role and responsibilities of the Committee are available in the "Report of the Risk Management".

4.5 Disclosure of the strategies adopted to manage and mitigate the risks



SJIBL business Unit works as the first line of defense against banking risks as mentioned above. Risk Management Division works as the second line of defense while the third and last line of defense is the Board of Directors of the bank. The Board decides and instructs the ultimate risk-taking measures for the Management of the Bank. SJIBLs all core risk policy guidelines have been approved and are reviewed time-to-time by the Board of the Bank.



5. ETHICS AND COMPLIANCE

As a shariah-compliant bank, the foundation and growth of SJIBL rest on ethics and compliance. Ethics are the decisions, choices, and actions (behaviors) we make that reflect and enact our values. Compliance is conforming or adapting one's actions to another's wishes, to a rule, or a necessity. The terms "ethical" and "compliance" are often used interchangeably when dealing with businesses that are doing the right thing.

Ethics and Compliance in SJIBL

Code of Conduct for	Objective
Client	Safeguarding the interests of the customers and treating them fairly in all aspects of their dealings with the Bank.
Shareholders	Providing all shareholders with fair treatment along with protection of their assets.
Employees	Fair treatment of all employees and expects integrity in return.

5.1 Disclosure of statement of Ethics and values

The bank has a separate Code of Conduct and Ethical Guidelines for the Board and employees of the Bank. The fundamental principle of the code of conduct is that every employee must place the bank above his or her personal interest. Highlights of our Code of Conduct and Ethical Guidelines are as follows:

- **Compliance with laws:** All employees are to follow and comply with the laws of the land and internal rules and regulations of the Bank.
- **Integrity of records:** All employees are expected to maintain books and records with integrity and ensure accuracy and timeliness of all transactions. They should shore up the privacy of the customers' affairs. Moreover, employees are not expected to disclose confidential information without proper authorization.
- **Misappropriation of assets:** No employee shall convert any funds and properties which are not legitimately theirs to their own use and benefit, nor deliberately assist another person in such exploitation.
- **Conflict of interest:** Employees must not use their position in the Bank for personal emolument or obtain benefits for themselves or members of their families or friends.
- **Honesty and integrity:** Employees are expected to act honestly and with integrity at all times. They must be fair and equitable in their dealings with presents and prospective clients, the public in general and other employees of the Bank.
- **Acceptance of gift:** Employees are strongly discouraged from accepting gifts, benefits, or facilities from clients and

their family members or persons with business interests with the Bank. If an employee is to receive such a thing to establish a mutually beneficial relationship, he or she must disclose it to his or her line manager with estimated value of the gift.

5.2 Dissemination of the statement of ethics and code of conduct

All employees of SJIBL are required to sign a declaration confirming that they have read and understood the Code of Conduct. The Human Resources Department circulates the required declaration and ensures that all employees sign the declaration and submit to the relevant department. The Internal Control and Compliance Department (ICF) assesses if employees have violated the Code of Conduct through regular audits.

5.3 The Board's commitment to establishing ethics and compliance within SJIBL

The Board of Directors is committed to establishing a high standard of ethics and compliance amongst all Bank employees. The Board has consistently encouraging management to ensure that everyone maintains a high level of ethics at the Bank. The Board guides management in ethical and integrity policies. The bank has also implemented the Integrity Awards for the employees.

5.4 Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers

It is the responsibility of every employee of the bank to inform the management about any fraud or suspected fraud, which may cause financial loss or non-financial loss or be otherwise detrimental to the interest of the bank.

SJIBL's governance ensures that no employee as a whistle blower is at risk of dismissal, loss of promotion, harassment, discrimination or suffer any form of victimization as a result of raising a genuine or reasonably suspected fraud. Whistle blowers do not face any revenge in SJIBL which justifies good governance prevailing here.

5.5 Policy to encourage employee's participation in Management

To encourage employee participation in management, SJIBL organizes managers' conferences, employees' meetings where employees are free to give their opinion ranging from bank's policies, operating procedure, product and service innovation, etc.

5.6 Knowing level of customer satisfaction

To determine the level of client satisfaction, a client satisfaction survey is conducted on an annual basis. Furthermore, mystery shopping is done by assigning senior officials to be sure if

customers get satisfactory service or not. Given that client satisfaction is an evolving phenomenon, SJIBL's Research Division is continuously working on it.

5.7 Payment to vendors on time

SJIBL has enlisted vendors that are approved by the competent authority of the bank. Vendors' payment is made regularly in accordance with Bank policy.

5.8 Payment of Taxes to the Government Authorities on time

SJIBL pays income tax and VAT on income and expenses in accordance with the applicable rule. Moreover, the bank deducts and collects tax and VAT on behalf of the government taxes and VAT due from the bank are paid to the government exchequer on time.

5.9 Policy on Supply Chain management

The Procurement Committee of SJIBL looks after the supply chain management of the Bank. No disruption is allowed in the supply chain process. Common Service Division is responsible for the maintenance of an uninterrupted supply Chain. However, the procurement committee of SJIBL oversees the supply chain management and gives necessary approval for the purchase of goods and services.

6. REMUNERATION COMMITTEE

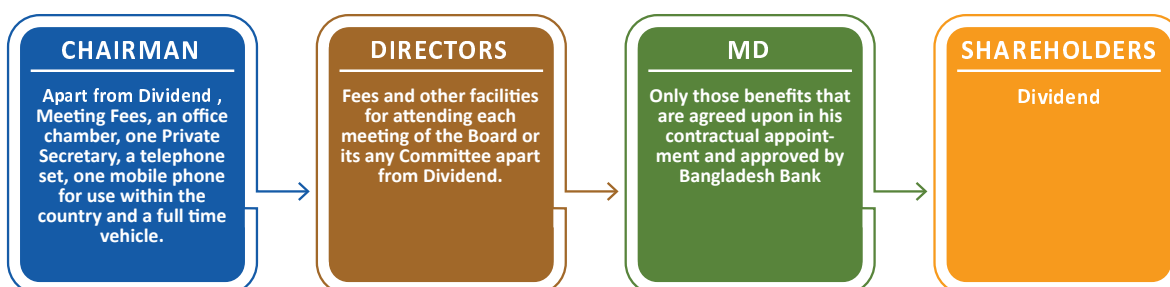
6.1 Charter of Remuneration Committee

By virtue of BRPD circular 11 dated 27 October, the Board of Directors of each Bank company must constitute three committees such as the Executive Committee, the Audit Committee and the Risk Management Committee. The Board of Directors is not allowed to form any other Committee or Sub Committee; therefore, SJIBL has not formed a Nomination and Remuneration Committee of its Board of Directors. However, the Board oversees the recruitment and remuneration process of the employees by reviewing various policies like HR policy, Recruitment & Promotion Policy, pay package policy, etc.

6.2 Composition of Remuneration Committee

At the Management level Managing Director, Head of the Human Resources Division and Chief Financial Officer are charged with governance of compensation and remuneration. Usually, they make a proposition to the Board which is then reviewed and validated by the Board. After incorporating their recommendations the compensation/remuneration decisions are approved by the Board. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of Management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance-based compensation by ensuring an effective remuneration policy.

6.3 Key policies with regard to the remuneration of directors, senior management and employees



As per BRPD Circular Letter No. 11 dated 04 October 2015 directors are only entitled to the remuneration for attending the meeting of the board and its sub-committee. For attending the Board Meeting, Executive Committee Meeting, Audit Committee Meeting, Risk Management Committee and the Directors receive an honorarium of Tk. 8,000.00 each. The remuneration of the Managing Director & CEO is recommended by the Board and approved by Bangladesh Bank. Moreover, the remuneration of senior management and employees are determined under the HR Policy of the Bank.

6.4 Number of meetings of the Remuneration Committee

Though we have no Remuneration Committee as per regulation barrier of central bank, our Board meetings deal with this issue sincerely. During the year 2020, the issue of Employee Promotion, Increment, Performance Bonus etc. was discussed in several meetings of the Board.

6.5 Remuneration of directors, chairman, chief executive and senior executives

SJIBL has a well-defined remuneration policy and the management always reviews and updates it from time to time. Remuneration for senior executives is market-based and competitive to attract, motivate and retain skilled and competent employees. Moreover, remuneration of directors, chairman and chief executive are set in compliance with BSEC notification and Bangladesh Bank circulars.

6.5.1 Remuneration of chairman & directors

The remunerations of directors and chairman are paid during the year by following BRPD Circular Letter No. 11 dated 04 October 2015. Total directors fees paid during the year 2020 was Tk.4,714,000. The detail of directors' fees and expenses is shown in note no. 34 of these financial statements.

6.5.2 Remuneration of chief executive officer

The remuneration of the chief executive officer is proposed by the directors and approved by Bangladesh Bank at the time of his appointment. Total remuneration paid to the chief executive officer during the year 2020 was Tk.21,572,700. The detail of remuneration of the chief executive officer is shown in relevant note of these financial statements.

6.5.2 Remuneration of senior executives

Remuneration for senior executives is market-based and competitive to attract, motivate and retain skilled and competent employees. The detail of salary and allowances paid to senior executives, executives and officers is shown in relevant note of these financial statements.

Benefits provided to the Shareholders, Directors Managing Director/CEO

In accordance with the guidelines of Bangladesh Bank, the following facilities can only be given to the Chairman, Directors, Managing Director and Shareholders:

7. Human Capital

Shahjalal Islami Bank Limited always believes that a set of quality, balanced & motivated Human Resources is the key success factor for its business. Efficient and professionally skilled manpower can deliver highest standard of service and optimize the organizational values. The Bank has been working towards becoming an Employer of Choice by attracting, developing, retaining and caring for best quality resources and continually striving to build a dynamic and professionally competent workforce. Shahjalal Islami Bank has clear set of mission, vision and strategies and Human Resources Division tries to ensure finding such talented manpower having right attitude and place them in right positions to achieve the goal of the Bank. The Human Resources Division continuously evaluates its employees and regularly updates the HR policies, employee benefits, social security, undertakes career development programs to ensure that the employees are motivated, inspired and proactive for achieving the shared goals.

7.1 HR Policy

7.1.1 HR Planning & Succession

The bank over the years has been observing a sustainable growth in business and expansion of business network & operation. To support the expansion and growth, HRD periodically forecasts bank's HR requirements vis a vis supply of internal manpower and determines the employment gaps. Keeping in view of the expansion program necessary recruitments (experienced/ fresher) have been made well ahead of time and usually kept attached with the corporate branches in the regions aiming to acquaint with the banks shariah banking as well as to understand the business know how in the region.

SJIBL focuses on identifying and growing talents to fill the key positions as well as to providing opportunities to explore the capabilities in future. The bank emphasizes to develop a set of potential internal candidates to ensure that required qualified officials are prepared to take over the new assignments with challenges, when the time comes.

7.1.2 Diversity at Workplace & Culture

Work place diversity can create synergy for the organization. SJIBL pursues to uphold work place diversity in the operation in thoughts, style, race, ethnicity, culture, religion, gender and experience which makes the Bank stronger to serve the clients as well as to achieve the goals. SJIBL focuses on maintaining gender ratio to acceptable level and provides equal employment opportunities. At present 20% officials of the Bank are female and they have diverse ranks from Officer to EVP.

The bank is committed to maintain a positive, friendly and respectful working environment where all employees are getting opportunities to show their talents. The employees are recognized and rewarded for good jobs done. Having an excellent corporate culture people working at SJIBL feels strongly connected having strong sense of belongingness to the organization.

7.1.3 Work life Balance

The Bank strives to achieve work-life balance for the employees because work life balance can play a vital role to retain employees and maximize their performance and also strengthen the bondage with the organization. Human Resources Division

always promotes to have a healthy work-life balance for the employees since it helps to boost morale, reduce absenteeism and also reduce the cost and affect the overall performance of the Bank. The Bank believes that a happy and well balanced employee will not only perform his daily operation with utmost care but will also be able to handle different complex issues tactfully.

7.1.4 Rewarding the Performers

At SJIBL, we firmly believe that the principal source of our strength as an organization is our human resource base. In this regard, the Bank tries to recruit result driven professionals as they thrive and succeed in performance. The Bank believes that an efficient reward system is beneficial effect upon the performance for instilling a sense of ownership amongst the employees, facilitate long term focus with continuous improvement, promotes team work, minimizes employee dissatisfaction and enhanced employee performance of the Bank. As such attention has been focused on the need to continuously invest in people, provide them with the right incentives to perform better and to make merit and performance the criteria for professional and career development. To achieve a sustainable performance culture, our employees are being informed clearly what is expected of them and what the desired standards of delivery. Furthermore, employee is provided with opportunities for professional growth and is recognized and rewarded for the contribution made towards the growth of the Bank.

7.1.5 Employee Health Facilities

SJIBL is always concerned to provide medical support to all employees along with their family members. The Bank in this regard has entered into a group health insurance agreement with Delta Life Insurance Company Limited and brought all employees of the bank under health insurance coverage at the cost of the Bank. The medical assistance benefits provide peace of mind to the employees and enable them to focus on their professional responsibilities without having to worry about financial crisis in the event of urgent medical needs. Furthermore, an experienced Medical Officer has been appointed at Corporate Head Office to provide immediate medical advice and support when needed across the Bank.

7.1.6 Role of HR during COVID-19

Shahjalal Islami Bank Ltd. has made continuous efforts to contain the risk of the spread of COVID 19 among the employees of the Bank and customers. In a bid to keep the employees motivated amid coronavirus outbreak, Shahjalal Islami Bank Limited has set up a Quick Response Team (QRT) as directed by Bangladesh Bank and also COVID-19 Coordination Committee to ensure safety of its employees. SJIBL has taken precautionary measures to ensure that its employees as well its customers and those visiting its branches and head offices remain safe and protected from COVID 19. All employees of the bank were advised to strictly adhere to the control procedures circulated to them time to time. Roster duty at Branch and Head Office level has been implemented and the bank has provided adequate sanitizers across the branches with thermal scanner, masks and gowns. Bank also allowed Work from Home through digital platform to selective division of Head office. HR also maintained close contact with the families of employees who were affected by COVID 19 and facilitate hospitalization in order to boost their morale.

7.1.7 Human Resource Analysis

i. Employee Type & Gender:

Employee Type	Male	Female	Total-2020	Total-2019
Executive	254	16	270	272
Officer	1126	306	1432	1432
Cash Officer	347	119	466	457
Sub-Staff	488	1	489	491
Total	2215	442	2657	2652

ii. Employee Distribution

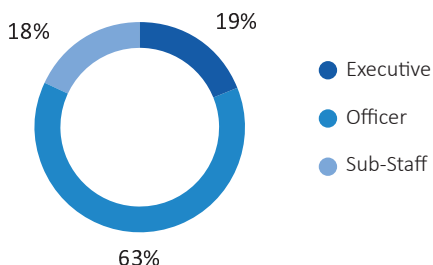
a. Division wise position

Name of Division	No. Br.	No. Employees
Dhaka (Including CHO+OBU)	70	1878
Chattogram	30	395
Khulna	8	112
Sylhet	7	101
Rajshahi	8	77
Barishal	5	52
Rangpur	4	42
Total	132	2657

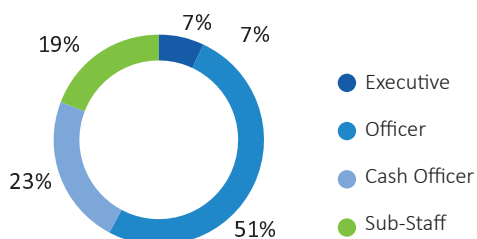
b. Branch Vs Corporate Head Office

Employee Type	CHO	Branch	Total	% of Total
Executive	118	152	270	10
Officer	383	1046	1429	54
Cash Officer	3	358	361	14
Sub-Staff	111	486	597	22
Total	615	2042	2657	
% of Total	23	77		

Human Resources at CHO



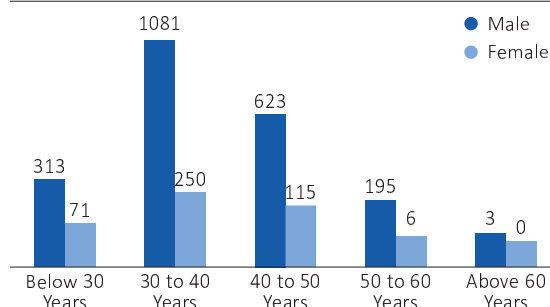
Human Resources at Branch



iii. Age Group Wise Position

Name of Position	Male	Female	Total-2020	Position-2019
Below 30 Years	313	71	384	448
30 to 40 Years	1081	250	1331	1367
40 to 50 Years	623	115	738	657
50 to 60 Years	195	6	201	176
Above 60 Years	3	0	3	4
Total	2215	442	2657	2652

Age Group Wise Distribution of Male/Female 2020



iv. Service Length Wise Position

Service Length	Executive	Officer	Officer Cash	Sub	Total	% Total
15 Years and above.	66	73	1	48	188	7
11- 14 Years	84	333	43	211	671	25
7- 10 Years	69	519	181	115	884	33
3- 6 Years	31	170	119	51	371	14
Below 3 Years	20	337	122	64	543	21

v. Employee & Business: (Crore Taka)

Particulars	2015	2016	2017	2018	2019	2020
Executives & Officers	1685	1724	1934	1927	2161	2168
Per Official Investment	5.75	7.13	8.20	9.66	9.13	9.07
Per Official Deposit	6.48	7.22	7.57	9.18	9.25	9.94
Per Official Profit	0.14	0.17	0.17	0.24	0.28	0.20

7.1.8 SJIBL Talents Pool

Human Resources Division pursues professional development for each employee to have excellence in banking career with SJIBL. The Bank promotes employees to undertake professional certification, obtaining advanced degree to sharpen the learning curve and making the operation much stronger. At present SJIBL has the following pool of talents achieved professional degree/certification and added value to the Bank.

CA/FCA	4
CIMA/CMA/ACCA	3
Phd.	1
CDCS, CSDG	45
CAMS	8
Chartered Secretary	7

7.1.9 Harassment free workplace for better employee relationship

The Board of Directors of the Bank in their 302nd Meeting dated 12.08.2020 approved the policy on "Sexual Harassment Eradication & Prevention Policy-2020" to set out guidelines to all employees with regard to prevention and eradication of sexual harassment at workplace of the Bank. SJIBL is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Bank is also committed to promoting a safe, pleasant, harassment free, and friendly workplace based on the principles of gender equity that is conducive to the professional growth. One of the core values of SJIBL is not to tolerate/endure any action related to sexual harassment. Promulgation of this policy guideline addressing all discriminations ensures equal opportunities of all employees irrespective of age, sex, marital status, education or profession. Being a Shariah Bank, it is stipulated by the Islamic code of conduct, which is strict against the Sexual harassment as well.

The Policy identifies what constitutes sexual harassment, establishes the Complaint Committee ("CC"), identifies the processes to be followed by the CC and outlines the redressal mechanism in the face of any breach of Policy. Any complaint received on account of sexual harassment is being dealt with utmost seriousness by SJIBL and any one in breach of the Policy is strictly dealt with in terms of this Policy.

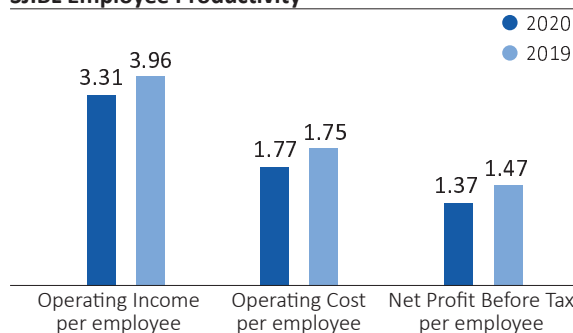
7.1.10 Human Resource Accounting

Human Resource Accounting is the activity of knowing the cost invested for employees towards their recruitment, training them, payment of salaries & other benefits and in return knowing their contribution to organization towards its profitability. Human resource accounting is the measurement of the cost and value of the people for the organization.

Particulars (in BDT & Million)	31/12/2020	31/12/2019
Total Asset	293,517.00	293,517.00
Human Asset (Individuals' value)	\$22,623.56	\$22,092.01
Value of investments (Training Expense)	2.25	7.00
Total Asset including Human Asset	316,142.81	315,616.01
Total Liabilities	293,517.00	293,517.00
Human Capital Value	22,625.81	22,099.01
Total Capital & Liabilities including Human capital	316,142.81	315,616.01

SJIBL reported the total value of Human Capital to be Tk. 22,625.81 Million in the year 2020 compared to Tk. 22,099.01 million in 2019 using Present Value of Future Earning Model (Lev & Schwartz) which discounts total benefits payable to employees with the assumption of minimum expected earnings up to the date of retirement. Mentionable that while 5% inflation was considered in calculating future growth of salary & allowance as well as with 10% cost of capital, SJIBLs existing human resources retirement tenor was assumed another 20 years from the given period of time.

SJIBL Employee Productivity



For 9% profit cap on investment/ loan repayment throughout 2020, income naturally decreased to all scheduled banks and FIs and same happened to SJIBL. Due to the impact of COVID 19 operating income naturally decreased per employee while operating cost increased in all branches for mainly depreciation policy and additional purchase of cleaning and other sanitization items in order to comply with regulatory requirement. Since pandemic is not a normal situation, such decrease of operating income and net profit in 2020 compared to the year 2019 is not supposed to be considered as the true reflection of performance by banks employees. However, continuation of income and profitability in 2020 irrespective of amount justified SJIBLs human resources ability to survive amidst the challenges of pandemic.

7.1.11 Enhancing Capacity of Human Resources

Training is a crucial factor to enhance professional excellence and advancement for the organization. Indeed, continued training and the process of learning have played a vital role towards the growth of the bank and earning satisfaction from the customers across the country. Shahjalal Islami Bank Limited has put into place a rigorous training regime for its employees, in order to enhance their knowledge and skills on every areas of banking. The learning initiatives includes basic orientation for all new employees, specialized functional training and multi skilling course. Bank considers each training as an investment where training courses are perfectly designed keeping in view of the objective and hired right trainers to ensure that each program since conducted are useful and help to develop required skill & capabilities of the employee to better handle any complex issues.

In an effort to adapt to the prevailing situation, Shahjalal Islami Bank Training Academy has started its training program through digital platform after 3 months' gap period due to COVID 19. Since the start of the pandemic, Training Academy has shifted all learning programs from traditional classrooms to digital platforms since July, 2020.

Synopsis of Online Trainings held via ZOOM

Training Areas	Number of Sessions	Employees Trained
General Banking, Investment, Foreign Trade, NIS, ICT Security, Prevention of ML/TF, CIB Rules, Banking Laws & Practice, Shariah Compliance, e-GP Financing, Cyber Security, Internal Control & Compliance, IT Risk Management, Foundation Training etc.	43	9840

Summary of total training programs in year -2020

Sl No	Course Type	Training Provider/Training Institute	No. of Participants	% of Total
1.	SJIBL (in house) Training Program	SJIBTA & Head Office	45	9903
2.	External Training Programs (Local)	Bangladesh Bank & BBTA	07	12
3.	External Training Programs (Local)	BIBM	46	146
4.	External Training Programs (Local)	Nelito Systems Limited, India, BAB, IBCFRTA, FinPro Consultants Limited., Blackstone Institute, CSBIBB and BIBM, CSBIBB, BFEDA, FinExcel, The Institute of Chartered Accountants of Bangladesh, CIBAFI and IBBL, CSBIB and BIBM, CIBAFI, ICCB, Royal United Services,	21	71
5.	External Training Programs (Foreign)	Dun & Bradstreet South Asia Middle East Ltd, Management Excellence, Switzerland, Zurich, Indo-Bangladesh joint Business Council(IBJBC), Hyderabad, India	03	03
Total			122	10135

7.2 Organizational Chart

SJIBL organizational chart outlines the internal structure of the company. It emphasizes on the roles, responsibilities and relationships between individuals within the company. The organizational chart is shown on page no. 88-89 of this Annual report.

8. COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

8.1 Policy on effective Communication with Shareholders and Other Stakeholders

The Company Secretary of the Bank is the In-charge of the Share Department that is responsible for effective communication with shareholders and other stakeholders of the Bank. Shareholders and other stakeholders may contact this department during office hours for any sort of information and queries. SJIBL provides updated information on its website from time to time for the shareholders and other stakeholders of the Bank. The Bank communicated to its shareholders in the following ways:

- By Publishing Price Sensitive Information (PSI) in National Dailies and On-Line News Portal;
- By releasing PSI via the website of DSE, CSE and also in Bank's website;
- By publishing Press Release about Bank's important events in the newspapers;

- By issuing notices to the Shareholders for holding Annual General Meeting every year and Extra-Ordinary General Meeting (as and when necessary);
- By sending the Annual Reports of the Bank to the shareholders every year;
- By publishing Financial Statements in the newspapers;
- By holding General Meetings of Shareholders;

8.2 Policy on Ensuring Participation of Shareholders at AGM

SJIBL publishes the notice of the AGM in the daily newspapers with the necessary details within a reasonable period to ensure the effective participation of the shareholders in the AGM. The AGM normally takes place in a well-known place and at a convenient time. Annual Reports are circulated as per the provision of Companies

Act 1994 and related Notification issued by BSEC, so that shareholders would get sufficient time to go through the report and freely provide their valuable comments and suggestions in the AGM. Shareholders are allowed to speak in the AGM freely to give their valuable suggestions. The valuable suggestions of the shareholders are noted for future compliance by the personnel of the Financial Administration Division and Board Division. As a result of the outbreak of COVID-19, the 19th AGM was held through the Zoom digital platform to ensure social distancing. The Glimpses of the 19th AGM is presented below:



AGM held in 2020 through digital platform zoom to ensure social distancing for COVID 19.

8.2.1 Redressal of shareholders complaints

Any complaint, received at AGM or throughout the year, related to transfer and transmission of shares, non-receipt of Annual Reports, non-receipt of dividends timely and other share-related matters, is resolved lawfully in time. The Company Secretary of SJIBL is the responsible person and plays an active role to handle any such issue related to our shareholders.

8.2.2 Shareholders' satisfaction and confidence toward the company

AGM is considered as the day of judgment of last one year activities of any organization by the shareholders. Shareholders of SJIBL are free to express their opinion, satisfaction or dissatisfaction on the day of AGM and Board secretariat note issues for future compliance. SJIBL Board of Directors is elected by obtaining shareholders' approval in the AGM. Besides, shareholders are showing their satisfaction and confidence in the bank which is reflected in our share price.

8.2.3 Reminders to shareholders for encashment of dividend

Reminders to shareholders are given by SJIBL Share Department for encashment of dividends. SJIBL Share Department also monitors how much dividends are en-cashed after AGM. Share Department of SJIBL takes necessary measures to inform shareholders to en-cash their unclaimed dividend.

8.2.4 Compliance of ICSB Secretarial Standard

SJIBL follows the Bangladesh Secretarial Standard of the Institute of Chartered Secretaries of Bangladesh (ICSB) meticulously. SJIBL Board secretariat follows all procedures to ensure sound corporate governance.

BSS No.	Title of BSS	Compliance Status
BSS-1	Meetings of the Board of Directors	Complied
BSS-2	General Meetings	Complied
BSS-3	Minutes	Complied
BSS-4	Dividend	Complied

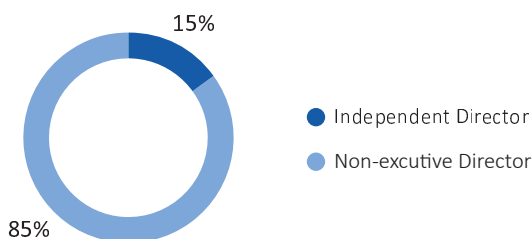
8.3 Diversity of the Board

SJIBL Board comprises of experts from various fields that provide a well rounded view to the company that helps in effective strategic management and implementation. SJIBL has a diversified Board in terms of following categories:

1) Board Composition

Board of SJIBL is well organized by independent directors as well as executive and non-executive directors. While 3 (three) independent directors exercise full freedom and 17 (seventeen) non-executive directors work as a healthy balance of power.

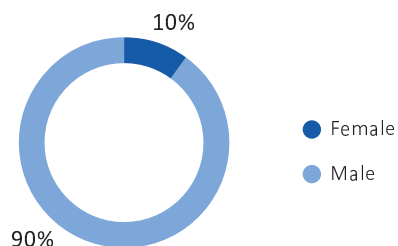
Diversity of the Board



2) Gender

SJIBL Board has ensured participation of female directors along with male in order to avoid gender bias attitude in decision making process. At present SJIBL has 2 (two) female Directors and 18 (eighteen) male Directors.

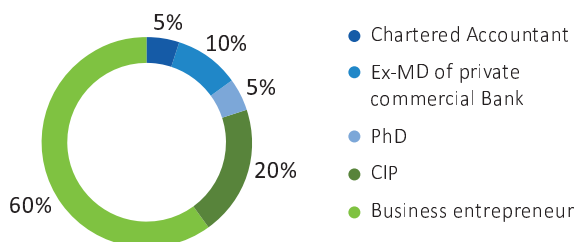
Gender diversity in Board



3) Professional Background

Most of the directors have vast knowledge in business and commerce because of having many other businesses apart from bank business which is a value addition for the Board. Among the Board of Directors of SJIBL, 1 (One) is renowned Chartered Accountant, 2 (two) are Ex-Managing Director of Private Commercial Banks, 1 (one) is PhD, 4 (four) are CIP and remaining Directors are the market leaders & entrepreneurs in Business sector.

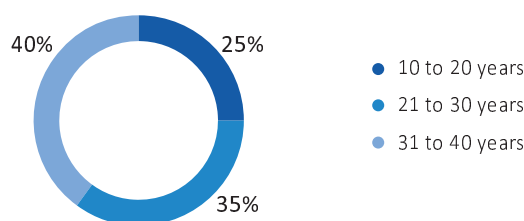
Professional Background



4) Experience

Independent directors have long length of services in different reputed Banks and other organizations. Other Directors also have long time business experiences.

Experience of Directors



8.4 Rights of Shareholders

Shareholders are the true owners of the Bank. As such, shareholders have specific privileges and rights that are governed by the laws. The basic rights that the shareholders enjoy are:

- Entitlement of dividend
- Effective participation and voting in shareholders' meetings
- Right to elect the board members
- Ability to convey or transfer shares
- Participation and informed on basic decisions including amendments to governing documents, new share authorization and extraordinary transactions

- Sufficient and timely information on the Board Meetings
- Right to question the board and put input on fundamental issues
- Allowed to consult with each other concerning their interest

8.5 Free-Float Shares & Interest of General Investors

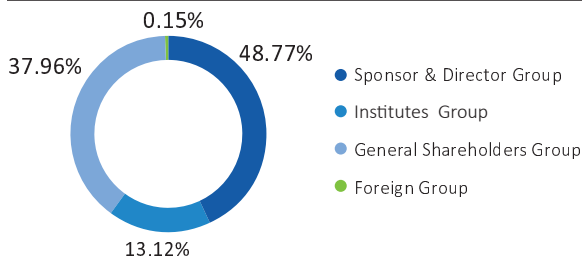
Free float shares are generally described as that portion of shares held by investors other than restricted shares owned by the company's Sponsor Share Holders and Directors. General investors have the option to invest in these Free Float shares. Sponsor Share Holders and Directors of SJIBL float shares in the market only after obtaining permission from the competent regulatory bodies and by ensuring all required compliance. To protect the interest of general investors as part of good governance, SJIBL authority exercises maximum due diligence.

8.6 Shareholding Pattern

The authorized Capital of Shahjalal Islami Bank Limited is Tk. 15,000,000,000 divided into 1,500,000,000 ordinary shares of Tk.10.00 each. The paid-up capital of the Bank is Tk. 9,800,923,350 divided into 980,092,335 ordinary shares of Tk.10.00 each. As per Section 1(5) (xxiii) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the pattern of shareholding is given below:

Types of Shareholders	Percentage of Holding	Number of Share
Sponsor & Director Group	48.77%	477,992,172
Institutes Group	13.12%	128,588,114
General Shareholders Group	37.96%	372,041,910
Foreign Group	0.15%	1,470,139
Total	100%	980,092,335

Shareholding pattern



8.7 Share held by Parent or Subsidiary or Associated Companies

SJIBL has no parent company or Associated Companies. It has only one subsidiary company named Shahjalal Islami Bank Securities Limited. The subsidiary company does not hold any shares of Shahjalal Islami Bank Limited, thus no share was held by Parent or Subsidiary or Associated Companies during the year 2020.

8.8 Shares held by Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Control & Compliance and their spouses and minor children.

Sl. No.	Designation	Shareholdings as on 31.12.2020
1	a) M Shahidul Islam, Chief Executive Officer	Nil
	b) Spouse / Minor Children of Chief Executive Officer	Nil
2	a) Md. Abul Bashar, Company Secretary	Nil
	b) Spouse / Minor Children of the Company Secretary	Nil

3	a) Md. Jafar Sadeq FCA, Chief Financial Officer	Nil
	b) Spouse / Minor Children of the Chief Financial Officer	Nil
4	a) Md. Monzurul Alam Chowdhury Head of Internal Control and Compliance	Nil
	b) Spouse / Minor Children of the Head of Internal Control and Compliance	Nil

8.9 Shares held by top five salaried Executives in the regular services of the Bank

Types of Shareholders	Percentage of Holding	Number of Share
Abdul Aziz	Additional Managing Director	Nil
S.M. Mainuddin Chowdhury	Additional Managing Director	Nil
Md. Shahjahan Shiraj	Deputy Managing Director	Nil
Mian Quamrul Hasan Chowdhury	Deputy Managing Director	Nil
Md. Mahmudul Haque	Senior Executive Vice President	Nil

8.10 List of Shareholders holdings 10% and above shares in the Paid Up Capital of the Bank

As per Section 14A of Bank Company Act 1991, no person, no company or member of the family either individually or jointly or in both ways, shall buy more than ten percent of the shares of a Bank. There were no shareholders holdings 10% and above shares in the Paid-up Capital of the Bank either individually or jointly or in both ways during the year 2020.

8.11 Disclosure about Family influence in the Bank

No person, no company or member of the family either individually or jointly or in both ways hold 10% or more shares of the Paid-up Capital of the Bank. So there is no family influence in the Bank because no individual or single-family holds majority shares of the Bank to control the Bank unilaterally.

9. ENVIRONMENTAL AND SOCIAL OBLIGATIONS

9.1 Policies and practices relating to social and environmental responsibility of SJIBL

The Board of Shahjalal Islami Bank Limited is very sincere regarding environmental and social issues. To ensure sustainable banking practice the Board approved Green Banking Policy and Environmental and Social Risk Management Guideline. The Board or Management is not approving any investment without Environmental Clearance Certificate from DOE. The Board is not approving any environmentally risky investment proposal. The Bank is approving a substantial part of CSR for the protection of the environment and climate change. The bank has constructed its Head Office Building which is a LEED-certified Green Building first ever in the Banking sector of Bangladesh. The detail of environmental and social obligations is stated in "Sustainability Report" of this Annual Report.

9.2 SJIBL's Disclosure of specific activities undertaken by the Bank in pursuance of these policies and practices

SJIBL is also focusing on Earth and its sustainability, shifting from the traditional financing approach. In this regard, we are making our investment appraisal process to be much more stringent from an Environmental and Social Risk Management (ESRM) perspective – evaluating all the environmental and social factors such as project impacts on the environment and the community in the long run, prior to approving an investment. Specific activities undertaken in this regard are disclosed in "Sustainability Report" of this Annual Report.