

SHAHJALAL ISLAMI BANK LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report to the Shareholders of Shahjalal Islami Bank Limited Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Shahjalal Islami Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Shahjalal Islami Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2018 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2018, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Measurement of provision for investments	
<p>The process for estimating the provision for customer investments associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for availing investment facilities.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Investment appraisal, disbursement and monitoring procedures, and provisioning process; Identification of loss events, including early warning and default warning indicators; Reviewed quarterly Classification of Investments (Loans-CL) submitted to Bangladesh Bank; <p>Our substantive procedures in relation to the provision for investment portfolio comprised the following:</p>

<p>collateral provided for availing investment facilities.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 188,284 million (2017: BDT 161,687 million) and BDT 186,090 million (2017: BDT 158,668 million) respectively and the Bank reported provision for investments of BDT 3,820 million (2017: BDT 2,581 million).</p>	<p>Our substantive procedures in relation to the provision for investment portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines and; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank Department of Banking Inspection (DBI) team to the actual amount of provision maintained.
See note no 8 and 15 to the financial statements	

Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2018 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 7 to the financial statements	

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p>

changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively	We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
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Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the “Group”) operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Furthermore, the Bank operate under Islamic Shariah principles and its activities are supervised by a Shariah Council.</p> <p>Overall, the legal provision represents the Group’s and the Bank’s best estimate for existing legal matters that have a probable and estimable impact on the Group’s financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank’s key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank’s internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We read minutes of various Shariah committee meetings and checked compliance of various directives.</p> <p>We also assessed the Bank’s provisions and contingent liabilities disclosure.</p>

Carrying value of investments in subsidiary by the Bank	
<p>The Bank has invested in equity shares of its subsidiary, namely Shahjalal Islami Bank Securities Limited and as at 31 December 2018 the carrying value of this investment is BDT 2,515 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank’s investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed Management’s analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>

Reporting on other information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

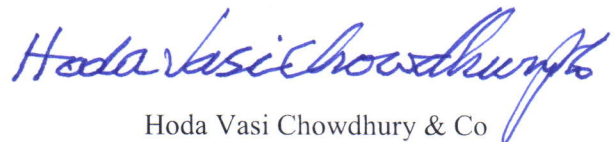
In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial

statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

- (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
- (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities other than matters disclosed in these financial statements;
- (iii) Consolidated financial statements of the Bank include its subsidiary, namely Shahjalal Islami Bank Securities Limited, reflecting total assets of BDT. 7,584,246,006 as at 31 December 2018 and total revenue of Tk. 372,438,774 for the year ended 31 December 2018, which has been audited by another auditor who has expressed an unqualified audit opinion. The results of this subsidiary has been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) subject to the time extension from Bangladesh Bank as stated in note 8a.8 adequate provisions have been made for investments and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,500 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 24 April 2019



Hoda Vasi Chowdhury & Co
Chartered Accountants

Shahjalal Islami Bank Limited and its Subsidiary
Consolidated Balance Sheet
As at 31 December 2018

Property and Assets	Note	2018 Taka	2017 Taka
Cash			
Cash in hand (Including Foreign Currencies)	3	1,955,895,120	1,529,754,123
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	4	11,609,938,400	11,659,462,711
		13,565,833,520	13,189,216,833
Balance with other Banks and Financial Institutions			
Inside Bangladesh		1,381,266,881	592,284,487
Outside Bangladesh		371,705,561	427,070,723
	5	1,752,972,443	1,019,355,210
Placement with other Banks & Financial Institutions	6	11,513,296,316	6,661,710,616
Investments in Shares & Securities			
Government		9,000,000,000	7,200,000,000
Others		4,878,361,617	4,759,206,718
	7	13,878,361,617	11,959,206,718
Investments			
General Investment etc.		176,736,158,738	151,382,986,852
Bills Purchased and Discounted		11,547,790,733	10,303,967,071
	8	188,283,949,471	161,686,953,924
Fixed Assets Including Premises	9	4,054,102,126	4,008,163,873
Other Assets	10	13,607,875,505	12,383,173,681
Non Banking Assets	11	88,909,355	88,909,355
Total Property and Assets		246,745,300,353	210,996,690,210
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions	12	24,265,601,827	30,176,688,291
Deposits and Other Accounts			
Mudaraba Savings Deposits		20,792,172,031	18,280,590,909
Mudaraba Term Deposits		79,408,029,450	64,248,150,845
Other Mudaraba Deposits		51,125,329,700	41,684,900,658
Al-Wadeeah Current & Other Deposit Accounts		22,376,070,686	19,247,731,405
Bills Payable		2,850,398,551	2,493,444,313
	13	176,552,000,417	145,954,818,129
Mudaraba Subordinated Bond	14	10,000,000,000	4,000,000,000
Other Liabilities	15	20,695,486,737	16,862,380,052
Deferred Tax Liabilities	16	141,435,352	137,999,259
Total Liabilities		231,654,524,333	197,131,885,731
Capital/Shareholders' Equity			
Paid-up Capital	17	8,485,647,930	7,714,225,390
Statutory Reserve	18	5,452,358,676	4,819,264,987
Retained Earnings	19	921,461,996	1,079,870,794
Total Shareholders' Equity		14,859,468,602	13,613,361,171
Non-controlling Interest	17.7	231,307,418	251,443,308
Total Liabilities & Shareholders' Equity		246,745,300,353	210,996,690,210

Shahjalal Islami Bank Limited and its Subsidiary
Consolidated Off-balance Sheet Items
As at 31 December 2018


	Note	2018 Taka	2017 Taka
Contingent Liabilities			
Acceptances & endorsements		34,199,576,512	28,368,741,403
Letters of guarantee	20	23,976,960,264	19,322,482,514
Irrevocable letters of credit	21	25,478,400,567	27,569,640,596
Bills for collection		17,131,691,539	13,964,695,831
Other contingent liabilities		-	-
Total		100,786,628,882	89,225,560,344
Other Commitments			
Documentary credits, short term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		100,786,628,882	89,225,560,344

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


Chairman


Director


Director


Managing Director

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


Hoda Vasi Chowdhury

Dhaka, 24 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

Shahjalal Islami Bank Limited and its Subsidiary

Consolidated Profit and Loss Account For the year ended 31 December 2018

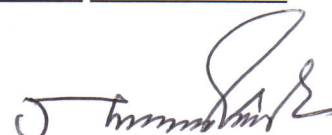
Operating Income	Note	2018 Taka	2017 Taka
Investment Income	23	17,247,610,757	13,232,591,610
Less: Profit paid on Deposits	24	11,368,758,954	8,472,962,487
Net Investment Income		5,878,851,803	4,759,629,123
Income from Investment in Shares/Securities	25	168,179,671	340,261,100
Commission, Exchange and Brokerage	26	1,962,408,286	1,683,767,982
Other Operating Income	27	607,585,770	522,154,261
		2,738,173,727	2,546,183,343
Total Operating Income		8,617,025,530	7,305,812,466
Operating Expenses			
Salaries and Allowances	28	2,694,894,981	2,261,600,628
Rent, Taxes, Insurances, Electricity etc.	29	479,324,582	471,706,816
Legal Expenses	30	1,495,946	1,447,687
Postage, Stamps, Telecommunication etc.	31	44,847,904	41,123,776
Stationery, Printings, Advertisements etc.	32	105,568,088	85,955,155
Chief Executive's Salary & Fees	33	15,974,100	14,217,000
Directors' Fees & Expenses	34	6,229,915	7,287,728
Shariah Supervisory Committee's Fees & Expenses	35	518,180	830,543
Auditors' Fees	36	535,250	489,500
Depreciation & Repairs of Bank's Assets	37	203,967,846	158,135,282
Zakat Expenses	38	124,669,104	113,717,689
Other Expenses	39	563,274,413	567,458,210
Total Operating Expenses		4,241,300,309	3,723,970,014
Profit / (Loss) before Provision	22	4,375,725,221	3,581,842,451
Specific provision for Classified Investment		1,114,600,000	664,800,000
General Provision for Unclassified Investment		209,500,000	269,700,000
General Provision for Off-Balance Sheet Items		-	259,000,000
Provision for diminution in value of Investments in Shares		86,760,000	37,400,000
Provision for Other Assets		-	18,500,000
Total Provision	40	1,410,860,000	1,249,400,000
Total Profit / (Loss) before taxes		2,964,865,221	2,332,442,451
Provision for taxation			
Deferred tax	41	3,436,093	42,534,296
Current tax	41b	1,712,957,586	922,873,710
		1,716,393,679	965,408,006
Net Profit / (Loss) after Tax		1,248,471,542	1,367,034,446
Net profit after tax attributable to:			
Equity holders of SJIBL		1,246,107,431	1,342,654,918
Non-controlling interest		2,364,110	24,379,528
		1,248,471,542	1,367,034,446
Retained earnings from previous year		1,079,870,794	1,254,951,378
Add: Net profit after tax (attributable to equity holders of SJIBL)		1,246,107,431	1,342,654,918
Profit available for appropriation		2,325,978,225	2,597,606,295
Appropriation:			
Statutory reserve	18	633,093,689	415,703,308
Dividend		771,422,540	1,102,032,193
Retained earnings	19	921,461,996	1,079,870,794
		2,325,978,225	2,597,606,295
Consolidated earnings per share [previous year's figure restated]	42	1.47	1.58

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



Chairman


Director


Director


Managing Director

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


Hoda Vasi Chowdhury & Co
Chartered Accountants


Dhaka, 24 April 2019

Shahjalal Islami Bank Limited and its Subsidiary

**Consolidated Cash Flow Statement
For the year ended 31 December 2018**

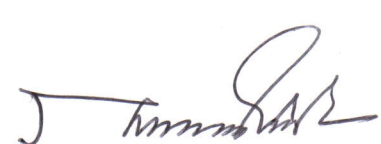
	Note	2018 Taka	2017 Taka
Cash flows from operating activities			
Investment income receipt in cash	43	17,462,277,290	13,602,420,584
Profit paid on deposits	44	(11,081,422,859)	(8,472,585,885)
Dividend receipts		44,871,643	57,924,937
Fees & commission receipt in cash		1,962,408,286	1,683,767,982
Recoveries on investment previously written off		10,373,603	18,605,000
Cash payments to employees		(2,710,869,081)	(2,275,817,628)
Cash payments to suppliers		(105,568,088)	(85,955,155)
Income tax paid		(1,146,087,585)	(955,522,789)
Receipts from other operating activities	45	609,729,021	525,868,709
Payment for other operating activities	46	(1,244,438,815)	(1,227,432,624)
(i) Operating profit before changes in operating assets & liabilities		3,801,273,415	2,871,273,131
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(26,596,995,548)	(36,457,754,995)
(Increase)/decrease in other assets	47	40,873,991	837,296,311
(Increase)/decrease of placement with other banks & financial institutions		(4,851,585,700)	1,200,070,950
Increase/(decrease) in deposits from other banks		68,090,000	(1,351,082,714)
Increase/(decrease) of placement from other banks & financial institutions		(5,911,086,464)	12,936,808,831
Increase/(decrease) in deposits received from customers		30,102,493,245	22,306,381,510
Increase/(decrease) in other liabilities on account of customers		478,813,628	(172,989,703)
Increase/(decrease) in other liabilities	48	146,374,830	(51,136,631)
(ii) Cash flows from operating assets and liabilities		(6,523,022,017)	(752,406,441)
Net cash flows from operating activities (A)=(i+ii)		(2,721,748,603)	2,118,866,689
Cash flows from investing activities			
Proceeds from sale of securities		217,882,266	1,998,232,027
Payment for purchases of securities		(2,137,037,164)	(4,493,125,853)
Proceeds from sale of fixed assets		315,475,220	594,784,543
Payment for purchases of property, plant & equipments		(541,837,799)	(1,263,309,130)
Purchase/sale of subsidiaries		-	-
Net cash used in investing activities (B)		(2,145,517,477)	(3,163,418,412)
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
Receipts from issuance of Mudaraba Subordinated Bond		6,000,000,000	4,000,000,000
Payments for redemption of debt instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend paid to ordinary share holder		(22,500,000)	(745,938,133)
Net cash used in financing activities (C)		5,977,500,000	3,254,061,867
Net increase/(decrease) in cash & cash equivalents (A+B+C)		1,110,233,920	2,209,510,144
Add: Effect of exchange rate changes on cash & cash equivalents		-	-
Add: Cash and cash equivalents at the beginning of the year		14,208,572,043	11,999,061,899
Cash & cash equivalents at the end of the year	49	15,318,805,963	14,208,572,043

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


Chairman
Dhaka, 24 April 2019


Director


Director


Managing Director

Shahjalal Islami Bank Limited and its Subsidiary
Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

Particulars	Paid-up Capital	Statutory Reserve	Non-controlling Interest	Retained Earnings	Total
Balance as at 01 January 2018	7,714,225,390	4,819,264,987	-	1,079,870,794	13,613,361,171
10 % Stock Dividend issued for the year 2017	771,422,540	-	-	(771,422,540)	-
Net profit during the year	-	633,093,689	-	613,013,742	1,246,107,431
Total Shareholders' Equity as at 31 December 2018	8,485,647,930	5,452,358,676	-	921,461,996	14,859,468,602
Non-controlling interest	-	-	231,307,418	-	231,307,418
Add: General Provision for Unclassified Investment & Off-Balance Sheet Items					2,563,620,900
Add: Mudaraba Subordinated Bond					10,000,000,000
Total Eligible Regulatory Capital as at 31 December 2018					27,654,396,920

For the year ended 31 December 2017


Particulars	Paid-up Capital	Statutory Reserve	Non-controlling Interest	Retained Earnings	Total
Balance as at 01 January 2017	7,346,881,330	4,403,561,679	-	1,254,951,378	13,005,394,387
15 % Dividend paid (10% Cash & 5% Stock) for the year 2016	367,344,060	-	-	(1,102,032,193)	(734,688,133)
Net profit during the year	-	415,703,308	-	926,951,610	1,342,654,918
Total Shareholders' Equity as at 31 December 2017	7,714,225,390	4,819,264,987	-	1,079,870,794	13,613,361,171
Non-controlling interest	-	-	251,443,308	-	251,443,308
Add: General Provision for Unclassified Investment & Off-Balance Sheet Items					2,481,820,900
Add: Mudaraba Subordinated Bond					4,000,000,000
Total Eligible Regulatory Capital as at 31 December 2017					20,346,625,379

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


Chairman

Dhaka, 24 April 2019


Director


Managing Director

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co

Shahjalal Islami Bank Limited

Balance Sheet As at 31 December 2018

Property and Assets	Note	2018 Taka	2017 Taka
Cash			
Cash in hand (Including Foreign Currencies)	3a	1,955,895,120	1,529,754,123
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	4a	11,609,938,400	11,659,462,711
		13,565,833,520	13,189,216,833
Balance with other Banks and Financial Institutions			
Inside Bangladesh		1,376,996,941	572,698,313
Outside Bangladesh		371,705,561	427,070,723
	5a	1,748,702,503	999,769,036
Placement with other Banks & Financial Institutions	6a	11,513,296,316	6,661,710,616
Investments in Shares & Securities			
Government		9,000,000,000	7,200,000,000
Others		3,320,531,197	3,326,258,238
	7a	12,320,531,197	10,526,258,238
Investments			
General Investment etc.		174,542,243,558	148,364,190,304
Bills Purchased and Discounted		11,547,790,733	10,303,967,071
	8a	186,090,034,291	158,668,157,376
Fixed Assets Including Premises	9a	3,995,466,335	3,957,117,768
Other Assets	10a	14,337,119,704	13,795,235,456
Non Banking Assets	11	88,909,355	88,909,355
Total Property and Assets		243,659,893,222	207,886,374,678
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions	12a	23,465,601,827	29,621,688,291
Deposits and Other Accounts			
Mudaraba Savings Deposits		20,792,172,031	18,280,590,909
Mudaraba Term Deposits		79,408,029,450	64,248,150,845
Other Mudaraba Deposits		51,434,842,290	42,078,308,773
Al-Wadeeah Current & Other Deposit Accounts		22,376,070,686	19,247,731,405
Bills Payable		2,850,398,551	2,493,444,313
	13a	176,861,513,007	146,348,226,244
Mudaraba Subordinated Bond	14	10,000,000,000	4,000,000,000
Other Liabilities	15a	18,401,348,233	14,460,677,132
Deferred Tax Liabilities	16a	142,464,474	137,999,259
Total Liabilities		228,870,927,542	194,568,590,927
Capital/Shareholders' Equity			
Paid-up Capital	17	8,485,647,930	7,714,225,390
Statutory Reserve	18	5,452,358,676	4,819,264,987
Retained Earnings	19a	850,959,074	784,293,374
Total Shareholders' Equity		14,788,965,680	13,317,783,751
Total Liabilities & Shareholders' Equity		243,659,893,222	207,886,374,678

Hoda Vasi Chowdhury & Co

Shahjalal Islami Bank Limited Off-balance Sheet Items As at 31 December 2018

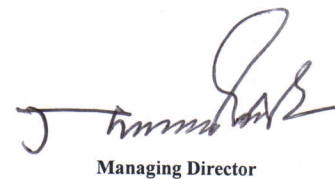
	Note	31.12.2018 Taka	31.12.2017 Taka
Contingent Liabilities			
Acceptances & endorsements			
Letters of guarantee	20	34,199,576,512	28,368,741,403
Irrevocable letters of credit	21	23,976,960,264	19,322,482,514
Bills for collection		25,478,400,567	27,569,640,596
Other contingent liabilities		17,131,691,539	13,964,695,831
Total		100,786,628,882	89,225,560,344
Other Commitments			
Documentary credits, short term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		100,786,628,882	89,225,560,344

The annexed notes form an integral part of these financial statements


Chairman

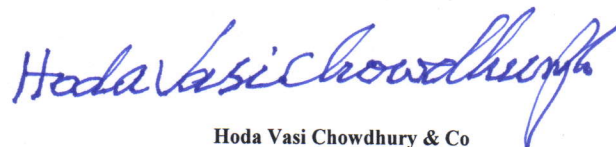

Director


Director


Managing Director

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

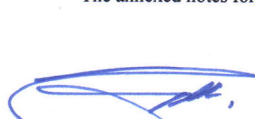
Dhaka, 24 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants

Shahjalal Islami Bank Limited Profit and Loss Account For the year ended 31 December 2018

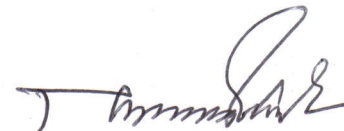
	Note	2018 Taka	2017 Taka
Operating income			
Investment Income	23a	17,121,990,674	12,995,777,088
Less: Profit paid on Deposits	24a	11,295,069,465	8,418,975,877
Net Investment Income		5,826,921,209	4,576,801,211
Income from Investment in Shares/securities	25a	373,496,035	299,298,822
Commission, Exchange and Brokerage	26a	1,851,255,492	1,478,435,767
Other Operating Income	27a	601,093,495	515,260,783
Total Operating Income		2,825,845,022	2,292,995,372
Operating expenses		8,652,766,231	6,869,796,583
Salaries and Allowances	28a	2,640,460,945	2,212,106,444
Rent, Taxes, Insurances, Electricity etc.	29a	457,654,841	454,172,110
Legal Expenses	30a	1,484,446	1,440,212
Postage, Stamps, Telecommunication etc.	31a	42,261,215	38,552,845
Stationery, Printings, Advertisements etc.	32a	103,185,519	84,545,709
Chief Executive's Salary & Fees	33	15,974,100	14,217,000
Directors' Fees & Expenses	34	6,229,915	7,287,728
Shariah Supervisory Committee's Fees & Expenses	35	518,180	830,543
Auditors' Fees	36a	500,000	450,000
Depreciation & Repairs of Bank's Assets	37a	195,450,231	150,876,935
Zakat Expenses	38	124,669,104	113,717,689
Other Expenses	39a	488,049,292	463,682,826
Total Operating Expenses		4,076,437,788	3,541,880,041
Profit / (Loss) before Provision	22a	4,576,328,443	3,327,916,541
Specific provision for Classified Investment		1,114,600,000	664,800,000
General Provision for Unclassified Investment		209,500,000	269,700,000
General Provision for Off-Balance Sheet Items		-	259,000,000
Provision for diminution in value of Investments in Shares		86,760,000	37,400,000
Provision for Other Assets		-	18,500,000
Total Provision	40a	1,410,860,000	1,249,400,000
Total Profit / (Loss) before taxes		3,165,468,443	2,078,516,541
Provision for taxation			
Deferred tax	41a	4,465,215	42,534,296
Current tax	41c	1,689,821,298	840,086,272
Net Profit after Taxation		1,694,286,514	882,620,568
Retained Earnings from previous year		784,293,374	1,106,132,902
Add: Net Profit after Tax		1,471,181,929	1,195,895,973
Profit available for appropriation		2,255,475,303	2,302,028,876
Appropriation			
Statutory Reserve	18	633,093,689	415,703,308
Dividend	19a	771,422,540	1,102,032,193
Retained Earnings		850,959,075	784,293,374
		2,255,475,303	2,302,028,876
Earnings Per Share (EPS) [previous year's figure restated]	42a	1.73	1.41

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


Chairman


Director


Director


Managing Director

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




Dhaka, 24 April 2019

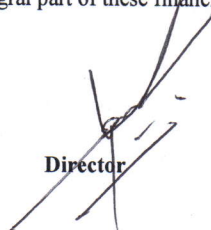
Hoda Vasi Chowdhury & Co
Chartered Accountants

**Shahjalal Islami Bank Limited
Cash Flow Statement
For the year ended 31 December 2018**

	Note	2018 Taka	2017 Taka
Cash flows from operating activities			
Investment income receipt	43a	17,209,626,836	13,152,349,757
Profit paid on deposits	44a	(10,868,470,422)	(8,057,875,297)
Dividend receipts		296,371,643	183,674,937
Fees & commission receipt		1,851,255,492	1,478,435,767
Recoveries on investment previously written off		10,373,603	18,605,000
Cash payments to employees		(2,656,435,045)	(2,226,323,444)
Cash payments to suppliers		(103,185,519)	(84,545,709)
Income tax paid		(1,077,042,266)	(911,423,624)
Receipts from other operating activities	45a	601,093,495	514,868,613
Payments for other operating activities	46a	(1,144,008,060)	(1,102,940,201)
(i) Operating Profit before changes in operating assets & liabilities		4,119,579,757	2,964,825,799
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(27,421,876,916)	(36,537,415,888)
(Increase)/decrease of other assets	47a	524,646,247	388,687,904
(Increase)/decrease of Placement with other Banks & Financial Institutions		(4,851,585,700)	1,200,070,950
Increase/(decrease) of deposits from other banks		68,090,000	(1,351,082,714)
Increase/(decrease) of Placement from other Banks & Financial Institutions		(6,156,086,464)	13,386,145,492
Increase/(decrease) of deposits received from customers		30,018,597,720	22,323,727,200
Increase/(decrease) of other liabilities on account of customers		478,813,628	(172,989,703)
Increase/(decrease) of other liabilities	48a	350,802,572	312,685,286
(ii) Cash flows from operating assets and liabilities		(6,988,598,912)	(450,171,473)
Net cash flows from operating activities (A)=(i+ii)		(2,869,019,156)	2,514,654,325
Cash flows from investing activities			
Proceeds from sale of securities		46,069,208	880,752,031
Payment for purchases of securities		(1,840,342,166)	(3,813,878,271)
Proceeds from sale of fixed assets		315,475,220	594,784,543
Payment for purchases of property, plant & equipments		(526,632,952)	(1,246,541,785)
Purchase/sale of subsidiaries		-	-
Net cash used in investing activities (B)		(2,005,430,690)	(3,584,883,481)
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
Receipts from issuance of Mudaraba Subordinated Bond		6,000,000,000	4,000,000,000
Payments for redemption of debt instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend paid to ordinary shareholders		-	(734,688,133)
Net cash used in financing activities (C)		6,000,000,000	3,265,311,867
Net Increase/(decrease) in cash & cash equivalents (A+B+C)		1,125,550,154	2,195,082,711
Add: Effect of exchange rate changes on cash & cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		14,188,985,869	11,993,903,158
Cash and cash equivalents at the end of the year	49a	15,314,536,023	14,188,985,869

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


Chairman
Dhaka, 24 April 2019


Director


Director


Managing Director

Shahjalal Islami Bank Limited
Statement of Changes in Equity

For the year ended 31 December 2018

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 01 January 2018	7,714,225,390	4,819,264,987	784,293,374	13,317,783,751
10 % Stock Dividend issued for the year 2017	771,422,540	-	(771,422,540)	-
Net profit during the year	-	633,093,689	838,088,240	1,471,181,929
Total Shareholders' Equity as at 31 December 2018	8,485,647,930	5,452,358,676	850,959,074	14,788,965,680

Total Equity for the purpose of Capital Adequacy

Equity as per above				14,788,965,680
Add: General Provision for Unclassified Investment & Off-Balance Sheet items				2,212,500,000
Add: Mudaraba Subordinated Bond				10,000,000,000
Total Eligible Regulatory Capital as at 31 December 2018				27,001,465,680

For the year ended 31 December 2017

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 01 January 2017	7,346,881,330	4,403,561,679	1,106,132,902	12,856,575,911
15 % Dividend paid (10% Cash & 5% Stock) for the year 2016	367,344,060	-	(1,102,032,193)	(734,688,133)
Net profit during the year	-	415,703,308	780,192,665	1,195,895,973
Total Shareholders' Equity as at 31 December 2017	7,714,225,390	4,819,264,987	784,293,374	13,317,783,751


Total Equity for the purpose of Capital Adequacy

Equity as per above				13,317,783,751
Add: General Provision for Unclassified Investment & Off-Balance Sheet items				2,058,200,000
Add: Mudaraba Subordinated Bond				4,000,000,000
Total Eligible Regulatory Capital as at 31 December 2017				19,375,983,751

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


Chairman

Dhaka, 24 April 2019


Director


Director


Managing Director

Hoda Vasi Chowdhury & Co

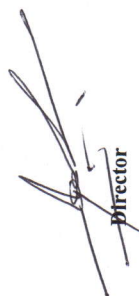
Shahjalal Islami Bank Limited
Liquidity Statement, Assets and Liabilities Maturity Analysis
As at 31 December 2018

Particulars	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
Assets						
Cash in hand	1,955,895,120	-	-	-	-	1,955,895,120
Balance with other Banks and Financial Institutions	2,335,131,440	1,675,981,355	-	-	9,347,528,108	13,358,640,903
Placement with other Banks & Financial Institutions	3,101,700,000	7,200,000,000	900,000,000	311,596,316	-	11,513,296,316
Investment in Shares & Securities	4,560,531,197	1,720,000,000	4,600,000,000	1,240,000,000	200,000,000	12,320,531,197
Investments	26,703,919,921	54,673,252,075	75,589,771,929	25,792,078,753	3,331,011,614	186,090,034,291
Fixed Assets including premises	12,925,902	25,851,804	116,333,116	338,157,204	3,502,198,309	3,995,466,335
Other Assets	363,421,732	309,340,781	1,553,716,858	9,554,148,867	2,556,491,466	14,337,119,704
Non-banking Assets					88,909,355	88,909,355
Total assets (i)	39,033,525,311	65,604,426,015	82,759,821,903	37,235,981,140	19,026,138,852	243,659,893,222
Liabilities						
Placement from other Banks & Financial Institutions	7,254,290,131	8,757,405,713	7,453,905,983	-	-	23,465,601,827
Deposits and other accounts	29,198,548,031	53,548,255,054	66,974,960,522	23,181,817,354	3,957,932,048	176,861,513,007
Mudaraba Subordinated Bond	-	-	-	7,600,000,000	2,400,000,000	10,000,000,000
Other liabilities	1,680,043,094	2,268,886,237	5,792,744,424	5,347,431,797	3,312,242,682	18,401,348,233
Deferred tax Liabilities	-	-	-	-	142,464,474	142,464,474
Total Liabilities (ii)	38,132,881,255	64,574,547,004	80,221,610,929	36,129,249,150	9,812,639,204	228,870,927,542
Net Liquidity Gap (i-ii)	900,644,056	1,029,879,011	2,538,210,975	1,106,731,990	9,213,499,648	14,788,965,680

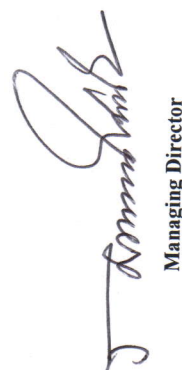
The annexed notes form an integral part of these financial statements.


Chairman

Dhaka, 24 April 2019


Director


Director


Managing Director

**Hoda Vasi
Chowdhury & Co**

Shahjalal Islami Bank Limited and its Subsidiary
Notes to the Consolidated and Separate Financial Statements
As at and for the year ended 31 December 2018

1. Status of the Bank

1.1. Legal Form of the Bank

Shahjalal Islami Bank Limited (hereinafter called ‘the Bank’ or ‘SJIBL’) was established as a Public Limited Company (Banking Company) as on the 1 April 2001 under the Companies Act 1994 as interest free Islamic Shariah based commercial Bank and commenced its operation on 10 May 2001 with the permission of Bangladesh Bank. Presently the Bank is operating its business through head office having 122 branches, 84 (Eighty Four) ATM booths and 2,395 employees all over Bangladesh. The Bank has also a subsidiary Company named ‘Shahjalal Islami Bank Securities Limited’ and an Off-shore Banking Unit. The Bank is listed with both the Stock Exchanges of the country, i.e. Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The registered office of the Bank is located at Shahjalal Islami Bank Tower, Plot#4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

1.2. Nature of Business

The Bank offers all kinds of Islamic Shari’ah based commercial Banking services to its customers through its branches following the provisions of the Bank Companies Act 1991 (as amended up to 2018), Bangladesh Bank’s Directives and directives of other regulatory authorities and the principles of the Islamic Shari’ah.

1.3. Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited is a subsidiary Company of Shahjalal Islami Bank Limited incorporated as a public limited Company under the Companies Act 1994 vide certificate of incorporation no. C - 86917/10 dated 06 September 2010 and commenced its operation on 25 May 2011. The main objective of the Company is to carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Shahjalal Islami Bank Limited holds 91.79% shares of Shahjalal Islami Bank Securities Limited.

1.4. Off-shore Banking Unit

Off-shore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and Guidelines of Bangladesh Bank. The Bank commenced the operation of its Off-shore Banking Unit on 21 December 2008 with the permission from Bangladesh Bank vide letter no. BRPD (P-3)744(99)/2008-2800 dated 24 July 2008. The unit is located at Shahjalal Islami Bank Tower, Plot#4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212. Separate Financial Statements of Off-shore Banking Unit are also presented.

2. Significant Accounting Policies

2.1. Basis of preparation of the Financial Statements

The Bank and its subsidiary (the “Group”) are being operated in strict compliance with the rules of Islamic Shari’ah. The consolidated and separate financial statements of the Group and the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as per provisions of the “Guidelines for Islamic Banking” issued by Bangladesh Bank through BRPD Circular No. 15 dated 09 November 2009 with reference to the provisions of the Bank Companies Act, 1991 (as amended), BRPD Circular No.14 dated 25 June 2003 and other circulars/instructions of Bangladesh Bank, the Companies Act

1994, the Securities and Exchange Rules 1987 and Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of that organization.

In case any requirement of the Bank Companies Act 1991 (as amended) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs & IASs as adopted, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

Material departures from the requirements of IFRS are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

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

ii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 "Financial Instruments: where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognised through profit or loss account. Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

iii) Provision on investments and off-balance sheet items

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on investments (loan) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investment (loan) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No. 16 (18 November 2014), BRPD Circular No. 15 (27 September 2017) and BRPD Circular No. 01 (20 February 2018) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively (except short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) for loans and advances depending on the duration of overdue. Again as

per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures (except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively). Such provision policies are not specifically in line with those prescribed by IFRS 9 “Financial Instruments”.

iv) Recognition of investment income in suspense

IFRS: Investments (Loans) to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these Investments (Loans).

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

v) Other comprehensive income

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

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

vi) Financial instruments – presentation and disclosure

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

vii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

viii) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash items as per IAS 7 “Statement of Cash Flows”.

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

ix) Non-Banking assets

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, there must exist a face item named Non-Banking asset.

x) Cash flow statement

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7 “Statement of Cash Flows”.

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

xii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38 “Intangible Assets”.

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

xiii) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv) Investments net off provision

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, provision on loans and investments are presented separately as liability and cannot be net-off against loans and advances.

xv) Revenue

Revenue should be recognized on accrual basis but due to the unique nature of Islamic Banks, income from investment under Murabaha, Bi-Muazzal, HPSM, Ijarah, Bi-Salam, Quard, IDBP and FDBP modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

2.2. The Bank's compliance with related pronouncement of Bangladesh Bank:

i. Risk Management

Department of Off-site Supervision (DOS) of Bangladesh Bank issued Circular No.-02 dated 15 February 2012 under section 45 of the Bank Companies Act 1991 on Risk Management Guidelines for Banks and instructed all scheduled Banks operating in Bangladesh to follow this Guidelines for managing various risks which have been compiled by the Bank. In addition, the Bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, supervisory review process, stress testing and managing the Banking risks in other core risk areas.

The risk of a Bank is defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank covers 6 (six) Core Risk Areas of Banking industry i.e. i) Internal Control and Compliance Risk; ii) Foreign Exchange Risk; iii) Investment (Credit) Risk; iv) Asset Liability Management Risk; v) Money Laundering Risk; and vi) Information & Communication Technology Security Risk. The risk management procedures in the core risk areas have been devised in line with the core risk management guidelines of Bangladesh Bank. Core Risk Management Guidelines are periodically reviewed by the Bank and Bangladesh Bank periodically inspects the implementation status of these guidelines and as per the reports of Bangladesh Bank and Shahjalal Islami Bank Ltd. is well compliant in Core Risk Management activities.

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

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

a) Investment (Credit) Risk Management

The Management of specific investment risk is developed according to associated risk with individual business units. The investment risk management function ensures that appropriate policies are established and ensures compliance with the related sanction, monitoring procedures and controls at the business unit level. Investment exposures are aggregated from individual business units and are monitored on a regular basis.

Investment risks may be summarized as under:

- Difficulty in choosing core business.
- Failure in business of the customer.
- Encompassing a blend of Banking and non-Banking service.
- Investment either too liquid or of questionable quality.
- Competition from other commercial Banks.
- Security Control Risk.
- Market volatility both local and global.

Portfolio monitoring is carried out by asset quality, background of the customer, soundness and viability of his/her business and cash flow etc, sector of the economy, cost of long-term financing to match with the return on long-term investment.

The Bank pays adequate emphasis on business risk than analysis of security risk because the security reduces the risk but does not always improve the quality of investment. Besides, the Bank addresses the Investment (Credit) risk guideline cited by the Bangladesh Bank.

As regards to other parts of the Banking business, the control staffs follow a pragmatic program of regular monitoring and follow-up.

b) Foreign Exchange Risk Management

The Financial Institutions' performance is directly related to Foreign Exchange Market. To ensure effective Foreign Exchange Risk Management, the Bank has wide scope in establishing organizational structure and formulating Manual as per Guidelines of Bangladesh Bank. However, the Bank has already formulated a comprehensive manual. Bank maintains various NOSTRO accounts in order to conduct operations in different currencies including BDT. The senior management of the Bank set limits for handling NOSTRO accounts transactions that include time and amount limits. As per guidelines of Bangladesh Bank the Foreign Exchange business should be audited internally to review the key control issues such as various limits, compliance requirements and statutory management.

c) Asset Liability Risk Management

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director conducted 12 meetings during the year 2018. The key agenda of the meetings were liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic outlook & Market Status and rate of profit (interest). For managing Balance Sheet risk properly, the Bank has already prepared a Manual of The Asset Liability Management according to the guidelines of Bangladesh Bank.

d) Money Laundering Risk Management

Shahjalal Islami Bank limited is taking preventive measures against money laundering and terrorist financing in line with the amended Money Laundering Prevention Act 2012, amended Anti Terrorism Act 2013 and guidelines issued by the Bangladesh Bank from time to time. Shahjalal Islami Bank applies risk sensitive customer due diligence measures, monitor business relationship and record in line with regulations. The Bank regularly collects the correct and full documentation of Know Your Customer (KYC) which enables the prudential prevention of money laundering. Shahjalal Islami Bank has formed a committee of Anti Money Laundering headed by the Deputy Managing Director as Chief Anti-Money Laundering Compliance Officer & the committee regularly monitors and ensures the compliance of issues relating to Money Laundering through the trained personnel of head office & branches.

e) Internal Control & Compliance Risk Management

Internal control is the process, effected by a Company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations, and internal policies.

Banking has a diversified and complex financial activity, which involves high risk in different modes. Consequently, the issues of internal control system have become most significant in Banking industry through which Bank identifies its weakness and takes appropriate measures to overcome the same.

In order to have efficient and effective internal control system, Shahjalal Islami Bank Limited has strengthened and segregated its Internal Control and Compliance Division into three separate units based on the relative guidelines framed by Bangladesh Bank:

1. Audit and Inspection;
2. Compliance; and
3. Monitoring.

Shahjalal Islami Bank Limited has an Internal Control and Compliance Manual, which, among others, includes the following:

- Objective of Internal Control
- Authorities of the Internal Control and Compliance Environment
- Organizational Structure of the Division and
- Policy Guidelines for Internal Control Risk Recognition & Assessment and mitigation there against as per Regulatory Guidelines.

f) Information and Communication Technology Security Risk Management

According to BRPD Circular No. 14 dated 23 October 2005 regarding “Guideline on Information and Communication Technology for Scheduled Banks”, BRPD Circular No. 21 dated 20 May 2010 and BRPD Circular No. 09 dated 17 September 2015, the Bank has followed IT Manual which deals operational risk, physical security control, potential for wide area disaster, data center disaster, recovery plan and backup/restore plan. The customers of SJIBL are enjoying 24 hours remote Banking facilities through using SWIFT, REUTERS, SJIBL Visa Debit Card, Push-Pull Services & SMS Banking facilities. The Bank joined Q-Cash consortium under which ATM and POS services are being offered to its customers to meet the demand of time. Moreover, the Bank is running on technology-based total Banking solution module, i.e. core banking software.

ii. Internal Audit

The internal audit function, which is centrally controlled, monitors compliance with policies and standards and the effectiveness of internal control structure of the Bank. Internal control & Compliance Division of the Bank carried out Internal Audit with a view to enrich the compliance culture and full control on the exertion of the Banking Operations. The division directly report simultaneously to the Board Audit Committee and Managing Director. Sometimes internal audit team conducts surprise visit to the branches. Monitoring is being done on a regular basis to ensure the effectiveness of policies, rules and regulations (internal and external), other directives etc. from controlling authority.

iii. Fraud and Forgeries

The Bank is operating its business by dealing with the public money. As a custodian of such money, Bank have to set up strong internal control structure, introduced corporate governance, practicing ethical standards in the Bank for safeguard & interest of the Stakeholders. Public confidence has been shaken when different types of malpractice, fraud and forgeries occurred in the Bank. Shahjalal Islami Bank Limited is fully aware of its responsibility towards stakeholders specially depositors.

Shahjalal Islami Bank Limited follows a stringent screening process while recruiting officers and staff. The prospective employee’s family background/employment history/ association are checked/cross checked in terms of integrity, attitude and behavioral pattern. The Bank has started to collect Police Clearance to know if the candidate had ever engaged in anti-social or anti state or detrimental/subversive activities. Check with Bangladesh Bank’s Corporate Memory Management Systems for background check of experienced Bankers, Financial Institution’s employees and verify National ID on-line. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, the Internal Control and Compliance Division (IC & CD) have been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in Shahjalal Islami Bank Limited.

Further, the number of fraud cases in Shahjalal Islami Bank Limited is at a minimal level. However, in the year 2018, 3 (three) case of fraud and forgery was identified. Total embezzled/irregular amount involved in the fraud case was Tk. 66,01,403/= (Taka sixty six lac one thousand four hundred three) only and the embezzled amounts have been realized/settled in full. Alleged delinquent Officer was dismissed for his gross misconduct. Other related Officials, considering the gravity of misdeed and depth of involvement, have been punished as per Bank's Employees' Service Rules-2007.

IC & CD of Head Office has also reported the same to Bangladesh Bank in compliance with the Department of Banking Inspection Instruction No. DBI-1 (Nothi)/1025/2012-41 dated February 07, 2012 and the Department of Off-site Supervision (DOS) Circular Letter No. 17 dated November 07, 2012 of Bangladesh Bank.

2.3. Consolidation

The consolidated Financial Statements include the Financial Statements of Shahjalal Islami Bank Limited including Off-shore Banking Unit and the Financial Statements of its subsidiary named Shahjalal Islami Bank Securities Limited made up to the end of the financial year.

The consolidated Financial Statements have been prepared in accordance with IFRS 10. 'Consolidated Financial Statements'. The consolidated Financial Statements are prepared to a common financial year ending 31 December 2018.

2.4. Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities from the date that control commences until the date that control ceases. The Financial Statements of subsidiary are included in the consolidated Financial Statements from the date that control effectively commences until the date the control effectively ceases.

2.5. Transactions Eliminated on Consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit & Loss resulting from transaction between groups are also eliminated on consolidation.

2.6. Use of estimates and judgments

The preparation of Financial Statements requires the Bank to make certain estimates and to form judgments about the application of accounting policies which may affects the reported amounts of assets, liabilities, income and expenses; due to that actual results may differ to reasonable extent.

Estimates and underlying assumptions are reviewed on an ongoing basis and recognized its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on provision for investments, Income Taxes, Deferred Taxation & liquidity Statement.

2.7. Revenue Recognition

The revenue is recognized as follows complying the conditions of revenue recognition as provided in IFRS 15.

- i. Income from investments has been accounted for on accrual basis.
- ii. Income from investment in Securities is recognized at the time of sale.
- iii. Dividend income is accounted for when the right to receive payment is established.
- iv. Profit on investment in Bangladesh Government Islamic Investment Bond (Islamic Bond) is recognized on accrual basis.
- v. Income from bills purchased and discounted is recognized at the time of realization.

- vi. Fees and commission income are recognized when earned.
- vii. Profit paid to mudaraba depositors is recognized on accrual basis as per provisional rate. The final profit is determined and to be paid to the depositors.

2.8. Profit Suspense /Compensation Account & Shari'ah non-compliance Income

Profit/Compensation accrued on classified investments is suspended and accounted for as per Circulars issued by the Bangladesh Bank.

Moreover, incomes which are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank. Bank charges compensation on unclassified overdue investments. Such compensation is not permissible as regular income of the Bank as per Shariah.

Interest received from the balances held with Foreign Banks abroad and from Foreign Currency Clearing Account with the Bangladesh Bank and also other interest based Banks are also not credited to regular income since it is not permissible as per Shariah. Such doubtful income is being appropriated for charitable purpose through Shahjalal Islami Bank Foundation (a separate organization).

2.9. Investment and Provisions

Investments are stated in the Balance Sheet net-off unearned income. Provision on Investment (Loans & Advances) is made on the basis of period end review by the management and as per instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 5 dated 29 May 2014, BRPD Circular No. 15 dated 27 September 2017 and BRPD Circular No. 01 dated 20 February 2018. Provision against Off-Balance Sheet exposures in addition to existing provisioning arrangement is made as per BRPD Circular No.10 dated 18 September 2007. Provision for Short-term Agricultural and Micro-Credits: BRPD Circular No- 15 dated 27 September, 2017.

The rates of provision are given below:

Particulars		Percentage (%) of provision requirement				
		Un-classified		Classified		
		Standard	SMA	SS	DF	BL
Small and Medium Enterprise (SME) Financing		0.25%	0.25%	20%	50%	100%
Consumer	Investment to Professional	2%	2%	20%	50%	100%
	Investment for House Building	1%	1%	20%	50%	100%
	Other than House Building & Professional	5%	5%	20%	50%	100%
Short-term Agricultural and Micro-Credits		1%	1%	5%	5%	100%
Investment to Stock Dealers & Stock Broker		2%	2%	20%	50%	100%
Credit Card		2%	2%	20%	50%	100%
All Other Investments		1%	1%	20%	50%	100%
Off -Balance Sheet exposures		1%	N/A	N/A	N/A	N/A

2.10. Provision for Nostro Accounts

According to Foreign Exchange Policy Department of Bangladesh Bank vide the circular letter No. (FEPD)/01/2005-677 dated 13 September 2005, Bank is not required to make provision regarding the unreconciled debit balance of nostro account as on the reporting date in these financials as there are no unreconciled outstanding entries for more than three months.

2.11. Sharing of Investment Income

The Investment income earned through deployment of Mudaraba Fund is shared among the Mudaraba Depositors at the ratio as determined by the Bank, but not less than 65% of the total shared investment income. In 2018, the sharing ratio among the Mudaraba fund providing were 77.91% which is more than the committed ratio of 65%.

2.12. Investment in Securities

Islamic Investment Bond (Islami Bond)

Investment in Bangladesh Government Islamic Investment Bond (Islami bond) is reported at cost price.

Investment in Shares and Securities

These Shares and Securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. Provisions are made for any loss arising from diminution in value of investments.

Derivative Investments

The Bank has no investments during the year in any derivative investments.

Investment in Subsidiary

Investment in Subsidiary is accounted for under cost method of accounting in the Bank's Financial Statements in accordance with Bangladesh Accounting Standard 27.' Consolidated and Separate Financial Statements'.

2.13. Fixed Assets and Depreciation

- i. All Fixed Assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment".
- ii. Depreciation has been charged at the following rates:

Name of the Assets	2018	
	Rates of Dep.	Method of Dep.
Building	2.25	Reducing balance
Furniture & Fixtures other than residence	10	Reducing balance
Furniture & Fixtures- residence	20	Straight line
Office Equipment	20	Reducing balance
Computer & Network Equipment	20	Straight line
Vehicles	20	Straight line
Books	20	Straight line

- iii. For addition during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.
- iv. Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account.

2.14. Intangible Assets

Intangible asset is an identifiable monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 "Intangible Assets".

Subsequent expenditure on intangible asset is capitalized only when it increase the future economic benefits embodied in the specific assets to which it relates. All other been expensed as incurred.

The software used by Shahjalal Islami Bank Ltd. represents the value of computer application software licensed for the use of the Bank. Software is carried at cost less accumulated amortization and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are carried in customizing the software for its intended use. Software is amortized using the straight line method @ 20% per annum.

2.15. Impairment of Assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per IAS 36 "Impairment of Assets". The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank makes an estimate of the recoverable amount of the assets. The carrying amount of the asset is reduced to its recoverable amount, if the recoverable amount is less than its carrying amount and impairment losses are recognized in the profit and loss account. However, impairment of financial assets is guided by the relevant Bangladesh Bank Circulars/Instructions and IAS 39.

2.16. Foreign Currency Translations

The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions. At the Balance Sheet date related assets and liabilities are converted to Taka using exchange rates prevailing on that date.

2.17. Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period as per IAS - 33 "Earnings Per Share". Diluted Earnings per Share is not required to be calculated for the year, as there exist no dilution possibilities during the year.

2.18. Statement of liquidity

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

- a) Balance and placement with other Banks and Financial Institutions are on the basis of their maturity term.
- b) Investment in share and securities are on the basis of their residual maturity term.
- c) Investments are on the basis of their repayment/ maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their adjustment.
- f) Placement from other Banks & FI as per their maturity/repayment term.
- g) Deposit and other accounts are on the basis of their maturity term, demand & time liability related guidelines of Bangladesh Bank and behavioral trend of encashment.
- h) Other long-term liability on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their expected settlement.

2.19. Cash Flow Statement

Cash flow statement is prepared principally in accordance with IAS 7 "Cash Flow Statement"; and as prescribed by BRPD Circular No. 14 dated 25 June 2003 & guideline for Islamic Banking issued by Bangladesh Bank vide BRPD Circular No.15 dated November 2009.

2.20. Off Balance Sheet Items

Under general Banking transactions, liabilities against acceptance, endorsement and other obligations and bills against which acceptances have been given and claims exist there against, have been shown as Off Balance Sheet items.

2.21. Taxation

Current Tax

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act, 2018 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure & provisions as per Income Tax Ordinance 1984 in compliance with IAS-12 “Income Taxes”.

Deferred tax

The Bank has adopted deferred tax accounting policy as per International Accounting Standards (IAS) 12. Accordingly deferred tax liability/asset is accounted for all temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the prevailing tax rate as per Finance Act 2018.

2.22. Reporting Period

The Financial Statements cover one calendar year from 01 January to 31 December 2018.

2.23. Offsetting

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

2.24. Statutory Reserve

The statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of Bank Companies Act 1991 until such reserve equal to its paid up capital together with amount in the share premium account.

2.25. Zakat

Zakat is paid by the Bank at the rate of 2.58% (instead of 2.50% as the Bank maintains its Accounts following Gregorian Year) on the closing balances of Statutory Reserve, General Reserve (Retained Earning).

Zakat is chargeable in the profit & Loss account of the Bank as per “Guidelines for Islamic Banking” issued by Bangladesh Bank through BRPD Circular No.15 dated 09 November 2009.

2.26. Employee benefits

Provident Fund (Defined Contribution Plan)

A “Defined Contribution Plan” is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident fund benefit is given to the eligible staffs of the Bank in accordance with the rules of the provident fund duly recognized by the National Board of Revenue of Bangladesh. The Fund is administered by the Board of Trustees and is funded by fixed contributions equally from the employees and the Bank. The fund is managed separately from the Bank’s assets, as per rules of the fund & section 399 of the Companies Act 1994.

Gratuity Fund (Defined Benefit Plan)

Gratuity benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund Rules. National Board of Revenue has approved the gratuity fund as a recognized gratuity fund and the fund is operated by a separate Board of Trustees. Employees are entitled to get the benefit after completion of minimum 05 (five) years of service in the Bank. The gratuity is calculated on the basis of last basic pay of every employee in service as per IAS-19 "Employee Benefits". Gratuity fund is a "Defined Benefit Plan" and payable as per the modalities of the rules. Gratuity so calculated is transferred to the fund and charged to expenses of the Bank.

Other Employee Benefits

Superannuation Fund

"Shahjalal Islami Bank Limited Employees' Social Security- Superannuation Fund" commenced with effect from 1st January 2008. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on monthly basis and with the contribution of the Bank.

Benevolent Fund

The Benevolent Fund for the regular and confirmed employee's of Shahjalal Islami Bank Limited was established in the year 2007. This fund is mainly used for payment of scholarship to the meritorious students among the children of SJIBL's officers and sub-staff, to allow short-term quard/grant for the unexpected and certain needs of the staff of SJIBL and their family like accident, clinical treatment, marriage ceremony, etc.

Incentive Bonus

The Bank usually paid incentive bonus among its employees. The Payment of incentive Bonus does not exceed 10% of disclosed net profit of the Bank as per section 30(j) of Income tax Ordinance, 1984. This bonus amount is distributed among the employees on annual basis considering specific terms & regulations.

2.27. Reconciliation of Books of Account

Books of account in regard to inter-Bank are reconciled and un-reconciled entries in case of inter-branch transactions on the reporting date are not mentionable, which are, due to the time-gap before finalizing the same. Inter-branch outstanding entries are less than 03 month, detail of which are disclosed in Note 15a.3

2.28. Related Party Transactions

The Bank entered into transactions with the related parties complying with the requirements of Section 27(1) of the Bank Companies Act 1991 (as amended up to 2018). All the related party transactions have been accounted for, the detail of which are disclosed in **Note 52**.

2.29. Corporate Governance

The Bank has given the priority to the compliance of the rules, regulations and guidelines of Bangladesh Bank, National Board of Revenue & Bangladesh Securities and Exchange Commission (BSEC). The Bank has also complied with all related accounting standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.30. General Information

- i. Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- ii. Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.

2.31. Compliance with Financial Reporting Standards as applicable in Bangladesh

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

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994. In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRS are mentioned above under note 2.1.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied *
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Replaced by IFRS 15
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Not Applicable
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
17	27	Consolidated and Separate Financial Statements	Complied
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied *
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied *
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied *
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

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

* Subject to departure disclosed in note no. 2.1.

New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2018 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

a. IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Bank has not yet assessed any potential impact of IFRS 16 on its financial statements.

b. IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

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		31.12.2018 Taka	31.12.2017 Taka
3 Consolidated Cash in hand (Including foreign currencies)			
Shahjalal Islami Bank Ltd	(Note-3a)	1,955,895,120	1,529,754,123
Shahjalal Islami Bank Securities Ltd		-	-
		1,955,895,120	1,529,754,123
3a Cash in hand of the Bank (Including foreign currencies)			
In local currency		1,939,765,439	1,519,009,461
In foreign currencies	(Note-3a.1)	16,129,681	10,744,661
		1,955,895,120	1,529,754,123
3a.1 In Foreign Currency			
Foreign Currency	Amount in FC	Exchange Rate	
US Dollar	184,843.50	83.9000	15,508,370
Great Britain Pound	2,969.38	106.4943	316,222
Euro	3,199.88	95.3440	305,089
			16,129,681
			10,744,661
4 Consolidated Balance with Bangladesh Bank and it's agent bank(s)			
Shahjalal Islami Bank Ltd	(Note-4a)	11,609,938,400	11,659,462,711
Shahjalal Islami Bank Securities Ltd		-	-
		11,609,938,400	11,659,462,711
4a Balance with Bangladesh Bank and it's agent bank(s) (Including foreign currencies)			
In local currency		9,960,954,722	11,429,273,893
In foreign currencies		1,448,882,480	76,951,616
		11,409,837,202	11,506,225,509
Balance with Sonali Bank Ltd. as agent of Bangladesh Bank			
In local currency		200,101,198	153,237,202
In foreign currencies		-	-
		200,101,198	153,237,202
		11,609,938,400	11,659,462,711
4a.1 Cash Reserve Requirements (CRR) and Statutory Liquidity Ratio (SLR)			
Cash Reserve Requirements (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Company Act, 1991 (as amended up to 2018) and subsequent MPD Circular No. 01 dated 03 April 2018 and Circular No. 02 dated 10 December 2013.			
4a.2 Cash Reserve Ratio (CRR): 5.5% (2017: 6%) of Average Demand and Time Liabilities			
Required Reserve		9,347,528,108	9,185,141,030
Actual Reserve held with Bangladesh Bank (In local currency)*		9,945,734,260	11,428,484,990
CRR Surplus		598,206,153	2,243,343,960
Maintained (%)		6.92%	8.09%
* Actual Reserve held with Bangladesh Bank (In local currency) reported as per Statement of Bangladesh Bank.			
4a.3 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities			
Required Reserve		9,347,528,108	7,772,042,410
Actual Reserve held	(Note-4a.4)	12,254,202,471	11,626,335,284
SLR Surplus		2,906,674,364	3,854,292,874
Maintained (%)		7.21%	8.23%
4a.4 Components of Statutory Liquidity Ratio			
Cash in hand	(Note-3a)	1,955,895,120	1,529,754,123
Balance with Bangladesh Bank FC Clearing Account and Sonali Bank Ltd. as agent of Bangladesh Bank	(Note-4a)	200,101,198	153,237,202
Excess CRR	(Note-4a.2)	598,206,153	2,243,343,960
Bangladesh Bank Islami Investment Bond	(Note-7a)	9,000,000,000	7,200,000,000
Refinance Fund (with Bangladesh Bank)	(Note-6a.1)	500,000,000	500,000,000
		12,254,202,471	11,626,335,284
5 Consolidated Balance with Other Banks and Financial Institutions			
Inside Bangladesh			
Shahjalal Islami Bank Ltd	(Note-5a.1)	1,376,996,941	572,698,313
Shahjalal Islami Bank Securities Ltd		313,782,530	412,994,289
		1,690,779,471	985,692,602
Less: Inter Company Transaction		309,512,590	393,408,115
		1,381,266,881	592,284,487
Outside Bangladesh			
Shahjalal Islami Bank Ltd	(Note-5a.2)	371,705,561	427,070,723
Shahjalal Islami Bank Securities Ltd		-	-
		371,705,561	427,070,723
		1,752,972,443	1,019,355,210

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		31.12.2018 Taka	31.12.2017 Taka	
5a Balance with Other Banks and Financial Institutions of the Bank (Other than mudaraba Fund)				
Inside Bangladesh	(Note-5a.1)	1,376,996,941	572,698,313	
Outside Bangladesh	(Note-5a.2)	371,705,561	427,070,723	
		1,748,702,503	999,769,036	
5a.1 Inside Bangladesh				
Current Account				
Sonali Bank Limited (Other than as agent of Bangladesh Bank)		43,631,237	55,411	
National Bank Limited, Narayanganj Branch		6,054	6,629	
Standard Chartered Bank, Motijheel Branch		4,774,856	8,516,092	
Islami Bank Bangladesh Limited		140,613	141,613	
Agrani Bank Limited (Islami Banking Wing)		24,133,348	19,433,760	
Janata Bank Limited, Dinajpur Branch		3,832	3,832	
Off-Shore Banking Unit		1,102,746,727	675,807,255	
		1,175,436,667	703,964,592	
Less: Off-Shore Banking Unit		1,102,746,727	675,807,255	
		72,689,940	28,157,338	
Mudaraba Special Notice Deposit				
Export Import Bank of Bangladesh Limited		13,470,226	10,742,745	
Trust Bank Limited, Dilkusha Corporate Branch		6,823,907	3,912,191	
Prime Bank Limited, Islami Banking Branch		494,133	478,798	
Social Islami Bank Limited		1,638,432	11,896,798	
Agrani Bank-Corporate Branch (Islami Banking Wing)		60,922,824	135,577,152	
AB Bank Limited, Islami Banking Branch		7,759,660	4,987,513	
Jamuna Bank Limited, Naya Bazar Islami Banking Branch		328,939	322,940	
Bank Al Falah, Islami Banking Branch		3,079,913	2,350,244	
Al-Arafah Islami Bank Limited		1,200,003,380	372,205,092	
Southeast Bank Limited, Islami Banking Branch		447,284	438,532	
The City Bank - Islamic Banking Branch		1,183,288	1,172,370	
Islami Bank Bangladesh Limited		7,808,266	-	
		1,303,960,253	544,084,373	
Mudaraba Saving Deposit				
Social Islami Bank Limited		314,290	244,727	
Al-Arafah Islami Bank Limited		20,107	20,008	
Islami Bank Bangladesh Limited		12,352	98,485	
Export Import Bank of Bangladesh Limited		-	93,381	
		346,749	456,602	
		1,376,996,941	572,698,313	
5a.2 Outside Bangladesh (NOSTRO Account) [as on 31 December 2018]				
Current Account	Currency	F.C. Amount	Rate	Taka
Standard Chartered Bank NY	USD	397,389.60	83.9000	33,340,987
Mashreq Bank psc, NY	USD	144,390.38	83.9000	12,114,353
Standard Chartered Bank, Mumbai	USD	222,198.53	83.9000	18,642,457
Habib American Bank, USA	USD	55,412.07	83.9000	4,649,073
ICICI Bank, Hong Kong	USD	48,933.69	83.9000	4,105,537
WACHOVIA BANK, NY, USA	USD	390,194.69	83.9000	32,737,334
Commerzbank AG Frankfrut	USD	10,989.66	83.9000	922,032
Bank Aljazira	USD	1,274,864.47	83.9000	106,961,129
AB Bank Ltd. Mumbai	ACUD	47,221.70	83.9000	3,961,901
Standard Chartered Bank, Mumbai	ACUD	281,145.37	83.9000	23,588,097
Nepal Bangladesh Bank, Nepal	ACUD	6,904.52	83.9000	579,289
Standard Chartered Bank, Colombo	ACUD	1,077.80	83.9000	90,427
ICICI Bank, Mumbai	ACUD	116,024.83	83.9000	9,734,483
Habib Metropolitan Bank Ltd.	ACUD	61,875.51	83.9000	5,191,355
United Bank of India, Kolkata	ACUD	108,020.15	83.9000	9,062,891
Sonali Bank Ltd ACU, Kolkata	ACUD	36,128.00	83.9000	3,031,139
Bank of Bhutan Ltd. Main Branch	ACUD	10,596.44	83.9000	889,041
AXIS Bank Ltd. India	ACUD	214,668.84	83.9000	18,010,716
MCB Bank Limited	ACUD	8,641.29	83.9000	725,004
Standard Chartered Bank, Frankfurt (EUR)	EURO	56,470.26	95.3440	5,384,100
Mashreq Bank, London	EURO	1,023.41	95.3440	97,576
COMMERZBANK AG	EURO	195,602.67	95.3440	18,649,541
Wells Fargo Bank, N. A. London, UK	EURO	45,542.96	95.3440	4,342,248
Standard Chartered Bank,Tokyo	YEN	193,694.00	0.7611	147,421
Habib Bank AG Zurich	CHF	2,447.11	85.2989	208,736
Bank Aljazira, KSA	SAR	46,080.89	22.3626	1,030,489
Standard Chartered Bank London	GBP	501,378.83	106.4943	53,393,988
MASHREQBANK PSC. UAE	AED	5,000.00	22.8436	114,218
				371,705,561

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Currency wise Distribution:

Foreign Currency

	BDT	Composition
USD	213,472,902	57.43%
ACUD	74,864,343	20.14%
EURO	28,473,465	7.66%
GBP	53,393,988	14.36%
SAR	1,030,489	0.28%
CHF	208,736	0.06%
YEN	147,421	0.04%
AED	114,218	0.03%
	371,705,561	100%

For details comparative statement of 2018 & 2017 of foreign currency amount and rate thereof please see "Annexure-C"

- 5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular FEPD/FEMO/18/2007-265 dated 17 December 2007, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 2018 reflect the true state of the NOSTRO Account entries recorded correctly and after review a separate audit certificate have also been given by the auditor. The status of all outstanding unmatched entries are given below:

As on 31 December 2018

	As per Bank's Book				Amount in US\$ As per Correspondents' Book			
	Debit entries		Credit entries		Debit entries		Credit entries	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	7	11,339,875.98	163	7,365,591.87	15	1,036,588.14	421	19,256,004.08
More than 03 months but less than 06 months	-	-	-	-	-	-	-	-
More than 06 months but less than 09 months	-	-	-	-	-	-	-	-
More than 09 months but less than 12 months	-	-	-	-	-	-	-	-
More than 12 months	-	-	-	-	-	-	-	-
	7	11,339,875.98	163	7,365,591.87	15	1,036,588.14	421	19,256,004.08

As on 31 December 2017

	As per Bank's Book				Amount in US\$ As per Correspondents' Book			
	Debit entries		Credit entries		Debit entries		Credit entries	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	16	1,791,340.06	201	6,604,564.27	63	1,713,703.15	242	4,698,437.64
More than 03 months but less than 06 months	-	-	-	-	-	-	-	-
More than 06 months but less than 09 months	-	-	-	-	-	-	-	-
More than 09 months but less than 12 months	-	-	-	-	-	-	-	-
More than 12 months	-	-	-	-	-	-	-	-
	16	1,791,340.06	201	6,604,564.27	63	1,713,703.15	242	4,698,437.64

31.12.2018	31.12.2017
Taka	Taka

- 5a.4 Maturity-wise groupings of balance with other banks and financial institutions

On Demand	72,721,148	28,198,432
Not more than 3 months	1,675,981,355	971,570,604
More than 3 months but less than 1 year	-	-
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	1,748,702,503	999,769,036

6 Consolidated Placement with other Banks & Financial Institutions

Shahjalal Islami Bank Ltd	(Note-6a)	11,513,296,316	6,661,710,616
Shahjalal Islami Bank Securities Ltd		-	-
		11,513,296,316	6,661,710,616
Less: Inter Company Transaction		-	-
		11,513,296,316	6,661,710,616

6a Placement with other Banks & Financial Institutions of the Bank

Placement with other Banks	(Note-6a.1)	3,813,296,316	811,710,616
Placement with Financial Institutions	(Note-6a.2)	7,700,000,000	5,850,000,000
		11,513,296,316	6,661,710,616

6a.1 Placement with other Banks

Mudaraba Term Deposits-other Banks

ICB Islamic Bank Limited	311,596,316	311,710,616
Export Import Bank of Bangladesh Limited	1,001,700,000	-
Al-Arafah Islami Bank Limited	1,000,000,000	-
Prime Bank Ltd, Islami Banking Branch	1,000,000,000	-
Bangladesh Bank (Refinance Fund)	500,000,000	500,000,000
	3,813,296,316	811,710,616

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	31.12.2018 Taka	31.12.2017 Taka
6a.2 Placement with Financial Institutions		
<i>Mudaraba Term Deposits-Financial Institutions</i>		
Lanka Bangla Finance Limited	2,000,000,000	1,500,000,000
Industrial and Infrastructure Development Finance Company Ltd	2,000,000,000	1,200,000,000
Union Capital Limited	250,000,000	200,000,000
Phoenix Finance & Investments Limited	400,000,000	400,000,000
Premier Leasing International Limited	300,000,000	300,000,000
United Finance Limited	500,000,000	500,000,000
National Housing Finance and Investment Limited	400,000,000	100,000,000
Industrial Promotion and Development Company of Bangladesh Limited	1,200,000,000	800,000,000
Uttara Finance and Investments Limited	500,000,000	-
Islamic Finance and Investment Limited	150,000,000	-
Hajj Finance Company Limited	-	250,000,000
National Finance Limited	-	100,000,000
Midas Financing Limited	-	300,000,000
GSP Finance Limited	-	200,000,000
	7,700,000,000	5,850,000,000
	11,513,296,316	6,661,710,616
6a.3 Maturity-wise groupings of placement with other Banks and Financial Institutions		
On Demand	-	-
Not more than 3 months	10,301,700,000	5,650,000,000
More than 3 months but not more than 1 year	900,000,000	700,000,000
More than 1 year but not more than 5 years	311,596,316	311,710,616
More than 5 years	-	-
	11,513,296,316	6,661,710,616
7 Consolidated Investment in Shares & Securities		
Government		
Shahjalal Islami Bank Ltd (Note-7a)	9,000,000,000	7,200,000,000
Shahjalal Islami Bank Securities Ltd	-	-
	9,000,000,000	7,200,000,000
Others		
Shahjalal Islami Bank Ltd (Note-7a)	3,320,531,197	3,326,258,238
Shahjalal Islami Bank Securities Ltd	1,557,830,420	1,432,948,480
	4,878,361,617	4,759,206,718
	13,878,361,617	11,959,206,718
7a Investment in Shares & Securities of the Bank		
Government		
Bangladesh Government Islami Investment Bond (BGIIB) (Note-7a.2)	9,000,000,000	7,200,000,000
	9,000,000,000	7,200,000,000
Others		
Mudaraba Perpetual Bond, Islami Bank Bangladesh Ltd.	47,550,542	47,550,542
Mudaraba Subordinated Bond	1,560,000,000	1,580,000,000
Investment in Shares (Note-7a.3)	1,712,980,655	1,698,707,696
	3,320,531,197	3,326,258,238
	12,320,531,197	10,526,258,238
7a.1 Maturity-wise Grouping of Investment in Securities:		
On demand	-	-
Not more than 3 months	6,280,531,197	5,946,258,238
More than 3 months but less than 1 year	4,600,000,000	3,020,000,000
More than 1 year but less than 5 years	1,240,000,000	1,560,000,000
More than 5 years	200,000,000	-
	12,320,531,197	10,526,258,238
7a.2 Bangladesh Bank has introduced Mudaraba Bond named "Bangladesh Government Islamic Investment Bond (Islamic Bond)" in September 2004 on behalf of the Government to facilitate Islamic Banks and Financial Institutions, investment in this funds is considered as a component of Statutory Liquidity Ratio (SLR).		
The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit distributes among the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenor of the bond. So the rate of return from Islamic Bond is depended on fund deployment of Bangladesh Bank which is not prefixed.		

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7a.3 Investment in shares (at cost)

Quoted

	31.12.2018 Taka	31.12.2017 Taka
The ACME Laboratories Limited	79,725,940	59,175,008
Active Fine Chemicals Ltd.	35,487,579	39,430,643
Aftab Automobiles Limited	61,605,088	61,605,088
Agricultural Marketing Company Ltd – AMCL (PRAN)	9,958,704	9,958,704
AIBL 1st Islamic Mutual Fund	67,402,716	67,402,716
Apex Footwear Limited	10,953,975	10,953,975
Beacon Pharmaceuticals Limited	87,734,854	87,734,854
Beximco Limited	83,745,911	85,339,733
Dhaka Electric Supply Company Ltd.	69,126,961	69,126,961
Eastern Housing Limited	166,063,283	166,063,283
Envoy Textiles Ltd.	42,402,697	42,402,697
Export Import Bank of Bangladesh Limited	65,369,186	56,153,581
Familytex (BD) Ltd.	2,259,675	47,453,468
Fareast Islami Life Insurance Co. Ltd.	65,297,780	65,297,780
Generation Next Fashions Limited	25,741,813	25,741,813
LafargeHolcim Bangladesh Limited	42,489,421	42,489,421
M.I. Cement Factory Ltd	41,501,769	41,501,769
Meghna Petroleum Limited	75,607,343	75,607,343
Metro Spinning Mills Limited	65,855,505	65,855,505
Orion Pharma Ltd.	62,359,551	62,359,551
RAK Ceramics (Bangladesh) Limited	46,803,776	34,139,452
Square Textile Ltd	34,785,789	34,785,789
The Dacca Dyeing & Mfg. Co. Limited	156,023,958	160,115,520
Titas Gas Transmission And Distribution Co. Ltd	78,349,510	78,349,510
Unique Hotel and Resorts Ltd	31,110,235	31,110,235
Bangladesh Steel Re-Rolling Mills Limited	9,744,380	9,744,380
Prime Islami Life Insurance Ltd.	5,165,436	3,720,371
Bangladesh Submarine Cable Company Limited	4,314,941	2,342,003
Premier Cement Mills Limited	18,441,295	18,441,295
Shahjibazar Power Co. Ltd.	16,117,113	8,890,774
Singer Bangladesh Limited	60,778,950	60,778,950
Olympic Industries Ltd.	21,845,687	-
Power Grid Company of Bangladesh Ltd.	9,624,374	-
Square Pharmaceuticals Ltd.	44,791,917	-
M.L. Dyeing Limited	11,744	-
Padma Islami Life Insurance Limited	2,957,909	-
Silva Pharmaceuticals Limited	45,960	-
VFS Thread Dyeing Limited	6,392	-
Makson Spinning Mills Limited	-	63,955,630
Nahee Aluminum Composite Panel Ltd.	-	63,882
Oimex Electrode Limited	-	66,310

Un-Quoted

Lanka Bangla Securities Ltd	5,000,000	5,000,000
Market Stabilization Fund, Asset Management Co. Ltd	2,000,000	2,000,000
Aman Cotton Fibrous Limited	315,090	1,260,400
SK Trims & Industries Limited	51,170	-
VFS Thread Dyeing Limited	35,951	-
Esquire Knit Composite Limited	1,885,100	-
M.L. Dyeing Limited	30,960	-
Silva Pharmaceuticals Limited	45,683	-
Kattali Textile Limited	102,130	-
S S Steel Limited	137,920	-
ADN Telecom Limited	574,040	-
Genex Infosys Limited	107,670	-
Runner Automobiles Limited	1,085,825	-
Aamra Networks Limited	-	2,289,302
	1,712,980,655	1,698,707,696

See Annexure-A for details regarding unrealised gain/(loss) & provision.

8 Consolidated Investments

Shahjalal Islami Bank Ltd	(Note-8a)	174,542,243,558	148,364,190,304
Shahjalal Islami Bank Securities Ltd		3,452,297,680	3,269,416,687
		177,994,541,238	151,633,606,991
Less: Inter Company Transaction		1,258,382,500	250,620,139
		176,736,158,738	151,382,986,852

Bills Purchased and Discounted :

Shahjalal Islami Bank Ltd	(Note-8a)	11,547,790,733	10,303,967,071
Shahjalal Islami Bank Securities Ltd		-	-
		11,547,790,733	10,303,967,071
		188,283,949,471	161,686,953,924

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8a Investments of the Bank

Country-wise Classification of Investments:

Inside Bangladesh

Gross Murabaha, Bai-Muajjal etc

Less: Profit receivable on Murabaha, Bai-Muajjal etc

(Mark-up profit on unearned income)

Net Murabaha, Bai-Muajjal etc

Bills purchased and discounted-net

Outside Bangladesh

(Note-8a.2)

31.12.2018 Taka	31.12.2017 Taka
184,824,649,587	157,680,334,330
10,282,406,029	9,316,144,025
174,542,243,558	148,364,190,304
11,547,790,733	10,303,967,071
186,090,034,291	158,668,157,376

8a.1 Maturity wise Classification of Investments:

With a residual maturity of

Re-payable on Demand

Not more than 3 months

Over 3 months but not more than 1 year

Over 1 year but not more than 5 years

Over 5 years

26,703,919,921	32,876,042,208
54,673,252,075	42,983,203,833
75,589,771,929	37,763,021,455
25,792,078,753	35,192,597,306
3,331,011,614	9,853,292,573
186,090,034,291	158,668,157,376

8a.2 Bills Purchased and Discounted :

Payable inside Bangladesh

Payable outside Bangladesh

Gross Bills Purchased and Discounted

Less: Profit receivable on Bills Purchased and Discounted

Net Bills Purchased and Discounted

5,919,250,215	3,792,715,364
6,058,642,581	6,743,135,868
11,977,892,796	10,535,851,231
430,102,062	231,884,160
11,547,790,733	10,303,967,071

8a.3 Maturity wise Classification of Bills Purchased and Discounted:

Re-payable:-

Within 1 month

Over 1 month but less than 3 months

Over 3 months but less than 6 months

6 months or more

1,657,107,970	2,988,150,451
3,392,740,917	2,395,672,344
2,345,356,298	960,329,731
4,152,585,548	3,959,814,546
11,547,790,733	10,303,967,071

8a.4 Investments on the basis of significant concentration:

Investments to allied concern of Directors

Investments to Executives/Officers

Investments to Customer Groups

Industrial Investment

Others

(Note-53.5)

1,313,309,232	343,104,090
1,497,300,000	1,460,297,464
81,441,122,849	97,186,422,645
99,611,902,210	57,764,626,705
2,226,400,000	1,913,706,472
186,090,034,291	158,668,157,376

Investments allowed to individual customer exceeding 10% of Bank's total capital:

Total outstanding amount to such customers at end of the year

Number of such types of customers

Amount of Classified Investments thereon

Measures taken for recovery

59,651.02 million	63,128.38 million
17	23
Nil	Nil
Not applicable	Not applicable

The amount represents the sum of total Investments (both Funded and Non-Funded) to each customer exceeding Tk. 2,700.15 million which is computed @ 10% of total capital of the bank i.e. Tk.27,001.47 million (Note # 17.5.c) as at 31 December 2018.

For details please refer to Annexure-D

8a.5 Sector-wise Classification of Investments:

Sector	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	4,741,300,000	2.55%	5,234,400,000	3.30%
Cotton & Textile	19,149,374,394	10.29%	13,742,251,934	8.66%
Garments	26,279,870,452	14.12%	19,129,243,625	12.06%
Cement	1,735,806,107	0.93%	1,292,695,437	0.81%
Pharmaceuticals & Chemicals	3,734,835,445	2.01%	2,169,869,073	1.37%
Real Estate	6,922,895,463	3.72%	8,074,515,859	5.09%
Transport	3,244,937,565	1.74%	2,581,481,659	1.63%
Information Technology	1,161,685,974	0.62%	399,684,889	0.25%
Non Banking Financial Institutions	1,954,093,058	1.05%	2,404,260,444	1.52%
Steel & Engineering	8,391,965,104	4.51%	9,085,343,269	5.73%
Food Processing & Beverage	12,748,298,686	6.85%	11,229,536,145	7.08%
Power & Energy	5,904,186,571	3.17%	4,349,746,142	2.74%
Paper & Paper Products	1,906,918,415	1.02%	1,927,725,308	1.21%
Plastic & Plastic Product	4,868,703,451	2.62%	3,690,074,916	2.33%
Electronics	5,184,655,971	2.79%	4,022,935,777	2.54%
Services Industries	5,897,775,363	3.17%	5,414,797,241	3.41%
Trading	28,819,400,000	15.49%	26,668,700,000	16.81%
Import Financing	5,629,768,824	3.03%	7,060,700,000	4.45%
Consumer Financing	437,900,000	0.24%	420,500,000	0.27%
Share business	1,606,036,109	0.86%	1,042,005,526	0.66%
Staff Investment	1,497,300,000	0.80%	1,460,297,464	0.92%
Others	34,272,327,340	18.42%	27,267,392,670	17.19%
Total	186,090,034,291	100.00%	158,668,157,376	100.00%

8a.6 Geographical Location-wise Investments:

Area	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (note-8a.6.1)				
a) In Rural Areas	9,951,468,201	5.35%	10,462,731,660	6.59%
b) In Urban Areas	176,138,566,090	94.65%	148,205,425,716	93.41%
Sub-total	186,090,034,291	100%	158,668,157,376	100%
ii) Outside Bangladesh	-	-	-	-
Total	186,090,034,291	100%	158,668,157,376	100%

8a.6.1 Inside Bangladesh

Division	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
Dhaka	140,389,314,831	75.44%	116,606,296,091	73.49%
Chattogram	29,438,343,113	15.82%	26,888,848,733	16.95%
Sylhet	2,042,348,390	1.10%	2,002,443,636	1.26%
Rajshahi	5,312,198,540	2.85%	4,738,580,804	2.99%
Rangpur	1,282,789,912	0.69%	1,250,781,893	0.79%
Khulna	5,753,205,826	3.09%	5,417,489,836	3.41%
Barishal	659,697,924	0.35%	572,196,377	0.36%
Mymensingh	1,212,135,755	0.65%	1,191,520,006	0.75%
Total	186,090,034,291	100.00%	158,668,157,376	100.00%

8a.7 Grouping of Investments as per Classification Rules of Bangladesh Bank:

Status	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
Unclassified:				
Standard (including staff Investment)	171,739,106,658	92.29%	150,799,767,001	95.04%
Special Mention Account (SMA)	1,627,632,344	0.87%	1,567,888,214	0.99%
Sub-total	173,366,739,002		152,367,655,215	
Classified				
Substandard	796,796,511	0.43%	549,660,286	0.35%
Doubtful	533,421,327	0.29%	211,763,683	0.13%
Bad or loss	11,393,077,451	6.12%	5,539,078,192	3.49%
Sub-total	12,723,295,289		6,300,502,160	
Grand Total	186,090,034,291	100.00%	158,668,157,376	100.00%

8a.8 Particulars of provision for Investments:

Status	Rate	Basis for Provision	31.12.2018 Taka	31.12.2017 Taka
Standard				
Unclassified (excluding staff Investments)	1%	101,686,049,761	1,134,174,039	947,509,244
Staff Investments	0%	1,497,298,426	-	-
Consumer Financing (Other than HF & LP)	5%	426,691,335	21,334,567	17,856,107
Small & Medium Enterprise	0.25%	64,669,181,559	161,672,954	138,845,551
Housing Finance(HF)	1%	2,067,350,197	20,673,502	27,536,193
Loan for professionals (LP)	2%	13,539,061	270,781	554,874
Share Business	2%	1,373,623,051	27,472,461	13,122,698
Short Term Agri Credit	1%	5,373,268	53,733	57,048
SMA		1,622,626,999	9,735,156	11,972,146
			1,375,387,192	1,157,453,862
Substandard	20% & 5% (Agri)	238,612,820	47,716,863	64,805,599
Doubtful	50% & 5% (Agri)	118,074,442	58,326,195	17,704,624
Bad or loss	100%	3,926,352,116	3,926,352,116	1,332,348,478
			4,032,395,175	1,414,858,701
Required provision for Investments			5,407,782,367	2,572,312,562
Less: Deferred provision by Bangladesh Bank			1,587,412,291	-
Total provision required			3,820,370,076	2,572,312,562
Total provision maintained {note # 15a.1(a) & (b)}			3,820,370,076	2,580,964,133
Surplus/(Shortfall) Provision			0.0	8,651,571

As at 31 December 2018, the Bank has maintained provision for unclassified Investment amounting to Tk. 1,375,400,000 and for classified Investment Tk. 2,444,970,076 totaling Tk. 3,820,370,076 against total provision requirement of Tk 5,407,782,366 as determined by Bangladesh Bank. The Bank has received approval from Bangladesh Bank vide letter DBI-4.42(3)/2019-649 dated 18 April 2019 allowing the Bank to build-up the remaining required provision as deferral of Tk 1,587,412,291 and another amount of Tk. 308,200,000 against other assets(note 15a.1) during the next three years (i.e. 2019, 2020 and 2021) on equal installment.

8a.9 Particulars of provision for Off-Balance Sheet

Status	Basis for Provision	Rate 1%	Rate 1%
Acceptances & endorsements	34,199,576,512	341,995,765	283,687,414
Letters of Guarantees	23,976,960,264	239,769,603	193,224,825
Irrevocable Letters of Credit	25,478,400,567	254,784,006	275,696,406
Bills for collection	17,131,691,539	518,242	139,646,958
Required provision for Off Balance Sheet Items	100,786,628,882	837,067,616	892,255,603
Provision maintained {note # 15a.1(c)}		837,100,000	892,300,000
Surplus Provision		32,384	44,397

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8a.10 Particulars of Investments:

	31.12.2018 Taka	31.12.2017 Taka
(i) Investments considered good in respect of which the banking company is fully secured	154,164,303,809	131,261,253,856
(ii) Investments considered good for which the banking company holds no other security than the debtor's personal security	29,699,969,473	25,323,437,917
(iii) Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	2,225,761,009	2,083,465,603
(iv) Investments considered bad or doubtful not provided for	-	-
	186,090,034,291	158,668,157,376
(v) Investments due by directors or officers of the banking company or any of them either severally or jointly with any other person	1,497,300,000	1,460,297,464
(vi) Investments due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies as members (Note 53.5).	1,313,309,232	343,104,090
(vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	1,497,300,000	1,460,297,464
(viii) Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members	1,313,309,232	343,104,090
(ix) Investments due from other Banks	-	-
(x) Classified Investment on which profit has not been charged	12,723,295,289	6,300,502,160
a. Movement of Classified Investments:		
Opening Balance	6,300,502,160	5,781,699,039
Increase/ (Decrease) during the year	6,422,793,129	518,803,121
	12,723,295,289	6,300,502,160
i) (Decrease)/Increase of specific provision	1,029,905,943	(16,403,469)
ii) Amount of written off investment during the year against which fully provided	-	982,130,507
iii) Amount recovered against the investment which was previously written off	10,373,603	18,605,000
b. Amount of provision kept against classified Investment as bad or Loss on the reporting day of Balance Sheet	2,444,970,076	1,415,064,133
c. Amount of Profit charged in suspense Account	1,046,769,343	519,917,285
(xi) Cumulative amount of written off Investments		
Opening Balance	4,463,670,712	3,481,540,205
Amount written off during the year	-	982,130,507
Total amount of written off investment	4,463,670,712	4,463,670,712

9 Consolidated Fixed Assets including Premises, Furnitures & Fixtures

Cost

Shahjalal Islami Bank Ltd	(Note-9a)	5,062,780,011	4,855,255,914
Shahjalal Islami Bank Securities Ltd		108,762,136	93,557,289
		5,171,542,147	4,948,813,203

Accumulated Depreciation

Shahjalal Islami Bank Ltd	(Note-9a)	1,067,313,676	898,138,146
Shahjalal Islami Bank Securities Ltd		50,126,345	42,511,184
		1,117,440,021	940,649,330

Written Down Value

		4,054,102,126	4,008,163,873
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9a Fixed Assets including Premises, Furnitures & Fixtures of the Bank

Cost

Opening balance	4,716,700,471	4,169,882,223
Addition during the year	523,018,512	1,237,886,785
	5,239,718,983	5,407,769,008
Less: Disposal during the year	319,108,855	691,068,537
	4,920,610,128	4,716,700,471

Accumulated Depreciation

Opening balance	816,776,320	799,152,843
Addition during the year	158,239,745	114,299,641
	975,016,066	913,452,484
Less: Adjustment on disposal during the year	3,633,634	96,676,164
	971,382,431	816,776,320

Written Down Value

	3,949,227,697	3,899,924,150
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		31.12.2018 Taka	31.12.2017 Taka
Intangible assets			
Cost			
Opening balance		138,555,443	129,900,443
Addition during the year		3,614,440	8,655,000
		142,169,883	138,555,443
Less: Disposal during the year		-	-
		142,169,883	138,555,443
Amortization			
Opening balance		81,361,826	67,590,780
Addition during the year		14,569,419	13,771,046
		95,931,244	81,361,826
Less: Adjustment on disposal during the year		-	-
		95,931,244	81,361,826
Written Down Value		46,238,638	57,193,617
Total Written Down Value		3,995,466,335	3,957,117,768
For details please refer to Annexure-B			
10 Consolidated Others Assets			
Shahjalal Islami Bank Ltd	(Note-10a)	14,337,119,704	13,795,235,456
Shahjalal Islami Bank Securities Ltd		2,200,670,463	2,166,544,118
		16,537,790,167	15,961,779,574
Less: Inter Company transaction		2,929,914,662	3,578,605,893
		13,607,875,505	12,383,173,681
10.1 Consolidated advance tax			
Shahjalal Islami Bank Ltd	(Note-10a.4)	10,688,849,451	9,611,807,185
Shahjalal Islami Bank Securities Ltd		296,704,265	227,658,946
		10,985,553,716	9,839,466,131
10a Others Assets of the Bank			
Income Generating:			
Shahjalal Islami Bank Securities Ltd	(Note-10a.3)	2,515,000,000	2,515,000,000
		2,515,000,000	2,515,000,000
Non Income Generating:			
Stock of Stationery, Stamps and printing materials etc. (valued at cost)		20,278,978	18,814,345
Advance rent and security deposit		193,656,661	165,849,238
Suspense Account	(Note-10a.1)	84,097,361	101,552,665
Profit receivable	(Note-10a.2)	226,858,642	237,370,413
Other Prepayments		115,693,170	39,944,523
Receivable from Shahjalal Islami Bank Securities Limited		414,914,662	1,063,059,276
Advance Insurance premium		61,329,750	21,700,000
Advance for new Branches		13,353,800	16,820,000
Advance tax paid	(Note-10a.4)	10,688,849,451	9,611,807,185
Other Receivables		3,087,227	3,317,812
Sub total		11,822,119,704	11,280,235,456
		14,337,119,704	13,795,235,456
10a.1 Suspense Account			
Sundry Debtors		17,024,531	59,091,692
Excise duty on MTDR		20,680,811	1,001,347
Advance against TA/DA		204,000	269,338
Advance against Petty Cash		626,000	497,000
Law charges		43,254,910	36,612,627
Stamp		224,540	113,045
Others		2,082,569	3,967,616
		84,097,361	101,552,665

The detail breakup of unadjusted suspense accounts are given below:

(Amount in '000)						
Sl	Breakup	Less than 03 months	03 months to less than 06 months	06 months to less than 09 months	09 months to less than 12 months	12 months and above
1	Sundry Debtors	10,465	6,498	4	47	11
2	Advance against TA/DA	179		25		
3	Advance against Petty Cash	626				
4	Legal expenses	5,864	2,014	1,058	1,533	32,786
5	Others	20,759	1,143	374	528	183
	Grand Total	37,893	9,655	1,461	2,108	32,980

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10a.2 Profit Receivable

	31.12.2018 Taka	31.12.2017 Taka
Placement to Other Bank-MTDR	32,980,535	17,727,063
Placement to Financial Institutions-MTDR	91,919,236	49,230,069
Placement to Islamic Investment Bond	24,712,749	102,388,221
Profit on Investment against MSD	22,788,288	19,243,161
On Investments	54,457,835	48,781,899
	226,858,642	237,370,413

10a.3 Shahjalal Islami Bank Limited invested Tk. 251.50 crore in its Subsidiary Company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary commenced its operation from 25th May 2011. The total Paid-up Capital of the subsidiary company is Tk. 274.00 crore divided into 27,40,00,000 ordinary shares @ Tk. 10 each and bank hold 91.79% of its paid-up capital.

10a.4 Advance tax paid

Balance at the beginning of the year	9,611,807,185	8,700,383,562
Paid during the year	1,077,042,266	911,423,624
	10,688,849,451	9,611,807,185

11 Non-Banking Assets

Shahjalal Islami Bank Ltd	88,909,355	88,909,355
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The Bank was awarded absolute ownership on few mortgaged properties through the verdict of Honorable court under section 33(7) of the Artharin Adalat Act 2003. These were recorded as non banking assets as per valuation report submitted by professional surveyor. Value of the assets was recorded in equivalent to the client's adjustable outstanding.
Following are the details:

SL#	Name of Parties	Assets details		
i)	Haque Steel & Re-Rolling Industries Pvt. Ltd.	i) 26 (twenty six) decimals land situated at Savar, Mouza: Boroboreshi ii) 160.50 decimals land together with building structures standing and / or existing therein and appurtenance thereto situated at Narayanganj, Mouza: Dapa Idrakpur. Carrying value of which was BDT 1741.59 Lac (Market Value) . Entitlement Date: 12.10.14	47,064,331	47,064,331
ii)	M/S Noor Mohammad Iron Store	6.25 (six point two five) decimals land situated at Bashundhara River View Project at Block - A, Plot # 532, Keranigonj, Dhaka, Mouza - Naiyatola. Carrying value of which was BDT 47.34 Lac (Market Value) . Entitlement Date: 14.05.15	4,014,637	4,014,637
iii)	M/s Khizir Trading	13.83 (thirteen point eight three) decimals land situated at Khulshi, Mouza: Pahatali. Carrying value of which was BDT 356.81 Lac (Market Value) . Entitlement Date: 05.11.17	31,468,345	31,468,345
iv)	Md. Mehedul Islam	i) 4 (four) decimals land situated at Dinajpur, Kotwali, Mouza: Majipara ii) 13 (thirteen) decimals land situated at Dinajpur, Fulbari, Mouza: Rashidpur. Carrying value of which was BDT 48.50 Lac (Market Value) . Entitlement Date: 04.04.17	3,380,238	3,380,238
v)	Sohel Enterprise	i) 8 (eight) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash ii) 4 (four) decimals land situated at Rangpur, Kotwali, Mouza: Alamnagar iii) 3 (three) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash. Carrying value of which was BDT 34.50 Lac (Market Value) . Entitlement Date: 29.11.17	2,981,804	2,981,804
Total			88,909,355	88,909,355

12 Consolidated Placement from other Banks & Financial Institutions

Shahjalal Islami Bank Ltd	(Note-12a)	23,465,601,827	29,621,688,291
Shahjalal Islami Bank Securities Ltd		2,000,000,000	805,000,000
		25,465,601,827	30,426,688,291
Less: Inter Company transaction		1,200,000,000	250,000,000
		24,265,601,827	30,176,688,291

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12a Placement from other Banks & Financial Institutions of the Bank

Islami Investment Bond from Bangladesh Bank	
Islamic Refinance Fund - Bangladesh Bank	
Mudaraba FC A/C-Bangladesh Bank (EDF)	
Mudaraba Term Deposit from other Banks	(Note-12a.1)
Borrowing from Offshore Banking Unit (OBU)	

Less: Off-Shore Banking Units

31.12.2018 Taka	31.12.2017 Taka
7,500,000,000	7,000,000,000
30,440,000	158,129,367
9,840,098,202	7,341,588,824
6,095,063,625	15,121,970,100
1,097,559,484	663,175,441
24,563,161,311	30,284,863,732
1,097,559,484	663,175,441
23,465,601,827	29,621,688,291

12a.1 Mudaraba Term Deposit from other Banks

In Bangladesh:

Islami Bank Bangladesh Limited	500,000,000	2,950,000,000
United Commercial Bank Limited	500,000,000	1,490,000,000
Sonali Bank Limited	79,422,625	1,305,000,000
Agrani Bank Limited	2,070,000,000	1,950,000,000
Prime Bank Limited, Islami Banking Branch	1,000,000,000	-
Bank Asia Limited, Islami Banking Branch	-	1,750,000,000
Al-Arafah Islami Bank Limited	-	500,000,000
Export Import Bank of Bangladesh Limited	-	500,000,000
AB Bank Limited	-	400,000,000
Pubali Bank Limited	-	600,000,000
Bank Alfalah Limited	-	290,000,000
Janata Bank Limited	-	1,000,000,000
Sub total	4,149,422,625	12,735,000,000

Outside Bangladesh:

Bank Muscat SAOG	755,100,000	825,594,100
United Bank UK	576,728,600	292,344,500
JS Bank Ltd., Bahrain	110,412,400	16,540,000
National Bank of Ras Al-Khaimah (P.S.C.)	503,400,000	-
United Bank Ltd., UAE	-	94,691,500
Fund Placement Received from ICD	-	827,000,000
Agrani Bank Limited	-	165,400,000
Southeast Bank Limited	-	165,400,000
Sub total	1,945,641,000	2,386,970,100

Grand Total

4,149,422,625	12,735,000,000
1,945,641,000	2,386,970,100
6,095,063,625	15,121,970,100

13 Consolidated Deposits and Other Accounts

Al-Wadiah Current Deposit & Other Accounts

Shahjalal Islami Bank Ltd	(Note-13a)	22,376,070,686	19,247,731,405
Shahjalal Islami Bank Securities Ltd		-	-

22,376,070,686	19,247,731,405
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Bills Payable

Shahjalal Islami Bank Ltd	(Note-13a)	2,850,398,551	2,493,444,313
Shahjalal Islami Bank Securities Ltd		-	-

2,850,398,551	2,493,444,313
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Mudaraba Savings Deposits

Shahjalal Islami Bank Ltd	(Note-13a)	20,792,172,031	18,280,590,909
Shahjalal Islami Bank Securities Ltd		-	-

20,792,172,031	18,280,590,909
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Mudaraba Term Deposits

Shahjalal Islami Bank Ltd	(Note-13a)	79,408,029,450	64,248,150,845
Shahjalal Islami Bank Securities Ltd		-	-

79,408,029,450	64,248,150,845
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Other Mudaraba Deposits

Shahjalal Islami Bank Ltd	(Note-13a)	51,434,842,290	42,078,308,773
Shahjalal Islami Bank Securities Ltd		-	-

51,434,842,290	42,078,308,773
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Less: Inter Company transaction

309,512,590	393,408,115
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51,125,329,700	41,684,900,658
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Total

176,552,000,417	145,954,818,129
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13a Deposits and Other Accounts of the Bank

Al-Wadiah Current Deposit & Other Accounts:

Al-Wadiah Current Deposit & Other Accounts:		
Al-Wadiah Current Deposit	8,182,558,429	7,416,177,866
Foreign Currency Deposits	2,443,456,504	1,504,968,625
Non-Resident Taka Account	10,952,308	42,683,935
Profit Payable	1,392,350,100	965,751,057
Sundry Deposits	10,351,940,588	9,330,781,735

Less: Off-Shore Banking Units

5,187,243	12,631,814
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22,376,070,686	19,247,731,405
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	31.12.2018 Taka	31.12.2017 Taka
Bills Payable:		
Payable inside Bangladesh		
Payment Order Issued	2,845,561,265	2,475,250,322
Demand Draft Payable	4,074,749	16,664,720
Instant Cash Payable	-	20,000
Bank Cheque Issued	-	215
Turbo Cash Payable	54,405	64,405
Electronic Fund Transfer	708,132	1,444,651
	2,850,398,551	2,493,444,313
Payable outside Bangladesh	-	-
	2,850,398,551	2,493,444,313
Mudaraba Savings Deposits:		
General Deposits	20,781,937,525	18,180,901,845
Deposit from Other Banks	10,234,506	99,689,065
	20,792,172,031	18,280,590,909
Mudaraba Term Deposits:		
General Deposits	79,408,029,450	64,248,150,845
	79,408,029,450	64,248,150,845
Other Mudaraba Deposits:		
Mudaraba Short Notice Deposits	7,801,734,516	4,521,719,478
Mudaraba Scheme Deposit	42,374,495,095	37,121,568,499
Deposit from Other Banks (SND)	1,258,612,680	435,020,796
	51,434,842,290	42,078,308,773
	176,861,513,007	146,348,226,244
13a.1 Mudaraba Scheme Deposits:		
Millionaire Scheme	7,833,384,775	7,449,249,554
Multiple Benefit Scheme	8,611,387,508	10,078,713,634
Monthly Income Scheme	11,339,541,867	6,216,900,665
Monthly Deposit Scheme	14,211,578,481	13,006,388,879
Haji Deposit Scheme	233,841,632	196,577,715
Cash Waqf	4,485,950	4,096,213
Housing Deposit Scheme	5,923,919	6,330,790
Lakhpoti Deposit Scheme	7,406,236	11,685,869
Mohor Deposit Scheme	3,025,219	16,377,257
Education Deposit Scheme	70,371,615	72,483,174
Marriage Deposit Scheme	53,547,893	62,764,749
	42,374,495,095	37,121,568,499
13a.2 Deposits and Other Accounts:		
General Deposits	176,258,713,147	145,813,516,384
Deposits from Other Banks	602,799,861	534,709,861
	176,861,513,007	146,348,226,244
13a.3 Deposit from Other Banks		
Mudaraba Special Notice Deposit:		
Export Import Bank of Bangladesh Limited	61,378,246	3,288,246
AB Bank Limited	431,470	431,470
Jamuna Bank Limited	7,817,227	17,817,227
Al -Arafah Islami Bank Ltd	514,769,982	404,769,982
Social Islami Bank Limited	8,104,069	8,104,069
National Credit and Commerce Bank Ltd	599,069	599,069
ICB Islami Bank Limited	10,732	10,732
	593,110,796	435,020,796
Mudaraba Savings Deposit:		
ICB Islami Bank Limited	-	-
Export Import Bank of Bangladesh Ltd	7,427,931	7,427,931
Al -Arafah Islami Bank Ltd	124	124
Islami Bank Bangladesh Limited	2,261,009	92,261,009
	9,689,065	99,689,065
	602,799,861	534,709,861
13a.4 Maturity wise classification of Deposits are as under		
With a residual maturity of		
Repayable on demand	15,917,536,171	14,026,186,659
Within 1 month	13,264,613,476	18,447,108,728
Over 1 months but not more than 6 months	53,553,666,139	47,990,885,243
Over 6 months but not more than 1 year	66,977,454,976	17,683,726,496
Over 1 year but not more than 5 years	23,186,544,355	22,162,933,854
Over 5 years	3,961,697,891	25,602,364,468
	176,861,513,007	145,913,205,448

14 Mudaraba Subordinated Bond

Mudaraba Subordinated Bond

31.12.2018 Taka	31.12.2017 Taka
10,000,000,000	4,000,000,000

The Bank issued floating rate non-convertible Mudaraba Subordinated Bond of BDT 400 crore & BDT 600 crore after obtaining approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. Mudaraba Subordinated Bonds were mainly issued to support and strengthen the capital base of the bank under Tier-II, supplementary capital of Basel-III. The features of the bonds are enumerated below:

Features of SJIBL Mudaraba Sub-Ordinated Bonds:

Particulars	1st Mudaraba Subordinated Bond	2nd Mudaraba Subordinated Bond
Issuer	Shahjalal Islami Bank Limited	Shahjalal Islami Bank Limited
Lead Arranger	Standard Chartered Bank	Standard Chartered Bank
Trustee	Green Delta Insurance Company Limited	Green Delta Insurance Company Limited
Tenure of Bond	7 (Seven) Years	7 (Seven) Years
Total Face Value	BDT 400 Crore (Four Hundred Crore)	BDT 600 Crore (Six Hundred Crore)
Number of Bonds	4,000 (Four Thousand)	6,000 (Six Thousand)
Profit Rate	Prevailing highest Mudaraba Term Deposit profit rate in 6-12 months tenor plus an additional profit rate of 2%	Weighted average of prevailing provisional profit rate of 6 months MTDR plus an additional profit rate of 2%
Date of Issue	15-Jun-2017	19-Dec-2018
Repayment / Redemption	20% of the Total Bond Value to be Redeemed at the end of each year Starting from year 3 (Three) at Face Value.	20% of the Total Bond Value to be Redeemed at the end of each year Starting from year 3 (Three) at Face Value.

List of Investors:

Name of the Investor	1st Mudaraba Subordinated Bond		2nd Mudaraba Subordinated Bond	
	Bond Issued (Taka)	Outstanding (as on 31 December 2018)	Bond Issued (Taka)	Outstanding (as on 31 December 2018)
EXIM Bank Limited	1,750,000,000	1,750,000,000	1,000,000,000	1,000,000,000
Pubali Bank Limited	700,000,000	700,000,000	-	-
Rupali Bank Limited	700,000,000	700,000,000	750,000,000	750,000,000
Uttara Bank Limited	500,000,000	500,000,000	-	-
Southeast Bank Limited	350,000,000	350,000,000	500,000,000	500,000,000
Agrani Bank Limited	-	-	2,500,000,000	2,500,000,000
Sonali Bank Limited	-	-	750,000,000	750,000,000
Dhaka Bank Limited	-	-	500,000,000	500,000,000
Total	4,000,000,000	4,000,000,000	6,000,000,000	6,000,000,000

15 Consolidated Other Liabilities

	31.12.2018 Taka	31.12.2017 Taka
Shahjalal Islami Bank Ltd	(Note-15a)	18,401,348,233
Shahjalal Islami Bank Securities Limited		14,460,677,132
		2,767,435,666
		21,168,783,899
Less: Inter Company transaction		17,926,606,083
		473,297,162
		1,064,226,032
		20,695,486,737
		16,862,380,052

15.1 Consolidated Provision for Current Tax

Shahjalal Islami Bank Ltd	(Note-15a.2)	11,094,509,817	9,404,688,518
Shahjalal Islami Bank Securities Ltd		316,970,214	293,833,926
		11,411,480,031	9,698,522,444

15.2 Consolidated current tax expenses

Shahjalal Islami Bank Ltd	(Note-15a.2)	1,689,821,298	840,086,272
Shahjalal Islami Bank Securities Ltd		23,136,288	82,787,438
		1,712,957,586	922,873,710

15.3 Provision against entries of NOSTRO Account

No provision is required as per Circular Letter No. FEPD(FEMO)/01/2005-677 dated 13 September 2005 for un-reconciled NOSTRO debit entries as there is no outstanding entry over 3 months (note:5a.3).

15a Other Liabilities of the Bank

Profit Payable		167,351,958	22,582,680
Provision for Investment	{note 15a.1 (a) & (b)}	3,820,370,076	2,580,964,133
Provision for Off-Balance Sheet items	{note 15a.1 (c)}	837,100,000	892,300,000
Provision for other Assets	{note 15a.1 (d)}	37,765,000	37,765,000
Provisions for Investment in Securities	{note 15a.1 (e)}	545,160,000	458,400,000
Provision for Taxation	(Note 15a.2)	11,094,509,817	9,404,688,518
Profit Suspense Account	{note 15(a).1 (f)}	741,880,059	297,822,172
Compensation Realisable & Suspense Account	{note 15(a).1 (g)}	461,276,123	329,821,760
Compensation Realised Account	{note 15(a).1 (h)}	98,358,398	44,789,360
Other Payable		285,259,916	232,216,169
Outstanding Expenses		234,331,379	60,072,420
Unearned Income on Quard		4,197,196	1,125,051
SJIBL General Account		73,788,313	98,129,869
		18,401,348,233	14,460,677,132

15a.1 Provision for Investment:

(a) Provision on Classified Investment:

Provision held at the beginning of the year	1,415,064,133	1,431,467,602
Provision transferred from Provision for Investment in Securities	-	180,000,000
Provision transferred from Provision for Off-Balance Sheet items	55,200,000	-
Amount transferred to Compensation Realised A/C	(150,267,660)	(50,000,000)
Written Off Recovery	10,373,603	18,605,000
Net charge to Profit & Loss Account	1,114,600,000	664,800,000
Adjustment of Reactivated Accounts	-	(56,668,714)
Fully provided investment written off during the year	-	(773,139,755)
Provision held at the end of the year	2,444,970,076	1,415,064,133

(b) General Provision on Unclassified Investment:

Provision held at the beginning of the year	1,165,900,000	896,200,000
Addition during the year	209,500,000	269,700,000
Balance at the end of the year	1,375,400,000	1,165,900,000
Total Provision for Investments (a+b)	3,820,370,076	2,580,964,133

(c) General Provision on Off-Balance Sheet items:

Provision held at the beginning of the year	892,300,000	633,300,000
Provision transferred to provision on Classified Investment	(55,200,000)	-
Addition during the year	-	259,000,000
Balance at the end of the year	837,100,000	892,300,000
Total Provision for Investments & Off-Balance Sheet (a+b+c)	4,657,470,076	3,473,264,133

(d) Provision for other Assets:

Provision held at the beginning of the year	37,765,000	19,265,000
Addition during the year	-	18,500,000
Balance at the end of the year	37,765,000	37,765,000

Bangladesh Bank has instructed the Bank to maintain an additional provision of Tk 308,200,000 against other assets. However, the Bank has obtained permission from Bangladesh to build-up this additional provision in next three years (i.e. 2019, 2020 and 2021) on equal instalment.

(e) Provision for Investment in Securities:

Provision held at the beginning of the year	458,400,000	601,000,000
Provision transferred to provision on Classified Investment	-	(180,000,000)
Addition during the year	86,760,000	37,400,000
Balance at the end of the year	545,160,000	458,400,000

(f) Profit Suspense Account:

Balance at the beginning of the year	297,822,172	374,952,054
Amount transferred to suspense account during the year	901,949,847	853,599,741
Amount recovered from suspense account during the year	(457,807,123)	(915,533,383)
Amount written off/ waived during the year	(84,837)	(15,196,241)
Balance at the end of the year	741,880,059	297,822,172

(g) Compensation Realisable & Suspense Account:

Balance at the beginning of the year	329,821,760	363,730,920
Addition during the year	187,208,777	214,084,337
Amount recovered during the year	(53,301,378)	(38,049,340)
Amount written off/ waived during the year	(2,453,036)	(209,944,157)
Balance at the end of the year	461,276,123	329,821,760

(h) Compensation Realised Account:

Balance at the beginning of the year	44,789,360	56,740,020
Addition during the year	53,301,378	38,049,340
Fund transfer to expended for charitable activities	(150,000,000)	(100,000,000)
Amount transferred from provision for Classified Investment	150,267,660	50,000,000
Balance at the end of the year	98,358,398	44,789,360

15a.2 Provision for Taxation

Provision for Current tax

Balance at the beginning of the year	9,404,688,518	8,564,602,247
Add: Provision made during the year	1,689,821,298	840,086,272
Add: Adjustment for previous year	-	-
Add: Provision made on other income during the year	-	-
Balance at the end of the year	11,094,509,817	9,404,688,518

The Bank has challenged some disputed income tax assessments which are pending at various appeal stages (i.e. appellate tribunal, High Court Division). The Bank is confident that once these appeals are finally disposed of, there should not be any additional tax demand against the Bank and hence no further provision is required.

15a.2(a) Provision for Current Tax made during the year

Income tax @ 37.50% on estimated taxable Business Profit	1,630,546,970	797,268,571
Income tax @ 20.00% on Dividend Income	59,274,329	36,734,987
Income tax @ 10% on Capital Gain on sale of Shares	-	6,082,713
Estimated total provision required	1,689,821,298	840,086,272
Computation of Taxable Business Profit		
Profit before Tax	3,165,468,443	2,078,516,541
Add: Inadmissible expenditures	1,625,356,878	1,209,445,816
Less: Allowable Expenditure & Separate consideration	442,700,068	1,294,790,930
Estimated Taxable Business Profit for the year	4,348,125,252	1,993,171,428

15a.3 SJIBL General Account represents outstanding Inter-Branch and Head Office transactions (Net) originated but yet to be responded at the Balance Sheet date. The break-up of SJIBL general account are given below:

	Debit		Credit	
	No. of entry	Amount	No. of entry	Amount
Up to 3 months	358	75,874,480.26	658	149,662,793.47
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	358	75,874,480.26	658	149,662,793.47
Net unreconcile amount				(73,788,313.21)

There are no outstanding un-reconciled entries more than 1 month. However, outstanding entries on Balance Sheet date are subsequently reconciled.

16 Consolidated Deferred Tax Liability

Shahjalal Islami Bank Ltd
Shahjalal Islami Bank Securities Limited

(Note-16a)

31.12.2018 Taka	31.12.2017 Taka
142,464,474	137,999,259
(1,029,122)	-
141,435,352	137,999,259

16a Deferred Tax Liability of the Bank

Balance at the beginning of the year
Add: Provision made during the year

137,999,259	95,464,963
4,465,215	42,534,296
142,464,474	137,999,259

17 Capital

17.1 Authorized Capital:

100,00,00,000 ordinary shares of Tk. 10 each

10,000,000,000 **10,000,000,000**

The shareholders of the Bank in its 11th Extra Ordinary General Meeting (EGM) held on 4 June 2013 approved to increase the Authorised capital of the Bank to Tk. 1000,00,00,000 from Tk. 600,00,00,000.

17.2 Issued, Subscribed and Paid up Capital

84,85,64,793 Ordinary Shares of Tk 10 each

8,485,647,930 **7,714,225,390**

Issued for cash: 18,46,02,500 shares of Tk. 10 each

1,846,025,000 1,846,025,000

Issued other than cash: 66,39,62,293 bonus shares of Tk 10 each

6,639,622,930 5,868,200,390

8,485,647,930 **7,714,225,390**

Holding

Sponsor & Director Group In year 2018: 45.62%; 2017: 44.34%
Institutes Group In year 2018: 14.21%; 2017: 19.14%
General Shareholders Group In year 2018: 39.75%; 2017: 36.29%
Foreign Group In year 2018: 0.42%; 2017: 0.23%

3,871,081,280 3,420,670,510
1,206,165,460 1,476,171,100
3,373,115,880 2,799,383,830
35,285,310 17,999,950
8,485,647,930 **7,714,225,390**

Classification of Shareholders by number of holding:

As at 31 December 2018

Range of Share Holding	No. of Shareholders	No. of shares	Percentage of holding shares
Upto 500	17,041	2,378,401	0.28%
501-5,000	14,742	27,842,763	3.28%
5,001-10,000	1,071	7,815,705	0.92%
10,001-20,000	751	7,955,999	0.94%
20,001-30,000	196	4,786,089	0.56%
30,001-40,000	68	2,397,703	0.28%
40,001-50,000	71	3,266,570	0.39%
50,001-1,00,000	89	6,281,109	0.74%
1,00,001-10,00,000	126	40,280,088	4.75%
Over 10,00,000	74	745,560,366	87.86%
Total	34,229	848,564,793	100.00%

As at 31 December 2017

Range of Share Holding	No. of Shareholders	No. of shares	Percentage of holding shares
Upto 500	18,970	2,580,622	0.33%
501-5,000	16,911	30,261,311	3.92%
5,001-10,000	1,358	9,699,175	1.26%
10,001-20,000	732	10,180,603	1.32%
20,001-30,000	241	5,741,515	0.74%
30,001-40,000	90	3,150,861	0.41%
40,001-50,000	78	3,563,722	0.46%
50,001-1,00,000	153	11,612,744	1.51%
1,00,001-10,00,000	164	52,573,018	6.82%
Over 10,00,000	85	642,058,968	83.23%
Total	38,782	771,422,539	100.00%

History of paid-up capital:

Year	Description	Face Value Per Share (Taka)	No. of Shares	Value of issued Capital for the year (Taka)
2001	Sponsor Share	100	2,050,000	205,000,000
2003	12.5% Stock Dividend for the year 2002	100	256,250	25,625,000
2004	New Share Issued	100	2,362,000	236,200,000
2005	New Share Issued	100	4,690,000	469,000,000
2007	Initial Public Offer (IPO)	100	9,358,250	935,825,000
2008	20% Stock Dividend for the year 2007	100	3,743,300	374,330,000
2009	22% Stock Dividend for the year 2008	100	4,941,156	494,115,600
2010	25% Stock Dividend for the year 2009	100	6,850,239	685,023,900
	Split-off	10	342,511,950	3,425,119,500
2011	30% Stock Dividend for the year 2010	10	102,753,585	1,027,535,850
2012	25% Stock Dividend for the year 2011	10	111,316,383	1,113,163,830
2013	20% Stock Dividend for the year 2012	10	111,316,384	1,113,163,840
2014	10% Stock Dividend for the year 2013	10	66,789,831	667,898,310
2017	5% Stock Dividend for the year 2016	10	36,734,406	367,344,060
2018	10% Stock Dividend for the year 2017	10	77,142,254	771,422,540
Total			848,564,793	8,485,647,930

17.3 Consolidated Capital to Risk Weighted Assets Ratio (CRAR) Under Basel-III:

a) Going Concern Capital (Tier-I):

Common Equity Tier-I Capital (CET-I)

i) Paid-up Capital		8,485,647,930	7,714,225,390
ii) Statutory Reserve	(Note -18)	5,452,358,676	4,819,264,987
iii) Retained Earnings	(Note -19)	921,461,996	1,079,870,794
iv) Non-controlling Interest		231,307,418	251,443,308
		15,090,776,020	13,864,804,479

Additional Tier-1 Capital (AT-1)

	15,090,776,020	13,864,804,479
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b) Gone Concern Capital (Tier-II):

i) General Provision		2,563,620,900	2,481,820,900
ii) Mudaraba Subordinated Bond		10,000,000,000	4,000,000,000
		12,563,620,900	6,481,820,900

c) Total Eligible Regulatory Capital (a +b)

	27,654,396,920	20,346,625,379
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d) Consolidated Total Risk Weighted Assets

	176,940,564,305	163,575,511,374
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e) Minimum Required Capital (10% of risk weighted assets)

	17,694,056,431	16,357,551,137
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f) Minimum Required Capital (in 2018: 11.875%; in 2017: 11.25% of risk weighted assets) including conservation buffer

	21,011,692,011	18,402,245,030
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g) Total Capital Surplus (c-e)

	9,960,340,490	3,989,074,242
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h) Total Capital Surplus considering conservation buffer (c-f)

	6,642,704,909	1,944,380,349
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Consolidated Capital to Risk Weighted Assets Ratio:

Particulars	2018		2017	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.53%	6.00%	8.48%
Common Equity Tier-I Capital: (CET-I)	4.50%	8.53%	4.50%	8.48%
Tier-I Plus Conservation Buffer	7.875%	8.53%	7.25%	8.48%
CET-I Plus Conservation Buffer	6.375%	8.53%	5.75%	8.48%
Gone Concern Capital: (Tier-II)	-	7.10%	-	3.96%
CRAR	10.00%	15.63%	10.00%	12.44%
CRAR including Conservation Buffer	11.875%	15.63%	11.25%	12.44%

17.4 Consolidated Risk Weighted Assets (RWA) for

1. Investment (Credit) Risk		
On-Balance Sheet	132,485,498,458	122,820,442,470
Off-Balance Sheet	27,797,953,852	25,978,679,141
2. Market Risk	5,928,556,016	4,911,905,746
3. Operational Risk	10,728,555,980	9,864,484,018
Consolidated Total Risk Weighted Assets (1+2+3)	176,940,564,305	163,575,511,374

17.5 Capital to Risk Weighted Assets Ratio (CRAR) Under Basel-III of the Bank:

a) Going Concern Capital (Tier-I):

Common Equity Tier-I Capital (CET-I)

i) Paid-up Capital		8,485,647,930	7,714,225,390
ii) Statutory Reserve	(Note-18)	5,452,358,676	4,819,264,987
iii) Retained Earnings	{Note-19(a)}	850,959,074	784,293,374
		14,788,965,680	13,317,783,751

Additional Tier-I Capital (AT-I)

	14,788,965,680	13,317,783,751
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		31.12.2018 Taka	31.12.2017 Taka
b) Gone Concern Capital (Tier-II):			
i) General Provision	{Note 15.1(b+c)}	2,212,500,000	2,058,200,000
ii) Mudaraba Subordinated Bond	(Note-14)	10,000,000,000	4,000,000,000
		<u>12,212,500,000</u>	<u>6,058,200,000</u>
c) Total Eligible Regulatory Capital (a +b)		<u>27,001,465,680</u>	<u>19,375,983,751</u>
d) Total Risk Weighted Assets		<u>173,525,220,677</u>	<u>158,936,534,268</u>
e) Minimum Required Capital (10% of risk weighted assets)		<u>17,352,522,068</u>	<u>15,893,653,427</u>
f) Minimum Required Capital (in 2018: 11.875%; in 2017: 11.25% of risk weighted assets) including conservation buffer		<u>20,606,119,955</u>	<u>17,880,360,105</u>
g) Total Capital Surplus (c-e)		<u>9,648,943,612</u>	<u>3,482,330,324</u>
h) Total Capital Surplus considering conservation buffer (c-f)		<u>6,395,345,724</u>	<u>1,495,623,646</u>

Capital Adequacy Ratio:

Particulars	2018		2017	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.52%	6.00%	8.38%
Common Equity Tier-I Capital: (CET-I)	4.50%	8.52%	4.50%	8.38%
Tier-I Plus Conservation Buffer	7.875%	8.52%	7.25%	8.38%
CET-I Plus Conservation Buffer	6.375%	8.52%	5.75%	8.38%
Gone Concern Capital: (Tier-II)	-	7.04%	-	3.81%
CRAR	10.00%	15.56%	10.00%	12.19%
CRAR including Conservation Buffer	11.875%	15.56%	11.25%	12.19%

17.6 Risk Weighted Assets (RWA) for

1. Investment (Credit) Risk		
On-Balance Sheet	130,412,858,903	120,404,876,160
Off-Balance Sheet	27,797,953,852	25,978,679,141
2. Market Risk	3,951,460,519	3,110,633,156
3. Operational Risk	11,362,947,404	9,442,345,812
Total Risk Weighted Assets (1+2+3)	<u>173,525,220,677</u>	<u>158,936,534,268</u>

17.7 Non-controlling Interest

Opening balance	251,443,308	238,313,780
Dividend paid to non-controlling shareholder	(22,500,000)	(11,250,000)
Adjustment for changing of holding position	-	-
Share of current year's profit	2,364,110	24,379,528
	<u>231,307,418</u>	<u>251,443,308</u>

18 Statutory Reserve

Opening balance	4,819,264,987	4,403,561,679
Add: Addition during the year	633,093,689	415,703,308
	<u>5,452,358,676</u>	<u>4,819,264,987</u>

19 Consolidated Retained Earnings

Shahjalal Islami Bank Ltd	(Note-19a)	850,959,074	784,293,374
Shahjalal Islami Bank Securities Ltd		76,810,340	322,020,728
		927,769,415	1,106,314,102
Less: Non-controlling Interest		6,307,418	26,443,308
		<u>921,461,996</u>	<u>1,079,870,794</u>

19.1 Consolidated Current year Retained Earnings

Current Year			
Shahjalal Islami Bank Ltd	(Note-19a)	838,088,240	780,192,665
Shahjalal Islami Bank Securities Ltd		28,789,612	296,888,472
		<u>866,877,853</u>	<u>1,077,081,137</u>
Less: Non-Controlling Interest		<u>2,364,110</u>	<u>24,379,528</u>
		<u>864,513,742</u>	<u>1,052,701,610</u>

19a Retained Earnings of the Bank

Opening balance	784,293,374	1,106,132,902
Less: Payment of Dividend	771,422,540	1,102,032,193
Add: Transfer from Profit & Loss Account	838,088,240	780,192,665
	<u>850,959,074</u>	<u>784,293,374</u>

		31.12.2018 Taka	31.12.2017 Taka
20 Letters of Guarantees			
Letters of Guarantees (Local)		23,145,794,386	19,013,732,296
Letters of Guarantees (Foreign)		831,022,076	308,606,416
Back to Back		143,802	143,802
		<u>23,976,960,264</u>	<u>19,322,482,514</u>
a) Claims against the Bank not acknowledged as debts		-	-
b) Money for which the Bank is contingently liable in respect of guarantees given favoring: Directors or Officers		-	-
Government		-	-
Banks and other financial institutions		-	-
Others		-	-
		<u>23,976,960,264</u>	<u>19,322,482,514</u>
		<u>23,976,960,264</u>	<u>19,322,482,514</u>
21 Irrevocable Letters of Credit			
Letter of credit		25,478,400,567	27,569,640,596
		<u>25,478,400,567</u>	<u>27,569,640,596</u>
		<u>25,478,400,567</u>	<u>27,569,640,596</u>
		2018 Taka	2017 Taka
22 Consolidated Income Statement			
Income:			
Profit on Investment	(Note-23)	17,247,610,757	13,232,591,610
Income from Investment in securities	(Note-25)	(45,328,391)	95,759,031
Dividend income	(Note-25)	296,371,643	183,674,937
Commission, Exchange and Brokerage	(Note-26)	1,962,408,286	1,683,767,982
Gains less losses arising from investment securities		(82,863,581)	60,827,132
Other operating income	(Note-27)	607,585,770	522,154,261
		<u>19,985,784,484</u>	<u>15,778,774,953</u>
Expenses:			
Profit paid on Deposits	(Note-24)	11,368,758,954	8,472,962,487
Administrative expenses		3,496,699,117	3,021,182,770
Other operating expenses		563,274,413	567,458,210
Depreciation on banking assets		181,326,779	135,329,034
		<u>15,610,059,263</u>	<u>12,196,932,501</u>
		<u>15,610,059,263</u>	<u>12,196,932,501</u>
Income over expenditure		<u>4,375,725,221</u>	<u>3,581,842,451</u>
		<u>4,375,725,221</u>	<u>3,581,842,451</u>
22a Income Statement of the Bank			
Income:			
Profit on Investment	(Note-23a)	17,121,990,674	12,995,777,088
Income from Investment in securities	(Note-25a)	159,987,973	54,796,753
Dividend income	(Note-25a)	296,371,643	183,674,937
Commission, Exchange and Brokerage	(Note-26a)	1,851,255,492	1,478,435,767
Gains less losses arising from investment securities	(Note-25a)	(82,863,581)	60,827,132
Other operating income	(Note-27a)	601,093,495	515,260,783
		<u>19,947,835,696</u>	<u>15,288,772,460</u>
Expenses:			
Profit paid on Deposits	(Note-24a)	11,295,069,465	8,418,975,877
Administrative expenses		3,415,579,332	2,950,126,528
Other operating expenses		488,049,292	463,682,826
Depreciation on banking assets		172,809,164	128,070,687
		<u>15,371,507,253</u>	<u>11,960,855,918</u>
		<u>15,371,507,253</u>	<u>11,960,855,918</u>
Income over expenditure		<u>4,576,328,443</u>	<u>3,327,916,541</u>
		<u>4,576,328,443</u>	<u>3,327,916,541</u>
23 Consolidated Profit on Investment			
Shahjalal Islami Bank Ltd	(Note-23a)	17,121,990,674	12,995,777,088
Shahjalal Islami Bank Securities Ltd		206,466,818	283,358,549
		<u>17,328,457,492</u>	<u>13,279,135,637</u>
Less: Intercompany Transaction		80,846,735	46,544,027
		<u>17,247,610,757</u>	<u>13,232,591,610</u>
		<u>17,247,610,757</u>	<u>13,232,591,610</u>
23a Profit on Investment of the Bank			
Profit on Investment	(Note-23a.1)	16,450,913,985	12,461,232,665
Profit on placement with other Banks & FIs		671,076,688	534,544,423
		<u>17,121,990,674</u>	<u>12,995,777,088</u>
		<u>17,121,990,674</u>	<u>12,995,777,088</u>

23a.1 Profit on Investment

	2018 Taka	2017 Taka
Profit on Murabaha	1,692,156,591	982,426,414
Profit on Bi-Muazzal	9,442,493,928	7,608,932,964
Profit on Hire-Purchase	3,614,398,980	2,437,497,668
Profit on Ijara	182,159,257	71,303,018
Profit on Bi-Salam	174,907,735	118,409,507
Profit on Inland Document Bill Purchased	395,227,721	304,768,699
Profit on Foreign Document Bill Purchased	20,694,771	7,782,813
Profit on Investment against Scheme Deposit	-	15,830
Profit on Investment against Mudaraba Term Deposit	59,935	13,766
Profit on Investment against Mudaraba Savings Deposit	11,129	6,884
Profit on Investment against Mudaraba Deposit Scheme	19,369	9,136
Profit on Investment against EDF	170,855,933	154,532,464
Profit on Mudaraba	483,932,001	439,337,410
Profit on Istisnaa	-	3,775
Profit Received From Resheduled Investment - Rent Mode	195,074,738	280,917,317
Profit on Murabaha Import Bill (UPAS)	72,508,916	55,275,002
Profit Received From HPSM	5,493,695	-
Income From Islamic Credit Card	919,286	-
	16,450,913,985	12,461,232,665

23a.2 Investment income derived from the fund deployed

Inside Bangladesh			
i) Mudaraba deposits	12,186,837,080	9,397,015,552	
ii) Other deposits/Fund	4,264,076,905	3,064,217,112	
	16,450,913,985	12,461,232,665	
Outside Bangladesh		-	-
	16,450,913,985	12,461,232,665	

23a.3 Geographical Location-wise Profit on Investments

Area	2018		2017	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (note-22a.3.1)				
a) In Rural Areas	1,079,749,637	6.56%	955,689,396	7.67%
b) In Urban Areas	15,371,164,349	93.44%	11,505,543,268	92.33%
Sub-total	16,450,913,985	100.00%	12,461,232,665	100.00%
ii) Outside Bangladesh	-	-	-	-
Total	16,450,913,985	100.00%	12,461,232,665	100.00%

23a.3.1 Inside Bangladesh

Division	2018		2017	
	Amount	Composition	Amount	Composition
Dhaka	12,277,576,895	74.63%	9,106,105,421	73.08%
Chattogram	2,532,531,019	15.39%	2,027,282,242	16.27%
Sylhet	139,101,170	0.85%	155,990,971	1.25%
Rajshahi	554,487,887	3.37%	386,993,432	3.11%
Rangpur	128,206,644	0.78%	109,121,519	0.88%
Khulna	625,201,274	3.80%	507,162,659	4.07%
Barishal	69,340,392	0.42%	49,570,425	0.40%
Mymensingh	124,468,705	0.76%	119,005,997	0.96%
Total	16,450,913,985	100.00%	12,461,232,665	100.00%

24 Consolidated Profit paid on Deposits

Shahjalal Islami Bank Ltd	(Note-24a)	11,295,069,465	8,418,975,877
Shahjalal Islami Bank Securities Ltd		156,679,475	104,637,255
		11,451,748,940	8,523,613,132
Less: Inter Company Transaction		82,989,986	50,650,645
		11,368,758,954	8,472,962,487

24a Profit paid on Deposits of the Bank

Profit on deposits	9,550,674,606	7,438,541,488
Profit paid on borrowings	1,744,394,859	980,434,388
	11,295,069,465	8,418,975,877

25 Consolidated Income from Investment in Shares/Securities

Shahjalal Islami Bank Ltd	(Note-25a)	373,496,035	299,298,822
Shahjalal Islami Bank Securities Ltd		46,183,636	166,712,278
		419,679,671	466,011,100
Less: Dividend from Subsidiary		251,500,000	125,750,000
		168,179,671	340,261,100

		2018 Taka	2017 Taka
25a Income from Investment in Shares/Securities of the Bank			
Income from Investment in Islami Bond		10,000,000	-
Income/(Loss) from Investment in Shares	(Note-25a.1)	(82,863,581)	60,827,132
Dividend Income		296,371,643	183,674,937
Income from Investment in Mudaraba Perpetual Bond (MPB)		4,330,000	4,470,000
Income from Investment in Sub-Ordinated Bond		145,657,973	50,326,753
		<u>373,496,035</u>	<u>299,298,822</u>
25a.1 Income from investment in Shares arises through sale of listed shares in the Stock Exchanges.			
26 Consolidated Commission, Exchange & Brokerage			
Shahjalal Islami Bank Ltd	(Note-26a)	1,851,255,492	1,478,435,767
Shahjalal Islami Bank Securities Ltd		111,152,794	205,332,215
		<u>1,962,408,286</u>	<u>1,683,767,982</u>
26a Commission, Exchange & Brokerage of the Bank			
Other commission		917,217,232	763,153,837
Exchange earnings	(Note-26a.1)	934,038,259	715,281,930
		<u>1,851,255,492</u>	<u>1,478,435,767</u>
26a.1 Exchange earnings			
Gross exchange gain		1,482,231,064	1,371,938,961
Less: Exchange loss		548,192,805	656,657,031
Net Exchange Gain		<u>934,038,259</u>	<u>715,281,930</u>
27 Consolidated Other Operating Income			
Shahjalal Islami Bank Ltd	(Note-27a)	601,093,495	515,260,783
Shahjalal Islami Bank Securities Ltd		8,635,526	11,000,096
		609,729,021	526,260,879
Less: Inter Company Transaction		2,143,251	4,106,618
		<u>607,585,770</u>	<u>522,154,261</u>
27a Other Operating Income of the Bank			
Postage, Telex, SWIFT & REUTERS		105,170,246	91,680,468
Incidental Charge		2,975	1,731
Supervision & Monitoring Charge		4,271,227	2,017,114
Other charges	(Note-27a.1)	491,649,047	421,561,470
		<u>601,093,495</u>	<u>515,260,783</u>
27a.1 Other Charges			
Rent receipts		4,139,893	3,343,991
Charges on A/C closing		369,248	478,683
Charges on clearing returned		2,805,759	2,595,845
Cheque processing charge		2,670,398	2,358,238
Service charges on Ijara		27,000	43,160
Service charges on scheme investment		1,629,170	3,275,540
Service charges on Quard		23,707,848	4,891,847
Passport endorsement charge		38,100	31,845
PO/DD Cancellation charge		107,540	86,915
Branch banking services		18,115,375	17,311,381
Account maintenance fee		83,625,536	74,059,854
Recoveries from cheque issue		5,072,105	4,943,841
Income from sale of forms		5,118,452	4,207,397
Service charge on SJIBL VISA Card		32,752,869	26,977,655
Other Income From Islamic Credit Card		526,698	-
Management Fees		946,600	890,749
Banker to the Issue Commission		1,500	63,977
Notice pay earnings		1,331,930	3,034,765
Rebate on Trade Finance		68,381,411	65,209,464
Discrepancy Fee		135,895,709	108,820,463
Profit on sale of Bank's Assets		-	392,170
Miscellaneous income		104,385,906	98,543,692
		<u>491,649,047</u>	<u>421,561,470</u>
28 Consolidated Salary & Allowances			
Shahjalal Islami Bank Ltd	(Note- 28a)	2,640,460,945	2,212,106,444
Shahjalal Islami Bank Securities Ltd		54,434,036	49,494,184
		<u>2,694,894,981</u>	<u>2,261,600,628</u>
28a Salary & Allowances of the Bank			
Basic Salary		1,108,132,774	917,303,697
Allowances		930,405,470	803,782,013
Bonus		483,988,344	395,060,241
Bank's Contribution to Provident fund		99,945,281	83,437,386
Leave Encashment		17,989,075	12,523,107
		<u>2,640,460,945</u>	<u>2,212,106,444</u>

		2018 Taka	2017 Taka
29 Consolidated Rent, Taxes, Insurance, Electricity etc.			
Shahjalal Islami Bank Ltd	(Note- 29a)	457,654,841	454,172,110
Shahjalal Islami Bank Securities Ltd		21,669,741	17,534,706
		<u>479,324,582</u>	<u>471,706,816</u>
29a Rent, Taxes, Insurance, Electricity etc of the Bank			
Rent, Rates & Taxes		257,939,690	283,621,744
Insurance		124,358,963	106,686,438
Electricity & Lighting		75,356,188	63,863,927
		<u>457,654,841</u>	<u>454,172,110</u>
30 Consolidated legal Expenses			
Shahjalal Islami Bank Ltd	(Note- 30a)	1,484,446	1,440,212
Shahjalal Islami Bank Securities Ltd		11,500	7,475
		<u>1,495,946</u>	<u>1,447,687</u>
30a Legal Expenses of the Bank			
Legal Fees & Charge		258,531	116,507
Other Legal Expenses		1,225,915	1,323,705
		<u>1,484,446</u>	<u>1,440,212</u>
31 Consolidated Postage, Stamps, Telecommunication etc			
Shahjalal Islami Bank Ltd	(Note- 31a)	42,261,215	38,552,845
Shahjalal Islami Bank Securities Ltd		2,586,689	2,570,931
		<u>44,847,904</u>	<u>41,123,776</u>
31a Postage, Stamps, Telecommunication etc of the Bank			
Postage		1,941,725	1,254,632
Leased line		25,677,312	22,039,505
Telegram, Fax, Telex & Internet charge		4,501,356	4,557,474
Telephone charges		4,331,391	4,931,990
Mobile phone charges		5,809,431	5,769,244
		<u>42,261,215</u>	<u>38,552,845</u>
32 Consolidated Stationery, Printing, Advertisements etc			
Shahjalal Islami Bank Ltd	(Note- 32a)	103,185,519	84,545,709
Shahjalal Islami Bank Securities Ltd		2,382,569	1,409,446
		<u>105,568,088</u>	<u>85,955,155</u>
32a Stationery, Printing, Advertisements etc of the Bank			
Table Stationery		9,811,931	10,055,295
Printing Stationery		12,030,765	7,059,616
Security Stationery		5,249,052	2,830,249
Computer Stationery		31,230,648	29,456,215
Advertisement		44,863,123	35,144,334
		<u>103,185,519</u>	<u>84,545,709</u>
33 Chief Executive's Salary & Fees of the Bank			
Basic Salary		8,750,000	7,260,000
Allowances		3,885,000	3,900,000
Bonus		2,464,100	2,331,000
Bank's Contribution to Provident Fund		875,000	726,000
		<u>15,974,100</u>	<u>14,217,000</u>
34 Directors' Fees & Expenses of the Bank			
Directors Fee		4,274,200	4,730,000
Meeting Expenses		1,955,715	2,557,728
		<u>6,229,915</u>	<u>7,287,728</u>
35 Shariah Supervisory Committee's Fees & Expenses of the Bank			
Shariah Council Meeting Expenses		518,180	830,543
		<u>518,180</u>	<u>830,543</u>
36 Consolidated auditors' Fees			
Shahjalal Islami Bank Ltd	(Note-36a)	500,000	450,000
Shahjalal Islami Bank Securities Ltd		35,250	39,500
		<u>535,250</u>	<u>489,500</u>
36a Auditors' Fees of the Bank			
Auditors Fees		<u>500,000</u>	<u>450,000</u>

		2018 Taka	2017 Taka
37 Consolidated depreciation and Repair of Assets			
Shahjalal Islami Bank Ltd	(Note-37a)	195,450,231	150,876,935
Shahjalal Islami Bank Securities Ltd		8,517,615	7,258,347
		<u>203,967,846</u>	<u>158,135,282</u>
37a Depreciation and Repair of Bank's Assets			
a) Depreciation of Bank's Assets (Annexure B)			
Land & Building		18,125,779	8,374,980
Furniture & Fixtures		43,192,698	44,097,127
Office Equipment		45,507,267	28,611,941
Computer & Network Equipment		40,302,789	23,426,097
Vehicles		11,020,490	9,710,172
Books		90,723	79,325
b) Amortization of Bank's Assets (Annexure B)			
Software-Core Banking		5,150,818	5,150,818
Software-Others		9,418,601	8,620,228
		<u>172,809,164</u>	<u>128,070,687</u>
c) Repair on Bank's Assets			
Office Premises		1,952,189	4,490,707
Office Equipment		10,022,015	8,824,112
Office Furniture & Fixtures		1,049,442	863,734
Vehicles		3,016,739	2,108,359
Procurement of Parts, Spares & Others		6,600,683	6,519,335
		<u>22,641,067</u>	<u>22,806,248</u>
		<u>195,450,231</u>	<u>150,876,935</u>
38 Zakat Expenses of the Bank			
Zakat Expenses		124,669,104	113,717,689
		<u>124,669,104</u>	<u>113,717,689</u>
39 Consolidated Other Expenses			
Shahjalal Islami Bank Ltd	(Note-39a)	488,049,292	463,682,826
Shahjalal Islami Bank Securities Ltd		75,225,121	103,775,384
		<u>563,274,413</u>	<u>567,458,210</u>
39a Other Expenses of the Bank			
Petrol, Oil and Lubricants		6,173,904	5,973,006
Entertainment		52,839,072	44,882,020
Donation and Subscription		5,204,703	4,448,626
Traveling and Conveyance		28,916,520	25,884,336
Training Expenses		6,929,566	5,719,138
Car expenses		147,571,553	129,856,541
Gratuity expenses		31,000,000	31,000,000
Papers & Periodicals		595,183	685,605
Utility		5,950,758	4,844,886
Uniform & Liveries		2,068,225	3,974,787
Bank Charges		903,671	723,069
Business development & Promotion		21,949,233	18,893,106
Upkeep and cleaning of office premises		13,561,017	10,486,196
Security Service- Out-sourcing		62,395,389	52,730,847
Branch Opening Expenses		3,425,334	2,858,427
Credit Rating fee		355,000	200,285
SJIBL Card expenses		13,165,036	9,829,068
Islamic Credit Card Expenses		430,208	-
AGM & Meeting expenses		13,800,718	6,520,016
Capital Enhancement Fees		49,254,657	32,706,475
Contribution to Social Security Super Annuation Fund		2,000,000	1,000,000
Laundry and Washing		279,443	222,148
Crockeries, Kettle and others		852,693	417,417
Photograph and Photocopy		510,271	473,947
Award Expenses		2,121,401	770,058
Maintenance of Head Office (New Premises) Building		666,748	9,968,810
Loss on Disposal of Fixed Assets		1,687,714	50,975,129
Miscellaneous Expenses		13,441,275	7,638,882
		<u>488,049,292</u>	<u>463,682,826</u>

		2018 Taka	2017 Taka
40 Consolidated Provision against Investment, Off-Balance Sheet & Others			
Shahjalal Islami Bank Ltd	(Note-40a)	1,410,860,000	1,249,400,000
Shahjalal Islami Bank Securities Ltd		-	-
		<u>1,410,860,000</u>	<u>1,249,400,000</u>
40a Provision against Investment, Off-Balance Sheet & Others of the Bank			
Provision on unclassified investment		209,500,000	269,700,000
Provision on classified investment		1,114,600,000	664,800,000
Provision on Off-Balance Sheet		-	259,000,000
Provisions on Investment in Securities		86,760,000	37,400,000
Provision on Other Assets		-	18,500,000
		<u>1,410,860,000</u>	<u>1,249,400,000</u>
41 Consolidated Deferred Tax Expenses/(Income)			
Shahjalal Islami Bank Ltd	(Note-41a)	4,465,215	42,534,296
Shahjalal Islami Bank Securities Ltd		(1,029,122)	-
		<u>3,436,093</u>	<u>42,534,296</u>
41a Deferred Tax Expenses/(Income) of the Bank			
Closing deferred tax liability		142,464,474	137,999,259
Opening deferred tax liability		137,999,259	95,464,963
Deferred tax expense/(Income)		<u>4,465,215</u>	<u>42,534,296</u>
41b Consolidated Tax Expenses of the Bank			
Current tax		1,712,957,586	922,873,710
Deferred tax		3,436,093	42,534,296
		<u>1,716,393,679</u>	<u>965,408,006</u>
41c Tax Expenses of the Bank			
Current tax		1,689,821,298	840,086,272
Deferred tax		4,465,215	42,534,296
		<u>1,694,286,514</u>	<u>882,620,568</u>
42 Consolidated Earnings Per Share (EPS)			
Calculation of Earnings Per Share	(Note- 2.17)		
Net Profit after Tax		1,246,107,431	1,342,654,918
Number of Ordinary Shares outstanding (Denominator)		848,564,793	848,564,793
		<u>1.47</u>	<u>1.58</u>
42a Earnings Per Share (EPS) of the Bank			
Calculation of Earnings Per Share	(Note- 2.17)		
Net Profit after Tax		1,471,181,929	1,195,895,973
Number of Ordinary Shares outstanding (Denominator)		848,564,793	848,564,793
		<u>1.73</u>	<u>1.41</u>
Earnings per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)".			
42(i) Net Asset Value (NAV) Per Share:			
Net Assets Value (Consolidated)		14,859,468,602	13,613,361,171
Net Assets Value (Banks')		14,788,965,680	13,317,783,751
No. of Outstanding Share		848,564,793	848,564,793
Net Asset Value (NAV) Per Share (Consolidated) [previous year's figure restated]		17.51	16.04
Net Asset Value (NAV) Per Share (Banks') [previous year's figure restated]		17.43	15.69
42(ii) Net Operating Cash Flows per Share (NOCFPS):			
Net cash flows from operating activities (Consolidated)		(2,721,748,603)	2,118,866,689
Net cash flows from operating activities (Banks')		(2,869,019,156)	2,514,654,325
No. of Outstanding Share		848,564,793	848,564,793
Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]		(3.21)	2.50
Net Operating Cash Flow per Share (NOCFPS) (Banks') [previous year's figure restated]		(3.38)	2.96
43 Consolidated investment income receipt in cash			
Shahjalal Islami Bank Ltd	(Note-43a)	17,209,626,836	13,152,349,757
Shahjalal Islami Bank Securities Ltd		252,650,454	450,070,827
		<u>17,462,277,290</u>	<u>13,602,420,584</u>

		2018 Taka	2017 Taka
43a Investment income receipt of the Bank			
Investment income receipt (Excluding Dividend Income)	(Note 23a & 25a)	17,199,115,066	13,111,400,973
Add: Opening profit Receivable	(Note-10a.2)	237,370,413	278,319,197
Less: Closing profit receivable	(Note-10a.2)	226,858,642	237,370,413
		<u>17,209,626,836</u>	<u>13,152,349,757</u>
44 Consolidated Profit Paid on Deposits			
Shahjalal Islami Bank Ltd	(Note-44a)	10,868,470,422	8,057,875,297
Shahjalal Islami Bank Securities Ltd		212,952,437	414,710,588
		<u>11,081,422,859</u>	<u>8,472,585,885</u>
44a Profit Paid on Deposits of the Bank			
Profit Paid on Deposits	(Note-24a)	11,295,069,465	8,418,975,877
Add: Opening profit payable on deposit	(Note-15a)	965,751,057	604,650,477
Less: Closing profit payable on deposit	(Note-15a)	1,392,350,100	965,751,057
		<u>10,868,470,422</u>	<u>8,057,875,297</u>
45 Consolidated Cash Receipt from other Operating activities (Note-26)			
Shahjalal Islami Bank Ltd	(Note-45a)	601,093,495	514,868,613
Shahjalal Islami Bank Securities Ltd		8,635,526	11,000,096
		<u>609,729,021</u>	<u>525,868,709</u>
45a Cash Receipt from other Operating activities of the Bank(Note-26a)			
Postage & Telex Charge Recovery		105,170,246	91,680,468
Incidental Charge		2,975	1,731
Supervision & Monitoring Charge		4,271,227	2,017,114
Other charges (except income from sale of fixed assets)		491,649,047	421,169,300
		<u>601,093,495</u>	<u>514,868,613</u>
46 Consolidated Cash Payment for other Operating activities			
Shahjalal Islami Bank Ltd	(Note-46a)	1,144,008,060	1,102,940,201
Shahjalal Islami Bank Securities Ltd		100,430,755	124,492,423
		<u>1,244,438,815</u>	<u>1,227,432,624</u>
46a Cash Payment for other Operating activities of the Bank			
Rent, Taxes, Insurance, Lighting etc.	(Note-29a)	457,654,841	454,172,110
Legal Expenses	(Note-30a)	1,484,446	1,440,212
Postage, Stamp, Telegram & Telephone	(Note-31a)	42,261,215	38,552,845
Directors' Fee & Expenses	(Note-34)	6,229,915	7,287,728
Shariah Supervisory Committee's Fees & Expenses	(Note-35)	518,180	830,543
Auditors' Fee	(Note-36a)	500,000	450,000
Repair, Maintenance of Bank's Assets	(Note-37a.c)	22,641,067	22,806,248
Zakat Expenses	(Note-38)	124,669,104	113,717,689
Other Expenses	(Note-39a)	488,049,292	463,682,826
		<u>1,144,008,060</u>	<u>1,102,940,201</u>
47 Cash Increase/ Decrease in Consolidated Other Assets (Note-10)			
Shahjalal Islami Bank Ltd	(Note-47a)	3,421,411,610	3,946,057,858
Shahjalal Islami Bank Securities Ltd		1,903,966,198	1,938,885,172
		5,325,377,808	5,884,943,030
Less: Cash Increase/ (Decrease) through Inter Company transaction		2,881,982,674	3,400,673,904
		<u>2,443,395,134</u>	<u>2,484,269,126</u>
Cash (Increase)/ Decrease in Other Assets		<u>40,873,991</u>	<u>837,296,311</u>
47a Cash Increase/ Decrease in Other Assets of the Bank (Note-10a)			
Stock of Stationery and Stamps		20,278,978	18,814,345
Advance deposits and rent		193,656,661	165,849,238
Suspense Account		84,097,361	101,552,665
Other Prepayments		115,693,170	39,944,523
Receivable from Shahjalal Islami Bank Securities Limited		414,914,662	1,063,059,276
Shahjalal Islami Bank Securities Ltd	(Note 10a.3)	2,515,000,000	2,515,000,000
Advance for new Branches		13,353,800	16,820,000
Advance Insurance premium		61,329,750	21,700,000
Other Receivables		3,087,227	3,317,812
SJIBL General Account-Net		-	-
		<u>3,421,411,610</u>	<u>3,946,057,858</u>
Cash (Increase)/ Decrease in Other Assets		<u>524,646,247</u>	<u>388,687,904</u>

	2018 Taka	2017 Taka
48 Cash Increase/ Decrease in Consolidated Other Liabilities (Note-14)		
Shahjalal Islami Bank Ltd	(Note- 48a) 963,332,189	612,529,617
Shahjalal Islami Bank Securities Ltd	1,810,169,668	2,475,526,279
	2,773,501,857	3,088,055,896
Less: Cash Increase/ (Decrease) through Inter Company transaction	425,365,174	886,294,043
Cash Increase/ (Decrease) in Other Liabilities	2,348,136,683	2,201,761,853
	146,374,830	(51,136,631)
48a Cash Increase/ Decrease in Other Liabilities of the Bank (Note-14a)		
Other Payable	452,611,874	254,798,849
Taxation on other income & prior years	198,403,428	198,403,428
Outstanding Expenses	234,331,379	60,072,420
Unearned Income on Quard	4,197,196	1,125,051
SJIBL General Account	73,788,313	98,129,869
Cash Increase/ (Decrease) in Other Liabilities	963,332,189	612,529,617
	350,802,572	312,685,286
49 Consolidated Cash and Cash Equivalent		
Shahjalal Islami Bank Ltd	(Note-49a) 15,314,536,023	14,188,985,869
Shahjalal Islami Bank Securities Ltd	313,782,530	412,994,289
	15,628,318,553	14,601,980,158
Less: Cash Increase/ (Decrease) through Inter Company transaction	309,512,590	393,408,115
	15,318,805,963	14,208,572,043
49a Cash and Cash Equivalent of the Bank		
Cash in Hand	1,955,895,120	1,529,754,123
Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank)	11,609,938,400	11,659,462,711
Balance with Other Banks & Financial Institutions	1,748,702,503	999,769,036
	15,314,536,023	14,188,985,869
50 Reconciliation Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities		
<i>Cash flows from operating activities</i>		
Net Profit after Taxation	1,471,181,929	1,195,895,973
Provision for Tax	1,694,286,514	882,620,568
Provision for Invstment, Share & Contingent Liability	1,410,860,000	1,249,400,000
(Increase)/Decrease profit receivable	10,511,771	40,948,784
Increase/(Decrease) Profit Payable on Deposits	426,599,043	361,100,580
Depreciation & Amortization of Fixed Assets	172,809,164	128,070,687
Recoveries on investment previously written off	10,373,603	18,605,000
Income tax paid	(1,077,042,266)	(911,423,624)
Profit on sale of Bank's Assets	-	(392,170)
Operating Profit before changes in operating assets & liabilities	4,119,579,757	2,964,825,799

51 Number of Employees of the Bank

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 or above were 2,395.

52 Audit Committee of the Bank

a) Particulars of Audit Committee

Pursuant to the BRPD Circular no. 11 dated 27 October, 2013 the Board of Director's of the Bank formed a five members [including 2 (two) independent Director] Audit Committee called "Board Audit Committee". The Board of Directors in its Meeting No. 262 held on 28-03-2018 reconstituted the Committee by the following members:-

Name	Status with the Bank	Status with the Committee	Educational Qualification
Mosharraf Hossain Chowdhury	Independent Director	Chairman	Masters
Farida Parvin Nuru	Independent Director	Member	Masters
Khorshed Alam Khan (Rep. of Daffodils Trading International)	Director	Member	B.Com.
Md. Moshir Rahman Chakmak (Rep. of Fresh Export Import Ltd.)	Director	Member	MBA
Abdul Halim	Director	Member	BA

The members of the Board Audit Committee are all having good exposure in the banking business. They are all playing active role in the Board Meeting.

b) Meeting of Audit Committee

During 1 January to 31 December 2018, the Audit Committee of the Board conducted 13 (Thirteen) meetings in which among others, the following issues were discussed:-

- The duties and responsibilities of the Committee as stated in BRPD Circular no. 11 dated 27 October 2013.
- Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.
- Minimization of expenditure in all operational activities where possible.
- Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the Bank.

53 Related Party Disclosures of the Bank

53.1 Name of the Directors and their interest in different entities:

Name of Director	Status with The Bank	Name of the firms/companies in which they have interest
Akkas Uddin Mollah	Chairman	i) Russel Garments ii) Russel Apperals iii) Ekram Sweaters Ltd. iv) PNR Industries Ltd. v) Tania Cotton Mills Ltd. vi) Russel Washing Plant vii) Russel Spinning Mills Ltd. viii) Nurul Islam Spinning Mills Ltd. ix) Helal Textile Industries Ltd. x) Goodman Pharmaceuticals Ltd. xi) Shahjalal Islami Bank Securities Ltd.
Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.)	Vice Chairman	N/A
Khandaker Sakib Ahmed	Vice Chairman	i) Khandaker Poultry & Fisheries ii) AIBL Securities Ltd. iii) Shahjalal Islami Bank Securities Ltd.
Anwer Hossain Khan, MP	Director	i) Anwer Khan Modern Medical College & Hospital ii) Modern Diagnostic Center Ltd. iii) Anwer Khan Modern Nursing College iv) Hazi Sakawat Anwara Modern Eye Hospital Ltd. v) Modern Diabetic Centre Ltd. vi) Fareast Stocks & Bonds Ltd. vii) Takaful Insurance Co. Ltd. viii) Shahjalal Islami Bank Securities Ltd. ix) Anwer Khan Modern University
Shams Uddin Khan (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Director	i) Shamsuddin Khan & Harun Miah Ltd. (UK) ii) Taj Tea & Trading Co. Ltd. iii) Mathiura Tea Co. Ltd. iv) Shahjalal Islami Bank Securities Ltd.
Md. Sanaullah Shahid (Rep. of Electra International Ltd.)	Director	i) Electra International Ltd. ii) Electra Consumer Electronics & Investment Ltd. iii) Federal Securities & Invst. Ltd. iv) Electra International v) Kashmir Chemical Co. vi) Sazawa Brothers vii) Electra Furniture viii) Shahjalal Islami Bank Securities Ltd.
Md. Abdul Barek	Director	i) Arju Electronics ii) Jony Electronics iii) Rony Electronics iv) Shahjalal Islami Bank Securities Ltd.
Abdul Halim	Director	i) Abdul Halim & Brothers ii) Excellent Ceramic Industries Ltd. iii) Excellent Motors Ltd. iv) Islamic Insurance Bangladesh Ltd. v) Shahjalal Islami Bank Securities Ltd.
Mohiuddin Ahmed	Director	i) Rupsha Trading Corporation ii) Mohiuddin Auto House iii) Pacific Automobile iv) Shahjalal Islami Bank Securities Ltd.
Engr. Md. Towhidur Rahman	Director	i) Fresh Foods Ltd. ii) Sea Fresh Ltd. iii) Libas Textiles Ltd. iv) Fresh Knitwear Ltd. v) Fresh Properties Ltd. vi) Hettich (Joint Venture Co. with Germany) vii) Shahjalal Islami Bank Securities Ltd. viii) Prime University
A. K. Azad	Director	i) Ha-Meem Denim Mills Ltd. ii) Ha-Meem Apparels Ltd. iii) Ha-Meem Spinning Mills Ltd. iv) Ha-Meem Design Ltd.

A. K. Azad		v) That's It Fashions Ltd. vi) That's It Sweater Ltd. vii) That's It Sportswear Ltd. viii) That's It Garments Ltd. ix) That's It Knit Ltd. x) Sajid Washing & Dyeing Ltd. xi) Nishat Jute Mills Ltd. xii) Refat Garments Ltd. xiii) Refat Fashions Ltd. xiv) Refat Packaging & Printing Industries Ltd. xv) Sakib Poly Industries Ltd. xvi) Apparels Galary Ltd. xvii) Artistic Design Ltd. xviii) Creative Collections Ltd. xix) Creative Wash Ltd. xx) Express Washing & Dyeing Ltd. xxi) Times Media Ltd. [Channel 24 & The Daily Samakal] xxii) Next Collections Ltd. xxiii) Shahjalal Islami Bank Securities Ltd.
Mohammed Younus	Director	i) Sonali Papers and Board Mills Ltd. ii) Galaxy Flying Academy Ltd. iii) Younus Newsprint Mills Ltd. iv) Younus Offset Paper Mills Ltd. v) Younus Fine Paper Mills Ltd. vi) Younus Paper Mills Ltd. vii) Ananta Paper Mills Ltd. viii) Universal Paper & Board Mills Ltd. ix) Younus Spinning Mills Ltd. x) Sobhan Ice & Cold Storage Ltd. xi) Younus Specialized Cold Storage Ltd. xii) Younus Cold Storage Ltd. xiii) Sharif Cold Storage Ltd. xiv) Nowpara Cold Storage (Pvt.) Ltd. xv) Garib-E-Newaj Cold Storage Ltd. xvi) Siddheswari Cold Storage Ltd. xvii) Europa Cold Storage Ltd. xviii) Akco Industries & Cold Storage Ltd. xix) Combined Food & Cold Storage Ltd. xx) A. Kader & Sons Himagar Ltd. xxi) Wadud & Aysha Cold Store Ltd. xxii) Bikrampur Potato Flakes Inds. Ltd. xxiii) United Traders xxiv) Sonali Dredger Ltd. xxv) Sonali Rubber Garden xxvi) Sonali Agro xxvii) Sonali Abason Ltd. xxviii) Sonali News.Com xxix) Sonali IT xxx) Wordbridge School xxxi) International Television Channel Ltd. (NTV) xxxii) Express Insurance Ltd. xxxiii) Athena Venture & Equities Ltd. xxxiv) Shahjalal Islami Bank Securities Ltd. xxxv) Fareast International University
Fakir Akhtaruzzaman	Director	Fakir Knitwears Ltd.
Khorshed Alam Khan (Rep. of Daffodils Trading International)	Director	i) Daffodils Trading International ii) Daffodil Color Lab & Studio
Md. Moshir Rahman Chamak (Rep. of Fresh Export Import Ltd.)	Director	i) Fresh Export Import Ltd. ii) Libas Textiles Ltd. iii) Fresh Knitwear Ltd. iv) Moshir Infrastructure Ltd.
Mrs. Shahan Ara Begum	Director	i) Russel Spinning Mills Ltd. ii) PNR Industries Ltd. iii) Ekram Sweaters Ltd. iv) Tania Cotton Mills Ltd. v) Goodman Pharmaceuticals Ltd.
Mrs. Tahera Faruque	Director	i) F & T Property Management Company ii) Star of India Restaurant
Mosharraf Hossain Chowdhury	Independent Director	N/A
Farida Parvin Nuru	Independent Director	i) Viceroy of Windsor (UK) ii) Next Bomd Spices (UK) ii) Lotus (Windsor) Ltd. (UK)

53.2 Significant Contracts where Bank is a party and wherein Directors have interest:

Nil

53.3 Shares issued to Directors & Executives without consideration or exercise at discount:

Nil

53.4 Lending Policies to related parties:

Lending to related parties are effected as per requirements of Section 27(1) of the Bank Companies (Amendment) Act, 2013 (as amended up to 2018)

53.5 Investment (Loan and Advances) to Directors and their related Concern (Note # 8(a).4):

Name of the Party	Related By	Nature of Investment	Amount in Tk.	Status
i) M/s. Rony Electronics	Md. Abdul Barek	Bai-Muajjal/Murabaha LC/MPI-TR	3,133,958	Regular
ii) M/s. Rupsha Trading Corporation	Alhaj Md. Mohiuddin Ahmed	L/C /MPI-TR/Bai-Muajjal	30,000,000	Regular
iii) Excellent Ceramic Ind. Ltd.	Alhaj Abdul Halim	Murabaha local/L/C /MPI-TR/Bai-Muajjal	3,233,306	Regular
iv) M/s. Exclusive Motors	Alhaj Abdul Halim	Murabaha local/L/C /MPI-TR/Bai-Muajjal	16,200,000	Regular
v) Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal	1,260,741,968	Regular
			1,313,309,232	

53.6 Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Companies Act 1991 (as amended up to 2018)

NIL

53.7 Investments in Securities of Directors and their related concern:


NIL

54 Events After Reporting Period

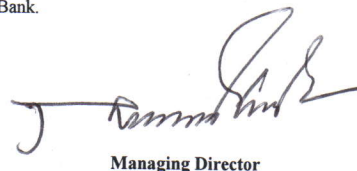
The Board of Directors of the Bank at it's 278th meeting held on 24 April 2019 has recommended 10% stock dividend for the year 2018. This dividend is subject to the final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank.


Chairman

Dhaka, 24 April 2019


Director


Director


Managing Director

Shahjalal Islami Bank Limited
Investment in Shares & Securities (listed with Stock Exchanges)
As at December 31, 2018

Sl No	Name of Company	No. of Shares/ Securities	Market price per share	Market value 31 December, 2018	Cost price 31 December, 2018	Unrealised Gain/(loss)
Quoted						
1	The ACME Laboratories Limited	746,790	86	64,149,261	79,725,940	(15,576,679)
2	Active Fine Chemicals Ltd.	1,080,000	28	30,456,000	35,487,579	(5,031,579)
3	Aftab Automobiles Limited	816,854	46	37,493,599	61,605,088	(24,111,489)
4	Agricultural Marketing Company Ltd – AMCL (PRAN)	50,000	241	12,030,000	9,958,704	2,071,296
5	AIBL 1st Islamic Mutual Fund	7,500,000	8	60,750,000	67,402,716	(6,652,716)
6	Apex Footwear Limited	30,000	296	8,865,000	10,953,975	(2,088,975)
7	Beacon Pharmaceuticals Limited	2,988,625	16	48,415,725	87,734,854	(39,319,129)
8	Beximco Limited	3,029,346	24	71,189,631	83,745,911	(12,556,280)
9	Dhaka Electric Supply Company Ltd.	1,200,000	40	48,480,000	69,126,961	(20,646,961)
10	Eastern Housing Limited	2,145,258	47	99,969,023	166,063,283	(66,094,260)
11	Envoy Textiles Ltd.	1,103,130	36	40,043,619	42,402,697	(2,359,078)
12	Export Import Bank of Bangladesh Limited	3,848,655	12	45,414,129	65,369,186	(19,955,057)
13	Familytex (BD) Ltd.	103,083	5	494,798	2,259,675	(1,764,876)
14	Fareast Islami Life Insurance Co. Ltd.	958,000	63	60,545,600	65,297,780	(4,752,180)
15	Generation Next Fashions Limited	1,989,845	6	12,536,024	25,741,813	(13,205,790)
16	LafargeHolcim Bangladesh Limited	500,000	44	21,750,000	42,489,421	(20,739,421)
17	M.I. Cement Factory Ltd	500,000	69	34,700,000	41,501,769	(6,801,769)
18	Meghna Petroleum Limited	350,000	189	66,010,000	75,607,343	(9,597,343)
19	Metro Spinning Mills Limited	1,212,470	8	9,699,760	65,855,505	(56,155,745)
20	Orion Pharma Ltd.	1,082,759	37	39,845,531	62,359,551	(22,514,020)
21	RAK Ceramics (Bangladesh) Limited	900,000	39	35,100,000	46,803,776	(11,703,776)
22	Square Textile Ltd	551,250	47	25,963,875	34,785,789	(8,821,914)
23	The Dacca Dyeing & Mfg. Co. Limited	4,924,869	6	27,086,780	156,023,958	(128,937,178)
24	Titans Gas Transmission And Distribution Co. Ltd	1,000,000	36	36,400,000	78,349,510	(41,949,510)
25	Unique Hotel and Resorts Ltd	504,300	53	26,627,040	31,110,235	(4,483,195)
26	Bangladesh Steel Re-Rolling Mills Limited	110,000	60	6,589,000	9,744,380	(3,155,380)
27	Prime Islami Life Insurance Ltd.	100,000	58	5,790,000	5,165,436	624,565
28	Bangladesh Submarine Cable Company Limited	40,000	94	3,740,000	4,314,941	(574,941)
29	Premier Cement Mills Limited	200,000	72	14,340,000	18,441,295	(4,101,295)
30	Shahjibazar Power Co. Ltd.	150,000	95	14,220,000	16,117,113	(1,897,113)
31	Singer Bangladesh Limited	290,000	221	64,148,000	60,778,950	3,369,050
32	Olympic Industries Ltd.	100,000	216	21,620,000	21,845,687	(225,687)
33	Power Grid Company of Bangladesh Ltd.	200,000	48	9,600,000	9,624,374	(24,374)
34	Square Pharmaceuticals Ltd.	178,259	254	45,313,438	44,791,917	521,521
35	M.L. Dyeing Limited	1,208	30	35,878	11,744	24,133
36	Padma Islami Life Insurance Limited	112,302	25	2,807,550	2,957,909	(150,359)
37	Silva Pharmaceuticals Limited	4,596	30	138,340	45,960	92,380
38	VFS Thread Dyeing Limited	703	58	40,633	6,392	34,242
Un-Quoted						
1	Lanka Bangla Securiries Ltd	-	-	5,000,000	5,000,000	-
2	Market Stabilization Fund, Asset Management Co. Ltd	-	-	2,000,000	2,000,000	-
3	Aman Cotton Fibrous Limited	-	-	315,090	315,090	-
4	SK Trims & Industries Limited	-	-	51,170	51,170	-
5	VFS Thread Dyeing Limited	-	-	35,951	35,951	-
6	Esquire Knit Composite Limited	-	-	1,885,100	1,885,100	-
7	M.L. Dyeing Limited	-	-	30,960	30,960	-
8	Silva Pharmaceuticals Limited	-	-	45,683	45,683	-
9	Kattali Textile Limited	-	-	102,130	102,130	-
10	S S Steel Limited	-	-	137,920	137,920	-
11	ADN Telecom Limited	-	-	574,040	574,040	-
12	Genex Infosys Limited	-	-	107,670	107,670	-
13	Runner Automobiles Limited	-	-	1,085,825	1,085,825	-
Total				1,163,769,772	1,712,980,655	(549,210,883)

As per DOS Circular Letter no. 3; dated 12 March 2015, no provision is required for investment in AIBL 1st Mutual Fund. As a result required provision for investment in shares stood at Taka 5,451.54 Lac instead of 5,492.11 Lac.

Shahjalal Islami Bank Limited
Schedule of Fixed Assets
As at 31 December 2018

Particulars	Cost			Depreciation			Written Down Value			
	Balance as on 01.01.2018	Additions during the year	Adjustment during the year	Balance as on 31.12.2018	Rate	Balance as on 01.01.2018	Adjustment during the year	Charged during the year	Balance as on 31.12.2018	As on 31.12.2017
Land	1,876,724,350	-	-	1,876,724,350	-	-	-	-	-	1,876,724,350
Building	905,233,317	-	24,012,856	881,220,460	2.25%	75,632,142	-	18,125,779	93,757,921	829,601,174
Head Office Building under construction	488,687,809	39,347,876	289,312,875	238,722,811		-	-	-	-	488,687,809
Furniture & Fixtures	619,570,868	335,580,613	3,835,609	951,315,873	10%-20%	276,144,962	2,026,842	43,192,698	317,310,817	343,425,907
Office Equipment	395,394,337	75,379,696	1,619,671	469,154,361	20%	213,631,691	1,317,840	45,507,267	257,821,118	181,762,646
Computer & Network Equipment	349,338,876	49,910,546	327,844	398,921,578	20%	197,420,237	288,952	40,302,789	237,434,074	151,918,638
Vehicles	80,708,248	22,799,780	-	103,508,028	20%	53,316,290	-	11,020,490	64,336,780	27,391,958
Books	1,042,667	-	-	1,042,667	20%	630,998	-	90,723	721,720	411,669
Sub-total	4,716,700,471	523,018,512	319,108,855	4,920,610,128		816,776,320	3,633,634	158,239,745	971,382,431	3,899,924,150
Software-Amortization										
Software-Core Banking	62,615,430	-	-	62,615,430	20%	41,983,934	-	5,150,818	47,134,752	20,631,496
Software-Others	75,940,013	3,614,440	-	79,554,453	20%	39,377,891	-	9,418,601	48,796,492	36,562,121
Sub-total	138,555,443	3,614,440	-	142,169,893		81,361,826	-	14,569,419	95,931,244	57,193,617
Grand-total	4,855,255,914	526,632,952	319,108,855	5,062,780,011		898,138,146	3,633,634	172,809,164	1,067,313,676	3,957,117,768

Shahjalal Islami Bank Limited
As at December 31, 2018

[Referred to Note 5a.2 of these financial statements]

SL No.	Name of the Banks	Currency Name	2018			2017		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
1	Standard Chartered Bank NY	USD	397,389.60	83.9000	33,340,987.44	555,995.45	82.7000	45,980,823.72
2	Mashreq Bank psc, NY	USD	144,390.38	83.9000	12,114,352.88	944,028.96	82.7000	78,071,194.99
3	Standard Chartered Bank, Mumbai	USD	222,198.53	83.9000	18,642,456.67	222,198.53	82.7000	18,375,818.43
4	Habib American Bank, USA	USD	55,412.07	83.9000	4,649,072.67	307,016.90	82.7000	25,390,297.63
5	ICICI Bank, Hong Kong	USD	48,933.69	83.9000	4,105,536.59	152,133.52	82.7000	12,581,442.10
6	WACHOVIA BANK, NY, USA	USD	390,194.69	83.9000	32,737,334.49	1,028,893.30	82.7000	85,089,475.91
7	Commerzbank AG Frankfurt	USD	10,989.66	83.9000	922,032.47	151,518.47	82.7000	12,530,577.47
8	Bank Aljazira	USD	1,274,864.47	83.9000	106,961,129.03	563,077.06	82.7000	46,566,472.86
9	UBAF Hong Kong Limited	USD	-	-	-	2.73	82.7000	226.11
10	AB Bank Ltd, Mumbai	ACUD	47,221.70	83.9000	3,961,900.63	161,598.53	82.7000	13,364,198.43
11	Standard Chartered Bank, Mumbai	ACUD	281,145.37	83.9000	23,588,096.54	21,725.07	82.7000	1,796,663.29
12	Nepal Bangladesh Bank, Nepal	ACUD	6,904.52	83.9000	579,289.23	27,454.25	82.7000	2,270,466.48
13	Standard Chartered Bank, Colombo	ACUD	1,077.80	83.9000	90,427.42	5,154.98	82.7000	426,316.85
14	ICICI Bank, Mumbai	ACUD	116,024.83	83.9000	9,734,483.24	6,797.78	82.7000	562,176.41
15	Habib Metropolitan Bank Ltd.	ACUD	61,875.51	83.9000	5,191,355.29	105,782.76	82.7000	8,748,234.25
16	United Bank of India, Kolkata	ACUD	108,020.15	83.9000	9,062,890.59	156,937.46	82.7000	12,978,727.94
17	Somali Bank Ltd ACU, Kolkata	ACUD	36,128.00	83.9000	3,031,139.20	4,057.73	82.7000	335,574.62
18	Bank of Bhutan Ltd. Main Branch	ACUD	10,596.44	83.9000	889,041.32	47,816.83	82.7000	3,954,451.84
19	AXIS Bank Ltd. India	ACUD	214,668.84	83.9000	18,010,715.68	176,952.33	82.7000	14,633,957.69
20	MCB Bank Limited	ACUD	8,641.29	83.9000	725,004.23	-	-	-
21	IFIC Bank Ltd., Karachi	ACUD	-	-	-	8,641.29	82.7000	714,634.68
22	Standard Chartered Bank, Frankfurt	EURO	56,470.26	95.3440	5,384,100.47	12,511.37	98.7521	1,235,524.06
23	Mashreq Bank, London	EURO	1,023.41	95.3440	97,576.00	8,697.01	98.7521	858,848.00
24	COMMERZBANK AG	EURO	195,602.67	95.3440	18,649,540.97	86,164.24	98.7521	8,508,899.64
25	Wells Fargo Bank, N. A. London, UK	EURO	45,542.96	95.3440	4,342,247.98	207,746.19	98.7521	20,515,372.53
26	Standard Chartered Bank, Tokyo	YEN	193,694.00	0.7611	147,420.50	869,483.99	0.7326	636,983.97
27	Habib Bank AG Zurich	CHF	2,447.11	85.2989	208,735.79	2,466.85	84.4826	208,405.90
28	BCP - Geneva, Switzerland	CHF	-	-	-	6,395.43	84.4826	540,302.55
29	Bank Aljazira, KSA	SAR	46,080.89	22.3626	1,030,488.51	203,786.81	22.0533	4,494,171.66
30	Standard Chartered Bank London	GBP	501,378.83	106.4943	53,393,987.54	51,271.68	111.1819	5,700,482.80
31	MASHREQBANK PSC. UAE	AED	5,000.00	22.8436	114,218.00	-	-	-
Total					371,705,561.37			427,070,722.81

Annexure-D
DETAILS OF INFORMATION ON INVESTMENTS EXCEEDING 10% OF BANKS TOTAL REGULATORY CAPITAL (FUNDED & NON-FUNDED)
As at December 31, 2018

SL. No.	Name of client				(Tk. In lac)		
		Funded	Outstanding Non-funded	Total	% of Investments to Total Capital Funded	% of Investments to Total Capital Non-funded	% of Investments to Total Capital Total
1	Moonlight Garments Ltd.	383	4,362	4,744			
	Ehsan Garments Ltd.	679	3,242	3,921			
	Nourish Poultry & Hatchery Ltd.	8,889	7,345	16,234			
	Nourish Agro Ltd.	7,978	363	8,342			
	Telnet Communication Ltd.	55	4	59			
	Ehsan Packaging & Printing Ltd.	28	-	28			
	Group-total	18,012	15,316	33,328	6.67%	5.67%	12.34%
2	Anwar Silk Mills Ltd.	836	12	848			
	A-One Polymer Ltd.	657	26	683			
	Anwar Jute Spinning Mills Ltd.	1,790	-	1,790			
	A.G. Automobiles Ltd.	1,428	628	2,056			
	A.G. Motors Ltd.	887	84	971			
	Anwar Ispat Ltd.	4,656	2,921	7,577			
	Hossain Dyeing & Printing Mills Ltd.	1,700	1,870	3,571			
	Mehmud Ind (Pvt.) Ltd.	384	-	384			
	Anwar Cement Sheet	10,862	5,340	16,202			
	Anwar Cement Ltd	78	-	78			
	Group-total	23,278	10,882	34,160	8.62%	4.03%	12.65%
3	Nassa Basics Ltd.	9,708	13,192	22,901			
	Nassa Spinning Ltd.	6,522	-	6,522			
	Nassa Basic Wash Ltd.	602	-	602			
	NASSA HI TECH WASH LTD	193	9	203			
	Nassa Taipei Textile Mills Ltd.	12,235	8,473	20,708			
	Group-total	29,261	21,674	50,935	10.84%	8.03%	18.86%
4	Sinha Dyeing & Finishing Ltd.	2,569	312	2,881			
	Sinha Yarn Dyeing & Fabrics Ltd.	6,859	3,595	10,453			
	Pritha Fashions Ltd.	-	188	188			
	Sinha Washing Plant Ltd.	-	-	-			
	Opex Industries Ltd.	2,934	11,085	14,019			
	Sinha Apparels Accessories Ltd.	-	-	-			
	Shikharraa Developments Ltd.	3,010	-	3,010			
	Best Fried Chicken	-	-	-			
	Group-total	15,372	15,180	30,552	5.69%	5.62%	11.31%
5	Chittagong Denim Mills Ltd	2,654	5,151	7,805			
	Smart Jeans Ltd	9,390	2,723	12,113			
	Smart Jacket Ltd.	602	3,401	4,002			
	Shehan Textile Ltd.	-	213	213			
	Smart Bio-Inception Ltd	-	186	186			
	Apparel Promoters Limited	1,328	3,469	4,797			
	BM Cotainer (BD)Ltd.	507	-	507			
	BM Energy (BD) Ltd.	3,480	22,823	26,304			
	Group-total	17,962	37,967	55,929	6.65%	14.06%	20.71%
6	Super Oil Refinery Ltd.	-	10,349	10,349			
	Multi Oil Refibnery Ltd	-	11	11			
	Super Board Mills Limited	-	50	50			
	Super Formica & Lamination Ltd.	7,774	1,621	9,395			
	T.K. Chemical Complex Ltd	6,829	2,904	9,733			
	Group-total	14,603	14,934	29,537	5.41%	5.53%	10.94%
7	Amber Denim Ltd.	3,459	1,078	4,536			
	Amber Rotor Spinning Mills Ltd.	1,391	102	1,493			
	Amber Rotor Mills Ltd.	4,900	147	5,046			
	Amber Cotton Mills Ltd.	8,743	4,034	12,778			
	Amber Super Yarn Ltd.	4,415	-	4,415			
	Group-total	22,908	5,360	28,269	8.48%	1.99%	10.47%
8	Alim Knit (BD) Ltd.	7,869	8,822	16,691			
	Mondol Intimates Ltd.	2,435	2,890	5,325			
	Mondol Knit Tex Ltd.	1,386	6,359	7,745			
	Appollo Knitwear BD Ltd	2	218	220			
	Appollo Fashions Ltd	235	1,060	1,296			
	Group-total	11,927	19,349	31,276	4.42%	7.17%	11.58%
9	Incepta Pharmaceuticals Ltd.	10,315	9,839	20,153			
	Impress Aviation Limited	-	48	48			
	Next Spaces Ltd	5,318	3,052	8,370			
	Infratrade Limited	528	290	818			
	Group-total	16,161	13,228	29,389	5.99%	4.90%	10.88%
10	Abdul Monem Ltd.	16,044	16,372	32,416			
	Group-total	16,044	16,372	32,416	5.94%	6.06%	12.01%
11	Mir Akter Hossain Ltd.	175	504	679			
	Mir Cement Ltd	384	678	1,062			
	Mir Akhter Hossain Ltd	12,759	14,995	27,754			
	Group-total	13,318	16,176	29,495	4.93%	5.99%	10.92%
12	Dhaly Construction Ltd.	28,242	15,166	43,408			
	Group-total	28,242	15,166	43,408	10.46%	5.62%	16.08%
13	Energypac Engyneering Ltd.	12,380	10,102	22,482			
	Energypac Fashions Limited	13,652	2,234	15,886			
	Group-total	26,032	12,336	38,367	9.64%	4.57%	14.21%
14	Max Infrastructure Ltd	1,194	8,691	9,885			
	Kushiara Power company Ltd	18,590	584	19,175			
	Group-total	19,784	9,276	29,060	7.33%	3.44%	10.76%

DETAILS OF INFORMATION ON INVESTMENTS EXCEEDING 10% OF BANKS TOTAL REGULATORY CAPITAL (FUNDED & NON-FUNDED) Annexure-D
As at December 31, 2018

SL. No.	Name of client	Outstanding			(Tk. In lac)		
		Funded	Non-funded	Total	Funded	Non-funded	Total
15	Navana Ltd.						
	Navana Food Ltd.	9	371	380			
	Navana Batteries Ltd.	320	-	320			
	Aftab Automobiles Ltd.	1,581	474	2,055			
	Navana CNG Limited	54	-	54			
	Navana Engineering Ltd.	750	2,529	3,279			
	NAVANA LPG LIMITED	1,644	282	1,926			
	Navana Welding Electrode Ltd	11,485	6,144	17,629			
	Navana Ltd.	676	411	1,087			
	Navana Electronics Ltd	120	-	120			
	Group-total	506	-	506			
16	MSA Textiles Limited	17,146	10,211	27,357	6.35%	3.78%	10.13%
	A A Coarse	26,197	6,750	32,947			
	Group-total	2,360	5,561	7,921			
17	Group-total	28,558	12,311	40,869	10.58%	4.56%	15.14%
	Sinha Peoples Energy Ltd.	7,854	9,612	17,466			
	Venture Energy Limited	5,596	-	5,596			
	Sinha Power Generation Com. Ltd	5,971	3,131	9,102			
	Group-total	19,421	12,743	32,164	7.19%	4.72%	11.91%
Total		338,029	258,482	596,510			

Bank's total Capital as on 31 December 2018 is Tk. 270,014.66 lac

Annexure-E

HIGHLIGHTS OF PERFORMANCE OF BANK

As at December 31, 2018

(Amount in Taka)

SL	PARTICULARS	2018	2017
1	Paid up Capital	8,485,647,930	7,714,225,390
2	Total Capital (Tier-1 + Tier-2)	27,001,465,680	19,375,983,751
3	Capital Surplus	9,648,943,612	3,482,330,324
4	Total Assets	243,659,893,222	207,886,374,678
5	Total Deposit	176,861,513,007	146,348,226,244
6	Total Investment (Loans & Advance)	186,090,034,291	158,668,157,376
7	Total Contingent Liabilities and Commitment	100,786,628,882	89,225,560,344
8	Investment Deposit Ratio (%)	90.32%	90.17%
9	Percentage of Classified Investment against total Investments	6.84%	3.97%
10	Profit after Tax and Provision	1,471,181,929	1,195,895,973
11	Amount of Classified Investment	12,723,295,289	6,300,502,160
12	Provisions kept against classified Investment	2,444,970,076	1,415,064,133
13	Provisions surplus	0	8,651,571
14	Cost of Fund	8.31%	7.83%
15	Profit Earning Assets	202,396,523,710	173,187,406,756
16	Non-Profit Earning Assets	41,263,369,512	34,698,967,922
17	Return on Investment in Securities (ROI)	2.68%	2.59%
18	Return on Assets (ROA)	0.65%	0.64%
19	Income from Investment in Securities	373,496,035	299,298,822
20	Earnings Per Share	1.73	1.41
21	Net Income Per Share	1.73	1.41
22	Price Earning Ratio (Times)	15.92	23.42

Shahjalal Islami Bank Limited (Off-Shore Banking Unit)

Balance Sheet

As at 31 December 2018

Property and Assets	Note	31.12.2018		31.12.2017	
		USD	Taka	USD	Taka
Cash					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank Ltd. (Including Foreign Currencies)		-	-	-	-
		-	-	-	-
Placement with other Banks & Financial Institutions		-	-	-	-
Balance with other Banks and Financial Institutions					
Inside Bangladesh		13,143,584.35	1,102,746,727	8,171,792.68	675,807,255
Outside Bangladesh		-	-	-	-
	3	13,143,584.35	1,102,746,727	8,171,792.68	675,807,255
Investments					
General Investment etc.		17,067,101.23	1,431,929,793	12,145,385.52	1,004,423,383
Bills Purchased and Discounted		66,958,992.94	5,617,859,508	79,265,666.60	6,555,270,628
	4	84,026,094.17	7,049,789,301	91,411,052.12	7,559,694,010
Fixed Assets Including Premises	5	3,331.22	279,489	3,207.11	265,228
Other Assets		-	-	-	-
Non Banking Assets		-	-	-	-
Total Assets		97,173,009.74	8,152,815,517	99,586,051.91	8,235,766,493
Liabilities and Capital					
Liabilities					
Placement from other Banks & Financial Institutions	6	95,915,000.00	8,047,268,500	98,784,700.00	8,169,494,690
Deposits and Other Accounts					
Mudaraba Savings Deposits		126,431.03	10,607,563	100,592.75	8,319,020
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts		9,552.40	801,446	-	-
Bills Payable		-	-	-	-
	7	135,983.43	11,409,010	100,592.75	8,319,020
Other Liabilities	8	1,122,026.31	94,138,007	700,759.16	57,952,783
Total Liabilities		97,173,009.74	8,152,815,517	99,586,051.91	8,235,766,493
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities & Shareholders' Equity		97,173,009.74	8,152,815,517	99,586,051.91	8,235,766,493

Shahjalal Islami Bank Limited (Off-Shore Banking Unit)
Off-balance Sheet Items
As at 31 December 2018

	Note	31.12.2018		31.12.2017	
		USD	Taka	USD	Taka
Contingent liabilities					
Acceptances & endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit (including back to back bills)		-	-	-	-
Bills for collection		20,482.45	1,718,477.56	-	-
Other contingent liabilities		-	-	-	-
Total		20,482.45	1,718,477.56	-	-
Other commitments					
Documentary credits, short term and trade related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance, revolving and underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Total		-	-	-	-
Total off-balance sheet items including contingent liabilities		20,482.45	1,718,477.56	-	-

Shahjalal Islami Bank Limited (Off-Shore Banking Unit)
Profit and Loss Account
For the year ended 31 December 2018

	Note	2018		2017	
		USD	Taka	USD	Taka
Investment Income	9	5,528,786.55	463,865,192	4,334,658.74	358,476,278
Less: Profit paid on Deposits & Borrowing	10	2,686,170.77	225,369,728	1,892,691.54	156,525,590
Net Investment Income		2,842,615.78	238,495,464	2,441,967.20	201,950,687
Commission, Exchange and Brokerage	11	350.00	29,365	10.00	827
Other Operating Income	12	134,619.18	11,294,549	108,810.66	8,998,642
		134,969.18	11,323,914	108,820.66	8,999,469
Total Operating Income		2,977,584.96	249,819,378	2,550,787.86	210,950,156
Salaries and Allowances	13	93,200.44	7,819,517	69,107.94	5,715,227
Rent, Taxes, Insurances, Electricity etc.	14	394.48	33,097	19,967.18	1,651,286
Legal Expenses		-	-	-	-
Postage, Stamps, Telecommunication etc.	15	7,757.47	650,852	6,905.75	571,106
Stationery, Printings, Advertisements etc.	16	502.78	42,183	906.08	74,933
Auditors' Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	17	993.08	83,319	662.99	54,829
Other Expenses	18	6,790.84	569,751	822.37	68,010
Total Operating Expenses		109,639.09	9,198,720	98,372.31	8,135,390
Profit before Provision		2,867,945.87	240,620,658	2,452,415.55	202,814,766
Specific provisions for Classified Investment		-	-	-	-
General Provisions for Unclassified Investment		-	-	-	-
Provisions for Other Assets		-	-	-	-
Total Provision		-	-	-	-
Total Profit before Provisions for Taxation		2,867,945.87	240,620,658	2,452,415.55	202,814,766
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
Net Profit after Taxation		2,867,945.87	240,620,658	2,452,415.55	202,814,766
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of Current year		2,867,945.87	240,620,658	2,452,415.55	202,814,766
Retained Earnings carried forward		2,867,945.87	240,620,658	2,452,415.55	202,814,766
Less: Retained earnings transferred to central operation		2,867,945.87	240,620,658	2,452,415.55	202,814,766
		-	-	-	-

Shahjalal Islami Bank Limited (Off-Shore Banking Unit)
Cash Flow Statement
For the year ended 31 December 2018

	2018		2017	
	USD	Taka	USD	Taka
Cash Flow from Operating Activities				
Investment Income receipt in cash	5,528,786.55	463,865,192	4,334,658.74	358,476,278
Profit Paid on Borrowing	(2,686,170.77)	(225,369,728)	(1,892,691.54)	(156,525,590)
Fees & Commission receipt in cash	350.00	29,365	10.00	827
Cash Payments to Employees	(93,200.44)	(7,819,517)	(69,107.94)	(5,715,227)
Cash Payments to Suppliers	(502.78)	(42,183)	(906.08)	(74,933)
Receipts from other Operating activities	134,619.18	11,294,549	108,810.66	8,998,642
Payments for other Operating activities	(14,828.24)	(1,247,938)	(27,695.30)	(2,297,999)
(i) Operating Profit before changes in Operating Assets	2,869,053.50	240,709,740	2,453,078.54	202,861,997
Changes in Operating Assets and Liabilities				
Increase/decrease of Investment to Customers	7,384,957.95	509,904,709	(4,851,453.75)	(747,453,619)
Increase/decrease of Deposits received from Customers	35,390.68	3,089,989	84,465.07	7,049,772
Increase/decrease of Other Liabilities	421,267.15	36,185,225	112,917.50	11,689,644
(ii) Cash flows from operating assets and liabilities	7,841,615.78	549,179,924	(4,654,071.18)	(728,714,203)
Net cash flows from operating activities (A)=(i+ii)	10,710,669.28	789,889,664	(2,200,992.64)	(525,852,205)
Cash flows from Investing Activities				
Proceeds from Sale of fixed assets	-	-	-	-
Purchases of Property, Plant & Equipments	(1,231.74)	(103,343)	(1,970.57)	(162,965)
Net cash used in investing activities (B)	(1,231.74)	(103,343)	(1,970.57)	(162,965)
Cash flows from Financing Activities				
Borrowing from Banks & Financial Institutions	(2,869,700.00)	(122,226,190)	8,007,900.00	1,025,360,530
Profit transferred to Shahjalal Islami Bank Ltd	(2,867,945.87)	(240,620,658)	(2,452,415.55)	(202,814,766)
Net cash flows from financing activities (C)	(5,737,645.87)	(362,846,848)	5,555,484.45	822,545,764
Net Increase/(Decrease) in Cash (A+B+C)	4,971,791.67	426,939,472	3,352,521.24	296,530,593
Add: Cash and cash equivalents at the beginning of the year	8,171,792.68	675,807,255	4,819,271.44	379,276,662
Cash & cash equivalents at the end of the year	13,143,584.35	1,102,746,727	8,171,792.68	675,807,255

**Off-shore Banking Unit
Notes to the Financial Statements
For the year ended 31 December 2018**

1. Status of the Unit

Off-shore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and Guidelines of Bangladesh Bank. The Bank commenced the operation of its Off-shore Banking Unit on 21 December 2008 with the permission from Bangladesh Bank vide letter no. BRPD (P-3)744(99)/2008-2800 dated 24 July 2008. The unit is located at Shahjalal Islami Bank Tower, Plot#4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

1.1 Nature of Business/Principal Activities

The principal activities of the OBU are to provide all kind of shariah based commercial banking services to its customers complying the applicable rules & regulations.

2. Significant Accounting Policies

2.1 Basis of accounting

The accounting records of the unit are maintained in USD forms and the financial statements are prepared on a going concern basis under the historical cost convention and in accordance with first schedule of Bank Companies Act 1991 as amended by Bangladesh Bank BRPD Circular No.14 dated 25 June 2003, other Bangladesh Bank circulars, International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, the listing Regulations of the Stock Exchanges, the Securities and Exchange Rule 1987 and other laws and rules applicable in Bangladesh.

2.2 Common expense

- a. Expenditure for audit fees has not been separately accounted for in the Financial Statements of OBU.
- b. Provision for taxation, loans & advances and off-Balance Sheet items have not been accounted for in the separate Financial Statements of the OBU. However all provisions have been accounted for in the Financial Statement of Shahjalal Islami Bank Limited instead of OBU.

2.3 General

- a. These Financial Statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b. Assets, liabilities, income & expenses have been converted to BDT currency @ US\$1= Taka 83.90 (weighted average rate as at 31st December 2018)

	31.12.2018		31.12.2017	
	USD	Taka	USD	Taka
3 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Fund)				
Inside Bangladesh (Note - 3.1)	13,143,584.35	1,102,746,727	8,171,792.68	675,807,255
Outside Bangladesh	-	-	-	-
	13,143,584.35	1,102,746,727	8,171,792.68	675,807,255
3.1 Inside Bangladesh				
Shahjalal Islami Bank Ltd	13,143,584.35	1,102,746,727	8,171,792.68	675,807,255
	13,143,584.35	1,102,746,727	8,171,792.68	675,807,255
4 Investments (Loans and Advances)				
Country-wise Classification of Investments				
Inside Bangladesh				
Gross Murabaha, Bai-Muajjal etc	17,067,101.23	1,431,929,793	12,145,385.52	1,004,423,383
Less: Profit receivable on Murabaha, Bai-Muajjal etc	-	-	-	-
Net Murabaha, Bai-Muajjal etc	17,067,101.23	1,431,929,793	12,145,385.52	1,004,423,383
Bills purchased and discounted-net (Note- 4.1)	66,958,992.94	5,617,859,508	79,265,666.60	6,555,270,628
Out side Bangladesh	-	-	-	-
	84,026,094.17	7,049,789,301	91,411,052.12	7,559,694,010
4.1 Bills Purchased and Discounted				
Payable inside Bangladesh	-	-	-	-
Payable outside Bangladesh	66,958,992.94	5,617,859,508	79,274,939.60	6,556,037,505
Gross Bills Purchased and Discounted	66,958,992.94	5,617,859,508	79,274,939.60	6,556,037,505
Less: Profit receivable on Bills Purchased and Discounted	-	-	9,273.00	766,877
Net Bills Purchased and Discounted	66,958,992.94	5,617,859,508	79,265,666.60	6,555,270,628
5 Fixed Assets including Premises, Furniture & Fixtures				
Furniture & Fixture	116.89	9,807	246.30	20,369
Office Equipment	3214.33	269,682	2,960.81	244,859
Carrying value	3,331.22	279,489	3,207.11	265,228
6 Placement from other Banks & Financial Institutions				
Mudaraba Term Deposit from other Banks	23,190,000	1,945,641,000	28,863,000.00	2,386,970,100
Borrowing from Shahjalal Islami Bank Ltd	72,725,000.00	6,101,627,500	69,921,700.00	5,782,524,590
	95,915,000.00	8,047,268,500	98,784,700.00	8,169,494,690
7 Deposits and Other Accounts				
Al-Wadiah Current Deposit	9,552.40	801,446	-	-
	9,552.40	801,446	-	-
Mudaraba Savings Deposit	126,431.03	10,607,563	100,592.75	8,319,020
	126,431.03	10,607,563	100,592.75	8,319,020
Mudaraba Term Deposit	-	-	-	-
	-	-	-	-
	135,983.43	11,409,010	100,592.75	8,319,020
8 Other Liabilities				
Profit Payable	1,121,608.81	94,102,979	699,976.56	57,888,062
Others Payable	-	-	-	-
Outstanding Expenses	417.50	35,028	782.60	64,721
	1,122,026.31	94,138,007	700,759.16	57,952,783
9 Profit on Investment				
Profit received from Mudaraba Import Bills (UPAS)	4,801,660.55	402,859,320	3,954,625.44	327,047,524
Profit received from Hire Purchase	727,126.00	61,005,871	380,033.30	31,428,754
	5,528,786.55	463,865,192	4,334,658.74	358,476,278
10 Profit paid on Deposits & Borrowing				
Profit paid on borrowings	2,686,170.77	225,369,728	1,892,691.54	156,525,590

	2018		2017	
	USD	Taka	USD	Taka
11 Commission, Exchange & Brokerage				
Commission from LC	350.00	29,365	10.00	827
12 Other Operating Income				
SWIFT & REUTERS	27,697.39	2,323,811	24,581.39	2,032,881
Miscellaneous Earnings	106,921.79	8,970,738	84,229.27	6,965,761
Service & Charges Receipts	-	-	-	-
	134,619.18	11,294,549	108,810.66	8,998,642
13 Salary & Allowances				
Basic Salary	40,461.39	3,394,711	27,150.17	2,245,319
Allowances	31,843.02	2,671,629	25,636.86	2,120,168
Bonus	17,285.25	1,450,232	13,687.22	1,131,933
Bank's Contribution to Provident fund	3,610.78	302,944	2,633.69	217,806
	93,200.44	7,819,517	69,107.94	5,715,227
14 Rent, Taxes, Insurance, Electricity etc.				
Rent, Rates & Taxes	-	-	19,727.43	1,631,458
Insurance	394.48	33,097	-	-
Electricity & Lighting	-	-	239.75	19,827
	394.48	33,097	19,967.18	1,651,285.79
15 Postage, Stamps, Telecommunication etc				
Telephone charges	7,757.47	650,852	6,905.75	571,106
	7,757.47	650,852	6,905.75	571,106
16 Stationery, Printing, Advertisement etc				
Computer Stationery	365.00	30,624	775.56	64,139
Advertisement	137.78	11,560	130.52	10,794
	502.78	42,183	906.08	74,933
17 Depreciation and Repair of Fixed Assets				
Depreciation of Fixed Assets				
Furniture & Fixtures	14.86	1,247	27.38	2,264
Office Appliance & Equipment	978.22	82,073	635.61	52,565
	993.08	83,319	662.99	54,829
Repair's & Maintanance				
	-	-	-	-
	993.08	83,319	662.99	54,829
18 Other Expenses				
Utility	-	-	18.29	1,513
Entertainment Exp.	664.41	55,744	783.40	64,787
Travelling Expense	229.20	19,230	20.68	1,710
Car expenses	5,764.47	483,639	-	-
Uniform and Liveries	18.21	1,528	-	-
Losses	114.55	9,611	-	-
	6,790.84	569,751	822.37	68,010