

**Shahjalal Islami Bank Limited  
and its Subsidiary**  
**Independent Auditor's Report and**  
**Audited Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

## **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 sheet as at 31 December 2019 and the consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and separate financial position of the Bank as at 31 December 2019, 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 notes 2.1.

#### **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 Auditor's 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
<b>1. Measurement of provision for investment</b>	
Refer to note no 8 and 15 to the consolidated and separate financial statements	
<p>The process for estimating the provision for investments associated with credit risk is judgmental, significant and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> <li>• Future business performance of the investment customers;</li> <li>• Key assumptions relating to further business performance of the investment customers;</li> <li>• Market value of the collateral;</li> <li>• Ability to repossess collateral; and</li> <li>• Recovery rates.</li> </ul> <p>Furthermore, these provisions are processed manually that deals with voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for investments, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total gross investments of BDT 200,299 million (2018: BDT 190,146 million) and BDT 197,285 million (2018: BDT 186,090 million) respectively and provision for investments of BDT 5,510 million (2018: 4,171 million) and BDT 5,159 million (2018: 3,820 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Tested the credit appraisal, investments disbursement procedures, monitoring and provisioning process;</li> <li>• Reviewed identification of loss events, including early warning and default warning indicators; and</li> <li>• Reviewed quarterly Classification of investments (CL);</li> </ul> <p>Our substantive procedure in relation to the provisions for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the companies general and specific provisions;</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Finally, assessed the appropriateness of presentation and disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>
<b>2. Impairment assessment of unquoted shares</b>	
Refer to note no 7a.4 to the consolidated and separate financial statements	
<p>In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgement and assumption. Due to high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter.</p>	<p>We have assessed the process 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 investment valuation as at 31 December 2019 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>

Description of key audit matters	Our response to key audit matters
<b>3. Carrying value of investment in subsidiaries by the bank</b>	
Refer to note no 10.a to the consolidated and separate financial statements	
<p>The Bank has invested in equity shares of its subsidiary namely Shahjalal Islami Bank Securities Limited. As at 31 December 2019 the carrying value of these investment in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2018: BDT 2,515 million).</p> <p>The Bank is required to perform impairment test of investment in subsidiary when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgements required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiary for Shahjalal Islami Bank Securities Limited 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 Impairment of Assets.</p> <p>In particular, our discussion with the Management were focused on the continued appropriateness of the value in use model, the key assumption used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>
<b>4. Legal and regulatory matters</b>	
<p>We focused on this area because the Bank and its subsidiary (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>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group and Bank's key controls over the legal provision and contingency processes.</p> <p>We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group and Bank's provisions and contingent liabilities disclosure.</p>
<b>5. IT systems and controls</b>	
<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>We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were</p>

Description of key audit matters	Our response to key audit matters
Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application based controls.	<p>appropriately reviewed and authorized. We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

### Other Matter

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2018 were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 24 April 2019.

### 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 auditor's 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 consolidated and separate 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 2.1, 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 Group and 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 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 auditor's 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 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 Responsibilities for the Audit of Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (iii) financial statements for the year ended 31 December 2019 of subsidiary namely Shahjalal Islami Bank Securities Limited has been audited by K.M Hassan & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;



- (viii) The consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for 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 3,700 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka,  
10 June 2020

**M. Moniruzzaman, FCA**  
**Partner**  
**ACNABIN Chartered Accountants**

**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Balance Sheet**  
**As at 31 December 2019**

<b>Property and Assets</b>	<b>Note</b>	<b>31.12.2019 Taka</b>	<b>31.12.2018 Taka</b>
<b>Cash</b>			
Cash in hand (Including Foreign Currencies)	3	2,320,196,507	1,955,895,120
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	4	15,539,227,347	11,609,938,400
		<b>17,859,423,854</b>	<b>13,565,833,520</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh		1,780,506,464	1,381,266,881
Outside Bangladesh		608,258,408	371,705,561
	5	<b>2,388,764,872</b>	<b>1,752,972,443</b>
<b>Placement with other Banks &amp; Financial Institutions</b>	6	<b>12,361,483,166</b>	<b>11,513,296,316</b>
<b>Investments in Shares &amp; Securities</b>			
Government		11,750,000,000	9,000,000,000
Others		5,548,441,179	4,878,361,617
	7	<b>17,298,441,179</b>	<b>13,878,361,617</b>
<b>Investments</b>			
General Investment etc.		185,685,308,986	178,598,570,139
Bills Purchased and Discounted		14,614,015,788	11,547,790,733
	8	<b>200,299,324,774</b>	<b>190,146,360,872</b>
<b>Fixed Assets Including Premises</b>	9	<b>4,557,631,359</b>	<b>4,054,102,126</b>
<b>Other Assets</b>	10	<b>13,843,340,562</b>	<b>11,745,464,104</b>
<b>Non Banking Assets</b>	11	<b>88,909,355</b>	<b>88,909,355</b>
<b>Total Property and Assets</b>		<b>268,697,319,121</b>	<b>246,745,300,353</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Placement from other Banks &amp; Financial Institutions</b>	12	<b>11,752,538,519</b>	<b>24,317,026,228</b>
<b>Deposits and Other Accounts</b>			
Mudaraba Savings Deposits		24,751,894,884	20,792,172,031
Mudaraba Term Deposits		82,587,971,836	79,408,029,450
Other Mudaraba Deposits		62,791,516,067	51,125,329,700
Al-Wadeeah Current & Other Deposit Accounts		28,770,762,184	22,376,070,686
Bills Payable		4,335,581,019	2,850,398,551
	13	<b>203,237,725,990</b>	<b>176,552,000,417</b>
<b>Mudaraba Subordinated Bond</b>	14	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>Other Liabilities</b>	15	<b>26,771,315,560</b>	<b>20,644,062,336</b>
<b>Deferred Tax Liabilities</b>	16	<b>186,322,984</b>	<b>141,435,352</b>
<b>Total Liabilities</b>		<b>251,947,903,053</b>	<b>231,654,524,333</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	17.2	9,334,212,720	8,485,647,930
Statutory Reserve	18	6,231,188,665	5,452,358,676
Capital Reserve		2,878,961	-
Retained Earnings	19	954,727,530	921,461,996
<b>Total Capital/Shareholders' Equity</b>		<b>16,523,007,876</b>	<b>14,859,468,602</b>
Non-controlling Interest	17.7	<b>226,408,192</b>	<b>231,307,418</b>
<b>Total Liabilities &amp; Capital/Shareholders' Equity</b>		<b>268,697,319,121</b>	<b>246,745,300,353</b>

**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Off-balance Sheet Items**  
**As at 31 December 2019**

	Note	31.12.2019 Taka	31.12.2018 Taka
<b>Contingent Liabilities</b>			
Acceptances & endorsements		35,064,492,967	34,199,576,512
Letters of guarantee	20	29,749,668,530	23,976,960,264
Irrevocable letters of credit	21	31,562,148,000	25,478,400,567
Bills for collection		16,714,181,896	17,131,691,539
Other contingent liabilities		-	-
<b>Total</b>		<b>113,090,491,393</b>	<b>100,786,628,882</b>
<b>Other Commitments</b>			
Documentary credits, short term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>113,090,491,393</b>	<b>100,786,628,882</b>
<b>Consolidated Net Asset Value per Share [previous year's figure restated]</b>	42(i)	<b>17.70</b>	<b>15.92</b>

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.

Dhaka,  
10 June 2020

  
**M. Moniruzzaman, FCA**  
Partner  
ACNABIN, Chartered Accountants

**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2019**

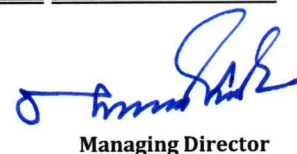
	Note	2019 Taka	2018 Taka
<b>Operating Income</b>			
Investment Income	23	20,301,832,199	17,247,610,757
Less: Profit paid on Deposits	24	13,206,651,379	11,368,758,954
<b>Net Investment Income</b>		<b>7,095,180,820</b>	<b>5,878,851,803</b>
Income from Investment in Shares/Securities	25	554,392,574	168,179,671
Commission, Exchange and Brokerage	26	2,152,478,637	1,962,408,286
Other Operating Income	27	797,137,757	607,585,770
		<b>3,504,008,968</b>	<b>2,738,173,727</b>
<b>Total Operating Income</b>		<b>10,599,189,788</b>	<b>8,617,025,530</b>
<b>Operating Expenses</b>			
Salaries and Allowances	28	2,962,806,871	2,694,894,981
Rent, Taxes, Insurances, Electricity etc.	29	485,427,141	479,324,582
Legal Expenses	30	1,400,755	1,495,946
Postage, Stamps, Telecommunication etc.	31	42,371,544	44,847,904
Stationery, Printings, Advertisements etc.	32	120,538,132	105,568,088
Chief Executive's Salary & Fees	33	19,957,000	15,974,100
Directors' Fees & Expenses	34	7,396,409	6,229,915
Shariah Supervisory Committee's Fees & Expenses	35	1,317,660	518,180
Auditors' Fees	36	574,750	535,250
Depreciation & Repairs of Bank's Assets	37	308,457,118	203,967,846
Zakat Expenses	38	140,732,626	124,669,104
Other Expenses	39	675,394,431	563,274,413
<b>Total Operating Expenses</b>		<b>4,766,374,437</b>	<b>4,241,300,309</b>
<b>Profit / (Loss) before Provision</b>	22	<b>5,832,815,351</b>	<b>4,375,725,221</b>
Specific provision for Classified Investment		1,160,780,000	1,114,600,000
General Provision for Unclassified Investment		525,400,000	209,500,000
General Provision for Off-Balance Sheet Items		32,200,000	-
Provision for diminution in value of Investments in Shares		252,600,000	86,760,000
Provision for Other Assets		-	-
<b>Total Provision</b>	40	<b>1,970,980,000</b>	<b>1,410,860,000</b>
<b>Total Profit / (Loss) before taxes</b>		<b>3,861,835,351</b>	<b>2,964,865,221</b>
<b>Provision for taxation</b>			
Deferred tax	41	44,887,632	3,436,093
Current tax	41b	2,158,307,672	1,712,957,586
		<b>2,203,195,304</b>	<b>1,716,393,679</b>
<b>Net Profit / (Loss) after Tax</b>		<b>1,658,640,047</b>	<b>1,248,471,542</b>
<b>Net profit after tax attributable to:</b>			
Equity holders of SJIBL		1,663,539,273	1,246,107,431
Non-controlling interest		(4,899,226)	2,364,110
		<b>1,658,640,047</b>	<b>1,248,471,542</b>
Retained earnings from previous year		921,461,996	1,079,870,794
Add: Net profit after tax (attributable to equity holders of SJIBL)		1,663,539,273	1,246,107,431
<b>Profit available for appropriation</b>		<b>2,585,001,270</b>	<b>2,325,978,225</b>
<b>Appropriation:</b>			
Statutory Reserve	18	778,829,989	633,093,689
Dividend		848,564,790	771,422,540
Capital Reserve		2,878,961	-
Retained Earnings	19	954,727,530	921,461,996
		<b>2,585,001,270</b>	<b>2,325,978,225</b>
<b>Consolidated earnings per share [previous year's figure restated]</b>	42	<b>1.78</b>	<b>1.33</b>

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.

**ACNABIN**

Chartered Accountants

**Shahjalal Islami Bank Limited and its Subsidiary****Consolidated Cash Flow Statement  
For the year ended 31 December 2019**

	Note	2019 Taka	2018 Taka
<b>Cash flows from operating activities</b>			
Investment income receipt in cash	43	20,865,745,069	17,462,277,290
Profit paid on deposits	44	(12,811,231,677)	(11,081,422,859)
Dividend receipts		47,139,321	44,871,643
Fees & commission receipt in cash		2,145,879,490	1,961,431,952
Recoveries on investment previously written off		25,546,074	10,373,603
Cash payments to employees		(2,982,763,871)	(2,710,869,081)
Cash payments to suppliers		(120,538,132)	(105,568,088)
Income tax paid		(1,980,449,839)	(1,146,087,585)
Receipts from other operating activities	45	800,783,164	609,729,021
Payment for other operating activities	46	(1,385,159,900)	(1,244,438,815)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>4,604,949,699</b>	<b>3,800,297,082</b>
<b>Changes in operating assets and liabilities</b>			
(Increase)/decrease in investment to customers		(10,325,846,999)	(28,459,406,949)
(Increase)/decrease in other assets	47	17,138,990	1,903,285,392
(Increase)/decrease of placement with other banks & financial institutions		(848,186,850)	(4,851,585,700)
Increase/(decrease) in deposits from other banks		1,002,101,414	68,090,000
Increase/(decrease) of placement from other banks & financial institutions		(12,576,095,036)	(5,969,468,964)
Increase/(decrease) in deposits received from customers		25,104,933,961	30,102,493,245
Increase/(decrease) in other liabilities on account of customers		1,886,104,691	478,813,628
Increase/(decrease) in other liabilities	48	259,197,883	204,757,330
<b>(ii) Cash flows from operating assets and liabilities</b>		<b>4,519,348,053</b>	<b>(6,523,022,017)</b>
<b>Net cash flows from/(used in) operating activities (A)=(i+ii)</b>		<b>9,124,297,752</b>	<b>(2,722,724,936)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities		311,857,274	217,882,266
Payment for purchases of securities		(3,731,936,837)	(2,137,037,164)
Proceeds from sale of fixed assets		208,086,515	315,475,220
Payment for purchases of property, plant & equipments		(989,521,089)	(541,837,799)
Purchase/sale of subsidiaries		-	-
<b>Net cash used in investing activities (B)</b>		<b>(4,201,514,137)</b>	<b>(2,145,517,477)</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments		-	-
Receipts from issuance of Mudaraba Subordinated Bond		-	6,000,000,000
Payments for redemption of debt instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend paid to ordinary share holder		-	(22,500,000)
<b>Net cash flow from financing activities (C)</b>		<b>-</b>	<b>5,977,500,000</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>4,922,783,615</b>	<b>1,109,257,587</b>
Add: Effect of exchange rate changes on cash & cash equivalents		6,599,147	976,333
Add: Cash and cash equivalents at the beginning of the year		15,318,805,963	14,208,572,043
<b>Cash &amp; cash equivalents at the end of the year</b>	49	<b>20,248,188,725</b>	<b>15,318,805,963</b>
<b>Consolidated Net Operating Cash Flow per Share (NOCFPS)</b>	42(ii)	<b>9.78</b>	<b>(2.92)</b>
<b>[previous year's figure restated]</b>			

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

  
**Chairman**
  
**Director**
  
**Director**
  
**Managing Director**
Dhaka,  
10 June 2020



**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2019**

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Non-controlling Interest	Total Capital/Shareholders' Equity
Balance as at 01 January 2019	8,485,647,930	5,452,358,676	-	921,461,996	231,307,418	15,090,776,020
Dividend for the year 2018	848,564,790	-	-	(848,564,790)	-	-
Net profit during the year	-	778,829,989	2,878,961	881,830,324	(4,899,226)	1,658,640,048
<b>Total Capital/Shareholders' Equity as at 31 December 2019</b>	<b>9,334,212,720</b>	<b>6,231,188,665</b>	<b>2,878,961</b>	<b>954,727,530</b>	<b>226,408,192</b>	<b>16,749,416,068</b>
Add: General Provision for Unclassified Investment & Off-Balance Sheet Items						2,818,065,735
Add: Mudaraba Subordinated Bond						10,000,000,000
Less: Shortfall of provision required against investment						998,320,159
<b>Total Eligible Regulatory Capital as at 31 December 2019</b>						<b>28,569,161,644</b>

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Non-controlling Interest	Total Capital/Shareholders' Equity
Balance as at 01 January 2018	7,714,225,390	4,819,264,987	-	1,079,870,794	251,443,308	13,864,804,478
Dividend for the year 2017	771,422,540	-	-	(771,422,540)	(22,500,000)	(22,500,000)
Net profit during the year	-	633,093,689	-	613,013,742	2,364,110	1,248,471,542
<b>Total Capital/Shareholders' Equity as at 31 December 2018</b>	<b>8,485,647,930</b>	<b>5,452,358,676</b>	<b>-</b>	<b>921,461,996</b>	<b>231,307,418</b>	<b>15,090,776,020</b>
Add: General Provision for Unclassified Investment & Off-Balance Sheet Items						2,212,500,000
Add: Mudaraba Subordinated Bond						10,000,000,000
Less: Shortfall of provision required against investment						1,895,600,000
<b>Total Eligible Regulatory Capital as at 31 December 2018</b>						<b>25,407,676,020</b>

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

  
Chairman

  
Director

  
Managing Director

Dhaka,  
10 June 2020

**Shahjalal Islami Bank Limited**  
**Balance Sheet**  
**As at 31 December 2019**

	Note	31.12.2019 Taka	31.12.2018 Taka
<b>Property and Assets</b>			
<b>Cash</b>			
Cash in hand (Including Foreign Currencies)	3a	2,320,196,507	1,955,895,120
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	4a	15,539,227,347	11,609,938,400
		<b>17,859,423,854</b>	<b>13,565,833,520</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh		1,773,169,975	1,376,996,941
Outside Bangladesh		608,258,408	371,705,561
	5a	<b>2,381,428,383</b>	<b>1,748,702,503</b>
<b>Placement with other Banks &amp; Financial Institutions</b>	6a	<b>12,361,483,166</b>	<b>11,513,296,316</b>
<b>Investments in Shares &amp; Securities</b>			
Government		11,750,000,000	9,000,000,000
Others		3,889,417,772	3,320,531,197
	7a	<b>15,639,417,772</b>	<b>12,320,531,197</b>
<b>Investments</b>			
General Investment etc.		182,671,664,294	174,542,243,558
Bills Purchased and Discounted		14,614,015,788	11,547,790,733
	8a	<b>197,285,680,082</b>	<b>186,090,034,291</b>
<b>Fixed Assets Including Premises</b>	9a	<b>4,503,970,454</b>	<b>3,995,466,335</b>
<b>Other Assets</b>	10a	<b>15,983,396,045</b>	<b>14,337,119,704</b>
<b>Non Banking Assets</b>	11	<b>88,909,355</b>	<b>88,909,355</b>
<b>Total Property and Assets</b>		<b>266,103,709,111</b>	<b>243,659,893,222</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Placement from other Banks &amp; Financial Institutions</b>	12a	<b>11,382,596,297</b>	<b>23,465,601,827</b>
<b>Deposits and Other Accounts</b>			
Mudaraba Savings Deposits		24,751,894,884	20,792,172,031
Mudaraba Term Deposits		82,587,971,836	79,408,029,450
Other Mudaraba Deposits		62,937,938,001	51,434,842,290
Al-Wadeeah Current & Other Deposit Accounts		28,770,762,184	22,376,070,686
Bills Payable		4,335,581,019	2,850,398,551
	13a	<b>203,384,147,925</b>	<b>176,861,513,007</b>
<b>Mudaraba Subordinated Bond</b>	14	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>Other Liabilities</b>	15a	<b>24,641,621,683</b>	<b>18,401,348,233</b>
<b>Deferred Tax Liabilities</b>	16a	<b>188,075,793</b>	<b>142,464,474</b>
<b>Total Liabilities</b>		<b>249,596,441,698</b>	<b>228,870,927,542</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	17.2	9,334,212,720	8,485,647,930
Statutory Reserve	18	6,231,188,665	5,452,358,676
Retained Earnings	19a	941,866,028	850,959,074
<b>Total Capital/Shareholders' Equity</b>		<b>16,507,267,412</b>	<b>14,788,965,680</b>
<b>Total Liabilities &amp; Capital/Shareholders' Equity</b>		<b>266,103,709,111</b>	<b>243,659,893,222</b>

**Shahjalal Islami Bank Limited**  
**Off-balance Sheet Items**  
**As at 31 December 2019**

	Note	31.12.2019 Taka	31.12.2018 Taka
<b>Contingent Liabilities</b>			
Acceptances & endorsements		35,064,492,967	34,199,576,512
Letters of guarantee	20	29,749,668,530	23,976,960,264
Irrevocable letters of credit	21	31,562,148,000	25,478,400,567
Bills for collection		16,714,181,896	17,131,691,539
Other contingent liabilities		-	-
<b>Total</b>		<b>113,090,491,393</b>	<b>100,786,628,882</b>
<b>Other Commitments</b>			
Documentary credits, short term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>113,090,491,393</b>	<b>100,786,628,882</b>
<b>Net Asset Value per Share [previous year's figure restated]</b>	42(i)	<b>17.68</b>	<b>15.84</b>

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,  
10 June 2020

  
**M. Moniruzzaman, FCA**  
**Partner**  
**ACNABIN, Chartered Accountants**

**Shahjalal Islami Bank Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2019**

	Note	2019 Taka	2018 Taka
<b>Operating income</b>			
Investment Income	23a	20,290,692,595	17,121,990,674
Less: Profit paid on Deposits	24a	13,112,331,753	11,295,069,465
<b>Net Investment Income</b>		<b>7,178,360,842</b>	<b>5,826,921,209</b>
Income from Investment in Shares/securities	25a	478,761,405	373,496,035
Commission, Exchange and Brokerage	26a	2,057,856,991	1,851,255,492
Other Operating Income	27a	791,003,472	601,093,495
		<b>3,327,621,868</b>	<b>2,825,845,022</b>
<b>Total Operating Income</b>		<b>10,505,982,710</b>	<b>8,652,766,231</b>
<b>Operating expenses</b>			
Salaries and Allowances	28a	2,911,379,476	2,640,460,945
Rent, Taxes, Insurances, Electricity etc.	29a	457,470,794	457,654,841
Legal Expenses	30a	1,145,455	1,484,446
Postage, Stamps, Telecommunication etc.	31a	39,643,446	42,261,215
Stationery, Printings, Advertisements etc.	32a	118,743,626	103,185,519
Chief Executive's Salary & Fees	33	19,957,000	15,974,100
Directors' Fees & Expenses	34	7,396,409	6,229,915
Shariah Supervisory Committee's Fees & Expenses	35	1,317,660	518,180
Auditors' Fees	36a	500,000	500,000
Depreciation & Repairs of Bank's Assets	37a	299,367,622	195,450,231
Zakat Expenses	38	140,732,626	124,669,104
Other Expenses	39a	643,198,651	488,049,292
<b>Total Operating Expenses</b>		<b>4,640,852,765</b>	<b>4,076,437,788</b>
<b>Profit / (Loss) before Provision</b>	22a	<b>5,865,129,945</b>	<b>4,576,328,443</b>
Specific provision for Classified Investment		1,160,780,000	1,114,600,000
General Provision for Unclassified Investment		525,400,000	209,500,000
General Provision for Off-Balance Sheet Items		32,200,000	-
Provision for diminution in value of Investments in Shares		252,600,000	86,760,000
Provision for Other Assets		-	-
<b>Total Provision</b>	40a	<b>1,970,980,000</b>	<b>1,410,860,000</b>
<b>Total Profit / (Loss) before taxes</b>		<b>3,894,149,945</b>	<b>3,165,468,443</b>
<b>Provision for taxation</b>			
Deferred tax	41a	45,611,319	4,465,215
Current tax	41c	2,130,236,894	1,689,821,298
		<b>2,175,848,213</b>	<b>1,694,286,514</b>
<b>Net Profit after Taxation</b>		<b>1,718,301,732</b>	<b>1,471,181,929</b>
Retained Earnings from previous year		850,959,074	784,293,374
Add: Net Profit after Tax		1,718,301,732	1,471,181,929
<b>Profit available for appropriation</b>		<b>2,569,260,807</b>	<b>2,255,475,303</b>
<b>Appropriation</b>			
Statutory Reserve	18	778,829,989	633,093,689
Dividend		848,564,790	771,422,540
Retained Earnings	19a	941,866,028	850,959,074
		<b>2,569,260,807</b>	<b>2,255,475,303</b>
<b>Earnings Per Share (EPS) [previous year's figure restated]</b>	42a	<b>1.84</b>	<b>1.58</b>

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

 Chairman

 Director

 Director

 Managing Director

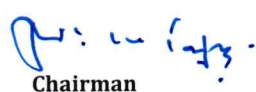
This is the profit and loss account referred to in our separate report of even date.

Dhaka,  
10 June 2020

**Shahjalal Islami Bank Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2019**

	Note	2019 Taka	2018 Taka
<b>Cash flows from operating activities</b>			
Investment income receipt	43a	20,635,681,058	17,209,626,836
Profit paid on deposits	44a	(12,533,641,554)	(10,868,470,422)
Dividend receipts		47,139,321	296,371,643
Fees & commission receipt		2,051,257,844	1,850,279,158
Recoveries on investment previously written off		25,546,074	10,373,603
Cash payments to employees		(2,931,336,476)	(2,656,435,045)
Cash payments to suppliers		(118,743,626)	(103,185,519)
Income tax paid		(1,952,776,321)	(1,077,042,266)
Receipts from other operating activities	45a	790,996,280	601,093,495
Payments for other operating activities	46a	(1,321,446,577)	(1,144,008,060)
<b>(i) Operating Profit before changes in operating assets &amp; liabilities</b>	<b>50</b>	<b>4,692,676,024</b>	<b>4,118,603,424</b>
<b>Changes in operating assets and liabilities</b>			
(Increase)/decrease in investment to customers		(11,368,528,888)	(27,421,876,916)
(Increase)/decrease of other assets	47a	393,133,601	524,646,247
(Increase)/decrease of Placement with other Banks & Financial Institutions		(848,186,850)	(4,851,585,700)
Increase/(decrease) of deposits from other banks		1,002,101,414	68,090,000
Increase/(decrease) of Placement from other Banks & Financial Institutions		(12,083,005,530)	(6,156,086,464)
Increase/(decrease) of deposits received from customers		24,941,843,305	30,018,597,720
Increase/(decrease) of other liabilities on account of customers		1,886,104,691	478,813,628
Increase/(decrease) of other liabilities	48a	400,288,889	350,802,572
<b>(ii) Cash flows from operating assets and liabilities</b>		<b>4,323,750,630</b>	<b>(6,988,598,912)</b>
<b>Net cash flows from/(used in) operating activities (A)=(i+ii)</b>		<b>9,016,426,654</b>	<b>(2,869,995,489)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities		201,864,599	46,069,208
Payment for purchases of securities		(3,520,751,174)	(1,840,342,166)
Proceeds from sale of fixed assets		208,086,515	315,475,220
Payment for purchases of property, plant & equipments		(985,909,527)	(526,632,952)
Purchase/sale of subsidiaries		-	-
<b>Net cash used in investing activities (B)</b>		<b>(4,096,709,589)</b>	<b>(2,005,430,690)</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments		-	-
Receipts from issuance of Mudaraba Subordinated Bond		-	6,000,000,000
Payments for redemption of debt instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend paid to ordinary shareholders		-	-
<b>Net cash flow from financing activities (C)</b>		<b>-</b>	<b>6,000,000,000</b>
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>		<b>4,919,717,065</b>	<b>1,124,573,821</b>
Add: Effect of exchange rate changes on cash & cash equivalents		6,599,147	976,333
Cash and cash equivalents at the beginning of the year		15,314,536,023	14,188,985,869
<b>Cash and cash equivalents at the end of the year</b>	<b>49a</b>	<b>20,240,852,236</b>	<b>15,314,536,023</b>
<b>Net Operating Cash Flow per Share (NOCFPS) [previous year's figure restated]</b>	<b>42(ii)</b>	<b>9.66</b>	<b>(3.07)</b>

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

  
Chairman

  
Director

  
Director

  
Managing Director

Dhaka,  
10 June 2020

**Shahjalal Islami Bank Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2019**

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total Capital/ Shareholders' Equity
Balance as at 01 January 2019	8,485,647,930	5,452,358,676	850,959,074	14,788,965,680
10 % Stock Dividend issued for the year 2018	848,564,790	-	(848,564,790)	-
Net profit during the year	-	778,829,989	939,471,743	1,718,301,732
<b>Total Capital/Shareholders' Equity as at 31 December 2019</b>	<b>9,334,212,720</b>	<b>6,231,188,665</b>	<b>941,866,028</b>	<b>16,507,267,412</b>
<b>Total Equity for the purpose of Capital Adequacy</b>				
<b>Equity as per above</b>				<b>16,507,267,412</b>
Add: General Provision for Unclassified Investment & Off-Balance Sheet items				2,770,100,000
Add: Mudaraba Subordinated Bond				10,000,000,000
<b>Total Eligible Regulatory Capital as at 31 December 2019</b>				<b>29,277,367,412</b>

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total Capital/ Shareholders' Equity
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
<b>Total Capital/Shareholders' Equity as at 31 December 2018</b>	<b>8,485,647,930</b>	<b>5,452,358,676</b>	<b>850,959,074</b>	<b>14,788,965,680</b>
<b>Total Equity for the purpose of Capital Adequacy</b>				
<b>Equity as per above</b>				<b>14,788,965,680</b>
Add: General Provision for Unclassified Investment & Off-Balance Sheet items				2,212,500,000
Add: Mudaraba Subordinated Bond				10,000,000,000
Less: Shortfall of provision required against investment				1,895,600,000
<b>Total Eligible Regulatory Capital as at 31 December 2018</b>				<b>25,105,865,680</b>

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

  
Chairman

  
Director

  
Managing Director

Dhaka,  
10 June 2020



**Shahjalal Islami Bank Limited**  
**Liquidity Statement, Assets and Liabilities Maturity Analysis**  
**As at 31 December 2019**

Particulars	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
<b>Assets</b>						
Cash in hand	2,320,196,507	-	-	-	-	2,320,196,507
Balance with other Banks and Financial Institutions	69,906,543	6,181,316,186	-	-	11,669,433,000	17,920,655,729
Placement with other Banks & Financial Institutions	3,900,000,000	8,150,000,000	-	311,483,166	-	12,361,483,166
Investment in Shares & Securities	4,249,417,772	4,020,000,000	5,650,000,000	1,480,000,000	240,000,000	15,639,417,772
Investments	26,337,638,291	54,016,819,207	71,673,887,574	27,343,795,259	17,913,539,751	197,285,680,082
Fixed Assets including premises	20,617,368	45,968,328	180,822,720	654,064,443	3,602,497,596	4,503,970,454
Other Assets	383,232,096	281,043,681	1,701,642,595	11,107,865,027	2,509,612,645	15,983,396,045
Non-banking Assets					88,909,355	88,909,355
<b>Total assets (i)</b>	<b>37,281,008,577</b>	<b>72,695,147,401</b>	<b>79,206,352,889</b>	<b>40,897,207,897</b>	<b>36,023,992,347</b>	<b>266,103,709,111</b>
<b>Liabilities</b>						
Placement from other Banks & Financial Institutions	2,381,532,023	3,817,869,658	5,183,194,615	-	-	11,382,596,297
Deposits and other accounts	32,421,161,630	60,540,435,423	59,194,552,370	18,211,995,000	33,016,003,501	203,384,147,924
Mudaraba Subordinated Bond	-	-	800,000,000	9,200,000,000	-	10,000,000,000
Other liabilities	1,095,648,435	3,097,112,202	12,602,253,602	5,463,615,914	2,382,991,531	24,641,621,684
Deferred tax Liabilities	-	-	-	-	188,075,793	188,075,793
<b>Total Liabilities (ii)</b>	<b>35,898,342,088</b>	<b>67,455,417,284</b>	<b>77,780,000,587</b>	<b>32,875,610,914</b>	<b>35,587,070,825</b>	<b>249,596,441,698</b>
<b>Net Liquidity Gap (i-ii)</b>	<b>1,382,666,489</b>	<b>5,239,730,117</b>	<b>1,426,352,302</b>	<b>8,021,596,982</b>	<b>436,921,522</b>	<b>16,507,267,412</b>

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

  
Chairman

  
Director

  
Managing Director

Dhaka,  
10 June 2020



**Shahjalal Islami Bank Limited and its Subsidiaries**  
**Notes to the Consolidated and Separate Financial Statements**  
**As at and for the year ended 31 December 2019**

**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 132 branches, 105 (One Hundred Five) ATM booths and 2,652 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 financial statements of the Group and separate financial statements the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) 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) 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 as adopted, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank has departed from those which are the requirements of IAS and IFRS in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

**i) Presentation of financial statements**

**IFRS:** As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

**Bangladesh Bank:** A format of financial statements (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (amended up to 2018) and BRPD circular no. 15 dated 09 November 2009 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

**ii) 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. 15 dated 09 November 2009 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.

**iii) 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.

**iv) 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), BRPD Circular No. 01 (20 February 2018), BRPD Circular No. 03 (21 April 2019) and BRPD Circular No. 07 (19 March 2020) 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".

#### v) 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.

#### vi) 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.

#### vii) 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.

#### viii) 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 15 dated 09 November 2009, 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.

**ix) 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.

**x) Non-Banking assets**

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

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

**xi) 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.

**xii) 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.

**xiii) 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 15 dated 09 November 2009.

**xiv) 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 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.

**xv) Disclosure of appropriation of profit**

**IFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**Bangladesh Bank:** As per BRPD circular no. 15 dated 09 November 2009, an appropriation of profit should be disclosed in the face of profit and loss account.



**xvi) Investments net off provision**

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

**Bangladesh Bank:** As per 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.

**xvii) Recognition of Interest in Suspense**

**IFRS:** Loans and advances/Investments to customers are generally classified as "loans and receivables" as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

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

**xviii) 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 Limited 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 14 meetings during the year 2019. 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.

## **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 2019.

## **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.

- Income from investments has been accounted for on accrual basis.
- Income from investment in Securities is recognized at the time of sale.
- Dividend income is accounted for when the right to receive payment is established.
- Profit on investment in Bangladesh Government Islamic Investment Bond (Islamic Bond) is recognized on accrual basis.
- Income from bills purchased and discounted is recognized at the time of realization.
- Fees and commission income are recognized when earned.
- 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 Suspend/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, BRPD Circular No. 01 dated 20 February 2018, BRPD Circular No. 03 dated 21 April 2019 and BRPD Circular No. 07 dated 19 March 2020. 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 is made as per 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 2019, the sharing ratio among the Mudaraba fund providers were 76.47% 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 listed 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. As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting of unrealised gain/ loss of shares from market price/ book value less cost price.

### Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

### Derivative Investments

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

### Investment in Subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IAS 36 "Impairment of Assets" and IFRS 10 "Consolidated Financial Statements".

## 2.13. Fixed Assets and Depreciation

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

Name of the Assets	2019	
	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

ROU assets are depreciated on a straight line basis over the lease term (Note 2.16).



- 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 36.

#### **2.16. IFRS 16: Leases**

Shahjalal Islami Bank Limited has applied IFRS 16: "Leases" for the first time with the date of initial application of 1 January 2019 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

In according to IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement the bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.



The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other liabilities.

#### **2.17. 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.

#### **2.18. 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.

#### **2.19. 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.

#### **2.20. 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.

#### **2.21. 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.

#### **2.22. Taxation**

##### **Current Tax**

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act, 2019 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 2019.

### **2.23. Reporting Period**

The Financial Statements cover one calendar year from 01 January to 31 December 2019.

### **2.24. 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.

### **2.25. 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.

### **2.26. 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.

### **2.27. 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 1<sup>st</sup> 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. This bonus amount is distributed among the employees on annual basis considering specific terms & policy of the Bank.

### **Hospitalisation insurance**

The Bank operates a health insurance scheme to its confirmed employees and their respective spouses and children at rates provided in health insurance coverage policy.

## **2.28. 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 months, detail of which are disclosed in Note 10a.5

## **2.29. 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 53**.

## **2.30. 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 International Financial Reporting Standards (IFRS).

## **2.31. 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.

## **2.32. 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) 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	Replaced by IFRS 16
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	Complied
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 *



Sl. No.	IFRS No.	IFRS Title	Compliance Status
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
16	16	Leases	Complied

\* Subject to departure disclosed in note no. 2.1

### 2.33. Events after the reporting period

#### COVID-19

Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, all business and economic activities were adversely affected and those also impacted the Group and the Bank as well. Management considered COVID-19 as a subsequent event and in accordance with IAS 10 this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition arising after the end of the reporting period); because the significant changes in business activities and economic conditions as a result of COVID-19 had taken place well after the reporting date of 31 December 2019. Although the business operation and profitability of the Bank were affected due to COVID-19, the situation is constantly changing and there is no certainty at present as to how long the situation will prevail. The potential impact of COVID 19 related matters on the Bank's operation and financial results cannot be reasonably assessed. There is no impact of the stimulus packages declared by Government of Bangladesh for the industries in Bangladesh to the financial statements of the Bank for the financial year ended 31 December 2019 regarding COVID-19.



		31.12.2019 Taka	31.12.2018 Taka
<b>3 Consolidated Cash in hand (Including foreign currencies)</b>			
Shahjalal Islami Bank Ltd	(Note-3a)	2,320,196,507	1,955,895,120
Shahjalal Islami Bank Securities Ltd		-	-
		<b>2,320,196,507</b>	<b>1,955,895,120</b>
<b>3a Cash in hand of the Bank (Including foreign currencies)</b>			
In local currency		2,305,090,903	1,939,765,439
In foreign currencies	(Note-3a.1)	15,105,604	16,129,681
		<b>2,320,196,507</b>	<b>1,955,895,120</b>
<b>3a.1 In Foreign Currency</b>			
<b>Foreign Currency</b>	<b>Amount in FC</b>	<b>Exchange Rate</b>	
US Dollar	170,352.93	84.90	14,462,964
GBP	3,038.68	111.03	337,392
Euro	3,216.77	94.89	305,248
			<b>15,105,604</b>
			<b>16,129,681</b>
<b>4 Consolidated Balance with Bangladesh Bank and it's agent bank(s)</b>			
Shahjalal Islami Bank Ltd	(Note-4a)	15,539,227,347	11,609,938,400
Shahjalal Islami Bank Securities Ltd		-	-
		<b>15,539,227,347</b>	<b>11,609,938,400</b>
<b>4a Balance with Bangladesh Bank and it's agent bank(s) (Including foreign currencies)</b>			
In local currency		12,870,787,695	9,960,954,722
In foreign currencies		2,292,220,590	1,448,882,480
		<b>15,163,008,286</b>	<b>11,409,837,202</b>
<b>Balance with Sonali Bank Ltd. as agent of Bangladesh Bank</b>			
In local currency		376,219,061	200,101,198
In foreign currencies		-	-
		<b>376,219,061</b>	<b>200,101,198</b>
		<b>15,539,227,347</b>	<b>11,609,938,400</b>
<b>4a.1 Cash Reserve Requirements (CRR) and Statutory Liquidity Ratio (SLR)</b>			
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.			
<b>4a.2 Cash Reserve Ratio (CRR): 5.50% of Average Demand and Time Liabilities</b>			
Required Reserve		11,669,433,000	9,347,528,108
Actual Reserve held with Bangladesh Bank (In local currency)*		12,605,539,310	9,945,734,260
<b>CRR Surplus</b>		<b>936,106,310</b>	<b>598,206,153</b>
<b>Maintained (%)</b>		<b>5.94%</b>	<b>5.85%</b>
* Actual Reserve held with Bangladesh Bank (In local currency) reported as per Statement of Bangladesh Bank.			
<b>4a.3 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities</b>			
Required Reserve		11,669,433,000	9,347,528,108
Actual Reserve held	(Note-4a.4)	15,771,349,677	12,254,202,471
<b>SLR Surplus</b>		<b>4,101,916,677</b>	<b>2,906,674,364</b>
<b>Maintained (%)</b>		<b>7.43%</b>	<b>7.21%</b>
<b>4a.4 Components of Statutory Liquidity Ratio</b>			
Cash in hand		2,209,024,307	1,955,895,120
Balance with Sonali Bank Ltd. as agent of Bangladesh Bank	(Note-4a)	376,219,061	200,101,198
Excess CRR	(Note-4a.2)	936,106,310	598,206,153
Bangladesh Bank Islami Investment Bond	(Note-7a)	11,750,000,000	9,000,000,000
Refinance Fund (with Bangladesh Bank)	(Note-6a.1)	500,000,000	500,000,000
		<b>15,771,349,677</b>	<b>12,254,202,471</b>
<b>5 Consolidated Balance with Other Banks and Financial Institutions</b>			
<b>Inside Bangladesh</b>			
Shahjalal Islami Bank Ltd	(Note-5a.1)	1,773,169,975	1,376,996,941
Shahjalal Islami Bank Securities Ltd		153,758,423	313,782,530
		1,926,928,398	1,690,779,471
Less: Inter Company Transaction		146,421,934	309,512,590
		<b>1,780,506,464</b>	<b>1,381,266,881</b>
<b>Outside Bangladesh</b>			
Shahjalal Islami Bank Ltd	(Note-5a.2)	608,258,408	371,705,561
Shahjalal Islami Bank Securities Ltd		-	-
		<b>608,258,408</b>	<b>371,705,561</b>
		<b>2,388,764,872</b>	<b>1,752,972,443</b>

**5a Balance with Other Banks and Financial Institutions of the Bank**  
(Other than mudaraba Fund)

Inside Bangladesh  
Outside Bangladesh

(Note-5a.1)  
(Note-5a.2)

31.12.2019 Taka	31.12.2018 Taka
1,773,169,975	1,376,996,941
608,258,408	371,705,561
<b>2,381,428,382</b>	<b>1,748,702,503</b>

**5a.1 Inside Bangladesh**
**Current Account**

Sonal Bank Limited (Other than as agent of Bangladesh Bank)  
National Bank Limited, Narayanganj Branch  
Standard Chartered Bank, Motijheel Branch  
Islami Bank Bangladesh Limited  
Agrani Bank Limited (Islami Banking Wing)  
Janata Bank Limited, Dinajpur Branch  
Off-Shore Banking Unit

41,227,863	43,631,237
4,904	6,054
5,822,336	4,774,856
139,181	140,613
22,681,032	24,133,348
1,532	3,832
26,437,209	1,102,746,727
96,314,056	1,175,436,667
26,437,209	1,102,746,727
69,876,847	72,689,940

Less: Off-Shore Banking Unit

**Mudaraba Special Notice Deposit**

Export Import Bank of Bangladesh Limited  
Trust Bank Limited, Dilkusha Corporate Branch  
Prime Bank Limited, Islami Banking Branch  
Social Islami Bank Limited  
Agrani Bank-Corporate Branch (Islami Banking Wing)  
AB Bank Limited, Islami Banking Branch  
Jamuna Bank Limited, Naya Bazar Islami Banking Branch  
Bank Al Falah, Islami Banking Branch  
Al-Arafah Islami Bank Limited  
Southeast Bank Limited, Islami Banking Branch  
The City Bank - Islamic Banking Branch  
Islami Bank Bangladesh Limited

40,777,048	13,470,226
10,261,848	6,823,907
24,964	494,133
1,194,686	1,638,432
157,665,267	60,922,824
29,070	7,759,660
6,514	328,939
14,370	3,079,913
1,382,670,187	1,200,003,380
100,026,563	447,284
1,196,100	1,183,288
9,096,552	7,808,266
1,702,963,169	1,303,960,253

**Mudaraba Saving Deposit**

Social Islami Bank Limited  
Al-Arafah Islami Bank Limited  
Islami Bank Bangladesh Limited

301,715	314,290
14,310	20,107
13,934	12,352
329,959	346,749
<b>1,773,169,975</b>	<b>1,376,996,941</b>

**5a.2 Outside Bangladesh (NOSTRO Account) [as on 31 December 2019]**

Current Account	Currency	F.C. Amount	Rate	Taka
Standard Chartered Bank NY	USD	666,605.51	84.9000	56,594,808
Mashreq Bank psc, NY	USD	211,583.99	84.9000	17,963,481
Standard Chartered Bank, Mumbai	USD	222,198.53	84.9000	18,864,655
Habib American Bank, USA	USD	188,751.39	84.9000	16,024,993
ICICI Bank, Hong Kong	USD	280,463.55	84.9000	23,811,355
WACHOVIA BANK, NY, USA	USD	365,732.78	84.9000	31,050,713
Commerzbank AG Frankfurt	USD	458,413.54	84.9000	38,919,310
Bank Aljazira	USD	51,775.88	84.9000	4,395,772
AB Bank Ltd. Mumbai	ACUD	139,176.61	84.9000	11,816,094
SCB, Mumbai	ACUD	1,661,264.72	84.9000	141,041,375
Nepal Bangladesh Bank, Nepal	ACUD	13,408.33	84.9000	1,138,367
Standard Chart. Bank, Colombo	ACUD	17,115.57	84.9000	1,453,112
ICICI Bank, Mumbai	ACUD	244,860.43	84.9000	20,788,651
Habib Metropolitan Bank Ltd.	ACUD	161,025.67	84.9000	13,671,079
United Bank of India, Kolkata	ACUD	225,228.12	84.9000	19,121,867
Sonal Bank Ltd ACU, Kolkata	ACUD	53,047.62	84.9000	4,503,743
Bank of Bhutan Ltd. Main Branch	ACUD	12,869.62	84.9000	1,092,631
AXIS Bank Ltd. India	ACUD	379,041.14	84.9000	32,180,593
MCB Bank Limited	ACUD	150,894.47	84.9000	12,810,941
Standard Chartered Bank, Frankfurt	EURO	110,113.14	94.8927	10,448,933
Mashreq Bank, London	EURO	72,557.24	94.8927	6,885,152
COMMERZBANK AG	EURO	13,162.26	94.8927	1,249,002
Wells Fargo Bank, N. A. London, UK	EURO	292,987.35	94.8927	27,802,361
Standard Chartered Bank, Tokyo	YEN	1,560,768.99	0.7760	1,211,157
Habib Bank AG Zurich	CHF	3,305.93	87.1395	288,077
ICICI Bank, Canada	CAD	3,826.16	64.8983	248,311
Bank Aljazira, KSA	SAR	1,763,886.35	22.6255	39,908,811
Riyad Bank, KSA	SAR	2,229,004.45	22.6255	50,432,340
Standard Chartered Bank London	GBP	8,377.20	111.0322	930,139
MASHREQBANK PSC. UAE	AED	21,142.25	23.1159	488,722
Standard Chartered Bank, China	CNY	92,260.00	12.1598	1,121,863
				<b>608,258,408</b>

**Currency wise Distribution:****Foreign Currency**

	<b>BDT</b>	<b>Composition</b>
USD	207,625,087	34.13%
ACUD	259,618,452	42.68%
EURO	46,385,448	7.63%
YEN	1,211,157	0.20%
CHF	288,077	0.05%
CAD	248,311	0.04%
SAR	90,341,151	14.85%
GBP	930,139	0.15%
AED	488,722	0.08%
CNY	1,121,863	0.18%
	<b>608,258,408</b>	<b>100%</b>

Comparative statement of foreign currency amount and rate of 2019 and 2018 is given in **Annexure-C**

- 5a.3** In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular Letter no. FEPD (FEMO)/01/2005-677 dated 13 September 2005, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 2019 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 2019**

	<b>As per Bank's Book</b>				<b>As per Correspondents' Book</b>			
	<b>Debit entries</b>		<b>Credit entries</b>		<b>Debit entries</b>		<b>Credit entries</b>	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	11	20,087,181.87	310	11,626,543.19	17	208,543.57	362	13,387,173.84
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		-		-		-		-
	<b>11</b>	<b>20,087,181.87</b>	<b>310</b>	<b>11,626,543.19</b>	<b>17</b>	<b>208,543.57</b>	<b>362</b>	<b>13,387,173.84</b>

**As on 31 December 2018**

	<b>As per Bank's Book</b>				<b>As per Correspondents' Book</b>			
	<b>Debit entries</b>		<b>Credit entries</b>		<b>Debit entries</b>		<b>Credit entries</b>	
	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		-		-		-		-
	<b>7</b>	<b>11,339,875.98</b>	<b>163</b>	<b>7,365,591.87</b>	<b>15</b>	<b>1,036,588.14</b>	<b>421</b>	<b>19,256,004.08</b>

**31.12.2019**  
**Taka**

**31.12.2018**  
**Taka**

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

On Demand	69,906,543	72,721,148
Not more than 3 months	2,311,521,839	1,675,981,355
More than 3 months but less than 1 year	-	-
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	<b>2,381,428,382</b>	<b>1,748,702,503</b>

**6 Consolidated Placement with other Banks & Financial Institutions**

Shahjalal Islami Bank Ltd	(Note-6a)	12,361,483,166	11,513,296,316
Shahjalal Islami Bank Securities Ltd		-	-
		<b>12,361,483,166</b>	<b>11,513,296,316</b>
Less: Inter Company Transaction		-	-
		<b>12,361,483,166</b>	<b>11,513,296,316</b>

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

Placement with other Banks	(Note-6a.1)	4,261,483,166	3,813,296,316
Placement with Financial Institutions	(Note-6a.2)	8,100,000,000	7,700,000,000
		<b>12,361,483,166</b>	<b>11,513,296,316</b>

**6a.1 Placement with other Banks****Mudaraba Term Deposits-other Banks**

ICB Islamic Bank Limited	311,483,166	311,596,316
Export Import Bank of Bangladesh Limited	3,450,000,000	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
	<b>4,261,483,166</b>	<b>3,813,296,316</b>

**6a.2 Placement with Financial Institutions****Mudaraba Term Deposits-Financial Institutions**

	31.12.2019 Taka	31.12.2018 Taka
Lanka Bangla Finance Limited	900,000,000	2,000,000,000
Industrial and Infrastructure Development Finance Company Ltd	1,400,000,000	2,000,000,000
Union Capital Limited	250,000,000	250,000,000
Phoenix Finance & Investments Limited	400,000,000	400,000,000
Premier Leasing International Limited	300,000,000	300,000,000
Industrial Promotion and Development Company of Bangladesh Limited	1,200,000,000	1,200,000,000
Islamic Finance and Investment Limited	150,000,000	150,000,000
IDLC Finance Limited	2,500,000,000	-
Delta Brac Housing Corp. Limited	1,000,000,000	-
United Finance Limited	-	500,000,000
National Housing Finance and Investment Limited	-	400,000,000
Uttara Finance and Investments Limited	-	500,000,000
	<b>8,100,000,000</b>	<b>7,700,000,000</b>
	<b>12,361,483,166</b>	<b>11,513,296,316</b>

**6a.3 Maturity-wise groupings of placement with other Banks and Financial Institutions**

On Demand	-	-
Not more than 3 months	12,050,000,000	10,301,700,000
More than 3 months but not more than 1 year	-	900,000,000
More than 1 year but not more than 5 years	311,483,166	311,596,316
More than 5 years	-	-
	<b>12,361,483,166</b>	<b>11,513,296,316</b>

**7 Consolidated Investment in Shares & Securities****Government**

Shahjalal Islami Bank Ltd	(Note-7a)	11,750,000,000	9,000,000,000
Shahjalal Islami Bank Securities Ltd		-	-
		<b>11,750,000,000</b>	<b>9,000,000,000</b>

**Others**

Shahjalal Islami Bank Ltd	(Note-7a)	3,889,417,772	3,320,531,197
Shahjalal Islami Bank Securities Ltd		1,659,023,407	1,557,830,420
		5,548,441,179	4,878,361,617
		<b>17,298,441,179</b>	<b>13,878,361,617</b>

**7a Investment in Shares & Securities of the Bank****Government**

Bangladesh Government Islami Investment Bond (BGIIIB)	(Note-7a.2)	11,750,000,000	9,000,000,000
		<b>11,750,000,000</b>	<b>9,000,000,000</b>

**Others**

Mudaraba Perpetual Bond, Islami Bank Bangladesh Ltd.		47,550,542	47,550,542
Mudaraba Subordinated Bond	(Note-7a.3)	2,040,000,000	1,560,000,000
Investment in Shares	(Note-7a.4)	1,801,867,231	1,712,980,655
		<b>3,889,417,772</b>	<b>3,320,531,197</b>
		<b>15,639,417,772</b>	<b>12,320,531,197</b>

**7a.1 Maturity-wise Grouping of Investment in Securities:**

On demand	-	-
Not more than 3 months	8,269,417,772	6,280,531,197
More than 3 months but less than 1 year	5,650,000,000	4,600,000,000
More than 1 year but less than 5 years	1,480,000,000	1,240,000,000
More than 5 years	240,000,000	200,000,000
	<b>15,639,417,772</b>	<b>12,320,531,197</b>

**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 bondholders 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.

**7a.3 Mudaraba Subordinated Bond**

SIBL Mudarabah Subordinated Bond	440,000,000	560,000,000
IBBL Mudaraba Subordinated Bond	1,000,000,000	1,000,000,000
IBBL3rd Mudaraba Subordinated Bond	600,000,000	-
	<b>2,040,000,000</b>	<b>1,560,000,000</b>

**7a.4 Investment in shares (at cost)****Quoted**

	31.12.2019 Taka	31.12.2018 Taka
The ACME Laboratories Limited	117,315,120	79,725,940
Active Fine Chemicals Ltd.	35,487,579	35,487,579
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	12,854,787	10,953,975
Beacon Pharmaceuticals Limited	14,678,130	87,734,854
Beximco Limited	83,745,911	83,745,911
Dhaka Electric Supply Company Ltd.	96,044,734	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	110,502,920	65,369,186
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	63,328,394	42,489,421
M.I. Cement Factory Ltd	41,501,769	41,501,769
Meghna Petroleum Limited	43,204,196	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	46,803,776
Square Textile Ltd	35,382,751	34,785,789
The Dacca Dyeing & Mfg. Co. Limited	156,023,958	156,023,958
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	8,422,015	9,744,380
Prime Islami Life Insurance Ltd.	32,516,491	5,165,436
Premier Cement Mills Limited	18,441,295	18,441,295
Shahjibazar Power Co. Ltd.	16,117,113	16,117,113
Singer Bangladesh Limited	7,172,574	60,778,950
Olympic Industries Ltd.	7,422,282	21,845,687
Square Pharmaceuticals Ltd.	58,874,302	44,791,917
Padma Islami Life Insurance Limited	15,673,722	2,957,909
Aamra Technologies Limited	6,059,353	-
Aman Cotton Fibrous Limited	731,558	-
Baraka Power Limited	11,754,966	-
Bangladesh Building Systems Ltd.	4,485,482	-
Bashundhara Paper Mills Limited	3,676,488	-
BSRM Steels Limited	28,229,178	-
Coppertech Industries Limited	48,910	-
Esquire Knit Composite Limited	1,873,598	-
First Security Islami Bank Limited	8,203,083	-
Genex Infosys Limited	3,409	-
The IBN SINA Pharmaceutical Industry Ltd.	7,800,452	-
Islami Insurance Bangladesh Limited	1,758,663	-
MJL Bangladesh Limited	12,979,613	-
New Line Clothings Limited	42,926	-
Runner Automobiles Limited	554,558	-
Sea Pearl Beach Resort & Spa Limited	38,800	-
Silco Pharmaceuticals Limited	73,690	-
S. S. Steel Limited	3,064	-
Summit Power Limited	8,314,698	-
Familytex (BD) Ltd.	-	2,259,675
Bangladesh Submarine Cable Company Limited	-	4,314,941
Power Grid Company of Bangladesh Ltd.	-	9,624,374
M.L. Dyeing Limited	-	42,705
Silva Pharmaceuticals Limited	-	91,643
VFS Thread Dyeing Limited	-	42,343

**Un-Quoted**

Lanka Bangla Securiries Ltd	5,000,000	5,000,000
Market Stabilization Fund, Asset Management Co. Ltd	2,000,000	2,000,000
ADN Telecom Limited	574,040	574,040
Aman Cotton Fibrous Limited	-	315,090
SK Trims & Industries Limited	-	51,170
Esquire Knit Composite Limited	-	1,885,100
Kattali Textile Limited	-	102,130
S S Steel Limited	-	137,920
Genex Infosys Limited	-	107,670
Runner Automobiles Limited	-	1,085,825

**1,801,867,231****1,712,980,655**Details of investment in shares is given in **Annexure-A**.



**8 Consolidated Investments**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-8a)

31.12.2019 Taka	31.12.2018 Taka
182,671,664,294	174,542,243,558
4,797,416,698	5,314,709,081
187,469,080,992	179,856,952,639
1,783,772,006	1,258,382,500
185,685,308,986	178,598,570,139

Less: Inter Company Transaction

**Bills Purchased and Discounted :**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-8a)

14,614,015,788	11,547,790,733
-	-
14,614,015,788	11,547,790,733
<b>200,299,324,774</b>	<b>190,146,360,872</b>

**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

**Outside Bangladesh**

(Note-8a.2)

193,427,000,258	184,824,649,587
10,755,335,963	10,282,406,029
182,671,664,294	174,542,243,558
14,614,015,788	11,547,790,733
-	-
<b>197,285,680,082</b>	<b>186,090,034,291</b>

**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

18,998,610,992	26,703,919,921
61,355,846,506	54,673,252,075
71,673,887,574	75,589,771,929
27,343,795,259	25,792,078,753
17,913,539,751	3,331,011,614
<b>197,285,680,082</b>	<b>186,090,034,291</b>

**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

5,038,836,486	5,919,250,215
10,026,408,077	6,058,642,581
15,065,244,563	11,977,892,796
451,228,775	430,102,062
<b>14,614,015,788</b>	<b>11,547,790,733</b>

**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

3,453,291,931	1,657,107,970
3,247,234,308	3,392,740,917
4,283,368,027	2,345,356,298
3,630,121,522	4,152,585,548
<b>14,614,015,788</b>	<b>11,547,790,733</b>

**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)

2,201,648,077	1,313,309,232
1,594,249,991	1,497,300,000
85,215,891,715	81,441,122,849
108,090,615,813	99,611,902,210
183,274,487	2,226,400,000
<b>197,285,680,082</b>	<b>186,090,034,291</b>

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

Total outstanding amount to such customers at end of the year	:	69,611.03 million	59,651.02 million
Number of such types of customers	:	17	17
Amount of Classified Investments thereon	:	Nil	Nil
Measures taken for recovery	:	Not applicable	Not applicable

The amount represents the sum of total Investments (both Funded and Non-Funded) to each customer exceeding Tk. 2,927.74 million which is computed @ 10% of total capital of the bank i.e. Tk.29,277.37 million (Note # 17.5.c) as at 31 December 2019.

For details please refer to **Annexure-D**.



**8a.5 Sector-wise Classification of Investments:**

Sector	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	1,807,500,000	0.92%	4,741,300,000	2.55%
Cotton & Textile	15,250,291,010	7.73%	19,149,374,394	10.29%
Garments	30,794,739,895	15.61%	26,279,870,452	14.12%
Cement	3,068,247,845	1.56%	1,735,806,107	0.93%
Pharmaceuticals & Chemicals	3,501,186,277	1.77%	3,734,835,445	2.01%
Real Estate	7,169,488,684	3.63%	6,922,895,463	3.72%
Transport	4,402,529,994	2.23%	3,244,937,565	1.74%
Information Technology	1,372,210,601	0.70%	1,161,685,974	0.62%
Non Banking Financial Institutions	1,747,709,864	0.89%	1,954,093,058	1.05%
Steel & Engineering	10,930,918,259	5.54%	8,391,965,104	4.51%
Food Processing & Beverage	14,270,811,185	7.23%	12,748,298,686	6.85%
Power & Energy	4,577,192,177	2.32%	5,904,186,571	3.17%
Paper & Paper Products	2,278,584,229	1.15%	1,906,918,415	1.02%
Plastic & Plastic Product	5,715,496,150	2.90%	4,868,703,451	2.62%
Electronics	5,205,879,865	2.64%	5,184,655,971	2.79%
Services Industries	6,472,954,026	3.28%	5,897,775,363	3.17%
Trading	33,629,882,240	17.05%	28,819,400,000	15.49%
Consumer Financing	20,677,875,093	10.48%	437,900,000	0.24%
Share business	2,104,924,367	1.07%	1,606,036,109	0.86%
Staff Investment	1,594,249,991	0.81%	1,497,300,000	0.80%
Others	20,713,008,331	10.50%	39,902,096,165	21.44%
<b>Total</b>	<b>197,285,680,082</b>	<b>100.00%</b>	<b>186,090,034,291</b>	<b>100.00%</b>

**8a.6 Geographical Location-wise Investments:**

Area	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
<b>i) Inside Bangladesh</b>				
<b>a) In Urban Areas</b>				
Dhaka	140,650,645,454	75.20%	133,462,537,856	75.77%
Chattogram	31,812,635,642	17.01%	28,069,298,235	15.94%
Sylhet	1,849,082,193	0.99%	1,848,867,349	1.05%
Rajshahi	4,727,604,198	2.53%	4,781,757,574	2.71%
Rangpur	1,380,517,101	0.74%	1,282,789,912	0.73%
Khulna	4,779,313,497	2.56%	4,982,613,260	2.83%
Barishal	483,492,853	0.26%	461,135,019	0.26%
Mymensingh	1,355,735,067	0.72%	1,249,566,886	0.71%
<b>Sub-total</b>	<b>187,039,026,005</b>	<b>100%</b>	<b>176,138,566,090</b>	<b>100%</b>
<b>b) In Rural Areas</b>				
Dhaka	7,003,688,496	68.35%	6,718,636,949	67.51%
Chattogram	1,375,523,316	13.42%	1,369,044,879	13.76%
Sylhet	193,277,081	1.89%	193,481,041	1.94%
Rajshahi	524,695,751	5.12%	530,440,966	5.33%
Rangpur	-	0.00%	-	0.00%
Khulna	772,273,512	7.54%	770,592,566	7.74%
Barishal	201,760,903	1.97%	198,562,906	2.00%
Mymensingh	175,435,020	1.71%	170,708,894	1.72%
<b>Sub-total</b>	<b>10,246,654,078</b>	<b>100%</b>	<b>9,951,468,201</b>	<b>100%</b>
<b>ii) Outside Bangladesh</b>				
<b>Total</b>	<b>197,285,680,082</b>	<b>100%</b>	<b>186,090,034,291</b>	<b>100%</b>

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

Status	As at 31 December 2019		As at 31 December 2018	
	Amount	Composition	Amount	Composition
<b>Unclassified:</b>				
Standard (including staff Investment)	182,161,022,883	92.33%	171,739,106,658	92.29%
Special Mention Account (SMA)	5,437,334,936	2.76%	1,627,632,344	0.87%
<b>Sub-total</b>	<b>187,598,357,819</b>		<b>173,366,739,002</b>	
<b>Classified</b>				
Substandard	647,654,003	0.33%	796,796,511	0.43%
Doubtful	522,812,490	0.27%	533,421,327	0.29%
Bad or loss	8,516,855,771	4.32%	11,393,077,451	6.12%
<b>Sub-total</b>	<b>9,687,322,264</b>		<b>12,723,295,289</b>	
<b>Grand Total</b>	<b>197,285,680,082</b>	<b>100.00%</b>	<b>186,090,034,291</b>	<b>100.00%</b>

**8a.8 Particulars of provision for Investments:**

Status	Basis for Provision	Rate	31.12.2019 Taka	31.12.2018 Taka
Standard				
Unclassified (excluding staff Investments)	112,822,874,146	1%*	1,106,812,741	1,134,174,039
Staff Investments	1,642,653,695	0%	-	-
Consumer Financing (Other than HF & LP)	660,850,328	5%	33,042,516	21,334,567
Small & Medium Enterprise	62,852,635,672	0.25%	157,131,589	161,672,954
Housing Finance(HF)	2,347,430,401	1%	23,474,304	20,673,502
Loan for professionals (LP)	3,610,987	2%	72,220	270,781
Share Business	1,798,086,331	2%	35,961,727	27,472,461
Short Term Agri Credit	1,746,895	1%	17,469	53,733
Islamic Credit Card	32,235,629	2%	644,713	-
SMA	5,089,004,820		25,159,291	9,735,156
Special Reschedule			518,362,000	-
			<b>1,900,678,570</b>	<b>1,375,387,192</b>

\*Excluding Special Reschedule



Substandard	219,572,221	20% & 5% (Agri)
Doubtful	165,611,549	50% & 5% (Agri)
Bad or loss	2,697,082,525	100%
Special Reschedule & One time Exit		
Required provision for Investments		
Less: Deferred provision by Bangladesh Bank		
Total provision required		
Total provision maintained {note # 15a.1(a) & (b)}		
<b>Surplus/(Shortfall) Provision</b>		

31.12.2019 Taka	31.12.2018 Taka
43,914,444	47,716,863
82,748,818	58,326,195
2,697,082,525	3,926,352,116
434,529,000	-
3,258,274,787	4,032,395,175
5,158,953,357	5,407,782,367
-	1,587,412,291
5,158,953,357	3,820,370,076
5,159,213,053	3,820,370,076
<b>259,697</b>	<b>-</b>

The Bank has maintained provision on unclassified Investment amounting to Tk. 1,900,800,000 (note # 15a.1.b) and for classified Investment Tk.3,258,413,053 (note # 15a.1.a) totaling Tk.5,159,213,053. These exists surplus of Tk.259,697 against the required provision.

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

Status	Basis for Provision	Rate 1%	Rate 1%
Acceptances & endorsements	35,064,492,967	350,644,930	341,995,765
Letters of Guarantees	29,749,668,530	297,496,685	239,769,603
Irrevocable Letters of Credit	22,054,150,599	220,541,506	254,784,006
Bills for collection	58,079,514	580,795	518,242
<b>Required provision for Off Balance Sheet Items</b>	<b>86,926,391,610</b>	<b>869,263,916</b>	<b>837,067,616</b>
<b>Provision maintained (note # 15a.1(c))</b>		<b>869,300,000</b>	<b>837,100,000</b>
<b>Surplus Provision</b>		<b>36,084</b>	<b>32,384</b>

#### 8a.10 Particulars of Investments:

	31.12.2019 Taka	31.12.2018 Taka
(i) Investments considered good in respect of which the banking company is fully secured	163,149,340,571	154,164,303,809
(ii) Investments considered good for which the banking company holds no other security than the debtor's personal security	31,486,794,541	29,699,969,473
(iii) Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	2,649,544,970	2,225,761,009
(iv) Investments considered bad or doubtful not provided for	-	-
	<b>197,285,680,082</b>	<b>186,090,034,291</b>
(v) Investments due by directors or officers of the banking company or any of them either severally or jointly with any other person	<b>1,594,249,991</b>	<b>1,497,300,000</b>
(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).	<b>2,201,648,077</b>	<b>1,313,309,232</b>
(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.	<b>1,594,249,991</b>	<b>1,497,300,000</b>
(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	<b>2,201,648,077</b>	<b>1,313,309,232</b>
(ix) Investments due from other Banks	-	-
(x) Classified Investment on which profit has not been charged	<b>9,687,322,264</b>	<b>12,723,295,289</b>
a. Movement of Classified Investments:		
Opening Balance	12,723,295,289	6,300,502,160
Increase/ (Decrease) during the year	(3,035,973,025)	6,422,793,129
	<b>9,687,322,264</b>	<b>12,723,295,289</b>
i) (Decrease)/Increase of specific provision	813,442,977	1,029,905,943
ii) Amount of written off investment during the year against which fully provided	193,235,991	-
iii) Amount recovered against the investment which was previously written off	25,546,074	10,373,603
b. Amount of provision kept against classified Investment on the reporting day of Balance Sheet	<b>3,258,413,053</b>	<b>2,444,970,076</b>
c. Amount of Profit charged in suspense Account	<b>2,672,956,646</b>	<b>1,203,156,181</b>
(xi) Cumulative amount of written off Investments		
Opening Balance	4,463,670,712	4,463,670,712
Amount written off during the year	193,235,991	-
Total amount of written off investment	<b>4,656,906,702</b>	<b>4,463,670,712</b>

**9 Consolidated Fixed Assets including Premises, Furnitures & Fixtures****Cost**

Shahjalal Islami Bank Ltd (Note-9a)  
Shahjalal Islami Bank Securities Ltd

**Accumulated Depreciation**

Shahjalal Islami Bank Ltd (Note-9a)  
Shahjalal Islami Bank Securities Ltd

**Written Down Value****9a Fixed Assets including Premises, Furnitures & Fixtures of the Bank****Tangible assets:****Cost**

Land  
Building  
Head Office Building under construction  
Furniture & Fixtures  
Office Equipment  
Computer & Network Equipment  
Vehicles  
Right of use Assets as per IFRS-16\*  
Books

**Less:**

Accumulated depreciation  
Adjustment of assets

**Written Down Value****Intangible assets:****Cost**

Software-Core Banking  
Software-Others

**Less:**

Amortization

**Written Down Value****Total Written Down Value**

\*Right of use Assets (RoU) are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities (Note 2.16).

Details are given in **Annexure-B**.

**10 Consolidated Other Assets**

Shahjalal Islami Bank Ltd (Note-10a)  
Shahjalal Islami Bank Securities Ltd

Less: Inter Company transaction

**10.1 Consolidated advance tax**

Shahjalal Islami Bank Ltd (Note-10a.4)  
Shahjalal Islami Bank Securities Ltd

**10a Other Assets of the Bank****Income Generating:**

Shahjalal Islami Bank Securities Ltd (Note-10a.3)

**Non Income Generating:**

Stock of Stationery, Stamps and printing materials etc. (valued at cost)  
Advance rent and security deposit  
Suspense Account (Note-10a.1)  
Profit receivable (Note-10a.2)  
Other Prepayments  
Receivable from Shahjalal Islami Bank Securities Limited  
Advance Insurance premium  
Advance for new Branches  
Advance tax paid (Note-10a.4)  
Other Receivables  
SJIIBL General Account-Net (Note-10a.5)  
Balance with OBU

Less: Off-Shore Banking Units

**Sub total**

	31.12.2019 Taka	31.12.2018 Taka
Shahjalal Islami Bank Ltd (Note-9a)	5,801,951,877	5,062,780,011
Shahjalal Islami Bank Securities Ltd	112,373,698	108,762,136
	<u>5,914,325,575</u>	<u>5,171,542,147</u>
Shahjalal Islami Bank Ltd (Note-9a)	1,297,981,423	1,067,313,676
Shahjalal Islami Bank Securities Ltd	58,712,793	50,126,345
	<u>1,356,694,216</u>	<u>1,117,440,021</u>
	<u><b>4,557,631,359</b></u>	<u><b>4,054,102,126</b></u>
Land	1,876,724,350	1,876,724,350
Building	893,923,450	881,220,460
Head Office Building under construction	89,165,998	238,722,811
Furniture & Fixtures	1,022,398,736	951,315,873
Office Equipment	660,138,562	469,154,361
Computer & Network Equipment	476,949,060	398,921,578
Vehicles	114,089,748	103,508,028
Right of use Assets as per IFRS-16*	523,964,749	-
Books	1,042,667	1,042,667
	<u><b>5,658,397,319</b></u>	<u><b>4,920,610,128</b></u>
Accumulated depreciation	1,148,290,395	967,748,797
Adjustment of assets	38,658,338	3,633,634
	<u><b>4,471,448,586</b></u>	<u><b>3,949,227,697</b></u>
Software-Core Banking	62,615,430	62,615,430
Software-Others	80,939,128	79,554,453
	<u><b>143,554,558</b></u>	<u><b>142,169,883</b></u>
Amortization	111,032,689	95,931,244
	<u><b>32,521,869</b></u>	<u><b>46,238,638</b></u>
	<u><b>4,503,970,454</b></u>	<u><b>3,995,466,335</b></u>
Shahjalal Islami Bank Ltd (Note-10a)	15,983,396,045	14,337,119,704
Shahjalal Islami Bank Securities Ltd	374,944,517	338,259,062
	<u>16,358,340,562</u>	<u>14,675,378,766</u>
Less: Inter Company transaction	2,515,000,000	2,929,914,662
	<u><b>13,843,340,562</b></u>	<u><b>11,745,464,104</b></u>
Shahjalal Islami Bank Ltd (Note-10a.4)	12,641,625,772	10,688,849,451
Shahjalal Islami Bank Securities Ltd	324,377,783	296,704,265
	<u><b>12,966,003,555</b></u>	<u><b>10,985,553,716</b></u>
Shahjalal Islami Bank Securities Ltd (Note-10a.3)	2,515,000,000	2,515,000,000
	<u><b>2,515,000,000</b></u>	<u><b>2,515,000,000</b></u>
Stock of Stationery, Stamps and printing materials etc. (valued at cost)	23,810,353	20,278,978
Advance rent and security deposit	137,044,277	193,656,661
Suspense Account (Note-10a.1)	145,734,796	84,097,361
Profit receivable (Note-10a.2)	313,492,263	226,858,642
Other Prepayments	90,351,271	115,693,170
Receivable from Shahjalal Islami Bank Securities Limited	-	414,914,662
Advance Insurance premium	60,515,770	61,329,750
Advance for new Branches	9,755,760	13,353,800
Advance tax paid (Note-10a.4)	12,641,625,772	10,688,849,451
Other Receivables	3,181,647	3,087,227
SJIIBL General Account-Net (Note-10a.5)	42,884,136	-
Balance with OBU	10,382,701,170	6,101,627,500
	<u>23,851,097,215</u>	<u>17,923,747,204</u>
	<u>10,382,701,170</u>	<u>6,101,627,500</u>
	<u><b>13,468,396,045</b></u>	<u><b>11,822,119,704</b></u>
Less: Off-Shore Banking Units		
	<u><b>15,983,396,045</b></u>	<u><b>14,337,119,704</b></u>

**10a.1 Suspense Account**

Sundry Debtors  
Excise duty on MTDR  
Advance against TA/DA  
Advance against Petty Cash  
Law charges  
Stamp  
Others

31.12.2019 Taka	31.12.2018 Taka
66,258,042	17,024,531
26,884,331	20,680,811
9,030	204,000
450,000	626,000
51,101,981	43,254,910
299,930	224,540
731,482	2,082,569
<b>145,734,796</b>	<b>84,097,361</b>

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	61,518	4,200	540	-	-
2	Advance against TA/DA	9	-	-	-	-
3	Advance against Petty Cash	450	-	-	-	-
4	Legal expenses	4,996	4,018	2,989	2,062	37,037
5	Others	22,665	2,209	720	1,036	1,285
	<b>Grand Total</b>	<b>89,638</b>	<b>10,427</b>	<b>4,249</b>	<b>3,098</b>	<b>38,322</b>

**10a.2 Profit Receivable**

Placement to Other Bank-MTDR  
Placement to Financial Institutions-MTDR  
Placement to Islamic Investment Bond  
Profit on Investment against MSD  
On Investments

31.12.2019 Taka	31.12.2018 Taka
57,931,924	32,980,535
147,342,639	91,919,236
-	24,712,749
376,118	22,788,288
107,841,582	54,457,835
<b>313,492,263</b>	<b>226,858,642</b>

**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  
Paid during the year

10,688,849,451	9,611,807,185
1,952,776,321	1,077,042,266
<b>12,641,625,772</b>	<b>10,688,849,451</b>

**10a.5** 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	3611	71,379,478	567	28,495,342
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<b>3611</b>	<b>71,379,478</b>	<b>567</b>	<b>28,495,342</b>
<b>Net unreconcile amount</b>				<b>42,884,136</b>

There are no outstanding un-reconciled entries more than 3 months. However, outstanding entries on Balance Sheet date are subsequently reconciled.

**11 Non-Banking Assets**

Shahjalal Islami Bank Ltd

<b>88,909,355</b>	<b>88,909,355</b>
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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 of professional surveyor. Value of the assets was recorded in equivalent to the client's adjustable outstanding. Following are the details:



			31.12.2019 Taka	31.12.2018 Taka
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 Narayangonj, Mouza: Dapa Idrakpur. Carrying value of which was <b>BDT 1741.59 Lac (Market Value)</b> . 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 <b>BDT 47.34 Lac (Market Value)</b> . 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 <b>BDT 356.81 Lac (Market Value)</b> . 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 <b>BDT 48.50 Lac (Market Value)</b> . 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 <b>BDT 34.50 Lac (Market Value)</b> . Entitlement Date: 29.11.17	2,981,804	2,981,804
<b>Total</b>			<b>88,909,355</b>	<b>88,909,355</b>

**12 Consolidated Placement from other Banks & Financial Institutions**

Shahjalal Islami Bank Ltd	(Note-12a)	11,382,596,297	23,465,601,827
Shahjalal Islami Bank Securities Ltd		2,153,714,228	2,109,806,901
		13,536,310,525	25,575,408,728
Less: Inter Company transaction		1,783,772,006	1,258,382,500
		<b>11,752,538,519</b>	<b>24,317,026,228</b>

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

Islami Investment Bond from Bangladesh Bank		-	7,500,000,000
Islamic Refinance Fund - Bangladesh Bank		103,483,500	30,440,000
Mudaraba FC A/C-Bangladesh Bank (EDF)		10,017,057,797	9,840,098,202
Mudaraba Term Deposit from other Banks	(Note-12a.1)	1,262,055,000	6,095,063,625
Borrowing from Offshore Banking Unit (OBU)		20,847,035	1,097,559,484
		<b>11,403,443,332</b>	<b>24,563,161,311</b>
Less: Off-Shore Banking Units		20,847,035	1,097,559,484
		<b>11,382,596,297</b>	<b>23,465,601,827</b>

**12a.1 Mudaraba Term Deposit from other Banks**

<b>In Bangladesh:</b>			
Sonali Bank Limited		78,355,000	79,422,625
Agrani Bank Limited		80,000,000	2,070,000,000
Prime Bank Limited, Islami Banking Branch		-	1,000,000,000
Islami Bank Bangladesh Limited		-	500,000,000
United Commercial Bank Limited		-	500,000,000
<b>Sub total</b>		<b>158,355,000</b>	<b>4,149,422,625</b>
<b>Outside Bangladesh:</b>			
Bank Muscat SAOG		764,100,000	755,100,000
National Bank of Ras Al-Khaimah (P.S.C.)		339,600,000	503,400,000
United Bank UK		-	576,728,600
JS Bank Ltd., Bahrain		-	110,412,400
<b>Sub total</b>		<b>1,103,700,000</b>	<b>1,945,641,000</b>
<b>Grand Total</b>		<b>1,262,055,000</b>	<b>6,095,063,625</b>

**13 Consolidated Deposits and Other Accounts****Al-Wadiah Current Deposit & Other Accounts**

Shahjalal Islami Bank Ltd

Shahjalal Islami Bank Securities Ltd

(Note-13a)

31.12.2019 Taka	31.12.2018 Taka
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28,770,762,184

22,376,070,686

**28,770,762,184****22,376,070,686****Bills Payable**

Shahjalal Islami Bank Ltd

Shahjalal Islami Bank Securities Ltd

(Note-13a)

4,335,581,019

2,850,398,551

**4,335,581,019****2,850,398,551****Mudaraba Savings Deposits**

Shahjalal Islami Bank Ltd

Shahjalal Islami Bank Securities Ltd

(Note-13a)

24,751,894,884

20,792,172,031

**24,751,894,884****20,792,172,031****Mudaraba Term Deposits**

Shahjalal Islami Bank Ltd

Shahjalal Islami Bank Securities Ltd

(Note-13a)

82,587,971,836

79,408,029,450

**82,587,971,836****79,408,029,450****Other Mudaraba Deposits**

Shahjalal Islami Bank Ltd

Shahjalal Islami Bank Securities Ltd

(Note-13a)

62,937,938,001

51,434,842,290

62,937,938,001

51,434,842,290

146,421,934

309,512,590

**62,791,516,067****51,125,329,700**

Less: Inter Company transaction

**Total****203,237,725,991****176,552,000,417****13a Deposits and Other Accounts of the Bank****Al-Wadiah Current Deposit & Other Accounts:**

Al-Wadiah Current Deposit

Foreign Currency Deposits

Non-Resident Taka Account

Profit Payable

Sundry Deposits

9,952,291,890

8,182,558,429

3,479,309,460

2,443,456,504

25,244,993

10,952,308

1,971,040,298

1,392,350,100

13,348,465,716

10,351,940,588

**28,776,352,358****22,381,257,929**

Less: Off-Shore Banking Units

5,590,174

5,187,243

**28,770,762,184****22,376,070,686****Bills Payable:**

Payable inside Bangladesh

Payment Order Issued

Demand Draft Payable

Turbo Cash Payable

Electronic Fund Transfer

4,330,970,783

2,845,561,265

4,074,749

4,074,749

-

54,405

535,487

708,132

**4,335,581,019****2,850,398,551**

Payable outside Bangladesh

-

-

**4,335,581,019****2,850,398,551****Mudaraba Savings Deposits:**

General Deposits

Deposit from Other Banks

24,751,894,752

20,781,937,525

132

10,234,506

**24,751,894,884****20,792,172,031****Mudaraba Term Deposits:**

General Deposits

82,587,971,836

79,408,029,450

**82,587,971,836****79,408,029,450****Other Mudaraba Deposits:**

Mudaraba Short Notice Deposits

Mudaraba Scheme Deposit

Deposit from Other Banks (SND)

(Note-13a.1)

8,839,368,421

7,801,734,516

52,493,668,437

42,374,495,095

1,604,901,143

1,258,612,680

**62,937,938,001****51,434,842,290****203,384,147,925****176,861,513,007****13a.1 Mudaraba Scheme Deposits:**

Millionaire Scheme

Multiple Benefit Scheme

Monthly Income Scheme

Monthly Deposit Scheme

Hajj Deposit Scheme

Cash Waqf

Housing Deposit Scheme

Lakhpoti Deposit Scheme

Mohor Deposit Scheme

Education Deposit Scheme

Marriage Deposit Scheme

8,266,851,559

7,833,384,775

9,359,459,665

8,611,387,508

18,496,346,753

11,339,541,867

15,966,345,718

14,211,578,481

276,037,869

233,841,632

5,133,605

4,485,950

6,365,302

5,923,919

3,815,154

7,406,236

65,289

3,025,219

61,360,042

70,371,615

51,887,482

53,547,893

**52,493,668,437****42,374,495,095**

**13a.2 Deposits and Other Accounts:**

General Deposits  
Deposits from Other Banks

(Note- 13a.3)

31.12.2019 Taka	31.12.2018 Taka
201,779,246,650	176,258,713,147
1,604,901,275	602,799,861
<b>203,384,147,925</b>	<b>176,861,513,007</b>

**13a.3 Deposit from Other Banks**
**Mudaraba Special Notice Deposit:**

Export Import Bank of Bangladesh Limited  
AB Bank Limited  
Jamuna Bank Limited  
Al -Arafah Islami Bank Ltd  
Social Islami Bank Limited  
National Credit and Commerce Bank Ltd  
ICB Islami Bank Limited  
Islami Bank Bangladesh Ltd.  
Sonali Bank Ltd.

22,728,054	61,378,246
12,163	431,470
548,132	7,817,227
1,569,273,804	514,769,982
8,889,910	8,104,069
631,066	599,069
8,977	10,732
2,617,858	-
191,179	-
<b>1,604,901,143</b>	<b>593,110,796</b>

**Mudaraba Savings Deposit:**

Al -Arafah Islami Bank Ltd  
Export Import Bank of Bangladesh Ltd  
Islami Bank Bangladesh Limited

132	124
-	7,427,931
-	2,261,009
<b>132</b>	<b>9,689,065</b>
<b>1,604,901,275</b>	<b>602,799,861</b>

**13a.4 Maturity wise classification of Deposits are as under**
**With a residual maturity of**

Repayable on demand  
Within 1 month  
Over 1 months but not more than 6 months  
Over 6 months but not more than 1 year  
Over 1 year but not more than 5 years  
Over 5 years

16,272,460,285	15,917,536,171
16,148,701,345	13,264,613,476
54,913,719,940	53,553,666,139
64,821,267,854	66,977,454,976
18,211,995,000	23,186,544,355
33,016,003,502	3,961,697,891
<b>203,384,147,925</b>	<b>176,861,513,007</b>

**14 Mudaraba Subordinated Bond**

Mudaraba Subordinated Bond

<b>10,000,000,000</b>	<b>10,000,000,000</b>
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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 2019)	Bond Issued (Taka)	Outstanding (as on 31 December 2019)
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
<b>Total</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>	<b>6,000,000,000</b>	<b>6,000,000,000</b>



		31.12.2019 Taka	31.12.2018 Taka
<b>15 Consolidated Other Liabilities</b>			
Shahjalal Islami Bank Ltd	(Note-15a)	24,641,621,683	18,401,348,233
Shahjalal Islami Bank Securities Limited		2,129,693,876	2,657,628,765
		26,771,315,560	21,058,976,998
Less: Inter Company transaction		-	414,914,662
		<b>26,771,315,560</b>	<b>20,644,062,336</b>
<b>15.1 Consolidated Provision for Current Tax</b>			
Shahjalal Islami Bank Ltd	(Note-15a.2)	13,224,746,710	11,094,509,817
Shahjalal Islami Bank Securities Ltd		345,040,992	316,970,214
		<b>13,569,787,703</b>	<b>11,411,480,031</b>
<b>15.2 Consolidated current tax expenses</b>			
Shahjalal Islami Bank Ltd	(Note-15a.2)	2,130,236,894	1,689,821,298
Shahjalal Islami Bank Securities Ltd		28,070,778	23,136,288
		<b>2,158,307,672</b>	<b>1,712,957,586</b>
<b>15.3 Provision against entries of NOSTRO Account</b>			
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).			
<b>15a Other Liabilities of the Bank</b>			
Profit Payable		33,907,105	167,351,958
Provision for Investment	{note 15a.1 (a) & (b)}	5,159,213,053	3,820,370,076
Provision for Off-Balance Sheet items	{note 15a.1 (c)}	869,300,000	837,100,000
Provision for other Assets	{note 15a.1 (d)}	37,765,000	37,765,000
Provisions for Investment in Securities	{note 15a.1 (e)}	797,760,000	545,160,000
Provision for Taxation	(Note 15a.2)	13,224,746,710	11,094,509,817
Profit Suspense Account	{note 15(a).1 (f)}	1,913,003,426	741,880,059
Compensation Realisable & Suspense Account	{note 15(a).1 (g)}	759,953,219	461,276,123
Compensation Realised Account	{note 15(a).1 (h)}	714,662,624	98,358,398
Other Payable		371,093,474	285,259,916
Outstanding Expenses		326,342,252	234,331,379
Unearned Income on Quard		2,270,063	4,197,196
Lease liabilities as per IFRS-16*		431,604,755	-
SJIBL General Account		-	73,788,313
		<b>24,641,621,683</b>	<b>18,401,348,233</b>
* As per note 2.16, in accordance with IFRS-16, the Bank has recognised the lease liabilities.			
<b>15a.1 Provision for Investment:</b>			
<b>(a) Provision on Classified Investment:</b>			
Provision held at the beginning of the year		2,444,970,076	1,415,064,133
Provision transferred from Provision for Off-Balance Sheet items		-	55,200,000
Amount transferred to Compensation Realised A/C		(200,000,000)	(150,267,660)
Written Off Recovery		25,546,074	10,373,603
Net charge to Profit & Loss Account		1,160,780,000	1,114,600,000
Fully provided investment written off during the year		(172,883,097)	-
<b>Provision held at the end of the year</b>		<b>3,258,413,053</b>	<b>2,444,970,076</b>
<b>(b) General Provision on Unclassified Investment:</b>			
Provision held at the beginning of the year		1,375,400,000	1,165,900,000
Addition during the year		525,400,000	209,500,000
<b>Balance at the end of the year</b>		<b>1,900,800,000</b>	<b>1,375,400,000</b>
<b>Total Provision for Investments (a+b)</b>		<b>5,159,213,053</b>	<b>3,820,370,076</b>
<b>(c) General Provision on Off-Balance Sheet items:</b>			
Provision held at the beginning of the year		837,100,000	892,300,000
Provision transferred to provision on Classified Investment		-	(55,200,000)
Addition during the year		32,200,000	-
<b>Balance at the end of the year</b>		<b>869,300,000</b>	<b>837,100,000</b>
<b>Total Provision for Investments &amp; Off-Balance Sheet (a+b+c)</b>		<b>6,028,513,053</b>	<b>4,657,470,076</b>
<b>(d) Provision for other Assets:</b>			
Provision held at the beginning of the year		37,765,000	37,765,000
Addition during the year		-	-
<b>Balance at the end of the year</b>		<b>37,765,000</b>	<b>37,765,000</b>
<b>(e) Provision for Investment in Securities:</b>			
Provision held at the beginning of the year		545,160,000	458,400,000
Addition during the year		252,600,000	86,760,000
<b>Balance at the end of the year</b>		<b>797,760,000</b>	<b>545,160,000</b>
<b>(f) Profit Suspense Account:</b>			
Balance at the beginning of the year		741,880,059	297,822,172
Amount transferred to suspense account during the year		2,262,057,857	901,949,847
Amount recovered from suspense account during the year		(1,058,784,667)	(457,807,123)
Amount written off/ waived during the year		(32,149,822)	(84,837)
<b>Balance at the end of the year</b>		<b>1,913,003,426</b>	<b>741,880,059</b>

**(g) Compensation Realisable & Suspense Account:**

Balance at the beginning of the year  
Addition during the year  
Amount recovered during the year  
Amount written off/ waived during the year  
**Balance at the end of the year**

**(h) Compensation Realised Account:**

Balance at the beginning of the year  
Addition during the year  
Fund transfer to expended for charitable activities  
Amount transferred from provision for Classified Investment  
**Balance at the end of the year**

31.12.2019 Taka	31.12.2018 Taka
461,276,123	329,821,760
853,954,330	187,208,777
(416,304,226)	(53,301,378)
(138,973,008)	(2,453,036)
<b>759,953,219</b>	<b>461,276,123</b>
98,358,398	44,789,360
416,304,226	53,301,378
-	(150,000,000)
200,000,000	150,267,660
<b>714,662,624</b>	<b>98,358,398</b>

**15a.2 Provision for Taxation****Provision for Current tax**

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

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.

11,094,509,817	9,404,688,518
2,130,236,894	1,689,821,298
<b>13,224,746,710</b>	<b>11,094,509,817</b>

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

Income tax @ 37.50% on estimated taxable Business Profit  
Income tax @ 20.00% on Dividend Income  
Income tax @ 10% on Capital Gain on sale of Shares  
Estimated total provision required  
Computation of Taxable Business Profit  
Profit before Tax  
Add: Inadmissible expenditures  
Less: Allowable Expenditure & Separate consideration  
**Estimated Taxable Business Profit for the year**

2,116,743,130	1,630,546,970
9,427,864	59,274,329
4,065,899	-
<b>2,130,236,894</b>	<b>1,689,821,298</b>
3,894,149,945	3,165,468,443
2,318,905,843	1,625,356,878
568,407,441	442,700,068
<b>5,644,648,347</b>	<b>4,348,125,252</b>

**15a.2(b) Reconciliation of effective tax rate of the Bank****Particulars****Effective Rate**

Profit before income tax as per profit and loss account  
Income tax as per applicable tax rate  
**Factors affecting the tax charge for current year:**  
Inadmissible expenses  
Admissible Expenses in the current year (i.e. write-off etc.)  
Tax savings from reduced tax rates for dividend  
Tax loss/(savings) from reduced tax rates for capital gain  
**Total income Tax Expenses**

	3,894,149,945	3,165,468,443
37.5%	1,460,306,229	1,187,050,666
22.33%	869,589,691	609,508,829
-4.63%	(180,228,423)	(85,947,002)
-0.21%	(8,249,381)	(51,865,038)
-0.29%	(11,181,223)	31,073,843
<b>54.70%</b>	<b>2,130,236,894</b>	<b>1,689,821,298</b>

**16 Consolidated Deferred Tax Liability**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Limited

(Note-16a)

188,075,793	142,464,474
(1,752,809)	(1,029,122)
<b>186,322,984</b>	<b>141,435,352</b>

**16a Deferred Tax Liability of the Bank**

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

142,464,474	137,999,259
45,611,319	4,465,215
<b>188,075,793</b>	<b>142,464,474</b>

**16a.1 Deferred Tax (asset)/liability**

Fixed assets (as per Financial Statements)  
Less: Carrying amount of Vehicles purchase over the allowable limit  
Tax base carrying amount

4,503,970,454	3,995,466,335
17,492,510	22,813,981
4,486,477,944	3,972,652,354
3,984,942,496	3,592,747,090
<b>501,535,448</b>	<b>379,905,264</b>

Deferred Tax (asset)/liability

<b>188,075,793</b>	<b>142,464,474</b>
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**17 Capital****17.1 Authorized Capital:**

1,000,000,000 ordinary shares of Tk. 10 each

<b>10,000,000,000</b>	<b>10,000,000,000</b>
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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. 10,000,000,000 from Tk. 6,000,000,000.



## 17.2 Issued, Subscribed and Paid up Capital

933,421,272 Ordinary Shares of Tk 10 each

20,500,000 Ordinary Sponsor Share of Taka 10 each issued for cash

12.5% Stock Dividend for the year 2002

2,362,000 Ordinary New Shares Issued

4,690,000 Ordinary New Shares Issued

93,582,500 shares issued under Initial Public Offer (IPO)

20% Stock Dividend for the year 2007

22% Stock Dividend for the year 2008

25% Stock Dividend for the year 2009

30% Stock Dividend for the year 2010

25% Stock Dividend for the year 2011

20% Stock Dividend for the year 2012

10% Stock Dividend for the year 2013

5% Stock Dividend for the year 2016

10% Stock Dividend for the year 2017

10% Stock Dividend for the year 2018

31.12.2019 Taka	31.12.2018 Taka
<b>9,334,212,720</b>	<b>8,485,647,930</b>
205,000,000	205,000,000
25,625,000	25,625,000
236,200,000	236,200,000
469,000,000	469,000,000
935,825,000	935,825,000
374,330,000	374,330,000
494,115,600	494,115,600
685,023,900	685,023,900
1,027,535,850	1,027,535,850
1,113,163,830	1,113,163,830
1,113,163,840	1,113,163,840
667,898,310	667,898,310
367,344,060	367,344,060
771,422,540	771,422,540
848,564,790	-
<b>9,334,212,720</b>	<b>8,485,647,930</b>

### Holding

Sponsor & Director Group	In year 2019: 43.22%; 2018: 45.62%
Institutes Group	In year 2019: 16.95%; 2018: 14.21%
General Shareholders Group	In year 2019: 39.51%; 2018: 39.75%
Foreign Group	In year 2019: 0.32%; 2018: 0.42%

4,034,924,630	3,871,081,280
1,582,810,850	1,206,165,460
3,686,976,990	3,373,115,880
29,500,250	35,285,310
<b>9,334,212,720</b>	<b>8,485,647,930</b>

### Classification of Shareholders by number of holding: As at 31 December 2019

Range of Share Holding	No. of Shareholders	No. of shares	Percentage of holding shares
Upto 500	15,034	2,023,634	0.22%
501-5,000	13,657	26,214,918	2.81%
5,001-10,000	1,164	8,029,738	0.86%
10,001-20,000	571	7,822,100	0.84%
20,001-30,000	199	4,913,840	0.53%
30,001-40,000	65	2,235,049	0.24%
40,001-50,000	51	2,281,364	0.24%
50,001-1,00,000	90	5,989,571	0.64%
1,00,001-10,00,000	103	34,168,010	3.66%
Over 10,00,000	88	839,743,048	89.96%
<b>Total</b>	<b>31,022</b>	<b>933,421,272</b>	<b>100.00%</b>

### 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	0.38%
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%
<b>Total</b>	<b>34,229</b>	<b>848,564,793</b>	<b>100.00%</b>

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

### a) Going Concern Capital (Tier-I):

#### Common Equity Tire-I Capital (CET-I)

i) Paid-up Capital		9,334,212,720	8,485,647,930
ii) Statutory Reserve	(Note -18)	6,231,188,665	5,452,358,676
iii) Retained Earnings	(Note -19)	954,727,529	921,461,996
iv) Capital Reserve		2,878,961	-
v) Non-controlling Interest		226,408,192	231,307,418
		<b>16,749,416,068</b>	<b>15,090,776,020</b>
Less: Shortfall in provisions required against investment		998,320,159	1,895,600,000
		<b>15,751,095,909</b>	<b>13,195,176,020</b>
<b>Additional Tire-1 Capital (AT-1)</b>		<b>15,751,095,909</b>	<b>13,195,176,020</b>

### b) Gone Concern Capital (Tier-II):

i) General Provision		2,818,065,735	2,212,500,000
ii) Mudaraba Subordinated Bond		10,000,000,000	10,000,000,000
		<b>12,818,065,735</b>	<b>12,212,500,000</b>

### c) Total Eligible Regulatory Capital (a + b)

<b>28,569,161,644</b>	<b>25,407,676,020</b>
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### d) Consolidated Total Risk Weighted Assets

<b>186,781,400,361</b>	<b>177,559,143,533</b>
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	31.12.2019 Taka	31.12.2018 Taka
e) Minimum Required Capital ( 10% of risk weighted assets)	18,678,140,036	17,755,914,353
f) Minimum Required Capital (in 2019: 12.50%; in 2018: 11.875% of risk weighted assets) including conservation buffer	23,347,675,045	21,085,148,295
g) Total Capital Surplus (c-e)	9,891,021,608	7,651,761,667
h) Total Capital Surplus considering conservation buffer (c-f)	5,221,486,599	4,322,527,726

**Consolidated Capital to Risk Weighted Assets Ratio:**

Particulars	2019		2018	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.43%	6.00%	7.43%
Common Equity Tier-I Capital: (CET-I)	4.50%	8.43%	4.50%	7.43%
Tier-I Plus Conservation Buffer	8.50%	8.43%	7.875%	7.43%
CET-I Plus Conservation Buffer	7.00%	8.43%	6.375%	7.43%
Gone Concern Capital: (Tier-II)	-	6.86%	-	6.88%
CRAR	10.00%	15.30%	10.00%	14.31%
<b>CRAR including Conservation Buffer</b>	<b>12.50%</b>	<b>15.30%</b>	<b>11.875%</b>	<b>14.31%</b>

**17.4 Consolidated Risk Weighted Assets (RWA) for**

1. Investment (Credit) Risk		
On-Balance Sheet	137,468,182,856	132,149,192,647
Off-Balance Sheet	28,530,087,857	27,797,953,851
2. Market Risk	5,583,664,001	5,928,556,016
3. Operational Risk	15,199,465,647	11,683,441,018
<b>Consolidated Total Risk Weighted Assets (1+2+3)</b>	<b>186,781,400,361</b>	<b>177,559,143,533</b>

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

**a) Going Concern Capital (Tier-I):**  
**Common Equity Tire-I Capital (CET-I)**

i) Paid-up Capital		9,334,212,720	8,485,647,930
ii) Statutory Reserve	(Note-18)	6,231,188,665	5,452,358,676
iii) Retained Earnings	{Note-19(a)}	941,866,028	850,959,074
		<b>16,507,267,412</b>	<b>14,788,965,680</b>
Less: Shortfall in provisions required against investment		-	1,895,600,000
		<b>16,507,267,412</b>	<b>12,893,365,680</b>

**Additional Tire-I Capital (AT-I)**

	-	-
	<b>16,507,267,412</b>	<b>12,893,365,680</b>

**b) Gone Concern Capital (Tier-II):**

i) General Provision	{Note 15.1(b+c)}	2,770,100,000	2,212,500,000
ii) Mudaraba Subordinated Bond	(Note-14)	10,000,000,000	10,000,000,000
		<b>12,770,100,000</b>	<b>12,212,500,000</b>

**c) Total Eligible Regulatory Capital (a + b)**

	<b>29,277,367,412</b>	<b>25,105,865,680</b>
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**d) Total Risk Weighted Assets**

	<b>182,775,689,488</b>	<b>173,161,446,643</b>
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**e) Minimum Required Capital ( 10% of risk weighted assets)**

	<b>18,277,568,949</b>	<b>17,316,144,664</b>
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**f) Minimum Required Capital (in 2019: 12.50%; in 2018: 11.875% of risk weighted assets) including conservation buffer**

	<b>22,846,961,186</b>	<b>20,562,921,789</b>
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**g) Total Capital Surplus (c-e)**

	<b>10,999,798,464</b>	<b>7,789,721,016</b>
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**h) Total Capital Surplus considering conservation buffer (c-f)**

	<b>6,430,406,226</b>	<b>4,542,943,891</b>
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**Capital Adequacy Ratio:**

Particulars	2019		2018	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	9.03%	6.00%	7.45%
Common Equity Tier-I Capital: (CET-I)	4.50%	9.03%	4.50%	7.45%
Tier-I Plus Conservation Buffer	8.50%	9.03%	7.875%	7.45%
CET-I Plus Conservation Buffer	7.00%	9.03%	6.375%	7.45%
Gone Concern Capital: (Tier-II)	-	6.99%	-	7.05%
CRAR	10.00%	16.02%	10.00%	14.50%
<b>CRAR including Conservation Buffer</b>	<b>12.50%</b>	<b>16.02%</b>	<b>11.875%</b>	<b>14.50%</b>

**17.6 Risk Weighted Assets (RWA) for**

1. Investment (Credit) Risk		
On-Balance Sheet	135,786,054,271	130,076,553,092
Off-Balance Sheet	28,530,087,857	27,797,953,851
2. Market Risk	4,076,803,893	3,951,460,519
3. Operational Risk	14,382,743,467	11,335,479,181
<b>Total Risk Weighted Assets (1+2+3)</b>	<b>182,775,689,488</b>	<b>173,161,446,643</b>

**17.7 Non-controlling Interest**

Opening balance  
Dividend paid to non-controlling shareholder  
Share of current year's profit

31.12.2019 Taka	31.12.2018 Taka
231,307,418	251,443,308
-	(22,500,000)
(4,899,226)	2,364,110
<b>226,408,192</b>	<b>231,307,418</b>

**18 Statutory Reserve**

Opening balance  
Add: Addition during the year

5,452,358,676	4,819,264,987
778,829,989	633,093,689
<b>6,231,188,665</b>	<b>5,452,358,676</b>

**19 Consolidated Retained Earnings**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-19a)

Less: Non-controlling Interest

941,866,028	850,959,074
14,269,694	76,810,340
956,135,722	927,769,415
1,408,192	6,307,418
<b>954,727,529</b>	<b>921,461,996</b>

**19.1 Consolidated Current year Retained Earnings**

Current Year  
Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-19a)

Less: Non-Controlling Interest

939,471,743	838,088,240
(59,661,685)	28,789,612
879,810,058	866,877,853
(4,899,226)	2,364,110
<b>884,709,284</b>	<b>864,513,743</b>

**19a Retained Earnings of the Bank**

Opening balance  
Less: Payment of Dividend  
Add: Transfer from Profit & Loss Account

850,959,074	784,293,374
848,564,790	771,422,540
939,471,743	838,088,240
<b>941,866,028</b>	<b>850,959,074</b>

**20 Letters of Guarantees**

Letters of Guarantees (Local)  
Letters of Guarantees (Foreign)  
Back to Back

28,843,951,731	23,145,794,386
903,954,700	831,022,076
1,762,099	143,802
<b>29,749,668,530</b>	<b>23,976,960,264</b>

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

-	-
-	-
-	-
29,749,668,530	23,976,960,264
<b>29,749,668,530</b>	<b>23,976,960,264</b>

**21 Irrevocable Letters of Credit**

Letter of credit

31,562,148,000	25,478,400,567
<b>31,562,148,000</b>	<b>25,478,400,567</b>

**22 Consolidated Income Statement**

Income:  
Profit on Investment  
Income from Investment in securities  
Dividend income  
Commission, Exchange and Brokerage  
Gains less losses arising from investment securities  
Other operating income

(Note-23)  
(Note-25)  
(Note-25)  
(Note-26)  
(Note-25)  
(Note-27)

2019 Taka	2018 Taka
20,301,832,199	17,247,610,757
390,963,091	159,987,973
104,841,605	67,687,549
2,152,478,637	1,962,408,286
58,587,878	(59,495,851)
797,137,757	607,585,770
<b>23,805,841,167</b>	<b>19,985,784,484</b>

Expenses:  
Profit paid on Deposits  
Administrative expenses  
Other operating expenses  
Depreciation on banking assets

(Note-24)

13,206,651,379	11,368,758,954
3,812,564,425	3,496,699,117
675,394,431	563,274,413
278,415,581	181,326,779
<b>17,973,025,816</b>	<b>15,610,059,263</b>

Income over expenditure

<b>5,832,815,352</b>	<b>4,375,725,221</b>
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**22a Income Statement of the Bank**

		<b>2019</b> <b>Taka</b>	<b>2018</b> <b>Taka</b>
Income:			
Profit on Investment	(Note-23a)	20,290,692,595	17,121,990,674
Income from Investment in securities	(Note-25a)	390,963,091	159,987,973
Dividend income	(Note-25a)	47,139,321	296,371,643
Commission, Exchange and Brokerage	(Note-26a)	2,057,856,991	1,851,255,492
Gains less losses arising from investment securities	(Note-25a)	40,658,993	(82,863,581)
Other operating income	(Note-27a)	791,003,472	601,093,495
		<b>23,618,314,463</b>	<b>19,947,835,696</b>
Expenses:			
Profit paid on Deposits	(Note-24a)	13,112,331,753	11,295,069,465
Administrative expenses		3,728,328,029	3,415,579,332
Other operating expenses		643,198,651	488,049,292
Depreciation on banking assets		269,326,085	172,809,164
		<b>17,753,184,518</b>	<b>15,371,507,253</b>
<b>Income over expenditure</b>		<b>5,865,129,946</b>	<b>4,576,328,443</b>

**23 Consolidated Profit on Investment**

Shahjalal Islami Bank Ltd	(Note-23a)	20,290,692,595	17,121,990,674
Shahjalal Islami Bank Securities Ltd		154,432,842	206,466,818
		20,445,125,437	17,328,457,492
Less: Intercompany Transaction		143,293,238	80,846,735
		<b>20,301,832,199</b>	<b>17,247,610,757</b>

**23a Profit on Investment of the Bank**

Profit on Investment	(Note-23a.1)	18,758,587,936	16,450,913,985
Profit on placement with other Banks & FIs		1,532,104,659	671,076,688
		<b>20,290,692,595</b>	<b>17,121,990,674</b>

**23a.1 Profit on Investment**

Profit on Murabaha	1,660,265,911	1,692,156,591
Profit on Bi-Muazzal	10,299,879,634	9,442,493,928
Profit on Hire-Purchase	4,415,878,748	3,614,398,980
Profit on Ijara	259,688,076	182,159,257
Profit on Bi-Salam	258,303,279	174,907,735
Profit on Inland Document Bill Purchased	523,076,006	395,227,721
Profit on Foreign Document Bill Purchased	22,667,162	20,694,771
Profit on Investment against Scheme Deposit	22,175	-
Profit on Investment against Mudaraba Term Deposit	74,455	59,935
Profit on Investment against Mudaraba Savings Deposit	16,349	11,129
Profit on Investment against Mudaraba Deposit Scheme	-	19,369
Profit on Investment against EDF	323,169,155	170,855,933
Profit on Investment against Other Securities	5,000	-
Profit on Mudaraba	627,033,099	483,932,001
Profit Received From Rescheduled Investment - Rent Mode	255,053,690	195,074,738
Profit on Murabaha Import Bill (UPAS)	105,590,987	72,508,916
Profit Received From HPSM	2,192,323	5,493,695
Income From Islamic Credit Card	5,671,888	919,286
	<b>18,758,587,936</b>	<b>16,450,913,985</b>

**23a.2 Investment income derived from the fund deployed**

<b>Inside Bangladesh</b>		
i) Mudaraba deposits	14,958,098,020	12,186,837,080
ii) Other deposits/Fund	3,800,489,916	4,264,076,905
	<b>18,758,587,936</b>	<b>16,450,913,985</b>
<b>Outside Bangladesh</b>	-	-
	<b>18,758,587,936</b>	<b>16,450,913,985</b>

**23a.3 Geographical Location-wise Profit on Investments**

Area	2019		2018	
<b>i) Inside Bangladesh (note-22a.3.1)</b>	<b>Amount</b>	<b>Composition</b>	<b>Amount</b>	<b>Composition</b>
a) In Rural Areas	967,024,806	5.16%	1,079,749,637	6.56%
b) In Urban Areas	17,791,563,130	94.84%	15,371,164,349	93.44%
<b>Sub-total</b>	<b>18,758,587,936</b>	<b>100.00%</b>	<b>16,450,913,985</b>	<b>100.00%</b>
<b>ii) Outside Bangladesh</b>	-	-	-	-
<b>Total</b>	<b>18,758,587,936</b>	<b>100.00%</b>	<b>16,450,913,985</b>	<b>100.00%</b>

**23a.3.1 Inside Bangladesh**

Area	As at 31 December 2019		As at 31 December 2018	
i) Inside Bangladesh	Amount	Composition	Amount	Composition
<b>a) In Rural Areas</b>				
Dhaka	655,417,170	3.49%	744,008,570	4.52%
Chattogram	110,574,499	0.59%	138,750,372	0.84%
Sylhet	18,986,498	0.10%	17,402,478	0.11%
Rajshahi	62,306,376	0.33%	57,001,874	0.35%
Rangpur	-	0.00%	-	0.00%
Khulna	77,087,366	0.41%	76,519,672	0.47%
Barishal	21,918,641	0.12%	22,832,377	0.14%
Mymensingh	20,734,256	0.11%	23,234,294	0.14%
<b>Sub-total</b>	<b>967,024,806</b>	<b>5.16%</b>	<b>1,079,749,637</b>	<b>6.56%</b>
<b>b) In Urban Areas</b>				
Dhaka	13,639,037,028	72.71%	11,509,000,456	69.96%
Chattogram	2,741,319,378	14.61%	2,394,602,039	14.56%
Sylhet	121,124,735	0.65%	121,698,692	0.74%
Rajshahi	463,814,148	2.47%	497,486,013	3.02%
Rangpur	128,185,302	0.68%	128,206,644	0.78%
Khulna	519,200,711	2.77%	548,703,835	3.34%
Barishal	46,665,955	0.25%	46,508,015	0.28%
Mymensingh	132,215,873	0.70%	124,958,655	0.76%
<b>Sub-total</b>	<b>17,791,563,130</b>	<b>94.84%</b>	<b>15,371,164,349</b>	<b>93.44%</b>
<b>ii) Outside Bangladesh</b>	-	-	-	-
<b>Total</b>	<b>18,758,587,936</b>	<b>100%</b>	<b>16,450,913,985</b>	<b>100%</b>

**24 Consolidated Profit paid on Deposits**

Shahjalal Islami Bank Ltd	(Note-24a)	13,112,331,753	11,295,069,465
Shahjalal Islami Bank Securities Ltd		241,265,463	156,679,475
		13,353,597,216	11,451,748,940
Less: Inter Company Transaction		146,945,837	82,989,986
		<b>13,206,651,379</b>	<b>11,368,758,954</b>

**24a Profit paid on Deposits of the Bank**

Profit on deposits		11,498,851,386	9,550,674,606
Profit paid on borrowings	(Note-24a.1)	1,613,480,367	1,744,394,859
		<b>13,112,331,753</b>	<b>11,295,069,465</b>

**24a.1 Profit paid on borrowings**

Profit paid on borrowings		1,592,699,332	1,744,394,859
Profit expenses of lease liabilities (as per IFRS-16)*		20,781,035	-
		<b>1,613,480,367</b>	<b>1,744,394,859</b>

\* As per note 2.16, in accordance with IFRS-16, the Bank has recognised lease liabilities and related profit expense is shown above.

**25 Consolidated Income from Investment in Shares/Securities**

Shahjalal Islami Bank Ltd	(Note-25a)	478,761,405	373,496,035
Shahjalal Islami Bank Securities Ltd		75,631,169	46,183,636
		554,392,574	419,679,671
Less: Dividend from Subsidiary		-	251,500,000
		<b>554,392,574</b>	<b>168,179,671</b>

**25a Income from Investment in Shares/Securities of the Bank**

Income from Investment in Islami Bond	241,897,738	10,000,000
Income/(Loss) from Investment in Shares*	40,658,993	(82,863,581)
Dividend Income	47,139,321	296,371,643
Income from Investment in Mudaraba Perpetual Bond (MPB)	4,510,000	4,330,000
Income from Investment in Sub-Ordinated Bond	144,555,353	145,657,973
	<b>478,761,405</b>	<b>373,496,035</b>

\*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)	2,057,856,991	1,851,255,492
Shahjalal Islami Bank Securities Ltd		94,621,646	111,152,794
		<b>2,152,478,637</b>	<b>1,962,408,286</b>

**26a Commission, Exchange & Brokerage of the Bank**

Other commission		981,109,091	917,217,232
Exchange earnings	(Note-26a.1)	1,076,747,900	934,038,259
		<b>2,057,856,991</b>	<b>1,851,255,492</b>

**26a.1 Exchange earnings**

Gross exchange gain		1,629,486,465	1,482,231,064
Less: Exchange loss		552,738,565	548,192,805
<b>Net Exchange Gain</b>		<b>1,076,747,900</b>	<b>934,038,259</b>



		2019 Taka	2018 Taka
<b>27 Consolidated Other Operating Income</b>			
Shahjalal Islami Bank Ltd	(Note-27a)	791,003,472	601,093,495
Shahjalal Islami Bank Securities Ltd		9,786,884	8,635,526
		800,790,356	609,729,021
Less: Inter Company Transaction		3,652,599	2,143,251
		<b>797,137,757</b>	<b>607,585,770</b>
<b>27a Other Operating Income of the Bank</b>			
Postage, Telex, SWIFT & REUTERS		122,326,905	105,170,246
Incidental Charge		7,045	2,975
Supervision & Monitoring Charge		17,850,129	4,271,227
Other charges	(Note-27a.1)	650,819,393	491,649,047
		<b>791,003,472</b>	<b>601,093,495</b>
<b>27a.1 Other Charges</b>			
Rent receipts		4,589,125	4,139,893
Charges on A/C closing		488,661	369,248
Charges on clearing returned		2,875,330	2,805,759
Cheque processing charge		3,564,438	2,670,398
Service charges on Ijara		93,000	27,000
Service charges on scheme investment		1,506,295	1,629,170
Service charges on Quard		66,173,508	23,707,848
Passport endorsement charge		85,800	38,100
PO/DD Cancellation charge		105,565	107,540
Branch banking services		19,164,779	18,115,375
Account maintenance fee		83,011,185	83,625,536
Recoveries from cheque issue		6,283,435	5,072,105
Income from sale of forms		5,597,055	5,118,452
Service charge on SJIBL VISA Card		61,762,156	32,752,869
Other Income From Islamic Credit Card		2,759,417	526,698
Management Fees		653,534	946,600
Notice pay earnings		4,277,746	1,331,930
Rebate on Trade Finance		79,975,475	68,381,411
Discrepancy Fee		183,786,407	135,895,709
Profit on sale of Bank's Assets		7,192	-
Miscellaneous income		124,059,291	104,387,406
		<b>650,819,393</b>	<b>491,649,047</b>
<b>28 Consolidated Salary &amp; Allowances</b>			
Shahjalal Islami Bank Ltd	(Note- 28a)	2,911,379,476	2,640,460,945
Shahjalal Islami Bank Securities Ltd		51,427,395	54,434,036
		<b>2,962,806,871</b>	<b>2,694,894,981</b>
<b>28a Salary &amp; Allowances of the Bank</b>			
Basic Salary		1,219,487,643	1,108,132,774
Allowances		1,038,076,316	930,405,470
Bonus		522,534,451	483,988,344
Bank's Contribution to Provident fund		112,488,938	99,945,281
Leave Encashment		18,792,128	17,989,075
		<b>2,911,379,476</b>	<b>2,640,460,945</b>
<b>29 Consolidated Rent, Taxes, Insurance, Electricity etc.</b>			
Shahjalal Islami Bank Ltd	(Note- 29a)	457,470,794	457,654,841
Shahjalal Islami Bank Securities Ltd		27,956,347	21,669,741
		<b>485,427,141</b>	<b>479,324,582</b>
<b>29a Rent, Taxes, Insurance, Electricity etc of the Bank</b>			
Rent, Rates & Taxes	(Note- 29a.1)	224,282,977	257,939,690
Insurance		151,227,323	124,358,963
Electricity & Lighting		81,960,494	75,356,188
		<b>457,470,794</b>	<b>457,654,841</b>
<b>29a.1 Rent, Rates &amp; Taxes</b>			
Rent, Rates & Taxes		279,851,247	257,939,690
Transfer to depreciation and profit expenses under IFRS 16*		55,568,270	-
		<b>224,282,977</b>	<b>257,939,690</b>
*Due to the first time adoption of IFRS 16, rental expense of BDT 55,568,270 was transferred to depreciation of Right of use Assets (RoU) and profit expense of lease liabilities.			
<b>30 Consolidated legal Expenses</b>			
Shahjalal Islami Bank Ltd	(Note- 30a)	1,145,455	1,484,446
Shahjalal Islami Bank Securities Ltd		255,300	11,500
		<b>1,400,755</b>	<b>1,495,946</b>
<b>30a Legal Expenses of the Bank</b>			
Legal Fees & Charge		567,144	258,531
Other Legal Expenses		578,312	1,225,915
		<b>1,145,455</b>	<b>1,484,446</b>



		2019 Taka	2018 Taka
<b>31 Consolidated Postage, Stamps, Telecommunication etc</b>			
Shahjalal Islami Bank Ltd	(Note- 31a)	39,643,446	42,261,215
Shahjalal Islami Bank Securities Ltd		2,728,098	2,586,689
		<b>42,371,544</b>	<b>44,847,904</b>
<b>31a Postage, Stamps, Telecommunication etc of the Bank</b>			
Postage		2,031,830	1,941,725
Leased line		25,490,463	25,677,312
Telegram, Fax, Telex & Internet charge		4,715,624	4,501,356
Telephone charges		3,070,151	4,331,391
Mobile phone charges		4,335,379	5,809,431
		<b>39,643,446</b>	<b>42,261,215</b>
<b>32 Consolidated Stationery, Printing, Advertisements etc</b>			
Shahjalal Islami Bank Ltd	(Note- 32a)	118,743,626	103,185,519
Shahjalal Islami Bank Securities Ltd		1,794,506	2,382,569
		<b>120,538,132</b>	<b>105,568,088</b>
<b>32a Stationery, Printing, Advertisements etc of the Bank</b>			
Table Stationery		10,873,961	9,811,931
Printing Stationery		12,253,475	12,030,765
Security Stationery		6,152,246	5,249,052
Computer Stationery		31,911,964	31,230,648
Publicity and Advertisement		57,551,981	44,863,123
		<b>118,743,626</b>	<b>103,185,519</b>
<b>33 Chief Executive's Salary &amp; Fees of the Bank</b>			
Basic Salary		11,070,000	8,750,000
Allowances		4,800,000	3,885,000
Bonus		2,980,000	2,464,100
Bank's Contribution to Provident Fund		1,107,000	875,000
		<b>19,957,000</b>	<b>15,974,100</b>
<b>34 Directors' Fees &amp; Expenses of the Bank</b>			
Directors Fee		4,183,600	4,274,200
Meeting Expenses		3,212,809	1,955,715
		<b>7,396,409</b>	<b>6,229,915</b>
<b>35 Shariah Supervisory Committee's Fees &amp; Expenses of the Bank</b>			
Shariah Council Meeting Expenses		1,317,660	518,180
		<b>1,317,660</b>	<b>518,180</b>
<b>36 Consolidated auditors' Fees</b>			
Shahjalal Islami Bank Ltd	(Note-36a)	500,000	500,000
Shahjalal Islami Bank Securities Ltd		74,750	35,250
		<b>574,750</b>	<b>535,250</b>
<b>36a Auditors' Fees of the Bank</b>			
Auditors Fees		<b>500,000</b>	<b>500,000</b>
<b>37 Consolidated depreciation and Repair of Assets</b>			
Shahjalal Islami Bank Ltd	(Note-37a)	299,367,622	195,450,231
Shahjalal Islami Bank Securities Ltd		9,089,496	8,517,615
		<b>308,457,118</b>	<b>203,967,846</b>
<b>37a Depreciation and Repair of Bank's Assets</b>			
<b>a) Depreciation of Bank's Assets (Annexure B)</b>			
Land & Building		17,715,399	18,125,779
Furniture & Fixtures		68,933,479	43,192,698
Office Equipment		55,380,645	45,507,267
Computer & Network Equipment		48,517,601	40,302,789
Vehicles		12,704,986	11,020,490
Right of use Assets (RoU)*		50,881,807	-
Books		90,723	90,723
<b>b) Amortization of Bank's Assets (Annexure B)</b>			
Software-Core Banking		5,150,818	5,150,818
Software-Others		9,950,627	9,418,601
		<b>269,326,085</b>	<b>172,809,164</b>
<b>c) Repair on Bank's Assets</b>			
Office Premises		8,222,708	1,952,189
Office Equipment		10,212,046	10,022,015
Office Furniture & Fixtures		1,296,558	1,049,442
Vehicles		2,384,859	3,016,739
Procurement of Parts, Spares & Others		7,925,365	6,600,683
		<b>30,041,537</b>	<b>22,641,067</b>
		<b>299,367,622</b>	<b>195,450,231</b>

\* As per note 2.16, in accordance with IFRS-16, the Bank has recognised Right of use Assets (RoU) and related depreciation is shown above.

		2019 Taka	2018 Taka
<b>38 Zakat Expenses of the Bank</b>			
Zakat Expenses		140,732,626	124,669,104
		<b>140,732,626</b>	<b>124,669,104</b>
<b>39 Consolidated Other Expenses</b>			
Shahjalal Islami Bank Ltd	(Note-39a)	643,198,651	488,049,292
Shahjalal Islami Bank Securities Ltd		32,195,780	75,225,121
		<b>675,394,431</b>	<b>563,274,413</b>
<b>39a Other Expenses of the Bank</b>			
Petrol, Oil and Lubricants		6,466,989	6,173,904
Entertainment		50,277,502	52,839,072
Donation and Subscription		10,014,463	5,204,703
Traveling and Conveyance		33,274,701	28,916,520
Training Expenses		7,147,037	6,929,566
Car expenses		171,567,822	147,571,553
Gratuity expenses		100,000,000	31,000,000
Papers & Periodicals		660,450	595,183
Utility		5,673,545	5,950,758
Uniform & Liveries		4,508,629	2,068,225
Bank Charges		1,152,584	903,671
Business development & Promotion		33,603,441	21,949,233
Upkeep and cleaning of office premises		20,271,072	13,561,017
Security Service- Out-sourcing		74,137,787	62,395,389
Branch Opening Expenses		6,825,257	3,425,334
Credit Rating fee		267,500	355,000
SJIBL Card expenses		19,599,287	13,165,036
Islamic Credit Card Expenses		1,923,582	430,208
AGM & Meeting expenses		6,453,036	13,800,718
Capital Enhancement Fees		6,770,657	49,254,657
Contribution to Social Security Super Annuation Fund		3,000,000	2,000,000
Laundry and Washing		368,854	279,443
Crockeries, Kettle and others		1,956,530	852,693
Photograph and Photocopy		709,657	510,271
Award Expenses		5,169,924	2,121,401
Maintenance of Head Office Building		40,602,890	666,748
Loss on Disposal of Fixed Assets		15,053,215	1,687,714
Miscellaneous Expenses		15,742,241	13,441,275
		<b>643,198,651</b>	<b>488,049,292</b>
<b>40 Consolidated Provision against Investment, Off-Balance Sheet &amp; Others</b>			
Shahjalal Islami Bank Ltd	(Note-40a)	1,970,980,000	1,410,860,000
Shahjalal Islami Bank Securities Ltd		-	-
		<b>1,970,980,000</b>	<b>1,410,860,000</b>
<b>40a Provision against Investment, Off-Balance Sheet &amp; Others of the Bank</b>			
Provision on unclassified investment		525,400,000	209,500,000
Provision on classified investment		1,160,780,000	1,114,600,000
Provision on Off-Balance Sheet		32,200,000	-
Provisions on Investment in Securities		252,600,000	86,760,000
Provision on Other Assets		-	-
		<b>1,970,980,000</b>	<b>1,410,860,000</b>
<b>41 Consolidated Deferred Tax Expenses/(Income)</b>			
Shahjalal Islami Bank Ltd	(Note-41a)	45,611,319	4,465,215
Shahjalal Islami Bank Securities Ltd		(723,687)	(1,029,122)
		<b>44,887,632</b>	<b>3,436,093</b>
<b>41a Deferred Tax Expenses/(Income) of the Bank</b>			
Closing deferred tax liability		188,075,793	142,464,474
Opening deferred tax liability		142,464,474	137,999,259
Deferred tax expense/(Income)		<b>45,611,319</b>	<b>4,465,215</b>
<b>41b Consolidated Tax Expenses</b>			
Current tax		2,158,307,672	1,712,957,586
Deferred tax		44,887,632	3,436,093
		<b>2,203,195,304</b>	<b>1,716,393,679</b>
<b>41c Tax Expenses of the Bank</b>			
Current tax		2,130,236,894	1,689,821,298
Deferred tax		45,611,319	4,465,215
		<b>2,175,848,213</b>	<b>1,694,286,514</b>

**42 Consolidated Earnings Per Share (EPS)**

Calculation of Earnings Per Share (Note- 2.18)  
Net Profit after Tax  
Number of Ordinary Shares outstanding (Denominator)

2019 Taka	2018 Taka
1,663,539,273	1,246,107,431
933,421,272	933,421,272
<b>1.78</b>	<b>1.33</b>

**42a Earnings Per Share (EPS) of the Bank**

Calculation of Earnings Per Share (Note- 2.18)  
Net Profit after Tax  
Number of Ordinary Shares outstanding (Denominator)

1,718,301,732	1,471,181,929
933,421,272	933,421,272
<b>1.84</b>	<b>1.58</b>

Earnings per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)".

Earnings Per Share (EPS) substantially increased compare to the last year mainly due to increase of investment income, income from investment in shares/securities and other operating income.

**42(i) Net Asset Value (NAV) Per Share:**

Net Assets Value (Consolidated)	16,523,007,876	14,859,468,602
Net Assets Value (Banks')	16,507,267,412	14,788,965,680
No. of Outstanding Share	933,421,272	933,421,272
Net Asset Value (NAV) Per Share (Consolidated) [previous year's figure restated]	<b>17.70</b>	<b>15.92</b>
Net Asset Value (NAV) Per Share (Banks') [previous year's figure restated]	<b>17.68</b>	<b>15.84</b>

**42(ii) Net Operating Cash Flows per Share (NOCFPS):**

Net cash flows from operating activities (Consolidated)	9,124,297,752	(2,722,724,936)
Net cash flows from operating activities (Banks')	9,016,426,654	(2,869,995,489)
No. of Outstanding Share	933,421,272	933,421,272
Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]	<b>9.78</b>	<b>(2.92)</b>
Net Operating Cash Flow per Share (NOCFPS) (Banks') [previous year's figure restated]	<b>9.66</b>	<b>(3.07)</b>

Net Operating Cash Flow per Share increased compare to the last year mainly due to increase of investment income and less cash outflow for investment.

**43 Consolidated investment income receipt in cash**

Shahjalal Islami Bank Ltd (Note-43a)	20,635,681,058	17,209,626,836
Shahjalal Islami Bank Securities Ltd	230,064,011	252,650,454
	<b>20,865,745,069</b>	<b>17,462,277,290</b>

**43a Investment income receipt of the Bank**

Investment income receipt (Excluding Dividend Income) (Note 23a & 25a)	20,722,314,679	17,199,115,066
Add: Opening profit Receivable (Note-10a.2)	226,858,642	237,370,413
Less: Closing profit receivable (Note-10a.2)	313,492,263	226,858,642
	<b>20,635,681,058</b>	<b>17,209,626,836</b>

**44 Consolidated Profit Paid on Deposits**

Shahjalal Islami Bank Ltd (Note-44a)	12,533,641,554	10,868,470,422
Shahjalal Islami Bank Securities Ltd	277,590,123	212,952,437
	<b>12,811,231,677</b>	<b>11,081,422,859</b>

**44a Profit Paid on Deposits of the Bank**

Profit Paid on Deposits (Note-24a)	13,112,331,753	11,295,069,465
Add: Opening profit payable on deposit (Note-15a)	1,392,350,100	965,751,057
Less: Closing profit payable on deposit (Note-15a)	1,971,040,298	1,392,350,100
	<b>12,533,641,554</b>	<b>10,868,470,422</b>

**45 Consolidated Cash Receipt from other Operating activities (Note-26)**

Shahjalal Islami Bank Ltd (Note-45a)	790,996,280	601,093,495
Shahjalal Islami Bank Securities Ltd	9,786,884	8,635,526
	<b>800,783,164</b>	<b>609,729,021</b>

**45a Cash Receipt from other Operating activities of the Bank (Note-26a)**

Postage & Telex Charge Recovery	122,326,905	105,170,246
Incidental Charge	7,045	2,975
Supervision & Monitoring Charge	17,850,129	4,271,227
Other charges ( except income from sale of fixed assets)	650,812,201	491,649,047
	<b>790,996,280</b>	<b>601,093,495</b>

**46 Consolidated Cash Payment for other Operating activities**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-46a)

2019 Taka	2018 Taka
1,321,446,577	1,144,008,060
63,713,323	100,430,755
<b>1,385,159,900</b>	<b>1,244,438,815</b>

**46a Cash Payment for other Operating activities of the Bank**

Rent, Taxes, Insurance, Lighting etc.  
Legal Expenses  
Postage, Stamp, Telegram & Telephone  
Directors' Fee & Expenses  
Shariah Supervisory Committee's Fees & Expenses  
Auditors' Fee  
Repair, Maintenance of Bank's Assets  
Zakat Expenses  
Other Expenses

(Note-29a)  
(Note-30a)  
(Note-31a)  
(Note-34)  
(Note-35)  
(Note-36a)  
(Note-37a.c)  
(Note-38)  
(Note-39a)

457,470,794	457,654,841
1,145,455	1,484,446
39,643,446	42,261,215
7,396,409	6,229,915
1,317,660	518,180
500,000	500,000
30,041,537	22,641,067
140,732,626	124,669,104
643,198,651	488,049,292
<b>1,321,446,577</b>	<b>1,144,008,060</b>

**47 Cash Increase/ Decrease in Consolidated Other Assets (Note-10)**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-47a)

Less: Cash Increase/ (Decrease) through Inter Company transaction

**Cash (Increase)/ Decrease in Other Assets**

3,028,278,010	3,421,411,610
50,566,734	41,554,797
3,078,844,744	3,462,966,407
2,515,000,000	2,881,982,674
<b>563,844,744</b>	<b>580,983,733</b>
<b>17,138,990</b>	<b>1,903,285,392</b>

**47a Cash Increase/ Decrease in Other Assets of the Bank (Note-10a)**

Stock of Stationery and Stamps  
Advance deposits and rent  
Suspense Account  
Other Prepayments  
Receivable from Shahjalal Islami Bank Securities Limited  
Shahjalal Islami Bank Securities Ltd  
Advance for new Branches  
Advance Insurance premium  
Other Receivables  
SJIBL General Account-Net

(Note 10a.3)

23,810,353	20,278,978
137,044,277	193,656,661
145,734,796	84,097,361
90,351,271	115,693,170
-	414,914,662
2,515,000,000	2,515,000,000
9,755,760	13,353,800
60,515,770	61,329,750
3,181,647	3,087,227
42,884,136	-
<b>3,028,278,010</b>	<b>3,421,411,610</b>
<b>393,133,601</b>	<b>524,646,247</b>

**Cash (Increase)/ Decrease in Other Assets****48 Cash Increase/ Decrease in Consolidated Other Liabilities (Note-14)**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note- 48a)

Less: Cash Increase/ (Decrease) through Inter Company transaction

**Cash Increase/ (Decrease) in Other Liabilities**

1,363,621,078	963,332,189
1,302,095,988	1,810,169,668
2,665,717,066	2,773,501,857
-	366,982,674
<b>2,665,717,066</b>	<b>2,406,519,183</b>
<b>259,197,883</b>	<b>204,757,330</b>

**48a Cash Increase/ Decrease in Other Liabilities of the Bank (Note-14a)**

Other Payable  
Taxation on other income & prior years  
Outstanding Expenses  
Unearned Income on Quard  
Leased Liabilities as per IFRS 16  
SJIBL General Account

405,000,580	452,611,874
198,403,428	198,403,428
326,342,252	234,331,379
2,270,063	4,197,196
431,604,755	-
-	73,788,313
<b>1,363,621,078</b>	<b>963,332,189</b>
<b>400,288,889</b>	<b>350,802,572</b>

**Cash Increase/ (Decrease) in Other Liabilities****49 Consolidated Cash and Cash Equivalent**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-49a)

Less: Cash Increase/ (Decrease) through Inter Company transaction

20,240,852,236	15,314,536,023
153,758,423	313,782,530
20,394,610,659	15,628,318,553
146,421,934	309,512,590
<b>20,248,188,725</b>	<b>15,318,805,963</b>

**49a Cash and Cash Equivalent of the Bank**

Cash in Hand  
Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank)  
Balance with Other Banks & Financial Institutions

2,320,196,507	1,955,895,120
15,539,227,347	11,609,938,400
2,381,428,382	1,748,702,503
<b>20,240,852,236</b>	<b>15,314,536,023</b>

**50 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities****Cash flows from operating activities**

	2019 Taka	2018 Taka
Net Profit after Taxation	1,718,301,732	1,471,181,929
Provision for Tax	2,175,848,213	1,694,286,514
Provision for Investment, Share & Contingent Liability	1,970,980,000	1,410,860,000
(Increase)/Decrease profit receivable	(86,633,621)	10,511,771
Increase/(Decrease) Profit Payable on Deposits	578,690,199	426,599,043
Depreciation & Amortization of Fixed Assets	269,326,085	172,809,164
Recoveries on investment previously written off	25,546,074	10,373,603
Income tax paid	(1,952,776,321)	(1,077,042,266)
Profit on sale of Bank's Assets	(7,192)	-
Effect of exchange rate changes on cash & cash equivalents	(6,599,147)	(976,333)
<b>Operating Profit before changes in operating assets &amp; liabilities</b>	<b>4,692,676,023</b>	<b>4,118,603,424</b>

**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 2,652.

**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. 293<sup>rd</sup> held on 22-01-2020 reconstituted the Committee by the following members:-

Name	Status with the Bank	Status with the Committee	Educational Qualification
Ekramul Hoque	Independent Director	Chairman	Masters
Abdul Halim	Director	Member	BA
Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.)	Director	Member	Masters
Md. Moshir Rahman Chakrabarti (Rep. of Fresh Export Import Ltd.)	Director	Member	MBA
K.A.M Majedur Rahman	Independent Director	Member	Masters

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 2019, the Audit Committee of the Board conducted 09 (Nine) 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
Md. Sanaullah Shahid (Rep. of Electra International Ltd.)	Chairman	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. Harun Miah (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Vice Chairman	i) Shamsuddin Khan & Harun Miah Ltd. (UK) ii) Kushara Travels Ltd. iii) Holiday Planet (a luxurious guest house situated in Dhaka) iv) Hotel Pritom. v) Shahjalal Islami Bank Securities Ltd.
Md. Abdul Barez	Vice Chairman	i) Arju Electronics ii) Jony Electronics iii) Rony Electronics iv) 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 Anwar 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
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.



Name of Director	Status with The Bank	Name of the firms/companies in which they have interest
Mohiuddin Ahmed	Director	i) Rupsha Trading Corporation ii) Mohiuddin Auto House iii) Pacific Automobile iv) Shahjalal Islami Bank Securities Ltd.
Akkas Uddin Mollah	Director	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.
Khandaker Sakib Ahmed	Director	i) Khandaker Poultry & Fisheries ii) Own The World Company Ltd. iii) Millennium Information Solution Ltd. iv) AIBL Securities Ltd. v) 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. 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) Younus Spinning Mills Ltd. ix) Sobhan Ice & Cold Storage Ltd. x) Younus Specialized Cold Storage Ltd. xi) Younus Cold Storage Ltd. xii) Sharif Cold Storage Ltd. xiii) Nowpara Cold Storage (Pvt.) Ltd. xiv) Garib-E-Newaj Cold Storage Ltd. xv) Siddheswari Cold Storage Ltd. xvi) Europa Cold Storage Ltd. xvii) Akco Industries & Cold Storage Ltd. xviii) Combined Food & Cold Storage Ltd. xviv) A. Kader & Sons Himagar Ltd. xx) Wadud & Aysha Cold Store Ltd. xxi) Bikrampur Potato Flakes Inds. Ltd. xxii) United Traders xxiii) Sonali Dredger Ltd. xxiv) Sonali Rubber Garden xxv) Sonali Abason Ltd. xxvi) Sonali News.Com xxvii) Wordbridge School xxviii) Express Insurance Ltd. xxix) Fareast International University xxx) Shahjalal Islami Bank Securities Ltd.



Name of Director	Status with The Bank	Name of the firms/companies in which they have interest
Fakir Akhtaruzzaman	Director	Fakir Knitwears Ltd.
Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.)	Director	N/A
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 iii) Shahjalal Islami Bank Securities Ltd.
Mrs. Jabun Nahar (Rep. of Daffodils Trading International)	Director	i) Daffodils Trading International ii) Anwer Khan Modern Hospital Ltd. iii) Anwer Khan Modern University
Ekramul Hoque	Independent Director	N/A
K.A.M Majedur Rahman	Independent Director	N/A
Nasir Uddin Ahmed FCA, FCS	Independent Director	N/A

- 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 # 8a.4):

Sl No.	Name of the Party	Related By	Nature of Investment	Amount in Tk. (Non-Funded)	Amount in Tk. (Funded)	Status
i)	M/s. Rupsha Trading Corporation	Md. Mohiuddin Ahmed	L/C /MPI-TR/Bai-Muajjal	-	31,217,188	Regular
ii)	Excellent Ceramic Ind. Ltd.	Abdul Halim	BMCTR-Rev	-	12,636,806	Regular
iii)	Karnaphuli Motors	Abdul Halim	BMCTR-Rev	-	20,040,515	Regular
iv)	M/s. Exclusive Motors	Abdul Halim	Murabaha local/L/C /MPI-TR/Bai-Muajjal	-	31,718,378	Regular
v)	Abdul Hakim	Abdul Halim	HPSM-Real Estate	-	12,236,147	Regular
vi)	Shoyeb Ahmed	Abdul Halim	HPSM-Real Estate	-	12,574,340	Regular
vii)	Electra International Ltd.	Sanaullah Shahid	Bai-Muajjal Commercial TR (Revolving)	-	113,479,700	Regular
viii)	Own the World Company Limited	Khandaker Sakib Ahmed	Bank Guarantee	3,000,000.00	-	Regular
ix)	Modern Diagnostic Center Limited	Anwer Hossain Khan	HPSM-Real Estate	-	183,973,000	Regular
x)	Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal	700,000,000.00	1,783,772,004	Regular
				<b>703,000,000</b>	<b>2,201,648,077</b>	

- 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 in its 299<sup>th</sup> meeting held on 10 June 2020 has recommended 5% stock & 5% cash dividend for the year 2019. This dividend is subject to the final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank.

  
Chairman

  
Director

  
Managing Director

Dhaka,  
10 June 2020



**Shahjalal Islami Bank Limited**  
**Investment in Shares**  
**As at 31 December 2019**

Sl No	Name of Company	No. of Shares/ Securities	Market price per share	Market value 31 December 2019	Cost price 31 December 2019	Unrealised Gain/(loss)
<b>Quoted</b>						
1	The ACME Laboratories Limited	1,300,000	60.90	79,170,000	117,315,120	(38,145,120)
2	Active Fine Chemicals Ltd.	1,080,000	14.70	15,876,000	35,487,579	(19,611,579)
3	Aftab Automobiles Limited	816,854	24.40	19,931,238	61,605,088	(41,673,850)
4	Agricultural Marketing Company Ltd – AMCL (PRAN)	50,000	170.20	8,510,000	9,958,704	(1,448,704)
5	AIBL 1st Islamic Mutual Fund	7,500,000	7.20	54,000,000	67,402,716	(4,467,500)
6	Apex Footwear Limited	37,165	223.10	8,291,512	12,854,787	(4,563,276)
7	Beacon Pharmaceuticals Limited	500,000	44.90	22,450,000	14,678,130	7,771,870
8	Beximco Limited	3,029,346	13.80	41,804,975	83,745,911	(41,940,937)
9	Dhaka Electric Supply Company Ltd.	1,750,000	37.00	64,750,000	96,044,734	(31,294,734)
10	Eastern Housing Limited	2,145,258	41.30	88,599,155	166,063,283	(77,464,127)
11	Envoy Textiles Ltd.	1,103,130	24.90	27,467,937	42,402,697	(14,934,760)
12	Export Import Bank of Bangladesh Limited	7,800,000	10.10	78,780,000	110,502,920	(31,722,920)
13	Fareast Islami Life Insurance Co. Ltd.	958,000	49.60	47,516,800	65,297,780	(17,780,980)
14	Generation Next Fashions Limited	1,989,845	2.70	5,372,582	25,741,813	(20,369,232)
15	LafargeHolcim Bangladesh Limited	1,075,000	33.60	36,120,000	63,328,394	(27,208,394)
16	M.I. Cement Factory Ltd	500,000	39.00	19,500,000	41,501,769	(22,001,769)
17	Meghna Petroleum Limited	200,000	163.80	32,760,000	43,204,196	(10,444,196)
18	Metro Spinning Mills Limited	1,212,470	6.40	7,759,808	65,855,505	(58,095,697)
19	Orion Pharma Ltd.	1,082,759	26.90	29,126,217	62,359,551	(33,233,334)
20	RAK Ceramics (Bangladesh) Limited	990,000	28.70	28,413,000	46,803,776	(18,390,776)
21	Square Textile Ltd	564,739	31.00	17,506,909	35,382,751	(17,875,842)
22	The Dacca Dyeing & Mfg. Co. Limited	4,924,869	2.90	14,282,120	156,023,958	(141,741,838)
23	Titas Gas Transmission And Distribution Co. Ltd	1,000,000	30.90	30,900,000	78,349,510	(47,449,510)
24	Unique Hotel and Resorts Ltd	504,300	43.90	22,138,770	31,110,235	(8,971,465)
25	Bangladesh Steel Re-Rolling Mills Limited	100,000	48.80	4,880,000	8,422,015	(3,542,015)
26	Prime Islami Life Insurance Ltd.	500,000	50.20	25,100,000	32,516,491	(7,416,491)
27	Premier Cement Mills Limited	200,000	44.20	8,840,000	18,441,295	(9,601,295)
28	Shahjibazar Power Co. Ltd.	153,000	70.00	10,710,000	16,117,113	(5,407,113)
29	Singer Bangladesh Limited	37,778	180.40	6,815,151	7,172,574	(357,423)
30	Olympic Industries Ltd.	35,000	165.00	5,775,000	7,422,282	(1,647,282)
31	Square Pharmaceuticals Ltd.	259,000	190.00	49,210,000	58,874,302	(9,664,302)
32	Padma Islami Life Insurance Limited	550,266	17.40	9,574,628	15,673,722	(6,099,094)
33	Aamra Technologies Limited	210,000	23.20	4,872,000	6,059,353	(1,187,353)
34	Aman Cotton Fibrous Limited	20,000	21.10	422,000	731,558	(309,558)
35	Baraka Power Limited	432,964	22.70	9,828,283	11,754,966	(1,926,684)
36	Bangladesh Building Systems Ltd.	165,000	16.00	2,640,000	4,485,482	(1,845,482)
37	Bashundhara Paper Mills Limited	45,261	46.00	2,082,006	3,676,488	(1,594,482)
38	BSRM Steels Limited	400,000	39.20	15,680,000	28,229,178	(12,549,178)
39	Coppertech Industries Limited	4,978	23.50	116,983	48,910	5,570
40	Esquire Knit Composite Limited	41,780	28.30	1,182,374	1,873,598	(523,295)
41	First Security Islami Bank Limited	800,000	9.70	7,760,000	8,203,083	(443,083)
42	Genex Infosys Limited	392	67.40	26,421	3,409	23,011
44	The IBN SINA Pharmaceutical Industry Ltd.	30,000	222.40	6,672,000	7,800,452	(1,128,452)
45	Islami Insurance Bangladesh Limited	77,082	24.40	1,880,801	1,758,663	122,138
46	MJL Bangladesh Limited	160,000	63.30	10,128,000	12,979,613	(2,851,613)
47	New Line Clothings Limited	4,282	14.80	63,374	42,926	3,164
48	Runner Automobiles Limited	7,566	59.50	450,177	554,558	(47,284)
49	Sea Pearl Beach Resort & Spa Limited	3,916	41.30	161,731	38,800	7,682
50	Silco Pharmaceuticals Limited	8,023	30.30	243,097	73,690	96,103
51	S. S. Steel Limited	337	22.50	7,583	3,064	4,519
52	Summit Power Limited	200,000	36.30	7,260,000	8,314,698	(1,054,698)
<b>Un-Quoted</b>						
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	AND Telecom	-	-	574,040	574,040	-
<b>Total</b>				<b>1,000,982,670</b>	<b>1,801,867,231</b>	<b>(791,992,659)</b>



**Shahjalal Islami Bank Limited**  
Schedule of Fixed Assets  
As on 31 December 2019

Particulars	Cost			Rate	Depreciation			Written Down Value	
	Balance as on 01.01.2019	Additions during the year	Adjustment during the year		Balance as on 01.01.2019	Adjustment during the year	Charged during the year	Balance as on 31.12.2019	As on 31.12.2018
Land	1,876,724,350	-	-	-	-	-	-	-	1,876,724,350
Building	881,220,460	12,702,990	-	2.25%	93,757,921	-	17,715,399	111,473,321	787,462,539
Head Office Building under construction	238,722,811	40,710,506	190,267,319	-	-	-	-	-	89,165,998
Furniture & Fixtures	951,315,873	109,477,305	38,394,442	10%-20%	317,310,817	22,886,508	68,933,479	363,357,789	634,005,056
Office Equipment	469,154,361	205,560,586	14,576,385	20%	257,821,118	12,749,522	55,380,645	300,452,241	211,333,243
Computer & Network Equipment	398,921,578	81,526,997	3,499,516	20%	237,434,074	3,022,308	48,517,601	282,929,368	161,487,504
Vehicles	103,508,028	10,581,720	-	20%	64,336,780	-	12,704,986	77,041,766	39,171,248
Right of use Assets (RoU)	-	523,964,749	-	-	-	-	50,881,807	50,881,807	-
Books	1,042,667	-	-	20%	721,720	-	90,723	812,443	320,947
<b>Sub-total</b>	<b>4,920,610,128</b>	<b>984,524,852</b>	<b>246,737,661</b>		<b>971,382,431</b>	<b>38,658,338</b>	<b>254,224,641</b>	<b>1,186,948,734</b>	<b>3,949,227,697</b>
<b>Software-Amortization</b>									
Software-Core Banking	62,615,430	-	-	20%	47,134,752	-	5,150,818	52,285,570	15,480,678
Software-Others	79,554,453	1,384,675	-	20%	48,796,492	-	9,950,627	58,747,119	30,757,960
<b>Sub-total</b>	<b>142,169,883</b>	<b>1,384,675</b>	<b>-</b>		<b>95,931,244</b>	<b>-</b>	<b>15,101,445</b>	<b>111,032,689</b>	<b>46,238,638</b>
<b>Grand-total</b>	<b>5,062,780,011</b>	<b>985,909,527</b>	<b>246,737,661</b>		<b>1,067,313,676</b>	<b>38,658,338</b>	<b>269,326,085</b>	<b>1,297,981,423</b>	<b>3,995,466,335</b>

**Shahjalal Islami Bank Limited**  
As at 31 December 2019

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

SL No.	Name of the Banks	Currency Name	2019			2018		
			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	666,605.51	84.9000	56,594,808	397,389.60	83.9000	33,340,987
2	Mashreq Bank psc, NY	USD	211,583.99	84.9000	17,963,481	144,390.38	83.9000	12,114,353
3	Standard Chartered Bank, Mumbai	USD	222,198.53	84.9000	18,864,655	222,198.53	83.9000	18,642,457
4	Habib American Bank, USA	USD	188,751.39	84.9000	16,024,993	55,412.07	83.9000	4,649,073
5	ICICI Bank, Hong Kong	USD	280,463.55	84.9000	23,811,355	48,933.69	83.9000	4,105,537
6	WACHOVIA BANK, NY, USA	USD	365,732.78	84.9000	31,050,713	390,194.69	83.9000	32,737,334
7	Commerzbank AG Frankfurt	USD	458,413.54	84.9000	38,919,310	10,989.66	83.9000	922,032
8	Bank Aljazira	USD	51,775.88	84.9000	4,395,772	1,274,864.47	83.9000	106,961,129
9	AB Bank Ltd. Mumbai	ACUD	139,176.61	84.9000	11,816,094	47,221.70	83.9000	3,961,901
10	Standard Chartered Bank, Mumbai	ACUD	1,661,264.72	84.9000	141,041,375	281,145.37	83.9000	23,588,097
11	Nepal Bangladesh Bank, Nepal	ACUD	13,408.33	84.9000	1,138,367	6,904.52	83.9000	579,289
12	Standard Chartered Bank, Colombo	ACUD	17,115.57	84.9000	1,453,112	1,077.80	83.9000	90,427
13	ICICI Bank, Mumbai	ACUD	244,860.43	84.9000	20,788,651	116,024.83	83.9000	9,734,483
14	Habib Metropolitan Bank Ltd.	ACUD	161,025.67	84.9000	13,671,079	61,875.51	83.9000	5,191,355
15	United Bank of India, Kolkata	ACUD	225,228.12	84.9000	19,121,867	108,020.15	83.9000	9,062,891
16	Sonali Bank Ltd ACU, Kolkata	ACUD	53,047.62	84.9000	4,503,743	36,128.00	83.9000	3,031,139
17	Bank of Bhutan Ltd. Main Branch	ACUD	12,869.62	84.9000	1,092,631	10,596.44	83.9000	889,041
18	AXIS Bank Ltd. India	ACUD	379,041.14	84.9000	32,180,593	214,668.84	83.9000	18,010,716
19	MCB Bank Limited	ACUD	150,894.47	84.9000	12,810,941	8,641.29	83.9000	725,004
20	Standard Chartered Bank, Frankfurt	EURO	110,113.14	94.8927	10,448,933	56,470.26	95.3440	5,384,100
21	Mashreq Bank, London	EURO	72,557.24	94.8927	6,885,152	1,023.41	95.3440	97,576
22	COMMERZBANK AG	EURO	13,162.26	94.8927	1,249,002	195,602.67	95.3440	18,649,541
23	Wells Fargo Bank, N. A. London, UK	EURO	292,987.35	94.8927	27,802,361	45,542.96	95.3440	4,342,248
24	Standard Chartered Bank, Tokyo	YEN	1,560,768.99	0.7760	1,211,157	193,694.00	0.7611	147,421
25	Habib Bank AG Zurich	CHF	3,305.93	87.1395	288,077	2,447.11	85.2989	208,736
26	Bank Aljazira, KSA	SAR	1,763,886.35	22.6255	39,908,811	46,080.89	22.3626	1,030,489
27	Riyad Bank, KSA	SAR	2,229,004.45	22.6255	50,432,340	-	-	-
28	Standard Chartered Bank London	GBP	8,377.20	111.0322	930,139	501,378.83	106.4943	53,393,988
29	MASHREQBANK PSC. UAE	AED	21,142.25	23.1159	488,722	5,000.00	22.8436	114,218
30	ICICI Bank, Canada	CAD	3,826.16	64.8983	248,311	-	-	-
31	Standard Chartered Bank, China	CNY	92,260.00	12.1598	1,121,863	-	-	-
<b>Total</b>					<b>608,258,408</b>			<b>371,705,561</b>



## Shahjalal Islami Bank Limited

## DETAILS OF INFORMATION ON INVESTMENTS EXCEEDING 10% OF BANKS TOTAL REGULATORY CAPITAL (FUNDED &amp; NON-FUNDED)

As at 31 December 2019

(Tk. in million)

SL. No.	Name of client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	Anwar Silk Mills Ltd.	84	92	176			
	A-One Polymer Ltd.	44	3	46			
	Anwar Jute Spinning Mills Ltd.	111	-	111			
	A.G. Automobiles Ltd.	72	89	161			
	A.G. Motors Ltd.	43	3	46			
	Anwar Ispat Ltd.	467	25	493			
	Hossain Dyeing & Printing Mills Ltd.	163	168	331			
	Mehmud Ind (Pvt.) Ltd.	99	-	99			
	Anwar Cement Sheet	2,040	55	2,095			
	Anwar Cement Ltd	-	43	43			
	<b>Group-total</b>	<b>3,122</b>	<b>478</b>	<b>3,600</b>	10.66%	1.63%	12.30%
2	Talha Texpro Ltd	354	110	463			
	Sufia Cotton Mills Ltd.	606	950	1,555			
	Ismail Anjuman Ara Fabrics Ltd	401	157	558			
	Talha Spinning Mills Ltd.	318	158	476			
	Yasmin Spinning Mills Ltd	359	113	472			
	<b>Group-total</b>	<b>2,036</b>	<b>1,488</b>	<b>3,524</b>	6.95%	5.08%	12.04%
3	Nassa Basics Ltd.	1,527	1,310	2,838			
	Nassa Spinning Ltd.	551	-	551			
	Nassa Basic Wash Ltd.	50	-	50			
	Nassa Hi-Tech Wash Ltd.	84	5	89			
	Nassa Taipei Textile Mills Ltd.	1,122	486	1,608			
	<b>Group-total</b>	<b>3,335</b>	<b>1,801</b>	<b>5,136</b>	11.39%	6.15%	17.54%
4	Sinha Dyeing & Finishing Ltd.	248	42	290			
	Sinha Yarn Dyeing & Fabrics Ltd.	1,031	30	1,061			
	Pritha Fashions Ltd.	-	2	2			
	Opex Industries Ltd.	1,250	207	1,458			
	Sinha Apparels Accessories Ltd.	-	-	-			
	Shikharraa Developments Ltd.	303	-	303			
	<b>Group-total</b>	<b>2,832</b>	<b>281</b>	<b>3,112</b>	9.67%	0.96%	10.63%
5	Chittagong Denim Mills Ltd	507	523	1,030			
	Smart Jeans Ltd	600	162	763			
	Smart Jacket Ltd.	60	252	313			
	Shehan Textile Ltd.	-	29	29			
	Smart Bio-Inception Ltd	-	2	2			
	Apparel Promoters Limited	213	248	461			
	Al-Razi Chemical Complex Ltd.	-	976	976			
	BM Container (BD) Ltd.	51	28	79			
	BM Energy (BD) Ltd.	726	1,141	1,867			
	<b>Group-total</b>	<b>2,157</b>	<b>3,363</b>	<b>5,520</b>	7.37%	11.49%	18.85%
6	Shah Cement Ind. Ltd.	-	239	239			
	Abul Khair Melting Ind Ltd	2,910	1,241	4,151			
	Abul Khair Strip Processing	-	-	-			
	Abul Khair Ltd	308	-	308			
	Abul Khair Milk Products Ltd	-	156	156			
	<b>Group-total</b>	<b>3,218</b>	<b>1,636</b>	<b>4,854</b>	10.99%	5.59%	16.58%
7	Super Oil Refinery Ltd.	206	13	219			
	Multi Oil Refinery Ltd	-	1	1			
	Super Board Mills Limited	-	5	5			
	Super Formica & Lamination Ltd.	1,081	399	1,480			
	T.K. Chemical Complex Ltd.	704	696	1,400			
	<b>Group-total</b>	<b>1,992</b>	<b>1,114</b>	<b>3,106</b>	6.80%	3.81%	10.61%
8	Aswad Composite Mills Ltd.	113	174	287			
	Aswad Composite Mills Limited	25	2,835	2,860			
	<b>Group-total</b>	<b>138</b>	<b>3,009</b>	<b>3,147</b>	0.47%	10.28%	10.75%
9	Incepta Pharmaceuticals Ltd.	935	609	1,544			
	Incepta Vaccine Ltd.	40	72	111			
	Incepta Hygiene and Hospicare Ltd.	122	9	130			
	Incepta Chemicals Ltd.	23	5	29			
	Incepta Herbal and Nutricare Ltd.	-	28	28			
	Maheen Dizayn Etiket (BD) unit-2 Ltd.	386	76	463			
	Impress Fashion Limited	757	435	1,191			
	Impress Accessories Limited	361	160	521			
	Ipport Logistics Ltd	-	31	31			
	Impress Aviation Limited	-	15	15			
	Impress Aviation Limited	-	5	5			
	Next Spaces Ltd	204	1,100	1,305			
	Infratrade Limited	33	5	38			
	<b>Group-total</b>	<b>2,862</b>	<b>2,549</b>	<b>5,411</b>	9.78%	8.71%	18.48%
10	Abdul Monem Ltd.	1,895	737	2,632			
	Tekken-Aml-Abenikko-JV	-	982	982			
	<b>Group-total</b>	<b>1,895</b>	<b>1,719</b>	<b>3,614</b>	6.47%	5.87%	12.35%
11	Mir Akter Hossain Ltd.	13	50	63			
	Mir Cement Ltd	1,299	368	1,667			
	Mir Concrete Products Ltd	191	17	208			
	Mir Akhter Hossain Ltd	1,930	2,740	4,669			
	<b>Group-total</b>	<b>3,432</b>	<b>3,175</b>	<b>6,607</b>	11.72%	10.85%	22.57%
12	Dhaly Construction Ltd.	2,919	1,528	4,447			
	<b>Group-total</b>	<b>2,919</b>	<b>1,528</b>	<b>4,447</b>	9.97%	5.22%	15.19%

**Shahjalal Islami Bank Limited****DETAILS OF INFORMATION ON INVESTMENTS EXCEEDING 10% OF BANKS TOTAL REGULATORY CAPITAL (FUNDED & NON-FUNDED)**

As at 31 December 2019

(Tk. in million)

SL. No.	Name of client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
13	Energypac Engyneering Ltd.	1,004	848	1,853			
	Energypac Fashions Limited	1,438	558	1,996			
	<b>Group-total</b>	<b>2,443</b>	<b>1,406</b>	<b>3,848</b>	8.34%	4.80%	13.14%
14	Max Infrastructure Ltd	196	878	1,074			
	CTM Joint Venture	2,129	114	2,243			
	Kushiara Power company Ltd	-	3	3			
	<b>Group-total</b>	<b>2,325</b>	<b>995</b>	<b>3,320</b>	7.94%	3.40%	11.34%
15	Navana Ltd.	72	40	112			
	Navana Food Ltd.	14	-	14			
	Navana Batteries Ltd.	157	46	203			
	Aftab Automobiles Ltd.	-	-	-			
	Navana CNG Limited	64	306	370			
	Navana Engineering Ltd.	175	49	224			
	Navana LPG Ltd.	1,263	599	1,862			
	Navana Welding Electrode Ltd	65	47	112			
	Navana Ltd.	12	-	12			
	Navana Electronics Ltd	51	-	51			
	<b>Group-total</b>	<b>1,873</b>	<b>1,087</b>	<b>2,960</b>	6.40%	3.71%	10.11%
16	Sinha Peoples Energy Ltd.	627	246	872			
	Venture Energy Limited	355	9	363			
	Sinha Power Generation Com. Ltd	736	1,496	2,232			
	<b>Group-total</b>	<b>1,717</b>	<b>1,750</b>	<b>3,468</b>	5.87%	5.98%	11.84%
17	BRAC	3,937	-	3,937			
	<b>Group-total</b>	<b>3,937</b>	<b>-</b>	<b>3,937</b>	13.45%	0.00%	13.45%
<b>Total</b>		<b>42,232</b>	<b>27,379</b>	<b>69,611</b>			

Bank's total Capital as on 31 December 2019 is **Tk. 29,277.37 million.**



**Shahjalal Islami Bank Limited**  
**HIGHLIGHTS OF PERFORMANCE OF BANK**

**As at 31 December 2019**

**(Amount in Taka)**

SL	PARTICULARS	2019	2018
1	Paid up Capital	9,334,212,720	8,485,647,930
2	Total Capital ( Tier-1 + Tier-2)	29,277,367,412	25,105,865,680
3	Capital Surplus	10,999,798,464	7,789,721,016
4	Total Assets	266,103,709,111	243,659,893,222
5	Total Deposit	203,384,147,925	176,861,513,007
6	Total Investment (Loans & Advance)	197,285,680,082	186,090,034,291
7	Total Contingent Liabilities and Commitment	113,090,491,393	100,786,628,882
8	Investment Deposit Ratio ( % )	87.47%	90.32%
9	Percentage of Classified Investment against total Investments	4.91%	6.84%
10	Profit after Tax and Provision	1,718,301,732	1,471,181,929
11	Amount of Classified Investment	9,687,322,264	12,723,295,289
12	Provisions kept against classified Investment	3,258,413,053	2,444,970,076
13	Provisions surplus	259,697	-
14	Cost of Fund	8.42%	8.31%
15	Profit Earning Assets	219,817,551,885	202,396,523,710
16	Non-Profit Earning Assets	46,286,157,226	41,263,369,512
17	Return on Investment in Securities (ROI)	2.90%	2.68%
18	Return on Assets (ROA)	0.67%	0.65%
19	Income from Investment in Securities	478,761,405	373,496,035
20	Earnings Per Share	1.84	1.58
21	Net Income Per Share	1.84	1.58
22	Price Earning Ratio (Times)	12.71	17.51

**Shahjalal Islami Bank Limited (Off-Shore Banking Unit)**
**Balance Sheet**

As at 31 December 2019

	Note	31.12.2019		31.12.2018	
		USD	Taka	USD	Taka
<b>Property and Assets</b>					
<b>Cash</b>					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank Ltd. (Including Foreign Currencies)		-	-	-	-
		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>					
Inside Bangladesh		311,392.33	26,437,209	13,143,584.35	1,102,746,727
Outside Bangladesh		-	-	-	-
3		<b>311,392.33</b>	<b>26,437,209</b>	<b>13,143,584.35</b>	<b>1,102,746,727</b>
<b>Placement with other Banks &amp; Financial Institutions</b>		-	-	-	-
<b>Investments</b>					
General Investment etc.		23,905,468.00	2,029,574,233	17,067,101.23	1,431,929,793
Bills Purchased and Discounted		112,300,655.50	9,534,325,652	66,958,992.94	5,617,859,508
4		<b>136,206,123.50</b>	<b>11,563,899,885</b>	<b>84,026,094.17</b>	<b>7,049,789,301</b>
<b>Fixed Assets Including Premises</b>	5	<b>7,114.87</b>	<b>604,052</b>	<b>3,331.22</b>	<b>279,489</b>
<b>Other Assets</b>		-	-	-	-
<b>Non Banking Assets</b>		-	-	-	-
<b>Total Assets</b>		<b>136,524,630.70</b>	<b>11,590,941,146</b>	<b>97,173,009.74</b>	<b>8,152,815,517</b>
<b>Liabilities and Capital</b>					
<b>Liabilities</b>					
<b>Placement from other Banks &amp; Financial Institutions</b>	6	<b>135,293,300.00</b>	<b>11,486,401,170</b>	<b>95,915,000.00</b>	<b>8,047,268,500</b>
<b>Deposits and Other Accounts</b>					
Mudaraba Savings Deposits		54,024.78	4,586,704	126,431.03	10,607,563
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts		39,954.79	3,392,162	9,552.40	801,446
Bills Payable		-	-	-	-
7		<b>93,979.57</b>	<b>7,978,865</b>	<b>135,983.43</b>	<b>11,409,010</b>
<b>Other Liabilities</b>	8	<b>1,137,351.13</b>	<b>96,561,111</b>	<b>1,122,026.31</b>	<b>94,138,007</b>
<b>Total Liabilities</b>		<b>136,524,630.70</b>	<b>11,590,941,146</b>	<b>97,173,009.74</b>	<b>8,152,815,517</b>
<b>Capital/Shareholders' Equity</b>					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Retained Earnings		-	-	-	-
<b>Total Shareholders' Equity</b>		-	-	-	-
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>136,524,630.70</b>	<b>11,590,941,146</b>	<b>97,173,009.74</b>	<b>8,152,815,517</b>

**Shahjalal Islami Bank Limited (Off-Shore Banking Unit)**  
**Off-balance Sheet Items**  
**As at 31 December 2019**

Note	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
<b>Contingent liabilities</b>				
Acceptances & endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit (including back to back bills)	26,400.00	2,241,360	-	-
Bills for collection	657,955.64	55,860,434	20,482.45	1,718,478
Other contingent liabilities	-	-	-	-
<b>Total</b>	<b>684,355.64</b>	<b>58,101,794</b>	<b>20,482.45</b>	<b>1,718,478</b>
<b>Other commitments</b>				
Documentary credits, short term and trade related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance, revolving and underwriting facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>	<b>684,355.64</b>	<b>58,101,794</b>	<b>20,482.45</b>	<b>1,718,478</b>

**Shahjalal Islami Bank Limited (Off-Shore Banking Unit)**  
**Profit and Loss Account**  
**For the year ended 31 December 2019**

	Note	2019		2018	
		USD	Taka	USD	Taka
Investment Income	9	6,663,576.72	565,737,664	5,528,786.55	463,865,192
Less: Profit paid on Deposits & Borrowing	10	2,556,452.92	217,042,853	2,686,170.77	225,369,728
<b>Net Investment Income</b>		<b>4,107,123.80</b>	<b>348,694,811</b>	<b>2,842,615.78</b>	<b>238,495,464</b>
Commission, Exchange and Brokerage	11	8,785.10	745,855	350.00	29,365
Other Operating Income	12	126,612.21	10,749,377	134,619.18	11,294,549
		<b>135,397.31</b>	<b>11,495,232</b>	<b>134,969.18</b>	<b>11,323,914</b>
<b>Total Operating Income</b>		<b>4,242,521.11</b>	<b>360,190,042</b>	<b>2,977,584.96</b>	<b>249,819,378</b>
Salaries and Allowances	13	103,032.16	8,747,430	93,200.44	7,819,517
Rent, Taxes, Insurances, Electricity etc.	14	273.85	23,250	394.48	33,097
Legal Expenses		-	-	-	-
Postage, Stamps, Telecommunication etc.	15	343.71	29,181	7,757.47	650,852
Stationery, Printings, Advertisements etc.	16	225.65	19,158	502.78	42,183
Auditors' Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	17	945.64	80,285	993.08	83,319
Other Expenses	18	9,415.45	799,372	6,790.84	569,751
<b>Total Operating Expenses</b>		<b>114,236.46</b>	<b>9,698,675</b>	<b>109,639.09</b>	<b>9,198,720</b>
<b>Profit before Provision</b>		<b>4,128,284.65</b>	<b>350,491,367</b>	<b>2,867,945.87</b>	<b>240,620,658</b>
Specific provisions for Classified Investment		-	-	-	-
General Provisions for Unclassified Investment		-	-	-	-
Provisions for Other Assets		-	-	-	-
<b>Total Provision</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Profit before Provisions for Taxation</b>		<b>4,128,284.65</b>	<b>350,491,367</b>	<b>2,867,945.87</b>	<b>240,620,658</b>
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit after Taxation</b>		<b>4,128,284.65</b>	<b>350,491,367</b>	<b>2,867,945.87</b>	<b>240,620,658</b>
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of Current year		4,128,284.65	350,491,367	2,867,945.87	240,620,658
<b>Retained Earnings carried forward</b>		<b>4,128,284.65</b>	<b>350,491,367</b>	<b>2,867,945.87</b>	<b>240,620,658</b>
Less: Retained earnings transferred to central operation		4,128,284.65	350,491,367	2,867,945.87	240,620,658
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Shahjalal Islami Bank Limited (Off-Shore Banking Unit)**  
**Cash Flow Statement**  
**For the year ended 31 December 2019**

**Cash Flow from Operating Activities**

	2019		2018	
	USD	Taka	USD	Taka
Investment Income receipt in cash	6,663,576.72	565,737,664	5,528,786.55	463,865,192
Profit Paid on Borrowing	(2,556,452.92)	(217,042,853)	(2,686,170.77)	(225,369,728)
Fees & Commission receipt in cash	8,785.10	745,855	350.00	29,365
Cash Payments to Employees	(103,032.16)	(8,747,430)	(93,200.44)	(7,819,517)
Cash Payments to Suppliers	(225.65)	(19,158)	(502.78)	(42,183)
Receipts from other Operating activities	126,612.21	10,749,377	134,619.18	11,294,549
Payments for other Operating activities	(10,033.01)	(855,134)	(14,828.24)	(1,247,938)
<b>(i) Operating Profit before changes in Operating Assets</b>	<b>4,129,230.29</b>	<b>350,568,320</b>	<b>2,869,053.50</b>	<b>240,709,740</b>

**Changes in Operating Assets and Liabilities**

Increase/decrease of Investment to Customers	(52,180,029.33)	(4,514,110,584)	7,384,957.95	509,904,709
Increase/decrease of Deposits received from Customers	(42,003.86)	(3,430,144)	35,390.68	3,089,989
Increase/decrease of Other Liabilities	15,324.82	2,423,104	421,267.15	36,185,225
<b>(ii) Cash flows from operating assets and liabilities</b>	<b>(52,206,708.37)</b>	<b>(4,515,117,625)</b>	<b>7,841,615.78</b>	<b>549,179,924</b>
<b>Net cash flows from operating activities (A)=(i+ii)</b>	<b>(48,077,478.08)</b>	<b>(4,164,549,305)</b>	<b>10,710,669.28</b>	<b>789,889,664</b>

**Cash flows from Investing Activities**

Proceeds from Sale of fixed assets	-	-	-	-
Purchases of Property, Plant & Equipments	(4,729.29)	(401,517)	(1,231.74)	(103,343)
<b>Net cash used in investing activities (B)</b>	<b>(4,729.29)</b>	<b>(401,517)</b>	<b>(1,231.74)</b>	<b>(103,343)</b>

**Cash flows from Financing Activities**

Borrowing from Banks & Financial Institutions	39,378,300.00	3,439,132,670	(2,869,700.00)	(122,226,190)
Profit transferred to Shahjalal Islami Bank Ltd	(4,128,284.65)	(350,491,367)	(2,867,945.87)	(240,620,658)
<b>Net cash flows from financing activities (C)</b>	<b>35,250,015.35</b>	<b>3,088,641,303</b>	<b>(5,737,645.87)</b>	<b>(362,846,848)</b>
<b>Net Increase/(Decrease) in Cash (A+B+C)</b>	<b>(12,832,192.02)</b>	<b>(1,076,309,518)</b>	<b>4,971,791.67</b>	<b>426,939,472</b>
Add: Cash and cash equivalents at the beginning of the year	13,143,584.35	1,102,746,727	8,171,792.68	675,807,255
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>311,392.33</b>	<b>26,437,209</b>	<b>13,143,584.35</b>	<b>1,102,746,727</b>



## **Shahjalal Islami Bank Limited (Off-shore Banking Unit)**

### **Notes to the Financial Statements**

**For the year ended 31 December 2019**

#### **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.15 dated 09 November 2009, 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, Investments 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 84.90 (weighted average rate as at 31st December 2019).

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
<b>3 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Fund)</b>				
Inside Bangladesh (Note - 3.1)	311,392.33	26,437,209	13,143,584.35	1,102,746,727
Outside Bangladesh	-	-	-	-
	<b>311,392.33</b>	<b>26,437,209</b>	<b>13,143,584.35</b>	<b>1,102,746,727</b>
<b>3.1 Inside Bangladesh</b>				
Shahjalal Islami Bank Ltd	311,392.33	26,437,209	13,143,584.35	1,102,746,727
	<b>311,392.33</b>	<b>26,437,209</b>	<b>13,143,584.35</b>	<b>1,102,746,727</b>
<b>4 Investments (Loans and Advances)</b>				
<b>Country-wise Classification of Investments</b>				
<b>Inside Bangladesh</b>				
Gross Murabaha, Bai-Muajjal etc	23,905,468.00	2,029,574,233	17,067,101.23	1,431,929,793
Less: Profit receivable on Murabaha, Bai-Muajjal etc	-	-	-	-
Net Murabaha, Bai-Muajjal etc	<b>23,905,468.00</b>	<b>2,029,574,233</b>	<b>17,067,101.23</b>	<b>1,431,929,793</b>
Bills purchased and discounted-net (Note- 4.1)	112,300,655.50	9,534,325,652	66,958,992.94	5,617,859,508
<b>Out side Bangladesh</b>	-	-	-	-
	<b>136,206,123.50</b>	<b>11,563,899,885</b>	<b>84,026,094.17</b>	<b>7,049,789,301</b>
<b>4.1 Bills Purchased and Discounted</b>				
Payable inside Bangladesh	-	-	-	-
Payable outside Bangladesh	112,670,775.37	9,565,748,829	66,958,992.94	5,617,859,508
Gross Bills Purchased and Discounted	<b>112,670,775.37</b>	<b>9,565,748,829</b>	<b>66,958,992.94</b>	<b>5,617,859,508</b>
Less: Profit receivable on Bills Purchased and Discounted	370,119.87	31,423,177	-	-
Net Bills Purchased and Discounted	<b>112,300,655.50</b>	<b>9,534,325,652</b>	<b>66,958,992.94</b>	<b>5,617,859,508</b>
<b>5 Fixed Assets including Premises, Furniture &amp; Fixtures</b>				
Furniture & Fixture	4121.63	349,926	116.89	9,807
Office Equipment	2,993.24	254,126	3,214.33	269,682
Carrying value	<b>7,114.87</b>	<b>604,052</b>	<b>3,331.22</b>	<b>279,489</b>
<b>6 Placement from other Banks &amp; Financial Institutions</b>				
Mudaraba Term Deposit from other Banks	13,000,000.00	1,103,700,000	23,190,000.00	1,945,641,000
Borrowing from Shahjalal Islami Bank Ltd	122,293,300.00	10,382,701,170	72,725,000.00	6,101,627,500
	<b>135,293,300.00</b>	<b>11,486,401,170</b>	<b>95,915,000.00</b>	<b>8,047,268,500</b>
<b>7 Deposits and Other Accounts</b>				
Al-Wadiah Current Deposit	9,050.15	768,358	9,552.40	801,446
Sundry Deposits	30,904.64	2,623,804	-	-
	<b>39,954.79</b>	<b>3,392,162</b>	<b>9,552.40</b>	<b>801,446</b>
Mudaraba Savings Deposit	54,024.78	4,586,704	126,431.03	10,607,563
	<b>54,024.78</b>	<b>4,586,704</b>	<b>126,431.03</b>	<b>10,607,563</b>
Mudaraba Term Deposit	-	-	-	-
	<b>93,979.57</b>	<b>7,978,865</b>	<b>135,983.43</b>	<b>11,409,010</b>
<b>8 Other Liabilities</b>				
Profit Payable	1,137,351.13	96,561,111	1,121,608.81	94,102,979
Outstanding Expenses	-	-	417.50	35,028
	<b>1,137,351.13</b>	<b>96,561,111</b>	<b>1,122,026.31</b>	<b>94,138,007</b>
<b>9 Profit on Investment</b>				
Profit received from Mudaraba Import Bills (UPAS)	5,898,814.98	500,809,392	4,801,660.55	402,859,320
Profit received from Hire Purchase	764,761.74	64,928,272	727,126.00	61,005,871
	<b>6,663,576.72</b>	<b>565,737,664</b>	<b>5,528,786.55</b>	<b>463,865,192</b>
<b>10 Profit paid on Deposits &amp; Borrowing</b>				
Profit paid on borrowings	<b>2,556,452.92</b>	<b>217,042,853</b>	<b>2,686,170.77</b>	<b>225,369,728</b>

**11 Commission, Exchange & Brokerage**

Commission from LC

2019		2018	
USD	Taka	USD	Taka

8,785.10	745,855	350.00	29,365
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**12 Other Operating Income**

SWIFT & REUTERS  
Miscellaneous Earnings  
Service & Charges Receipts

23,897.96	2,028,937	27,697.39	2,323,811
102,708.25	8,719,930	106,921.79	8,970,738
6.00	509	-	-
<b>126,612.21</b>	<b>10,749,377</b>	<b>134,619.18</b>	<b>11,294,549</b>

**13 Salary & Allowances**

Basic Salary  
Allowances  
Bonus  
Bank's Contribution to Provident fund

42,838.95	3,637,027	40,461.39	3,394,711
36,567.95	3,104,619	31,843.02	2,671,629
19,618.11	1,665,578	17,285.25	1,450,232
4,007.15	340,207	3,610.78	302,944
<b>103,032.16</b>	<b>8,747,430</b>	<b>93,200.44</b>	<b>7,819,517</b>

**14 Rent, Taxes, Insurance, Electricity etc.**

Rent, Rates & Taxes  
Insurance  
Electricity & Lighting

-	-	-	-
273.85	23,250	394.48	33,097
-	-	-	-
<b>273.85</b>	<b>23,250</b>	<b>394.48</b>	<b>33,097</b>

**15 Postage, Stamps, Telecommunication etc**

Telephone charges

343.71	29,181	7,757.47	650,852
<b>343.71</b>	<b>29,181</b>	<b>7,757.47</b>	<b>650,852</b>

**16 Stationery, Printing, Advertisement etc**

Computer Stationery  
Advertisement

198.33	16,838	365.00	30,624
27.32	2,319	137.78	11,560
<b>225.65</b>	<b>19,158</b>	<b>502.78</b>	<b>42,183</b>

**17 Depreciation and Repair of Fixed Assets**
**Depreciation of Fixed Assets**

Furniture & Fixtures  
Office Appliance & Equipment

11.67	991	14.86	1,247
933.97	79,294	978.22	82,073
<b>945.64</b>	<b>80,285</b>	<b>993.08</b>	<b>83,319</b>

Repair's &amp; Maintenance

-	-	-	-
-	-	-	-
<b>945.64</b>	<b>80,285</b>	<b>993.08</b>	<b>83,319</b>

**18 Other Expenses**

Utility  
Entertainment Exp.  
Travelling Expense  
Business development & promotion  
Car expenses  
Uniform and Liveries  
Losses

-	-	-	-
1,086.38	92,234	664.41	55,744
15.27	1,296	229.20	19,230
451.85	38,362	-	-
7,861.95	667,480	5,764.47	483,639
-	-	18.21	1,528
-	-	114.55	9,611
<b>9,415.45</b>	<b>799,372</b>	<b>6,790.84</b>	<b>569,751</b>