

**Shahjalal Islami Bank Limited and its Subsidiary**

**Independent Auditor's Report and  
Audited Consolidated and Separate Financial Statements  
For the year ended 31 December 2020**

**Independent Auditor's Report  
To the Shareholders of Shahjalal Islami Bank Limited**

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

**Opinion**

We have audited the consolidated financial statements of Shahjalal Islami Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Shahjalal Islami Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2020, and of its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 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), guidelines issued by Bangladesh Bank, and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), 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. Investments</b>	
Refer to note no. 8 to the consolidated and separate financial statements	
<p>Investments are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of investments. Management performance is highly dependent on the target achievement of investments. Investment disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified investments as key audit matter because there is an inherent risk of fraud in disbursement of investments by management to meet specific targets or expectations.</p> <p>At year end the Group and the Bank reported total gross investments of BDT 199,137 million (2019: BDT 200,299 million) and BDT 196,512 million (2019: BDT 197,285 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, investment disbursement procedures and monitoring process of investments.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of investments. In addition, we have performed procedure to check whether the investments are recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>
<b>2. Recognition of income from investments</b>	
Refer to note no. 8 and 23 to the consolidated and separate financial statements	
<p>Recognition of investment income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of investment income has involvement of complex IT environment.</p> <p>We have identified recognition of income from investments as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of income by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of income from investments.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognise investment income.</p> <p>We have also performed substantive procedure to check whether investment income is recognised completely and accurately.</p> <p>We have assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>3. Measurement of provision for investment</b>	
Refer to note no. 8, 15a and 40 to the consolidated and separate financial statements	
<p>The process for estimating 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 client;</li> <li>• Key assumptions relating to further business performance of the client;</li> </ul>	<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>





Description of key audit matters	Our response to key audit matters
<ul style="list-style-type: none"> <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 provision for investments of BDT 6,015 million (2019: BDT 5,510 million) and BDT 5,664 million (2019: BDT 5,159 million) respectively.</p>	<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 Group and the Bank's 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; and</li> <li>Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>
<b>4. Impairment assessment of unquoted shares</b>	
Refer to note no. 7a.5 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.</p> <p>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 have tested a sample of investment valuation as at 31 December 2020 and compared our results to the recorded value.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>5. Carrying value of investment in subsidiary by the Bank</b>	
Refer to note no. 10a 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 2020 the carrying value of these investments in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2019: 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>We have reviewed management's analysis of impairment assessment and recoverable value calculation of the subsidiary in accordance with IAS 36: <i>Impairment of Assets</i>.</p> <p>In particular, our discussion with the management was 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>





Description of key audit matters	Our response to key audit matters
Management has conducted impairment assessment and calculated recoverable value of its subsidiary for Shahjalal Islami Bank Securities Limited in accordance with IAS 36.	
<b>6. 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 estimation 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 Group and the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.</p>
<b>7. IT systems and controls</b>	
<p>Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included 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>	<p>We tested the design and operating effectiveness of the Group and the Bank'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 appropriately reviewed and authorised. We tested the Group and the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorisation. 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 Information

Management is responsible for the other information. The other information comprises all of the information included 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 no. 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 Banking Companies 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 consolidated and separate 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 Banking Companies 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 the 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 entity;
- (iii) financial statements for the year ended 31 December 2020 of subsidiary namely Shahjalal Islami Bank Securities Limited have been audited by K. M. Hasan & 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 accounts 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 4,200 person hours; and
- (xii) Capital to Risk-weighted Assets Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka,  
10 March 2021

Signed for & on behalf of  
**ACNABIN**  
**Chartered Accountants**



**Md Moniruzzaman FCA**  
**Partner**

ICAB Enrollment No. 787

DVC: 2103100787AS738073



**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Balance Sheet**  
**As at 31 December 2020**

	Note	31.12.2020 Taka	31.12.2019 Taka
<b>Property and Assets</b>			
<b>Cash</b>			
Cash in Hand (including Foreign Currencies)	3	1,814,745,636	2,209,024,307
Balance with Bangladesh Bank & Sonali Bank Ltd (including Foreign Currencies)	4	13,351,033,150	15,539,227,347
		<b>15,165,778,786</b>	<b>17,748,251,654</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh		2,983,335,984	1,780,506,464
Outside Bangladesh		4,759,516,675	608,258,408
	5	<b>7,742,852,659</b>	<b>2,388,764,872</b>
<b>Placement with other Banks &amp; Financial Institutions</b>	6	<b>23,646,670,016</b>	<b>12,361,483,166</b>
<b>Investments in Shares &amp; Securities</b>			
Government		21,695,610,000	11,750,000,000
Others		7,700,804,301	5,548,441,179
	7	<b>29,396,414,301</b>	<b>17,298,441,179</b>
<b>Investments</b>			
General Investment etc.		184,095,800,600	185,685,308,986
Bills Purchased and Discounted		15,041,318,459	14,614,015,788
	8	<b>199,137,119,059</b>	<b>200,299,324,774</b>
<b>Fixed Assets including Premises, Furniture and Fixtures</b>	9	<b>4,872,812,072</b>	<b>4,557,631,359</b>
<b>Other Assets</b>	10	<b>15,917,222,101</b>	<b>13,843,340,562</b>
<b>Non-Banking Assets</b>	11	<b>88,909,355</b>	<b>88,909,355</b>
<b>Total Property and Assets</b>		<b>295,967,778,349</b>	<b>268,586,146,921</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Placement from other Banks &amp; Financial Institutions</b>	12	<b>19,856,439,728</b>	<b>11,752,538,519</b>
<b>Deposits and Other Accounts</b>			
Mudaraba Savings Deposits		30,316,556,422	24,786,164,728
Mudaraba Term Deposits		81,508,507,043	82,805,155,336
Other Mudaraba Deposits		67,907,231,368	62,791,526,991
Al-Wadeeah Current & Other Deposit Accounts		34,433,455,394	28,408,125,716
Bills Payable		3,889,060,291	4,335,581,019
	13	<b>218,054,810,518</b>	<b>203,126,553,791</b>
<b>Mudaraba Subordinated Bond</b>	14	<b>9,200,000,000</b>	<b>10,000,000,000</b>
<b>Other Liabilities</b>	15	<b>30,403,236,018</b>	<b>26,771,315,560</b>
<b>Deferred Tax Liabilities</b>	16	<b>256,677,740</b>	<b>186,322,984</b>
<b>Total Liabilities</b>		<b>277,771,164,004</b>	<b>251,836,730,853</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	17.2	9,800,923,350	9,334,212,720
Statutory Reserve	18	6,959,872,664	6,231,188,665
Capital Reserve		2,878,961	2,878,961
Retained Earnings	19	1,206,062,264	954,727,530
<b>Total Shareholders' Equity</b>		<b>17,969,737,239</b>	<b>16,523,007,876</b>
<b>Non-controlling Interest</b>	17.7	<b>226,877,106</b>	<b>226,408,192</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>295,967,778,349</b>	<b>268,586,146,921</b>





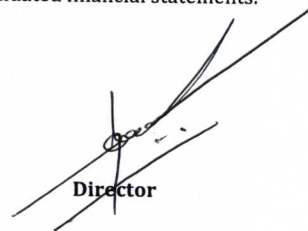
**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Off-balance Sheet Items**  
**As at 31 December 2020**

	Note	31.12.2020 Taka	31.12.2019 Taka
<b>Contingent Liabilities</b>			
Acceptances & endorsements			
Letters of guarantee	20	37,961,567,205	35,064,492,967
Irrevocable letters of credit	21	31,092,059,818	29,749,668,530
Bills for collection		34,857,199,890	31,562,148,000
Other contingent liabilities		16,124,209,575	16,714,181,896
<b>Total</b>		<b>120,035,036,488</b>	<b>113,090,491,393</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>120,035,036,488</b>	<b>113,090,491,393</b>
<b>Consolidated Net Asset Value per Share [previous year's figure restated]</b>	42(i)	<b>18.33</b>	<b>16.86</b>

The annexed notes from 1 to 54 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 March 2021

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants



  
**Md Moniruzzaman FCA**  
Partner  
ICAB Enrollment No. 787

DVC: 2103100787AS738073

**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2020**

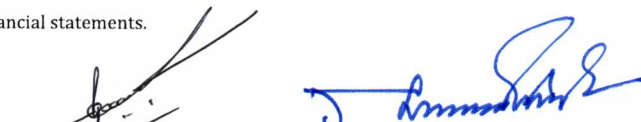
	Note	2020 Taka	2019 Taka
<b>Operating Income</b>			
Investment Income	23	16,986,601,742	20,301,832,199
Less: Profit paid on Deposits	24	11,440,711,730	13,206,651,379
<b>Net Investment Income</b>		<b>5,545,890,012</b>	<b>7,095,180,820</b>
Income from Investments in Shares/Securities	25	722,883,847	554,392,574
Commission, Exchange and Brokerage	26	1,857,875,279	2,152,478,637
Other Operating Income	27	818,539,311	797,137,757
		<b>3,399,298,436</b>	<b>3,504,008,968</b>
<b>Total Operating Income</b>		<b>8,945,188,449</b>	<b>10,599,189,788</b>
<b>Operating Expenses</b>			
Salaries and Allowances	28	3,031,500,629	2,962,806,871
Rent, Taxes, Insurances, Electricity etc.	29	438,197,925	485,427,141
Legal Expenses	30	2,109,580	1,400,755
Postage, Stamps, Telecommunication etc.	31	46,959,444	42,371,544
Stationery, Printings, Advertisements etc.	32	84,665,701	120,538,132
Chief Executive's Salary & Fees	33	21,572,700	19,957,000
Directors' Fees & Expenses	34	6,737,530	7,396,409
Shariah Supervisory Committee's Fees & Expenses	35	295,512	1,317,660
Auditors' Fees	36	540,250	574,750
Depreciation & Repairs of Assets	37	408,833,601	308,457,118
Zakat Expenses	38	160,982,542	140,732,626
Other Expenses	39	620,498,003	675,394,431
<b>Total Operating Expenses</b>		<b>4,822,893,418</b>	<b>4,766,374,437</b>
<b>Profit/ (Loss) before Provision</b>	22	<b>4,122,295,031</b>	<b>5,832,815,351</b>
Specific provision for Classified Investments		156,994,000	1,160,780,000
General Provision for Unclassified Investments		228,500,000	525,400,000
General Provision for Off-balance Sheet Items		65,900,000	32,200,000
Provision for diminution in value of Investments in Shares		-	252,600,000
Provision for Other Assets		-	-
<b>Total Provision</b>	40	<b>451,394,000</b>	<b>1,970,980,000</b>
<b>Total Profit/ (Loss) before Taxes</b>		<b>3,670,901,031</b>	<b>3,861,835,351</b>
<b>Provision for Taxation</b>			
Deferred Tax	41	70,354,756	44,887,632
Current Tax	41b	1,686,637,361	2,158,307,672
		<b>1,756,992,117</b>	<b>2,203,195,304</b>
<b>Net Profit/ (Loss) after Tax</b>		<b>1,913,908,914</b>	<b>1,658,640,047</b>
<b>Net Profit after Tax attributable to:</b>			
Equity holders of SJIBL		1,913,440,000	1,663,539,273
Non-controlling Interest		468,914	(4,899,226)
		<b>1,913,908,914</b>	<b>1,658,640,047</b>
Retained Earnings from previous year		954,727,530	921,461,996
Add: Net Profit after Tax (attributable to equity holders of SJIBL)		1,913,440,000	1,663,539,273
<b>Profit available for Appropriation</b>		<b>2,868,167,530</b>	<b>2,585,001,270</b>
<b>Appropriation:</b>			
Statutory Reserve	18	728,684,000	778,829,989
Dividend		933,421,266	848,564,790
Capital Reserve		-	2,878,961
Retained Earnings	19	1,206,062,264	954,727,530
		<b>2,868,167,530</b>	<b>2,585,001,270</b>
<b>Consolidated Earnings per Share [previous year's figure restated]</b>	42	<b>1.95</b>	<b>1.70</b>

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

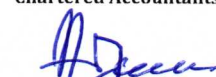
 **Chairman**  
 **Director**

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

Dhaka,  
10 March 2021

 **Managing Director**

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

  
**Md Moniruzzaman FCA**  
Partner  
ICAB Enrollment No. 787





**Shahjalal Islami Bank Limited and its Subsidiary**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2020**

	Note	2020 Taka	2019 Taka
<b>Cash flows from operating activities</b>			
Investment income receipt in cash	43	17,801,979,787	20,865,745,069
Profit paid on deposits	44	(12,336,325,947)	(12,811,231,677)
Dividend receipts		46,331,181	47,139,321
Fees & commission receipt in cash		1,855,753,778	2,145,879,490
Recoveries on investment previously written off		24,654,765	25,546,074
Cash payments to employees		(3,053,073,329)	(2,982,763,871)
Cash payments to suppliers		(84,665,701)	(120,538,132)
Income tax paid		(2,185,842,395)	(1,980,449,839)
Receipts from other operating activities	45	825,332,151	800,783,164
Payments for other operating activities	46	(1,283,938,535)	(1,385,159,900)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>1,610,205,756</b>	<b>4,604,949,699</b>
<b>Changes in operating assets and liabilities</b>			
(Increase)/decrease in investment to customers		1,162,205,716	(10,325,846,999)
(Increase)/decrease in other assets	47	143,745,220	17,138,990
(Increase)/decrease of placement with other banks & financial institutions		(11,285,186,850)	(848,186,850)
Increase/(decrease) in deposits from other banks		366,775,113	1,002,101,414
Increase/(decrease) of placement from other banks & financial institutions		8,146,268,450	(12,576,095,036)
Increase/(decrease) in deposits received from customers		15,236,731,886	24,993,761,761
Increase/(decrease) in other liabilities on account of customers		992,271,283	1,886,104,691
Increase/(decrease) in other liabilities	48	476,963,050	259,197,883
<b>(ii) Cash flows from operating assets and liabilities</b>		<b>15,239,773,867</b>	<b>4,408,175,853</b>
<b>Net cash flow from operating activities (A)=(i+ii)</b>		<b>16,849,979,622</b>	<b>9,013,125,552</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities		690,123,080	311,857,274
Payments for purchases of securities		(12,788,096,201)	(3,731,936,837)
Proceeds from sale of fixed assets		5,342,071	208,086,515
Payments for purchases of property, plants & equipments		(721,144,515)	(989,521,089)
Purchase/sale of subsidiaries		-	-
<b>Net cash used in investing activities (B)</b>		<b>(12,813,775,566)</b>	<b>(4,201,514,137)</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments		-	-
Receipts/(payments) of Mudaraba Subordinated Bond		(800,000,000)	-
Payments for redemption of debt instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend paid to ordinary shareholders		(466,710,636)	-
<b>Net cash used in financing activities (C)</b>		<b>(1,266,710,636)</b>	<b>-</b>
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>		<b>2,769,493,420</b>	<b>4,811,611,415</b>
Add: Effect of exchange rate changes on cash & cash equivalents		2,121,500	6,599,147
Add: Cash and cash equivalents at the beginning of the year		20,137,016,525	15,318,805,963
<b>Cash and cash equivalents at the end of the year</b>	49	<b>22,908,631,445</b>	<b>20,137,016,525</b>
<b>Consolidated Net Operating Cash Flow per Share (NOCFPS)</b>	42(ii)	<b>17.19</b>	<b>9.20</b>
<b>[previous year's figure restated]</b>			

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

Dhaka,  
10 March 2021

Chairman

Director

Director

Managing Director



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

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Non-controlling Interest	Total Capital/Shareholders' Equity
For the year ended 31 December 2020						
Balance as at 01 January 2020	9,334,212,720	6,231,188,665	2,878,961	954,727,530	226,408,192	16,749,416,068
Dividend for the year 2019:						
Stock Dividend (5%)	466,710,630	-	-	(466,710,630)	-	-
Cash Dividend Paid (5%)	-	-	-	(466,710,636)	-	(466,710,636)
Net profit during the year	-	728,684,000	-	1,184,756,000	468,914	1,913,908,914
<b>Total Shareholders' Equity as at 31 December 2020</b>	<b>9,800,923,350</b>	<b>6,959,872,664</b>	<b>2,878,961</b>	<b>1,206,062,264</b>	<b>226,877,106</b>	<b>18,196,614,345</b>
Add: General Provision for Unclassified Investments & Off-balance Sheet Items						
Add: Mudaraba Subordinated Bond						3,207,465,735
Less: Shortfall of provision required against investments						6,720,000,000
<b>Total Eligible Regulatory Capital as at 31 December 2020</b>						<b>27,794,282,099</b>

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Non-controlling Interest	Total Capital/Shareholders' Equity
For the year ended 31 December 2019						
Balance as at 01 January 2019	8,485,647,930	5,452,358,676		921,461,996	231,307,418	15,090,776,020
10% Stock Dividend issued 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 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 Investments & Off-balance Sheet Items						
Add: Mudaraba Subordinated Bond						2,818,065,735
Less: Shortfall of provision required against investments						9,200,000,000
<b>Total Eligible Regulatory Capital as at 31 December 2019</b>						<b>27,769,161,643</b>

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

Dhaka,  
10 March 2021

Chairman

*Signature of Chairman*

Director

*Signature of Director*

Director

*Signature of Director*

Managing Director

*Signature of Managing Director*





**Shahjalal Islami Bank Limited**  
**Balance Sheet**  
**As at 31 December 2020**

	Note	31.12.2020 Taka	31.12.2019 Taka
<b>Property and Assets</b>			
<b>Cash</b>			
Cash in Hand (including Foreign Currencies)	3a	1,814,745,636	2,209,024,307
Balance with Bangladesh Bank & Sonali Bank Ltd (including Foreign Currencies)	4a	13,351,033,150	15,539,227,347
		<b>15,165,778,786</b>	<b>17,748,251,654</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh		2,975,866,157	1,773,169,975
Outside Bangladesh	5a	4,759,516,675	608,258,408
		<b>7,735,382,832</b>	<b>2,381,428,382</b>
<b>Placement with other Banks &amp; Financial Institutions</b>	6a	<b>23,646,670,016</b>	<b>12,361,483,166</b>
<b>Investments in Shares &amp; Securities</b>			
Government		21,695,610,000	11,750,000,000
Others	7a	5,914,149,344	3,889,417,772
		<b>27,609,759,344</b>	<b>15,639,417,772</b>
<b>Investments</b>			
General Investment etc.		181,471,332,782	182,671,664,294
Bills Purchased and Discounted	8a	15,041,318,459	14,614,015,788
		<b>196,512,651,241</b>	<b>197,285,680,082</b>
<b>Fixed Assets including Premises, Furniture and Fixtures</b>	9a	<b>4,740,650,245</b>	<b>4,503,970,454</b>
<b>Other Assets</b>	10a	<b>18,018,050,356</b>	<b>15,983,396,045</b>
<b>Non-Banking Assets</b>	11	<b>88,909,355</b>	<b>88,909,355</b>
<b>Total Property and Assets</b>		<b>293,517,852,175</b>	<b>265,992,536,911</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Placement from other Banks &amp; Financial Institutions</b>	12a	<b>19,730,962,466</b>	<b>11,382,596,297</b>
<b>Deposits and Other Accounts</b>			
Mudaraba Savings Deposits		30,316,566,001	24,786,167,880
Mudaraba Term Deposits		81,508,507,043	82,805,155,336
Other Mudaraba Deposits		68,295,354,091	62,937,938,001
Al-Wadeeah Current & Other Deposit Accounts		34,433,462,289	28,408,133,488
Bills Payable	13a	3,889,060,291	4,335,581,019
		<b>218,442,949,715</b>	<b>203,272,975,725</b>
<b>Mudaraba Subordinated Bond</b>	14	<b>9,200,000,000</b>	<b>10,000,000,000</b>
<b>Other Liabilities</b>	15a	<b>27,935,935,686</b>	<b>24,641,621,683</b>
<b>Deferred Tax Liabilities</b>	16a	<b>259,248,945</b>	<b>188,075,793</b>
<b>Total Liabilities</b>		<b>275,569,096,812</b>	<b>249,485,269,498</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	17.2	9,800,923,350	9,334,212,720
Statutory Reserve	18	6,959,872,664	6,231,188,665
Retained Earnings	19a	1,187,959,349	941,866,028
<b>Total Shareholders' Equity</b>		<b>17,948,755,363</b>	<b>16,507,267,412</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>293,517,852,175</b>	<b>265,992,536,911</b>



**Shahjalal Islami Bank Limited**  
**Off-balance Sheet Items**  
**As at 31 December 2020**

	Note	31.12.2020 Taka	31.12.2019 Taka
<b>Contingent Liabilities</b>			
Acceptances & endorsements		37,961,567,205	35,064,492,967
Letters of guarantee	20	31,092,059,818	29,749,668,530
Irrevocable letters of credit	21	34,857,199,890	31,562,148,000
Bills for collection		16,124,209,575	16,714,181,896
Other contingent liabilities		-	-
<b>Total</b>		<b>120,035,036,488</b>	<b>113,090,491,393</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>120,035,036,488</b>	<b>113,090,491,393</b>
<b>Net Asset Value per Share [previous year's figure restated]</b>	42(i)	<b>18.31</b>	<b>16.84</b>

The annexed notes from 1 to 54 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 March 2021

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

  
Md Moniruzzaman FCA  
Partner


ICAB Enrollment No. 787

DVC: 2103100787AS738073

**Shahjalal Islami Bank Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2020**

	Note	2020 Taka	2019 Taka
<b>Operating Income</b>			
Investment Income	23a	17,033,748,679	20,290,692,595
Less: Profit paid on Deposits	24a	11,418,428,603	13,112,331,753
<b>Net Investment Income</b>		<b>5,615,320,076</b>	<b>7,178,360,842</b>
Income from Investments in Shares/Securities	25a	625,322,945	478,761,405
Commission, Exchange and Brokerage	26a	1,752,496,265	2,057,856,991
Other Operating Income	27a	812,353,493	791,003,472
		<b>3,190,172,702</b>	<b>3,327,621,868</b>
<b>Total Operating Income</b>		<b>8,805,492,779</b>	<b>10,505,982,710</b>
<b>Operating Expenses</b>			
Salaries and Allowances	28a	2,980,281,717	2,911,379,476
Rent, Taxes, Insurances, Electricity etc.	29a	429,749,211	457,470,794
Legal Expenses	30a	1,235,580	1,145,455
Postage, Stamps, Telecommunication etc.	31a	44,513,612	39,643,446
Stationery, Printings, Advertisements etc.	32a	82,898,124	118,743,626
Chief Executive's Salary & Fees	33	21,572,700	19,957,000
Directors' Fees & Expenses	34	6,737,530	7,396,409
Shariah Supervisory Committee's Fees & Expenses	35	295,512	1,317,660
Auditor's Fees	36a	500,000	500,000
Depreciation & Repairs of Bank's Assets	37a	390,017,716	299,367,622
Zakat Expenses	38	160,982,542	140,732,626
Other Expenses	39a	591,894,537	643,198,651
<b>Total Operating Expenses</b>		<b>4,710,678,782</b>	<b>4,640,852,765</b>
<b>Profit/ (Loss) before Provision</b>	22a	<b>4,094,813,997</b>	<b>5,865,129,945</b>
Specific provision for Classified Investments		156,994,000	1,160,780,000
General Provision for Unclassified Investments		228,500,000	525,400,000
General Provision for Off-balance Sheet Items		65,900,000	32,200,000
Provision for diminution in value of Investments in Shares		-	252,600,000
Provision for Other Assets		-	-
<b>Total Provision</b>	40a	<b>451,394,000</b>	<b>1,970,980,000</b>
<b>Total Profit/ (Loss) before Taxes</b>		<b>3,643,419,997</b>	<b>3,894,149,945</b>
<b>Provision for Taxation</b>			
Deferred Tax	41a	71,173,152	45,611,319
Current Tax	41c	1,664,048,258	2,130,236,894
		<b>1,735,221,410</b>	<b>2,175,848,213</b>
<b>Net Profit after Taxation</b>		<b>1,908,198,587</b>	<b>1,718,301,732</b>
Retained Earnings from previous year		941,866,028	850,959,074
Add: Net Profit after Tax		1,908,198,587	1,718,301,732
<b>Profit available for Appropriation</b>		<b>2,850,064,615</b>	<b>2,569,260,807</b>
<b>Appropriation:</b>			
Statutory Reserve	18	728,684,000	778,829,989
Dividend		933,421,266	848,564,790
Retained Earnings	19a	1,187,959,349	941,866,028
		<b>2,850,064,615</b>	<b>2,569,260,807</b>
<b>Earnings per Share (EPS) [previous year's figure restated]</b>	42a	<b>1.95</b>	<b>1.75</b>

The annexed notes from 1 to 54 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 March 2021

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

  
Md Moniruzzaman FCA  
Partner  
ICAB Enrollment No. 787



**Shahjalal Islami Bank Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2020**

	Note	2020 Taka	2019 Taka
<b>Cash flows from operating activities</b>			
Investment income receipt in cash	43a	17,580,956,079	20,635,681,058
Profit paid on deposits	44a	(12,093,678,875)	(12,533,641,554)
Dividend receipts		46,331,181	47,139,321
Fees & commission receipt in cash		1,750,374,764	2,051,257,844
Recoveries on investment previously written off		24,654,765	25,546,074
Cash payments to employees		(3,001,854,417)	(2,931,336,476)
Cash payments to suppliers		(82,898,124)	(118,743,626)
Income tax paid		(2,156,182,447)	(1,952,776,321)
Receipts from other operating activities	45a	811,759,372	790,996,280
Payments for other operating activities	46a	(1,250,116,440)	(1,321,446,577)
<b>(i) Operating Profit before changes in operating assets &amp; liabilities</b>		<b>1,629,345,858</b>	<b>4,692,676,024</b>
<b>Changes in operating assets and liabilities</b>			
(Increase)/decrease in investment to customers		773,028,842	(11,368,528,888)
(Increase)/decrease in other assets	47a	153,312,500	393,133,601
(Increase)/decrease of placement with other banks & financial institutions		(11,285,186,850)	(848,186,850)
Increase/(decrease) in deposits from other banks		366,775,113	1,002,101,414
Increase/(decrease) of placement from other banks & financial institutions		8,348,366,169	(12,083,005,530)
Increase/(decrease) in deposits received from customers		15,478,449,149	24,830,671,105
Increase/(decrease) in other liabilities on account of customers		992,271,283	1,886,104,691
Increase/(decrease) in other liabilities	48a	161,945,697	400,288,889
<b>(ii) Cash flows from operating assets and liabilities</b>		<b>14,988,961,902</b>	<b>4,212,578,431</b>
<b>Net cash flow from operating activities (A)=(i+ii)</b>		<b>16,618,307,760</b>	<b>8,905,254,454</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities		259,379,720	201,864,599
Payments for purchases of securities		(12,229,721,292)	(3,520,751,174)
Proceeds from sale of fixed assets		5,036,971	208,086,515
Payments for purchases of property, plants & equipments		(616,932,441)	(985,909,527)
Purchase/sale of subsidiaries		-	-
<b>Net cash used in investing activities (B)</b>		<b>(12,582,237,042)</b>	<b>(4,096,709,589)</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of debt instruments		-	-
Receipts/(payments) of Mudaraba Subordinated Bond		(800,000,000)	-
Payments for redemption of debt instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend paid to ordinary shareholders		(466,710,636)	-
<b>Net cash used in financing activities (C)</b>		<b>(1,266,710,636)</b>	<b>-</b>
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>		<b>2,769,360,082</b>	<b>4,808,544,866</b>
Add: Effect of exchange rate changes on cash & cash equivalents		2,121,500	6,599,147
Add: Cash and cash equivalents at the beginning of the year		20,129,680,036	15,314,536,023
<b>Cash and cash equivalents at the end of the year</b>	49a	<b>22,901,161,618</b>	<b>20,129,680,036</b>
<b>Net Operating Cash Flow per Share (NOCFPS)</b>	42(ii)	<b>16.96</b>	<b>9.09</b>
<b>[previous year's figure restated]</b>			

The annexed notes from 1 to 54 form an integral part of these financial statements.

Dhaka,  
10 March 2021

Chairman

Director

Director

Managing Director





**Shahjalal Islami Bank Limited**  
**Statement of Changes in Equity**

For the year ended 31 December 2020				
Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total Capital/ Shareholders' Equity
Balance as at 01 January 2020	9,334,212,720	6,231,188,665	941,866,028	16,507,267,412
Dividend for the year 2019:				
Stock Dividend (5%)	466,710,630	-	(466,710,630)	-
Cash Dividend Paid (5%)	-	-	(466,710,636)	(466,710,636)
Net profit during the year	-	728,684,000	1,179,514,587	1,908,198,587
<b>Total Shareholders' Equity as at 31 December 2020</b>	<b>9,800,923,350</b>	<b>6,959,872,664</b>	<b>1,187,959,349</b>	<b>17,948,755,363</b>
<b>Total Equity for the purpose of Capital Adequacy</b>				
<b>Equity as per above</b>				<b>17,948,755,363</b>
Add: General Provision for Unclassified Investments & Off-Balance Sheet Items				3,159,500,000
Add: Mudaraba Subordinated Bond				6,720,000,000
<b>Total Eligible Regulatory Capital as at 31 December 2020</b>				<b>27,828,255,363</b>

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 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 Investments & Off-Balance Sheet Items				2,770,100,000
Add: Mudaraba Subordinated Bond				9,200,000,000
<b>Total Eligible Regulatory Capital as at 31 December 2019</b>				<b>28,477,367,412</b>

The annexed notes from 1 to 54 form an integral part of these financial statements.

Dhaka,  
10 March 2021

Chairman

*Signature*

Director

*Signature*

Director

*Signature*

Managing Director



**Shahjalal Islami Bank Limited**  
**Liquidity Statement (Assets & Liabilities Maturity Analysis)**  
**As at 31 December 2020**

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
<b>Assets</b>						
Cash in Hand	1,814,745,636	-	-	-	-	1,814,745,636
Balance with other Banks and Financial Institutions	12,011,433,982	-	-	-	9,074,982,000	21,086,415,982
Placement with other Banks & Financial Institutions	6,650,000,000	13,685,300,000	3,000,000,000	311,370,016	-	23,646,670,016
Investments in Shares & Securities	7,194,149,344	7,020,000,000	6,300,000,000	6,055,610,000	1,040,000,000	27,609,759,344
Investments	27,708,283,825	65,006,385,030	73,751,198,011	25,271,526,950	4,775,257,425	196,512,651,241
Fixed Assets including Premises, Furniture and Fixtures	26,131,026	52,262,052	235,179,233	1,995,896,123	2,431,181,812	4,740,650,245
Other Assets	325,564,057	217,042,705	1,922,378,244	13,038,065,349	2,515,000,000	18,018,050,356
Non-Banking Assets	-	-	88,909,355	-	-	88,909,355
<b>Total Assets (i)</b>	<b>55,730,307,871</b>	<b>85,980,989,787</b>	<b>85,297,664,843</b>	<b>46,672,468,438</b>	<b>19,836,421,237</b>	<b>293,517,852,175</b>
<b>Liabilities</b>						
Placement from other Banks & Financial Institutions	6,164,056,818	4,093,975,632	9,472,930,016	-	-	19,730,962,466
Deposits and Other Accounts	48,296,658,180	79,302,244,650	56,570,356,609	26,869,501,944	7,404,188,333	218,442,949,715
Mudaraba Subordinated Bond	-	-	2,000,000,000	7,200,000,000	-	9,200,000,000
Other Liabilities	639,732,927	1,868,914,097	10,422,897,605	10,336,296,204	4,668,094,853	27,935,935,686
Deferred Tax Liabilities	-	-	-	-	259,248,945	259,248,945
<b>Total Liabilities (ii)</b>	<b>55,100,447,926</b>	<b>85,265,134,379</b>	<b>78,466,184,229</b>	<b>44,405,798,148</b>	<b>12,331,532,131</b>	<b>275,569,096,812</b>
<b>Net Liquidity Gap (i-ii)</b>	<b>629,859,945</b>	<b>715,855,408</b>	<b>6,831,480,614</b>	<b>2,266,670,291</b>	<b>7,504,889,106</b>	<b>17,948,755,363</b>

The annexed notes from 1 to 54 form an integral part of these financial statements.

Dhaka,  
10 March 2021

Chairman

*(Signature)*

Director

*(Signature)*

Director

Managing Director

*(Signature)*



**Shahjalal Islami Bank Limited and its Subsidiary**  
**Notes to the Consolidated and Separate Financial Statements**  
**As at and for the year ended 31 December 2020**

**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) on 01 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. Currently, the Bank is operating its business through head office having 132 (one hundred thirty two) branches, 110 (one hundred ten) ATM booths, 52 (fifty two) agent banking outlets and 2,657 employees all over Bangladesh. The Bank also has a subsidiary Company named 'Shahjalal Islami Bank Securities Limited' and an Offshore 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-04, 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 Banking 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. Offshore Banking Unit**

Offshore 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 Offshore 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-04, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212. Separate Financial Statements of Offshore Banking Unit are also presented.

**1.4. Agent Banking**

Shahjalal Islami Bank Limited obtained permission from Bangladesh Bank on 16 October 2019 vide reference no. BRPD(P-3)745(54)/2019-8354 to commence Agent Banking services and subsequently started commercial operations on 02 January 2020. Till 31 December 2020 there were 52 Agent Banking Outlets in 31 districts across the country. Services that are currently being dispensed include account opening i.e., Al-Wadeeah Current A/C, Mudaraba Savings A/C, Mudaraba Scheme Deposit A/C, Mudaraba Term Deposit A/C, cash deposit and withdrawal from agent banking outlets and SJIBL branches, fund transfer (P2P), inward/outward cheque payment, remittance disbursement, balance inquiry, SMS banking, etc.

**1.5. 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 brokers/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.



## 2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank:

### 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).

As Financial Reporting Standards are yet to be issued by FRC, as per the provisions of FRA (Section-69), consolidated and separate financial statements of the Group and the Bank, respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and, in addition to this, the Bank also complied with the requirements of the following laws and regulations from various Government bodies:

- i) The Banking Companies Act, 1991 and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Rules, 1987; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments thereon;
- v) The Income Tax Ordinance, 1984, and amendments thereon;
- vi) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;
- viii) Financial Reporting Act, 2015; and

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

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

#### i) Presentation of Financial Statements

**IFRS/IAS:** As per IAS 1: *Presentation of Financial Statements*, 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 Banking Companies 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) Name of the Financial Statements

**IFRS/IAS:** As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes comprising a summary of significant accounting policies and other explanatory information.





**Bangladesh Bank:** The forms of financial statements and directives for preparation thereof of the Islamic banking companies in Bangladesh are guided by BRPD circular no. 15 dated 09 November 2009 Bangladesh Bank. BRPD circular no. 15 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

### iii) Investments in Shares and Securities

**IFRS/IAS:** As per requirements of IFRS 9: *Financial Instruments*, classification and measurement of investments 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 investments; otherwise, investments are recognised at cost.

### iv) Revaluation Gains/Losses on Government Securities

**IFRS/IAS:** As per requirement of IFRS 9, 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 amortised cost are measured at effective interest rate method and interest income is recognised 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 recognised 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 amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

### v) Provision on Investments and Off-balance Sheet Items

**IFRS/IAS:** As per IFRS 9, an entity shall recognise an impairment allowance on investments (loans) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investments (loans) 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 months' 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 (a) short-term agricultural and micro-credits where 5% for sub-standard and doubtful loans and 100% for bad & loss loans; and (b) cottage micro and small credits where 5% for sub-standard, 20% for doubtful and 100% for bad & loss loans 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.

**vi) Recognition of Investment Income in Suspense**

**IFRS/IAS:** 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 becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of the investment (loan).

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once an investment (loan) is classified, investment income on such investment is 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.

**vii) Other Comprehensive Income**

**IFRS/IAS:** 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 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.

**viii) 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 cannot be made in the financial statements.

**ix) Financial Guarantees**

**IFRS/IAS:** 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 debtor 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 circular no. 15 dated 09 November 2009, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet item. No liability is recognised for the guarantee except the cash margin.

**x) Cash and Cash Equivalents**

**IFRS/IAS:** 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 on short notice is presented on the balance sheet, and treasury bills, prize bonds are shown in investments.

**xi) Non-Banking Assets**

**IFRS/IAS:** No indication of non-banking assets is found in any IFRSs.

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

**xii) Cash Flow Statement**

**IFRS/IAS:** 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 circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

**xiii) Balance with Bangladesh Bank (Cash Reserve Requirement)**

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

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

**xiv) Presentation of Intangible Asset**

**IFRS/IAS:** 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 circular no. 15 dated 09 November 2009.

**xv) Off-balance Sheet Items**

**IFRS/IAS:** 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 circular no. 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.

**xvi) Disclosure of Appropriation of Profit**

**IFRS/IAS:** 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.

**xvii) Investments Net off Provision**

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

**Bangladesh Bank:** As per BRPD circular no. 15 dated 09 November 2009, provisions on investments/loans and advances are presented separately as liability and cannot be net off against investments/loans and advances.

### xviii) Recovery of Written off Investments/Loans

**IFRS/IAS:** As per IAS 1, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by any IFRSs. Again, recovery of written off investments/loans should be charged to profit and loss account as per IFRS 15: *Revenue from Contracts with Customers*.

**Bangladesh Bank:** As per BRPD circular no. 15 dated 09 November 2009, recoveries of amount previously written off should be adjusted with the specific provision for investments/loans and advances.

### xix) Revenue

As per IFRS 15, revenue should be recognised 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. Basis of Consolidation

The consolidated Financial Statements include the Financial Statements of Shahjalal Islami Bank Limited including Offshore 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 2020.

## 2.3. 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.

## 2.4. Transactions Eliminated on Consolidation

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

## 2.5. Going Concern

The Financial Statements have been prepared on a going concern principle which is the assumption that an entity will remain in business for the foreseeable future. Conversely, the Bank has neither any intention nor any legal or regulatory compulsion to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency, capital adequacy and credit rating) of the Bank continued to demonstrate a healthy trend for a couple of years. The management is not aware of any material uncertainties that may cause to believe that significant doubt upon the Bank's ability to continue as a going concern.

## 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 affect 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 recognised its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on:

- provision for investments;
- provision for income taxes (current & deferred);
- gratuity fund;
- lease liabilities; and
- liquidity statement.

## **2.7. Assets and Basis of their Valuation**

### **2.7.1 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand and balance with Bangladesh Bank and its agent bank and balances with other banks and financial institutions.

### **2.7.2 Investments in Shares and Securities**

#### **Islamic Investment Bond**

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

#### **Bangladesh Government Investment Sukuk**

Investment in Bangladesh Government Investment Sukuk is reported at cost price.

#### **Mudaraba Perpetual Bond**

Investment in Mudaraba Perpetual Bond is reported at cost price. As per Bangladesh Bank DOS circular no. 04 dated 24 November 2011, provision for diminution in value of investment in Mudaraba Perpetual Bond was made by netting off unrealised gain/loss of shares from market price less cost price.

#### **Mudaraba Subordinated Bond**

Investment in Mudaraba Subordinated Bond is reported at cost price.

#### **Investment in Quoted 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 no. 04 dated 24 November 2011, provision for diminution in value of investments was made by netting off unrealised gain/loss of shares from market price 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**

Derivative is a financial security whose value is derived from the value and characteristics of an underlying security. Option contract, future and swaps are types of derivative.

The Bank has no investments 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 Combinations*, IAS 36: *Impairment of Assets* and IFRS 10: *Consolidated Financial Statements*.

### 2.7.2.1 Held to Maturity

Held to Maturity Securities are the securities that a firm has intention to hold until maturity. These are reported at amortised cost therefore; they are not affected by swings in the financial markets.

### 2.7.2.2 Held for Trading

Held for trading securities are those which are held with the intention of selling in order to generate profits. Held for trading securities are revalued at market price.

### 2.7.2.3 Investment - Initial Recognition and Subsequent Measurement

Investment Class	Initial Recognition	Measurement after Initial Recognition	Recording of Changes
Govt. Treasury Securities - BGIB	Cost	Cost	None
Debenture/Bond	Cost	Cost	None
Shares (Quoted)	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealised gain booking
Shares (Un-quoted)	Cost	Lower of cost or Net Asset Value (NAV) of last audited financial statements	Loss to profit and loss account but no unrealised gain booking
Mutual Fund (Open-end)	Cost	If average cost price (CP) > NAVCMP * 0.95, then required provision per unit will be (RP) = CP - NAVCMP * 0.95	Loss (net) to profit and loss account but no unrealised gain booking
Mutual Fund (Closed-end)	Cost	If CP > Market Value (MV) or CP > NAVCMP * 0.85, then required provision (RP) per unit will be: (i) in case of MV ≥ NAVCMP * 0.85, then RP = CP - MV or (ii) in case of MV < NAVCMP * 0.85, then RP = CP - NAVCMP * 0.85	Loss (net) to profit and loss account but no unrealised gain booking

### 2.7.3 General Investments

Investments are recognised at gross amount on the date on which they are originated. After initial recognition, investments are stated in the Balance Sheet net off profit receivables and unearned income. However, provisions for investments are not net off with investments.

Investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the client. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

#### Provisions

Investments are stated in the Balance Sheet net off unearned income. Provision on Investments (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, BRPD circular no. 07 dated 19 March 2020, BRPD circular letter no. 52 dated 20 October 2020 and BRPD circular letter no. 56 dated 10 December 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 and BRPD circular no. 16 dated 21 July 2020.



The rates of provision are given below:

Particulars		Percentage (%) of Provision Requirement				
		Un-classified		Classified		
		Standard	SMA	SS	DF	BL
Cottage, Micro & Small Investments Under CMSME		0.25%	0.25%	5%	20%	100%
Medium Enterprise Financing under SMEF		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	2%	2%	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%
Staff Investment		0%	0%	20%	50%	100%
Off-balance Sheet exposures		1%	N/A	N/A	N/A	N/A
Special General Provision for COVID-19		1%	BRPD circular letter no. 56; Date: 10 December 2020			

#### 2.7.4 Impairment of Financial Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36: *Impairment of Assets*. At each balance sheet date, Shahjalal Islami Bank Limited assesses whether there is objective evidence that a financial asset or a group of financial assets, i.e., general investments, off-balance sheet items and investments in shares and securities are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if-

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and
- a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

#### 2.7.5 Fixed Assets including Premises, Furniture and Fixtures

##### Recognition and Measurement

All fixed assets including premises, furniture and fixtures are stated at cost less accumulated depreciation as per IAS 16: *Property, Plant and Equipment*. Land is measured at cost.

The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IAS.

The cost of an item of fixed assets including premises, furniture and fixtures is recognised as an asset if-

- it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of an item of fixed assets including premises, furniture and fixtures comprises:

- (a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;





- (b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

### Subsequent Costs

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of fixed assets are recognised in profit or loss as incurred.

### Depreciation

No depreciation is charged on land. Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the date of acquisition and ceases at the date when the assets are disposed. Asset category-wise depreciation rates are as follows:

Name of the Assets	2020		2019	
	Rates of Dep. (%)	Method of Dep.	Rates of Dep. (%)	Method of Dep.
Building	2.50	Straight line	2.25	Reducing balance
Furniture & Fixtures other than residence	10	Straight line	10	Reducing balance
Furniture & Fixtures - residence	20	Straight line	20	Straight line
Office Equipment	20	Straight line	20	Reducing balance
Computer & Network Equipment	20	Straight line	20	Straight line
Vehicles	20	Straight line	20	Straight line
Books	20	Straight line	20	Straight line

Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of IAS 16.

A change in accounting estimates is an adjustment of the carrying amount of an asset or liability, or related expense, resulting from reassessing the expected future benefits and obligations associated with that asset or liability. Upon approval of the Board, Building, Furniture & Fixtures other than residence and Office Equipment has been depreciated under straight line basis instead of reducing balance from 01 January 2020.

### Construction Work in Progress/Building under Construction

Building under construction is recognised and reported under Fixed Assets as per IAS 16 as Construction work in progress until the construction work is completed and the asset is ready for intended use. This asset is stated at cost and depreciation of the asset will be charged from the date of its intended use.

### Intangible Assets

#### a. Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Acquisitions of minority interest (non-controlling interest) are accounted as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Subsequently goodwill is measured at cost less accumulated impairment losses.

#### b. Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.





### c. License

Value of license is recognised at cost and since it has an indefinite useful life it is not amortised. The value of the license is not measured at fair value.

### 2.7.6 IFRS 16: Leases

Shahjalal Islami Bank Limited applied IFRS 16: *Leases* using modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

According to IFRS 16, 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 recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss account on a straight-line basis over the lease term.

On the balance sheet, right-of-use assets have been included in fixed assets including premises, furniture and fixtures and lease liabilities have been included in other liabilities.

### 2.7.7 Impairment of Fixed Assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss account unless the asset is carried at revalued amount in accordance with IAS 16 in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that accounting standard. No impairment loss was recognised up to the reporting period as there were no such indications existed as at balance sheet date.

### 2.7.8 Investment Properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost less accumulated depreciation and accumulated impairment loss.

### 2.7.9 Other Assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

### 2.7.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

## 2.8. Liabilities and Provisions

### 2.8.1 Placement from other Banks and Financial Institutions

Placement from other Banks and Financial Institutions include profit bearing placements and Bangladesh Bank refinance. These items are brought to the financial statements at the gross value of the outstanding balance.

### 2.8.2 Deposits and Other Accounts

Deposits and other accounts include non-profit bearing Al-Wadeeah current deposits redeemable at call, bills payable, profit bearing on demand and special notice deposits, Mudaraba savings deposits, Mudaraba term deposits and Mudaraba scheme deposits. These items are brought to the financial statements at the gross value of the outstanding balance.

### 2.8.3 Mudaraba Subordinated Bond

The Bank issued floating rate non-convertible Mudaraba Subordinated Bond of BDT 400 crore and 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.

### 2.8.4 Other Liabilities

Other liabilities comprise items such as provision for general investments, provision for investments in shares and securities, provision for taxation, profit payable, profit suspense, accrued expenses, obligation under finance lease, etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, income tax laws and internal policy of the Bank.

As per IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*, the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

## 2.8.5 Taxation

### Current Tax

Provision for current income tax has been made at 37.50% as prescribed in the Finance Act, 2020 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure and provisions as per Income Tax Ordinance, 1984 in compliance with IAS 12: *Income Taxes*.

### Deferred Tax

#### Principle of Recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit and loss account for the period. Deferred tax relating to items dealt with directly in equity is recognised directly in equity.



**Recognition of Taxable Temporary Difference**

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

**Recognition of Deductible Temporary Difference**

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

**Measurement**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**2.9. Capital/Shareholders' Equity****Authorised Capital**

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

**Paid-up Capital**

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

**Statutory Reserve**

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of Section 24 of the Bank Companies Act, 1991 (amended up to 2018) until such reserve equals to its paid-up capital together with the share premium. Statutory reserve is transferred in yearly basis.

**Non-controlling (minority) Interest**

Non-controlling (minority) interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Shahjalal Islami Bank Securities Limited, a majority owned subsidiary (91.79%) of Shahjalal Islami Bank Limited is very insignificant. Also, minority interest is reported on the consolidated profit and loss account as a share of profit belonging to the minority shareholders.

**2.10. Contingent Liabilities**

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

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

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.



Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

### 2.11. Revenue Recognition

In line with IFRS 15: *Revenue from Contract with Customers*, income of the Bank has been recognised in the financial statements as follows:

#### Investment Income

Income from general investments is accounted for on accrual basis except for investments under Musharaka, Mudaraba, Bai-Salam, Ujarah (Khidmah & Wakalah for Islamic Credit Card) modes where the investment income is accounted for on realisation basis. The Bank does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode of investment but it fixes the sale price of the asset at a higher level in such a way to cover its expected rate of return. Such income is recognised on realisation basis.

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per circulars issued by Bangladesh Bank in this regard from time to time. At the time of recovery or regularisation of those investments the related income which was suspended and shown as a liability is taken as investment income (except compensation) as per circulars issued by Bangladesh Bank. As a result, the entire transferred amount to investment income from suspense during the year has already been included in the investment income of the Bank.

Profit on placement with other Banks & Financial Institutions is accounted for on accrual basis.

#### Income on Investments in Securities

Income on investments in securities is recognised on accrual basis. This income includes profit on Bangladesh Government Islamic Investment Bond (BGIIB), Bangladesh Government Investment Sukuk (BGIS), Mudaraba Perpetual Bond, Mudaraba Subordinated Bond, capital gain on investments in shares and dividend on investments in shares are also included in investment income.

#### Dividend Income on Shares

Dividend income from investments in shares is recognised when the Bank's right to receive dividend is established. It is recognised when-

- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

#### Fees, Commission and Exchange Income

Fees, commission and exchange income on services provided by the Bank are recognised as and when the related services are rendered. Commission charged to customers on letter of credit and letter of guarantee are credited to Income at the time of effecting the transactions.

#### Profit paid on Deposits

As per agreement between the Mudaraba depositors and the Bank in line with Mudaraba Principle, the Mudaraba depositors are entitled to get minimum 65% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba deposit. In the year 2020, the Bank paid 92.56% of Investment Income earned through deployment of Mudaraba Fund. Mudaraba Depositors do not share any income derived from various banking services where their fund is not involved and any income derived from investing Bank's equity and other cost free fund. Al-Wadeeah depositors do not share any income of the Bank. Profit is paid to Mudaraba Deposit accounts at provisional rate throughout the year. Final rates of profit of any accounting year are declared after finalization of Shari'ah Inspection report and certifying the Investment Income of the Bank by the statutory auditor.



## Other Operating Expenses

All other operating expenses are provided for in the books of the accounts on accrual basis according to the IAS 1.

## 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 Earnings).

Zakat is chargeable in the profit and loss account of the Bank as per "Guidelines for Conducting Islamic Banking" issued by Bangladesh Bank through BRPD circular no. 15 dated 09 November 2009.

## 2.12. Dividend Payments

Final dividend is recognised when it is approved by the shareholders in Annual General Meeting (AGM). The proposed dividend for the year 2020, therefore, has not been recognised as a liability however disclosed in the notes to the financial statements in accordance with IAS 10: *Events after the Reporting Period*. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

## 2.13. Profit Suspense/Compensation Account & Shari'ah Non-Compliance Income

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

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

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 Shari'ah. Such doubtful income is being appropriated for charitable purpose through Shahjalal Islami Bank Foundation (a separate organisation).

## 2.14. 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, the Bank is not required to make provision regarding the unreconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no unreconciled outstanding entries for more than 03 (three) months.

## 2.15. Foreign Currency Transactions

### Functional and Presentation Currency

The Financial Statements have been presented based on the Bank's functional currency, Bangladesh Taka (BDT/Taka/Tk.). Functional currency of Offshore Banking Unit (OBU) is United States Dollar (USD/US\$).

### Foreign Currency Translation

The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions as per IAS 21: *The Effects of Changes in Foreign Exchange Rates*. At the Balance Sheet date, related assets and liabilities are converted to Taka using exchange rates prevailing on that date.

### Commitment

Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka currency at revaluation rate.

**2.16. 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 exists no dilution possibilities during the year.

**2.17. 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) Investments in shares 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 & Financial Institutions are 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 liabilities are on the basis of their maturity term. Provisions and other liabilities are on the basis of their expected settlement.

**2.18. Cash Flow Statement**

Cash flow statement is prepared principally in accordance with IAS 7: *Statement of Cash Flows*; and as prescribed by BRPD circular no. 14 dated 25 June 2003 & Guidelines for Conducting Islamic Banking issued by Bangladesh Bank vide BRPD circular no. 15 dated 09 November 2009. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. Cash flows during the year have been classified as Operating Activities, Investing Activities and Financing Activities.

**2.19. Statement of Changes in Equity**

Statement of Changes in Equity has been prepared in accordance with IAS 1 and by following the guidelines of BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009.

**2.20. Off-balance Sheet Items**

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

**2.21. Changes in Accounting Policies and Estimates**

Shahjalal Islami Bank Limited did not change the accounting policies during the year 2020. However, the Bank changed its accounting estimates, i.e., depreciation rate and method.

The depreciation methods in case of Building, Furniture & Fixtures other than residence and Office Equipments have been changed with effect from 01 January 2020 from previously used Reducing Balance Method to Straight Line Method using the practical expedients taking consideration of the useful life of underlying assets. On the other hand, the rate of depreciation on Building increased from 2.25% to 2.50%.

**2.22. Reporting Period**

The Financial Statements cover one calendar year from 01 January to 31 December 2020.



### 2.23. Offsetting

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

### 2.24. 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 recognised 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.

The balance of forfeited Provident Fund for the year 2020 has been transferred to the Bank as per FRC notification no. 179/FRC/FRM/Notification/2020/2 dated 07 July 2020. The balance of forfeited provident fund before the issuance of FRC’s notification will be transferred to the Bank after due diligence.

#### Gratuity Fund (Defined Benefit Plan)

Gratuity benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund Rules. The National Board of Revenue has approved the gratuity fund as a recognised gratuity fund and the fund is operated by a separate Board of Trustees. Employees are entitled to get the benefit after the 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 01 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 employees 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 & policies 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.



## Workers Profit Participation Fund

In consistent with widely accepted industry practice and in line with Section 11(1) of the Banking Companies Act, 1991 (as amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

### 2.25. Reconciliation of Books of Accounts

Books of accounts 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 (three) months, details of which are disclosed in note no. 10a.5.

### 2.26. Related Party Disclosures

A party is related to the company, if:

- i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- ii) the party is an associate;
- iii) the party is a joint venture;
- iv) the party is a member of the key management personnel of the Company or its parent;
- v) the party is a close member of the family of any individual referred to in (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

### Related Party Transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as contained in IAS 24: *Related Party Disclosures* and relevant provisions of the Banking Companies Act, 1991 (as amended up to 2018) and Bangladesh Bank BRPD circular no. 14 dated 25 June 2003. As on the reporting date, the Bank had funded and non-funded exposures with its subsidiary and exposures to some related concerns of its Directors. Please refer to note no. 53 of financial statements for details of related party transactions.

### 2.27. Corporate Governance

The Bank has given the priority to the compliance of the rules, regulations and guidelines of Bangladesh Bank, National Board of Revenue and Bangladesh Securities & Exchange Commission (BSEC). The Bank has also complied with all related International Financial Reporting Standards (IFRSs).

### 2.28. 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 (CRMR), 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 Banking Companies 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 Committee 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 organisational structure and formulating Manual as per Guidelines of Bangladesh Bank. However, the Bank has already formulated a comprehensive manual. The Bank maintains various Nostro





accounts in order to conduct operations in different currencies including BDT. The senior management of the Bank set limits for handling Nostro accounts' transactions that include time and amount limits. As per guidelines of Bangladesh Bank, the Foreign Exchange business should be audited internally to review the key control issues such as various limits, compliance requirements and statutory management.

#### **c) Asset Liability Risk Management**

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director conducted 12 (twelve) meetings during the year 2020. 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 Money Laundering Prevention Act, 2012 (amended 2015), Anti-Terrorism Act, 2009 (amended 2012 & 2013) and guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU) from time to time. Shahjalal Islami Bank Limited applies risk sensitive customer due diligence measures, monitors business relationship and keeps records in line with regulations. The Bank regularly collects the accurate and complete documentation of Know Your Customer (KYC) which enables the prudential prevention of money laundering. The Bank has formed Central Compliance Committee (CCC) headed by the Deputy Managing Director as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and the committee regularly monitors and ensures the compliance of issues relating to money laundering and terrorist financing through the trained personnel of Head Office and Branches.

#### **e) Internal Control & Compliance Risk Management**

Internal control is an effective mechanism to provide reasonable assurance on the attainment of the organisational objectives through achieving efficiency in operations, reliability of financial reporting and compliance with applicable laws, regulations and internal policies. The primary objective of Internal Control and Compliance of Shahjalal Islami Bank Limited (SJIBL) is to enable the Bank to perform better and add value through proper and adequate use of infrastructure and resources.

SJIBL has established the Internal Control and Compliance Division (IC&CD) with the mission to provide independent objective assurance and advice designed to add value and improve the Banks' operations. Depending on the size and complexity of the operations of the Bank, IC&CD of SJIBL comprises of 03 (three) units namely Internal Audit Unit, Compliance Unit and Monitoring Unit.

As a guidance in performing above duties, SJIBL prepared 'Internal Control and Compliance Manual' following the prevailing BB guidelines "Guidelines on Internal Control & Compliance in Banks" and accommodating Bank's internal rules and practices. The manual is being reviewed from time to time.

#### **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 Banking facilities through using Internet Banking and Mobile Application with different services like other bank fund transfer, utility bill payment, transfer to Mobile Financial Services (MFSs), etc. In addition, SWIFT, REUTERS, SJIBL Visa Debit Card, Push-Pull Services & SMS Banking facilities are





also available. 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. Recently, the Bank has introduced Agent Banking Services around all over the country targeting unbanked rural people to bring under formal banking services.

## ii. Internal Audit

The Internal Audit independently and objectively evaluate and report on the effectiveness of the Bank's risk management, control, and governance processes. The Head of Audit Unit although being a part of IC&CD administratively, is reporting directly to the Audit Committee of the Board and is responsible to the Audit Committee of the Board. Internal Audit of SJIBL is being conducted based on Annual Audit Plan structured on a risk based approach and approved by the Audit Committee of the Board of Directors to provide vital information about risks and controls to assist the management in the following ways:

- Identification of gap in policy and procedures with the Business and its Operation.
- Identification of breach in policy and procedures against internal and regulatory policies & procedures.
- Assessment of qualitative and quantitative risk of the Business.
- Recommending remedial course of actions, where necessary.

Irregularities detected in the Bank's internal control & compliance report as well as external auditor's report of the previous year have so far been rectified properly.

## iii. Fraud and Forgeries

The Bank is operating its business by dealing with the public money. As a custodian of such money, the Bank have to set up strong internal control structure, introduce corporate governance, practice 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 employees' 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 been engaged in anti-social or anti-state or detrimental/subversive activities. Check with Bangladesh Bank's Corporate Memory Management Systems for background check of experienced Bankers, Financial Institution's employees and verify National ID on-line. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, the Internal Control and Compliance Division (IC&CD) have been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in Shahjalal Islami Bank Limited.

Further, the number of fraud cases in Shahjalal Islami Bank Limited is at a minimal level. However, in the year 2020, 01 (one) case of fraud and forgery was identified. Total embezzled/irregular amount involved in the fraud case was Tk. 40,945,561 (Taka four crore nine lac forty five thousand five hundred sixty one) only and Tk. 25,000,000 (Taka two crore fifty lac) only have been realised/settled.

The Bank has also reported the same to Bangladesh Bank in compliance with the Department of Off-site Supervision (DOS) circular letter no. 10 dated 09 May 2017 of Bangladesh Bank.



## 2.29. Compliance with Financial Reporting Standards as applicable in Bangladesh

The Financial Reporting Act (FRA), 2015 was enacted in 2015. Under the FRA of the Financial Reporting Council (FRC), it is to issue financial reporting standards for public interest entities such as Banks. The Banking 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 (IFRSs) 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 (IFRSs) and the requirements of the Banking Companies Act, 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994. In case any requirement of the Banking Companies Act, 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act, 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRSs are mentioned above under note no. 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	Not Applicable
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 *





Sl. No.	IAS No.	IAS Title	Compliance Status
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Not Applicable
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 International 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 *
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in Other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

\* Subject to departure disclosed in note no. 2.1

### 2.30. Auditor of the Subsidiary

Name of the Subsidiary	Relationship	Name of the Auditor
Shahjalal Islami Bank Securities Limited	Subsidiary	K. M. Hasan & Co., Chartered Accountants

### 2.31 Impact of COVID-19

On 11 March 2020, the World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease, commonly known as COVID-19. To contain the spread of this disease along with many other countries of the world, the 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 businesses and economic activities in the country have been adversely affected and this has also affected the Bank. Although the business operation and profitability of the Bank have been impacted by COVID-19, but due to the constantly changing nature of the situation and lack of certainty at present regarding how long this situation will prevail, the potential impact of COVID-19 related matters on the Bank's operation and financial results cannot be reasonably assessed. The management of the Bank assessed the going concern and found no uncertainty regarding this for the



upcoming 12 (twelve) months due to COVID-19. The global economy including Bangladesh has been seriously affected since March 2020 due to the outbreak of COVID-19 that has caused serious disruption in Export and Import business, especially in the month of April and May 2020. As a result, commission income has been reduced significantly during the period. Moreover, investment appetite in business sector has showed negative trend which has been reflected in our portfolio. As a result, investment income has also been reduced in the year 2020.

### **2.32 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 wherever necessary to conform to current year's presentation.





		31.12.2020 Taka	31.12.2019 Taka
<b>3 Consolidated Cash in Hand (including Foreign Currencies)</b>			
Shahjalal Islami Bank Ltd	(Note-3a)	1,814,745,636	2,209,024,307
Shahjalal Islami Bank Securities Ltd		-	-
		<b>1,814,745,636</b>	<b>2,209,024,307</b>
<b>3a Cash in Hand of the Bank (including Foreign Currencies)</b>			
In local currencies		1,797,993,889	2,193,918,703
In foreign currencies	(Note-3a.1)	16,751,747	15,105,604
		<b>1,814,745,636</b>	<b>2,209,024,307</b>
<b>3a.1 In Foreign Currencies</b>			
<b>Foreign Currency</b>	<b>Amount in FC</b>	<b>Exchange Rate</b>	
		<b>(Mid Rate)</b>	
US Dollar	187,863.03	84.8000	
Great Britain Pound	4,280.77	113.9797	
Euro	3,215.21	103.5832	
		15,930,785	14,462,964
		487,921	337,392
		333,041	305,248
		<b>16,751,747</b>	<b>15,105,604</b>
<b>4 Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>			
Shahjalal Islami Bank Ltd	(Note-4a)	13,351,033,150	15,539,227,347
Shahjalal Islami Bank Securities Ltd		-	-
		<b>13,351,033,150</b>	<b>15,539,227,347</b>
<b>4a Balance with Bangladesh Bank and its agent bank(s) (including Foreign Currencies)</b>			
In local currencies		10,360,749,111	12,870,787,695
In foreign currencies		2,571,599,078	2,292,220,590.35
		<b>12,932,348,189</b>	<b>15,163,008,286</b>
<b>Balance with Sonali Bank Ltd. as agent of Bangladesh Bank</b>			
In local currencies		418,684,961	376,219,061
In foreign currencies		-	-
		<b>418,684,961</b>	<b>376,219,061</b>
		<b>13,351,033,150</b>	<b>15,539,227,347</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 Companies Act, 1991 (as amended up to 2018) and subsequent MPD circular no. 03 dated 09 April 2020 and circular no. 02 dated 10 December 2013.			
<b>4a.2 Cash Reserve Ratio (CRR): 2020: 4.00%; 2019: 5.50% of Average Demand and Time Liabilities</b>			
Required Reserve		9,074,982,000	11,669,433,000
Actual Reserve held with Bangladesh Bank (in local currencies)*		10,746,257,840	12,605,539,310
<b>CRR Surplus</b>		<b>1,671,275,840</b>	<b>936,106,310</b>
Maintained (%)		4.74%	5.94%
* Actual Reserve held with Bangladesh Bank (in local currencies) 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		12,478,333,000	11,669,433,000
Actual Reserve held	(Note-4a.4)	26,100,316,437	15,771,349,677
<b>SLR Surplus</b>		<b>13,621,983,437</b>	<b>4,101,916,677</b>
Maintained (%)		11.50%	7.43%
<b>4a.4 Components of Statutory Liquidity Ratio</b>			
Cash in Hand	(Note-3a)	1,814,745,636	2,209,024,307
Balance with Sonali Bank Ltd. as agent of Bangladesh Bank	(Note-4a)	418,684,961	376,219,061
Excess CRR	(Note-4a.2)	1,671,275,840	936,106,310
Bangladesh Bank Islamic Investment Bond	(Note-7a)	18,000,000,000	11,750,000,000
Bangladesh Government Investment Sukuk (BGIS)	(Note-7a)	3,695,610,000	-
Refinance Fund (with Bangladesh Bank)	(Note-6a.1)	500,000,000	500,000,000
		<b>26,100,316,437</b>	<b>15,771,349,677</b>
<b>5 Consolidated Balance with Other Banks and Financial Institutions</b>			
<b>Inside Bangladesh</b>			
Shahjalal Islami Bank Ltd	(Note-5a.1)	2,975,866,157	1,773,169,975
Shahjalal Islami Bank Securities Ltd		395,609,024	153,758,423
		3,371,475,181	1,926,928,398
Less: Inter Company Transaction		388,139,197	146,421,934
		<b>2,983,335,984</b>	<b>1,780,506,464</b>

**ACNABIN**

Chartered Accountants

**Outside Bangladesh**Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-5a.2)

31.12.2020 Taka	31.12.2019 Taka
4,759,516,675	608,258,408
-	-
<b>4,759,516,675</b>	<b>608,258,408</b>
<b>7,742,852,659</b>	<b>2,388,764,872</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)

2,975,866,157	1,773,169,975
4,759,516,675	608,258,408
<b>7,735,382,832</b>	<b>2,381,428,382</b>

**5a.1 Inside Bangladesh****Current Account**Sonali Bank Limited (other than as agent of Bangladesh Bank)  
National Bank Limited (Narayanganj Branch)  
Standard Chartered Bank (Motijheel Branch)  
Agrani Bank Limited (Islami Banking Wing)  
Janata Bank Limited (Dinajpur Branch)  
Islami Bank Bangladesh Limited  
Offshore Banking Unit

31,942,634	41,227,863
4,214	4,904
8,988,179	5,822,336
13,504,633	22,681,032
612	1,532
-	139,181
21,904,111	26,437,209
<b>76,344,382</b>	<b>96,314,056</b>
21,904,111	26,437,209
<b>54,440,272</b>	<b>69,876,847</b>

Less: Offshore 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 Limited (Corporate Branch-Islami Banking Wing)  
AB Bank Limited (Islami Banking Branch)  
Jamuna Bank Limited (Naya Bazar Islami Banking Branch)  
Bank Alfalah (Islami Banking Branch)  
Al-Arafah Islami Bank Limited  
Southeast Bank Limited (Islami Banking Branch)  
The City Bank Limited (Islamic Banking Branch)  
Islami Bank Bangladesh Limited  
Mercantile Bank Limited (Islami Wing Main Branch)

49,410,559	40,777,048
23,059,719	10,261,848
81,678	24,964
7,799,376	1,194,686
1,921,707,541	157,665,267
26,181	29,070
5,970	6,514
2,665,895	14,370
868,590,762	1,382,670,187
6,865,465	100,026,563
1,212,960	1,196,100
39,477,642	9,096,552
100,000	-
<b>2,921,003,747</b>	<b>1,702,963,169</b>

**Mudaraba Saving Deposit**Social Islami Bank Limited  
Al-Arafah Islami Bank Limited  
Islami Bank Bangladesh Limited

393,621	301,715
14,364	14,310
14,154	13,934
<b>422,139</b>	<b>329,959</b>
<b>2,975,866,157</b>	<b>1,773,169,975</b>

**5a.2 Outside Bangladesh (Nostro Account) [as at 31 December 2020]**

Current Account	Currency	F.C. Amount	Rate	Taka
Standard Chartered Bank NY	USD	49,195,869.17	84.8000	4,171,809,706
Mashreq Bank psc, NY	USD	1,120,294.21	84.8000	95,000,949
Standard Chartered Bank, Mumbai	USD	222,198.53	84.8000	18,842,435
Habib American Bank, USA	USD	987,047.96	84.8000	83,701,667
ICICI Bank, Hong Kong	USD	69,151.09	84.8000	5,864,012
WACHOVIA BANK, NY, USA	USD	198,414.08	84.8000	16,825,514
Commerzbank AG Frankfurt	USD	319,409.60	84.8000	27,085,934
Bank Aljazira	USD	51,775.88	84.8000	4,390,595
JPMorgan Chase Bank N.A., NY, USA	USD	165,884.65	84.8000	14,067,018
AB Bank Ltd. Mumbai	ACUD	87,601.44	84.8000	7,428,602
Standard Chartered Bank, Mumbai	ACUD	750,427.41	84.8000	63,636,244
Nepal Bangladesh Bank, Nepal	ACUD	8,600.69	84.8000	729,339
Standard Chart. Bank, Colombo	ACUD	17,763.89	84.8000	1,506,378
ICICI Bank, Mumbai	ACUD	342,494.97	84.8000	29,043,573
Habib Metropolitan Bank Ltd.	ACUD	38,911.64	84.8000	3,299,707
United Bank of India, Kolkata	ACUD	226,914.35	84.8000	19,242,337
Sonali Bank Ltd ACU, Kolkata	ACUD	145,032.62	84.8000	12,298,766
Bank of Bhutan Ltd. Main Branch	ACUD	16,268.90	84.8000	1,379,603
AXIS Bank Ltd. India	ACUD	79,647.22	84.8000	6,754,084
MCB Bank Limited	ACUD	148,485.82	84.8000	12,591,598
HDFC Bank Ltd., Mumbai	ACUD	592,362.59	84.8000	50,232,348
Standard Chartered Bank, Frankfurt	EURO	117,883.59	103.5832	12,210,759
COMMERZBANK AG	EURO	38,612.42	103.5832	3,999,598
Wells Fargo Bank, N. A. London, UK	EURO	602,362.16	103.5832	62,394,600
JPMorgan Chase AG, Frankfurt	EURO	87,370.02	103.5832	9,050,066





Current Account	Currency	F.C. Amount	Rate	Taka
Standard Chartered Bank, Tokyo	YEN	966,228.99	0.8167	789,119
Habib Bank AG Zurich	CHF	11,641.24	95.3773	1,110,310
ICICI Bank, Canada	CAD	6,900.21	66.0488	455,751
Bank Aljazira, KSA	SAR	266,929.35	22.5977	6,031,989
Riyad Bank, KSA	SAR	101,648.45	22.5977	2,297,021
Standard Chartered Bank London	GBP	10,654.42	113.9797	1,214,388
JPMorgan Chase Bank N.A., London	GBP	4,940.00	113.9797	563,060
MASHREQBANK PSC. UAE	AED	314,372.25	23.0849	7,257,252
Emirates Islamic Bank PJSC, Dubai	AED	235,000.00	23.0849	5,424,952
Standard Chartered Bank, China	CNY	76,087.95	12.9771	987,400.94
				<b>4,759,516,675</b>

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

USD  
ACUD  
EURO  
YEN  
CHF  
CAD  
SAR  
GBP  
AED  
CNY

BDT	Composition
4,437,587,830	93.24%
208,142,579	4.37%
87,655,024	1.84%
789,119	0.02%
1,110,310	0.02%
455,751	0.01%
8,329,011	0.17%
1,777,447	0.04%
12,682,203	0.27%
987,401	0.02%
<b>4,759,516,675</b>	<b>100%</b>

For detailed comparative statement of 2020 & 2019 of foreign currency amount and rate thereof please see **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 2020 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 at 31 December 2020**

	As per Bank's Book				As per Correspondents' Book			
	Debit Entries		Credit Entries		Debit Entries		Credit Entries	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	11	49,051,823	324	10,879,951	14	13,239	302	18,113,535
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>49,051,823</b>	<b>324</b>	<b>10,879,951</b>	<b>14</b>	<b>13,239</b>	<b>302</b>	<b>18,113,535</b>

**As at 31 December 2019**

	As per Bank's Book				As per Correspondents' Book			
	Debit Entries		Credit Entries		Debit Entries		Credit Entries	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	11	20,087,182	310	11,626,543	17	208,544	362	13,387,174
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>20,087,182</b>	<b>310</b>	<b>11,626,543</b>	<b>17</b>	<b>208,544</b>	<b>362</b>	<b>13,387,174</b>

**5a.4 Maturity-wise groupings of Balance with Other Banks and Financial Institutions**

On Demand  
Not more than 3 months  
More than 3 months but less than 1 year  
More than 1 year but less than 5 years  
More than 5 years

31.12.2020	31.12.2019
Taka	Taka
54,478,264.36	69,906,543
7,680,904,568	2,311,521,839
-	-
-	-
-	-
<b>7,735,382,832</b>	<b>2,381,428,382</b>

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

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-6a)

Less: Inter Company Transaction

23,646,670,016	12,361,483,166
-	-
<b>23,646,670,016</b>	<b>12,361,483,166</b>
-	-
<b>23,646,670,016</b>	<b>12,361,483,166</b>



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

Placement with other Banks	(Note-6a.1)
Placement with Financial Institutions	(Note-6a.2)

31.12.2020 Taka	31.12.2019 Taka
15,286,670,016	4,261,483,166
8,360,000,000	8,100,000,000
<b>23,646,670,016</b>	<b>12,361,483,166</b>

**6a.1 Placement with other Banks**

**Mudaraba Term Deposits-other Banks**

ICB Islamic Bank Limited
Export Import Bank of Bangladesh Limited
Bangladesh Bank (Refinance Fund)
Al-Arafah Islami Bank Limited
Social Islami Bank Limited
Agrani Bank Limited (Islami Banking Wing)
Jamuna Bank Limited (Islami Banking Branch)
Dhaka Bank Limited (Islami Banking Wing)
Premier Bank Limited (Islami Banking Wing)
Islami Bank Bangladesh Limited

311,370,016	311,483,166
4,200,000,000	3,450,000,000
500,000,000	500,000,000
1,335,800,000	-
3,000,000,000	-
600,000,000	-
2,000,000,000	-
1,000,000,000	-
1,500,000,000	-
839,500,000	-
<b>15,286,670,016</b>	<b>4,261,483,166</b>

**6a.2 Placement with Financial Institutions**

**Mudaraba Term Deposits-Financial Institutions**

Lanka Bangla Finance Limited
Industrial and Infrastructure Development Finance Company Limited
Union Capital Limited
Phoenix Finance & Investments Limited
Premier Leasing International Limited
Industrial Promotion and Development Company of Bangladesh Limited
IDLC Finance Limited
Delta Brac Housing Finance Corporation Limited
Islamic Finance and Investment Limited

300,000,000	900,000,000
930,000,000	1,400,000,000
250,000,000	250,000,000
380,000,000	400,000,000
300,000,000	300,000,000
1,200,000,000	1,200,000,000
3,000,000,000	2,500,000,000
2,000,000,000	1,000,000,000
-	150,000,000
<b>8,360,000,000</b>	<b>8,100,000,000</b>
<b>23,646,670,016</b>	<b>12,361,483,166</b>

**6a.3 Maturity-wise groupings of Placement with Other Banks and Financial Institutions**

On Demand
Not more than 3 months
More than 3 months but not more than 1 year
More than 1 year but not more than 5 years
More than 5 years

-	-
21,335,300,000	12,050,000,000
2,000,000,000	-
311,370,016	311,483,166
-	-
<b>23,646,670,016</b>	<b>12,361,483,166</b>

**7 Consolidated Investments in Shares & Securities**

**Government**

Shahjalal Islami Bank Ltd	(Note-7a)
Shahjalal Islami Bank Securities Ltd	

21,695,610,000	11,750,000,000
-	-
<b>21,695,610,000</b>	<b>11,750,000,000</b>

**Others**

Shahjalal Islami Bank Ltd	(Note-7a)
Shahjalal Islami Bank Securities Ltd	

5,914,149,344	3,889,417,772
1,786,654,957	1,659,023,407
<b>7,700,804,301</b>	<b>5,548,441,179</b>
<b>29,396,414,301</b>	<b>17,298,441,179</b>

**7a Investments in Shares & Securities of the Bank**

**Government**

Bangladesh Government Islamic Investment Bond (BGIIB)	(Note-7a.2)
Bangladesh Government Investment Sukuk (BGIS)	(Note-7a.3)

18,000,000,000	11,750,000,000
3,695,610,000	-
<b>21,695,610,000</b>	<b>11,750,000,000</b>

**Others**

Mudaraba Perpetual Bond, Islami Bank Bangladesh Ltd.	
Mudaraba Subordinated Bond	(Note-7a.4)
Investments in Shares	(Note-7a.5)

47,550,542	47,550,542
3,720,000,000	2,040,000,000
2,146,598,802	1,801,867,231
<b>5,914,149,344</b>	<b>3,889,417,772</b>
<b>27,609,759,344</b>	<b>15,639,417,772</b>

**7a.1 Maturity-wise groupings of Investments in Securities**

On Demand
Not more than 3 months
More than 3 months but less than 1 year
More than 1 year but less than 5 years
More than 5 years

-	-
14,214,149,344	8,269,417,772
6,000,000,000	5,650,000,000
4,795,610,000	1,360,000,000
2,600,000,000	360,000,000
<b>27,609,759,344</b>	<b>15,639,417,772</b>





- 7a.2** Bangladesh Bank 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 fund 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 is distributed among the bondholders as per mudaraba principle of Islamic Shari'ah on the basis of the tenor of the bond. So the rate of return from Islamic Bond is dependent on fund deployment of Bangladesh Bank which is not prefixed.

- 7a.3** Bangladesh's debut issuance of Sukuk of BDT 4,000 crore is a part of the Bangladesh Government Investment Sukuk (Ijara mode) for 5 years' tenure, in order to mobilize funds for the implementation of a safe water supply project was held on 28 December 2020. SJIBL, in view of diversifying its investment portfolio and maintaining Statutory Liquidity Requirement (SLR), participated in the auction and received an allocation for investment of BDT 369.56 crore (Taka Three Hundred Sixty-Nine Crore and Fifty-Six Lac only) for which rental rate was fixed @4.69% per annum.

**7a.4 Mudaraba Subordinated Bond**

SIBL Mudarabah Subordinated Bond  
IBBL Mudaraba Subordinated Bond  
IBBL 3rd Mudaraba Subordinated Bond  
AIBL 3rd Mudaraba Subordinated Bond

31.12.2020 Taka	31.12.2019 Taka
320,000,000	440,000,000
800,000,000	1,000,000,000
1,600,000,000	600,000,000
1,000,000,000	-
<b>3,720,000,000</b>	<b>2,040,000,000</b>

**7a.5 Investments in Shares (at cost)**

**Quoted**

Agricultural Marketing Company Ltd - AMCL (PRAN)  
Aamra Technologies Limited  
The ACME Laboratories Limited  
Active Fine Chemicals Ltd.  
Aftab Automobiles Limited  
AIBL 1st Islamic Mutual Fund  
Apex Footwear Limited  
Bangladesh Building Systems Ltd.  
Beximco Limited  
Bangladesh Steel Re-Rolling Mills Limited  
Dhaka Electric Supply Company Ltd.  
Eastern Housing Limited  
Envoy Textiles Ltd.  
Esquire Knit Composite Limited  
Export Import Bank of Bangladesh Limited  
Fareast Islami Life Insurance Co. Ltd.  
First Security Islami Bank Limited  
Generation Next Fashions Limited  
LafargeHolcim Bangladesh Limited  
M.I. Cement Factory Ltd  
Meghna Petroleum Limited  
Metro Spinning Mills Limited  
Orion Pharma Ltd.  
RAK Ceramics (Bangladesh) Limited  
Square Textile Ltd  
The Dacca Dyeing & Mfg. Co. Limited  
Titas Gas Transmission and Distribution Co. Ltd  
Unique Hotel and Resorts Ltd  
Prime Islami Life Insurance Ltd.  
Premier Cement Mills Limited  
Shahjibazar Power Co. Ltd.  
Singer Bangladesh Limited  
Olympic Industries Ltd.  
Square Pharmaceuticals Ltd.  
Padma Islami Life Insurance Limited  
Bashundhara Paper Mills Limited  
The IBN SINA Pharmaceutical Industry Ltd.  
MJL Bangladesh Limited  
Sea Pearl Beach Resort & Spa Limited  
Silva Pharmaceuticals Limited  
Dominage Steel Building Systems Ltd.  
Robi Axiata Limited  
Linde Bangladesh Ltd.  
Power Grid Company of Bangladesh Ltd.  
Beacon Pharmaceuticals Limited  
Aman Cotton Fibrous Limited  
Baraka Power Limited  
BSRM Steels Limited  
Coppertech Industries Limited  
Genex Infosys Limited  
Islami Insurance Bangladesh Limited

12,508,253	9,958,704
8,527,068	6,059,353
133,933,591	117,315,120
35,487,579	35,487,579
61,605,088	61,605,088
67,402,500	67,402,716
12,854,787	12,854,787
13,071,649	4,485,482
41,467,354	83,745,911
36,383,068	8,422,015
115,162,210	96,044,734
166,063,283	166,063,283
42,402,697	42,402,697
6,778,090	1,873,598
100,196,838	110,502,920
65,297,780	65,297,780
19,903,128	8,203,083
25,741,813	25,741,813
173,528,430	63,328,394
43,580,439	41,501,769
62,070,338	43,204,196
65,855,505	65,855,505
28,796,598	62,359,551
64,176,345	46,803,776
45,712,547	35,382,751
156,023,958	156,023,958
111,712,964	78,349,510
36,810,461	31,110,235
32,516,491	32,516,491
18,441,295	18,441,295
36,951,327	16,117,113
23,605,504	7,172,574
10,352,346	7,422,282
77,460,720	58,874,302
15,673,722	15,673,722
16,714,534	3,676,488
25,580,746	7,800,452
55,849,486	12,979,613
18,635	38,800
20,335,072	-
18,602	-
2,715,540	-
25,454,659	-
19,730,763	-
-	14,678,130
-	731,558
-	11,754,966
-	28,229,178
-	48,910
-	3,409
-	1,758,663



New Line Clothings Limited  
 Runner Automobiles Limited  
 Silco Pharmaceuticals Limited  
 S. S. Steel Limited  
 Summit Power Limited

**Un-Quoted**

Lanka Bangla Securiries Ltd  
 Market Stabilization Fund, Asset Management Co. Ltd  
 Lub-rref (Bangladesh) Limited  
 ADN Telecom Limited

31.12.2020 Taka	31.12.2019 Taka
-	42,926
-	554,558
-	73,690
-	3,064
-	8,314,698
5,000,000	5,000,000
2,000,000	2,000,000
5,125,000	-
-	574,040
<b>2,146,598,802</b>	<b>1,801,867,231</b>

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

**8 Consolidated Investments**

Shahjalal Islami Bank Ltd  
 Shahjalal Islami Bank Securities Ltd

(Note-8a)

181,471,332,782	182,671,664,294
4,636,326,999	4,797,416,698
<b>186,107,659,781</b>	<b>187,469,080,992</b>
2,011,859,181	1,783,772,006
<b>184,095,800,600</b>	<b>185,685,308,986</b>

**Bills Purchased and Discounted**

Shahjalal Islami Bank Ltd  
 Shahjalal Islami Bank Securities Ltd

(Note-8a)

15,041,318,459	14,614,015,788
-	-
<b>15,041,318,459</b>	<b>14,614,015,788</b>
<b>199,137,119,059</b>	<b>200,299,324,774</b>

**8a Investments of the Bank****Country-wise Classification of Investments:****Inside Bangladesh**

Gross Murabaha, Bai-Muajjal etc.

189,174,075,576

193,427,000,258

Less: Profit receivable on Murabaha, Bai-Muajjal etc. (Mark-up profit or unearned income)

7,702,742,794.07

10,755,335,963

Net Murabaha, Bai-Muajjal etc.

181,471,332,782

182,671,664,294

Net Bills Purchased and Discounted

(Note-8a.2)

15,041,318,459

14,614,015,788

**Outside Bangladesh**

-

-

**196,512,651,241****197,285,680,082****8a.1 Maturity-wise Classification of Investments****With a residual maturity of:**

Re-payable on Demand

27,708,283,825

18,998,610,992

Not more than 3 months

65,006,385,030

61,355,846,506

Over 3 months but not more than 1 year

73,751,198,011

71,673,887,574

Over 1 year but not more than 5 years

25,271,526,950

27,343,795,259

Over 5 years

4,775,257,425

17,913,539,751

**196,512,651,241****197,285,680,082****8a.2 Bills Purchased and Discounted**

Payable inside Bangladesh

4,345,494,581

5,038,836,486

Payable outside Bangladesh

10,941,976,594

10,026,408,077

Gross Bills Purchased and Discounted

15,287,471,175

15,065,244,563

Less: Profit receivable on Bills Purchased and Discounted

246,152,716

451,228,775

Net Bills Purchased and Discounted

15,041,318,459

14,614,015,788

**8a.3 Maturity-wise Classification of Bills Purchased and Discounted****Re-payable:**

Within 1 month

2,120,825,903

3,453,291,931

Over 1 month but less than 3 months

4,975,668,146

3,247,234,308

Over 3 months but less than 6 months

4,211,569,168

4,283,368,027

6 months or more

3,733,255,241

3,630,121,522

**15,041,318,459****14,614,015,788****8a.4 Investments on the basis of significant concentration**

Investments to allied concern of Directors

(Note-53.5)

2,422,671,777

2,201,648,077

Investments to Executives/Officers

1,881,187,195

1,594,249,991

Investments to Customer Groups

81,360,652,400

85,215,891,715

Industrial Investments

110,845,959,276

108,090,615,813

Others

2,180,592

183,274,487

**196,512,651,241****197,285,680,082**





Investments allowed to single person/counterparty or a group which is equal to or greater than 10% of Bank's total capital:

Total outstanding amount to such customers at end of the year	:	88,947.94 million	69,611.03 million
Number of such types of customers	:	22	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 single person/counterparty or a group equal to or greater than Tk. 2,782.83 million which is computed @ 10% and above of total capital of the bank, i.e. Tk. 27,828.26 million (Note-17.5.c) as at 31 December 2020.

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

#### 8a.5 Sector-wise Classification of Investments

Sector	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	4,428,100,000	2.25%	1,807,500,000	0.92%
Cotton & Textile	14,204,891,416	7.23%	15,250,291,010	7.73%
Garments	35,917,795,745	18.28%	30,794,739,895	15.61%
Cement	2,909,125,717	1.48%	3,068,247,845	1.56%
Pharmaceuticals & Chemicals	3,502,368,796	1.78%	3,501,186,277	1.77%
Real Estate	6,823,342,294	3.47%	7,169,488,684	3.63%
Transport	3,852,956,608	1.96%	4,402,529,994	2.23%
Information Technology	1,049,993,980	0.53%	1,372,210,601	0.70%
Non Banking Financial Institutions	1,547,537,178	0.79%	1,747,709,864	0.89%
Steel & Engineering	10,718,891,585	5.45%	10,930,918,259	5.54%
Food Processing & Beverage	11,586,731,440	5.90%	14,270,811,185	7.23%
Power & Energy	6,157,617,851	3.13%	4,577,192,177	2.32%
Paper & Paper Products	2,220,723,185	1.13%	2,278,584,229	1.15%
Plastic & Plastic Product	5,605,896,330	2.85%	5,715,496,150	2.90%
Electronics	5,629,384,876	2.86%	5,205,879,865	2.64%
Services Industries	6,660,892,213	3.39%	6,472,954,026	3.28%
Trading	31,252,429,405	15.90%	33,629,882,240	17.05%
Construction incl. Work Order Financing	20,620,941,948	10.49%	20,677,875,093	10.48%
Share business	2,256,505,482	1.15%	2,104,924,367	1.07%
Staff Investment	1,881,187,195	0.96%	1,594,249,991	0.81%
Others	17,685,337,995	9.00%	20,713,008,331	10.50%
<b>Total</b>	<b>196,512,651,241</b>	<b>100.00%</b>	<b>197,285,680,082</b>	<b>100.00%</b>

#### 8a.6 Geographical Location-wise Investments

Area	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
<b>i) Inside Bangladesh</b>				
<b>b) In Urban Areas</b>				
Dhaka	139,611,824,666	74.75%	140,650,645,454	75.20%
Chattogram	31,718,061,626	16.98%	31,812,635,642	17.01%
Sylhet	1,803,989,407	0.97%	1,849,082,193	0.99%
Rajshahi	5,037,596,743	2.70%	4,727,604,198	2.53%
Rangpur	1,370,436,948	0.73%	1,380,517,101	0.74%
Khulna	5,217,920,865	2.79%	4,779,313,497	2.56%
Barishal	587,326,482	0.31%	483,492,853	0.26%
Mymensingh	1,417,037,704	0.76%	1,355,735,067	0.72%
<b>Sub-total</b>	<b>186,764,194,441</b>	<b>100%</b>	<b>187,039,026,005</b>	<b>100%</b>
<b>a) In Rural Areas</b>				
Dhaka	6,534,764,955	67.03%	7,003,688,496	68.35%
Chattogram	1,363,660,141	13.99%	1,375,523,316	13.42%
Sylhet	179,404,330	1.84%	193,277,081	1.89%
Rajshahi	488,611,551	5.01%	524,695,751	5.12%
Khulna	762,894,796	7.83%	772,273,512	7.54%
Barishal	248,239,171	2.55%	201,760,903	1.97%
Mymensingh	170,881,855	1.75%	175,435,020	1.71%
<b>Sub-total</b>	<b>9,748,456,799</b>	<b>100%</b>	<b>10,246,654,078</b>	<b>100%</b>
<b>ii) Outside Bangladesh</b>				
<b>Total</b>	<b>196,512,651,241</b>	<b>100%</b>	<b>197,285,680,082</b>	<b>100%</b>

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

Status	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
<b>Unclassified:</b>				
Standard (including staff Investment)	181,843,113,633	92.54%	182,161,022,883	92.33%
Special Mention Account (SMA)	5,696,061,505	2.90%	5,437,334,936	2.76%
<b>Sub-total</b>	<b>187,539,175,138</b>		<b>187,598,357,819</b>	
<b>Classified</b>				
Substandard	355,172,100	0.18%	647,654,003	0.33%
Doubtful	444,099,969	0.23%	522,812,490	0.27%
Bad or loss	8,174,204,033	4.16%	8,516,855,771	4.32%
<b>Sub-total</b>	<b>8,973,476,102</b>		<b>9,687,322,264</b>	
<b>Grand Total</b>	<b>196,512,651,241</b>	<b>100.00%</b>	<b>197,285,680,082</b>	<b>100.00%</b>

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

Status	Basis for Provision	Rate	31.12.2020 Taka	31.12.2019 Taka
Standard:				
Unclassified (excluding Staff Investments)	112,398,437,987	1% (ex. RSDL BB NOC)	1,123,984,380	1,106,812,741
Staff Investments	1,881,187,195	0%	-	-
Consumer Financing (Other than HF & LP)	766,891,570	2%	15,337,831	33,042,516
Small & Medium Enterprise	62,751,407,604	0.25%	156,878,519	157,131,589
Housing Finance (HF)	1,910,777,568	1%	19,107,776	23,474,304
Loan for Professionals (LP)	1,844,551	2%	36,891	72,220
Share Business	2,017,425,264	2%	40,348,505	35,961,727
Short Term Agri Credit	3,503,067	1%	35,031	17,469
Islamic Credit Card	114,248,629	2%	2,284,973	644,713
SMA	5,696,061,505		38,449,401	25,159,291
Special Reschedule & One time Exit			562,497,776	518,362,000
Special General Provision for "COVID-19"			263,071,409	-
			<b>2,222,032,492</b>	<b>1,900,678,570</b>
Sub-standard	355,172,100	20% & 5% (Agri, Cottage & Micro Credit)	7,352,179	43,914,444
Doubtful	444,099,969	50%; 20% (Cottage & Micro Credit) & 5% (Agri)	49,220,300	82,748,818
Bad or loss	8,174,204,033	100%	2,812,032,962	2,697,082,525
Reschedule (BB NOC)			564,940,000	434,529,000
			<b>3,433,545,442</b>	<b>3,258,274,787</b>
Required provision for Investments			<b>5,655,577,933</b>	<b>5,158,953,357</b>
Total provision maintained {note-15a.1(a) & (b)}			<b>5,664,361,818</b>	<b>5,159,213,053</b>
<b>Surplus/(Shortfall) Provision</b>			<b>8,783,884</b>	<b>259,697</b>

The Bank has maintained provision on unclassified investments amounting to Tk. 2,224,300,000 (note-15a.1.b) and for classified investments amounting to Tk. 3,440,061,818 (note-15a.1.a), totaling Tk. 5,664,361,818. These exist surplus of Tk. 8,783,884 against the required provision.

**8a.9 Particulars of Provision for Off-balance Sheet Items**

Status	Basis for Provision	Rate	Rate
		1%	1%
Acceptances & endorsements	27,486,835,845	274,868,358	350,644,930
Letters of Guarantee	31,092,059,818	310,920,598	297,496,685
Irrevocable Letters of Credit	34,857,199,890	348,571,999	220,541,506
Bills for collection	78,189,718	781,897	580,795
<b>Required provision for Off-balance Sheet Items</b>	<b>93,514,285,271</b>	<b>935,142,853</b>	<b>869,263,916</b>
Provision maintained {note-15a.1(c)}		935,200,000	869,300,000
<b>Surplus Provision</b>		<b>57,147</b>	<b>36,084</b>

**8a.10 Particulars of Investments**

	31.12.2020 Taka	31.12.2019 Taka
(i) Investments considered good in respect of which the banking company is fully secured	162,429,626,281	163,149,340,571
(ii) Investments considered good for which the banking company holds no other security than the debtor's personal security	31,363,419,138	31,486,794,541
(iii) Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	2,719,605,821	2,649,544,970
(iv) Investments considered bad or doubtful not provided for	-	-
	<b>196,512,651,241</b>	<b>197,285,680,082</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>1,881,187,195</b>	<b>1,594,249,991</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>2,422,671,777</b>	<b>2,201,648,077</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>1,881,187,195</b>	<b>1,594,249,991</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>2,422,671,777</b>	<b>2,201,648,077</b>
(ix) Investments due from other Banks	-	-



**(x) Classified Investment on which profit has not been charged****a. Movement of Classified Investments:**

Opening Balance

Increase/ (Decrease) during the year

i) (Decrease)/Increase of specific provision

ii) Amount of written off investment during the year against which fully provided

iii) Amount recovered against the investment which was previously written off

**b. Amount of provision kept against classified Investment as bad or Loss on the reporting day of Balance Sheet****c. Amount of Profit charged in suspense Account****(xi) Cumulative amount of written off Investments**

Opening Balance

Amount written off during the year

Total amount of written off investment

**9 Consolidated Fixed Assets including Premises, Furniture and 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, Furniture and Fixtures of the Bank****Tangible Assets:****Cost**

Land

Building

Head Office Building under construction

Furniture &amp; Fixtures

Office Equipment

Computer &amp; 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 (RoU) Assets are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities (Note-2.17).

For details please refer to Annexure-B.

**10 Consolidated Other Assets**

Shahjalal Islami Bank Ltd

(Note-10a)

Shahjalal Islami Bank Securities Ltd

Less: Inter Company transaction

31.12.2020 Taka	31.12.2019 Taka
<b>8,973,476,102</b>	<b>9,687,322,264</b>
9,687,322,264	12,723,295,289
(713,846,161)	(3,035,973,025)
<b>8,973,476,102</b>	<b>9,687,322,264</b>
<b>181,648,765</b>	<b>813,442,977</b>
-	193,235,991
<b>24,654,765</b>	<b>25,546,074</b>
<b>3,440,061,818</b>	<b>3,258,413,053</b>
<b>3,913,186,052</b>	<b>2,672,956,646</b>
4,656,906,702	4,463,670,712
-	193,235,991
<b>4,656,906,702</b>	<b>4,656,906,702</b>
6,388,016,160	5,801,951,877
204,925,593	112,373,698
<b>6,592,941,753</b>	<b>5,914,325,575</b>
1,647,365,915	1,297,981,423
72,763,766	58,712,793
<b>1,720,129,681</b>	<b>1,356,694,216</b>
<b>4,872,812,072</b>	<b>4,557,631,359</b>
1,876,724,350	1,876,724,350
893,986,278	893,923,450
-	89,165,998
1,108,875,244	1,022,398,736
748,190,288	660,138,562
609,210,291	476,949,060
116,941,907	114,089,748
884,017,237	523,964,749
1,042,667	1,042,667
<b>6,238,988,262</b>	<b>5,658,397,319</b>
1,500,711,525	1,148,290,395
19,783,161	38,658,338
<b>4,718,493,576</b>	<b>4,471,448,586</b>
62,615,431	62,615,430
86,412,468	80,939,128
<b>149,027,899</b>	<b>143,554,558</b>
126,871,229	111,032,689
<b>22,156,670</b>	<b>32,521,869</b>
<b>4,740,650,245</b>	<b>4,503,970,454</b>
18,018,050,356	15,983,396,045
414,171,745	374,944,517
<b>18,432,222,101</b>	<b>16,358,340,562</b>
2,515,000,000	2,515,000,000
<b>15,917,222,101</b>	<b>13,843,340,562</b>



#### 10.1 Consolidated Advance Tax

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-10a.4)

31.12.2020 Taka	31.12.2019 Taka
14,797,808,219	12,641,625,772
354,037,731	324,377,783
<b>15,151,845,950</b>	<b>12,966,003,555</b>

#### 10a Other Assets of the Bank

##### Income Generating:

Shahjalal Islami Bank Securities Ltd

(Note-10a.3)

2,515,000,000	2,515,000,000
<b>2,515,000,000</b>	<b>2,515,000,000</b>

##### Non Income Generating:

Stock of Stationery, Stamps and printing materials etc. (valued at cost)

Advance Rent and Security Deposit

Suspense Account

Profit Receivable

Other Prepayments

Advance Insurance Premium

Advance for New Branches

Advance Tax Paid

Other Receivables

SJIBL General Account-Net

Balance with OBU

(Note-10a.4)

(Note-10a.5)

21,388,644	23,810,353
84,983,375	137,044,277
112,787,431	145,734,796
345,276,627	313,492,263
90,173,713	90,351,271
19,821,018	60,515,770
-	9,755,760
14,797,808,219	12,641,625,772
3,181,647	3,181,647
27,629,682	42,884,136
8,228,144,000	10,382,701,170
<b>23,731,194,356</b>	<b>23,851,097,215</b>
8,228,144,000	10,382,701,170
<b>15,503,050,356</b>	<b>13,468,396,045</b>
<b>18,018,050,356</b>	<b>15,983,396,045</b>

Less: Offshore Banking Unit

**Sub-total**

#### 10a.1 Suspense Account

Sundry Debtors

Excise Duty on MTDR

Advance against TA/DA

Advance against Petty Cash

Law Charges

Stamp

Others

8,831,043	66,258,042
27,491,651	26,884,331
-	9,030
608,000	450,000
54,620,243	51,101,981
467,350	299,930
20,769,143	731,482
<b>112,787,431</b>	<b>145,734,796</b>

The detail breakup of unadjusted suspense accounts are given below:

(Amount in '000)

Sl. #	Break-up	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	1,620	50	3,568	3,593	-
2	Advance against TA/DA	-	-	-	-	-
3	Advance against Petty Cash	608	-	-	-	-
4	Legal Expenses	7,611	1,349	1,058	1,339	43,263
5	Others	43,793	2,173	826	662	1,274
	<b>Grand Total</b>	<b>53,632</b>	<b>3,572</b>	<b>5,452</b>	<b>5,594</b>	<b>44,537</b>

#### 10a.2 Profit Receivable

Placement to Other Banks-MTDR

Placement to Financial Institutions-MTDR

Profit on Investment against MSD

On Investments

173,353,869	57,931,924
61,020,625	147,342,639
376,118	376,118
110,526,016	107,841,582
<b>345,276,627</b>	<b>313,492,263</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 25 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 the Bank holds 91.79% of its paid-up capital.

#### 10a.4 Advance Tax Paid

Balance at the beginning of the year

Paid during the year

12,641,625,772	10,688,849,451
2,156,182,447	1,952,776,321
<b>14,797,808,219</b>	<b>12,641,625,772</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 is given below:

	Debit		Credit	
	No. of Entry	Amount	No. of Entry	Amount
Up to 3 months	547	35,064,833	231	7,435,150
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<b>547</b>	<b>35,064,833</b>	<b>231</b>	<b>7,435,150</b>
<b>Net unreconciled amount</b>				<b>27,629,682</b>

There are no outstanding unreconciled entries for more than 03 months. However, outstanding entries on Balance Sheet date are subsequently reconciled.

# 11 Non-Banking Assets

Shahjalal Islami Bank Ltd

**88,909,355**

**88,909,355**

The Bank was awarded absolute ownership on some 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 these assets was recorded in equivalent to the client's adjustable outstanding. Following are the details:

Sl. #	Name of Parties	Assets Details		
i)	Haque Steel & Re-Rolling Industries Pvt. Ltd.	i) 26 (twenty six) decimals land situated at Savar, Mouza: Boroboreshi ii) 160.50 decimals land together with building structures standing and/or existing therein and appurtenance thereto situated at Narayanganj, Mouza: Dapa Idrakpur. Carrying value of which was <b>BDT 1741.59 Lac (Market Value)</b> . Entitlement Date: 12 October 2014	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 May 2015	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 November 2017	31,468,345	31,468,345
iv)	Md. Mehedul Islam	i) 04 (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 April 2017	3,380,238	3,380,238
v)	Sohel Enterprise	i) 08 (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 November 2017	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  
Shahjalal Islami Bank Securities Ltd

(Note-12a)

Less: Inter Company Transaction

31.12.2020 Taka	31.12.2019 Taka
19,730,962,466	11,382,596,297
2,137,336,443	2,153,714,228
<b>21,868,298,909</b>	<b>13,536,310,525</b>
2,011,859,181	1,783,772,006
<b>19,856,439,728</b>	<b>11,752,538,519</b>

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

Islamic Refinance Fund - Bangladesh Bank  
 Export Development Fund - Bangladesh Bank  
 Financial Stimulus Fund - Bangladesh Bank  
 Mudaraba Term Deposit from other Banks  
 Borrowing from Offshore Banking Unit (OBU)

(Note-12a.1)

Less: Offshore Banking Unit

31.12.2020 Taka	31.12.2019 Taka
-	103,483,500
13,684,954,633	10,017,057,797
2,230,007,833	-
3,816,000,000	1,262,055,000
165,395	20,847,035
<b>19,731,127,861</b>	<b>11,403,443,332</b>
165,395	20,847,035
<b>19,730,962,466</b>	<b>11,382,596,297</b>

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

Agrani Bank Limited  
 Bank Alfalah Limited  
 United Commercial Bank Limited  
 Southeast Bank Limited  
 Jamuna Bank Limited  
 Dhaka Bank Limited  
 Sonali Bank Limited

**Sub-total****Outside Bangladesh**

Bank Muscat SAOG  
 National Bank of Ras Al-Khaimah (P.S.C.)

**Sub-total****Grand Total**

424,000,000	80,000,000
254,400,000	-
1,865,600,000	-
339,200,000	-
254,400,000	-
678,400,000	-
-	78,355,000
<b>3,816,000,000</b>	<b>158,355,000</b>
-	764,100,000
-	339,600,000
-	<b>1,103,700,000</b>
<b>3,816,000,000</b>	<b>1,262,055,000</b>

**13 Consolidated Deposits and Other Accounts****Al-Wadeeah Current Deposits & Other Accounts**

Shahjalal Islami Bank Ltd  
 Shahjalal Islami Bank Securities Ltd

(Note-13a)

Less: Inter Company Transaction

34,433,462,289	28,408,133,488
-	-
<b>34,433,462,289</b>	<b>28,408,133,488</b>
6,895	7,772
<b>34,433,455,394</b>	<b>28,408,125,716</b>

**Bills Payable**

Shahjalal Islami Bank Ltd  
 Shahjalal Islami Bank Securities Ltd

(Note-13a)

3,889,060,291	4,335,581,019
-	-
<b>3,889,060,291</b>	<b>4,335,581,019</b>

**Mudaraba Savings Deposits**

Shahjalal Islami Bank Ltd  
 Shahjalal Islami Bank Securities Ltd

(Note-13a)

Less: Inter Company Transaction

30,316,566,001	24,786,167,880
-	-
<b>30,316,566,001</b>	<b>24,786,167,880</b>
9,579	3,152
<b>30,316,556,422</b>	<b>24,786,164,728</b>

**Mudaraba Term Deposits**

Shahjalal Islami Bank Ltd  
 Shahjalal Islami Bank Securities Ltd

(Note-13a)

81,508,507,043	82,805,155,336
-	-
<b>81,508,507,043</b>	<b>82,805,155,336</b>

**Other Mudaraba Deposits**

Shahjalal Islami Bank Ltd  
 Shahjalal Islami Bank Securities Ltd

(Note-13a)

68,295,354,091	62,937,938,001
-	-
<b>68,295,354,091</b>	<b>62,937,938,001</b>
388,122,723	146,411,010
<b>67,907,231,368</b>	<b>62,791,526,991</b>

Less: Inter Company Transaction

<b>218,054,810,518</b>	<b>203,126,553,791</b>
------------------------	------------------------

**Total****13a Deposits and Other Accounts of the Bank****Al-Wadeeah Current Deposits & Other Accounts**

Al-Wadeeah Current Deposits  
 Deposits from Other Banks  
 Foreign Currency Deposits  
 Non-Resident Taka Account  
 Profit Payable  
 Sundry Deposits  
 Unclaimed Dividend

(Note-13a.5)

Less: Offshore Banking Unit

11,675,535,837	9,813,296,623
11,619,252	4,282,200
4,477,014,117	3,227,852,964
17,480,771	25,244,993
1,295,790,027	1,971,040,298
16,948,661,590	13,348,465,716
29,099,411	23,540,868
<b>34,455,201,004</b>	<b>28,413,723,661</b>
21,738,715	5,590,174
<b>34,433,462,289</b>	<b>28,408,133,488</b>



**Bills Payable**

Payable inside Bangladesh  
Payment Order Issued  
Demand Draft Payable  
Electronic Fund Transfer

Payable outside Bangladesh

**Mudaraba Savings Deposits**

General Deposits  
Foreign Currency Deposits  
Deposits from Other Banks

(Note-13a.3)

**Mudaraba Term Deposits**

General Deposits  
Foreign Currency Deposits

**Other Mudaraba Deposits**

Mudaraba Special Notice Deposits  
Mudaraba Scheme Deposits  
Deposits from Other Banks (SND)

(Note-13a.1)

(Note-13a.3)

**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

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

General Deposits  
Deposits from Other Banks

(Note- 13a.3)

**13a.3 Deposits from Other Banks****Mudaraba Special Notice Deposits**

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

**Mudaraba Savings Deposit**

Al-Arafah Islami Bank Limited

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

Repayable on demand  
Within 1 month  
Over 1 month 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

31.12.2020 Taka	31.12.2019 Taka
3,884,585,899	4,330,970,783
4,072,349	4,074,749
402,043	535,487
<b>3,889,060,291</b>	<b>4,335,581,019</b>
-	-
<b>3,889,060,291</b>	<b>4,335,581,019</b>
30,280,128,794	24,751,894,752
36,437,207	34,272,997
-	132
<b>30,316,566,001</b>	<b>24,786,167,880</b>
81,283,563,629	82,587,971,836
224,943,414	217,183,500
<b>81,508,507,043</b>	<b>82,805,155,336</b>
11,669,807,096	8,839,368,421
54,653,870,608	52,493,668,437
1,971,676,388	1,604,901,143
<b>68,295,354,091</b>	<b>62,937,938,001</b>
<b>218,442,949,715</b>	<b>203,272,975,725</b>
8,488,692,557	8,266,851,559
7,774,410,663	9,359,459,665
19,039,021,351	18,496,346,753
18,925,367,653	15,966,345,718
337,182,236	276,037,869
10,630,288	5,133,605
1,512,947	6,365,302
1,091,557	3,815,154
132	65,289
44,180,960	61,360,042
31,780,264	51,887,482
<b>54,653,870,608</b>	<b>52,493,668,437</b>
216,471,273,327	201,668,074,450
1,971,676,388	1,604,901,275
<b>218,442,949,715</b>	<b>203,272,975,725</b>
52,883,102	22,728,054
12,406	12,163
630,424	548,132
1,885,392,966	1,569,273,804
29,185,933	8,889,910
643,169	631,066
8,001	8,977
2,626,001	2,617,858
195,082	191,179
99,304	-
<b>1,971,676,388</b>	<b>1,604,901,143</b>
-	132
-	132
<b>1,971,676,388</b>	<b>1,604,901,275</b>
17,475,435,977	16,263,566,507.99
17,344,370,207	16,139,874,273
58,979,596,423	54,883,703,446
69,617,768,074	64,785,837,273
19,550,643,999	18,202,045,088
35,475,135,034	32,997,949,137
<b>218,442,949,715</b>	<b>203,272,975,725</b>

**13a.5 Unclaimed Dividend**

Dividend remained unclaimed which were declared for the year:

2014  
2015  
2016  
2019

31.12.2020 Taka	31.12.2019 Taka
8,491,261	8,495,614
9,108,885	9,117,480
5,918,748	5,927,774
5,580,517	-
<b>29,099,411</b>	<b>23,540,868</b>

**14 Mudaraba Subordinated Bond**

Mudaraba Subordinated Bond

<b>9,200,000,000</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 Subordinated 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 June 2017	19 December 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 at 31 December 2020)	Bond Issued (Taka)	Outstanding (as at 31 December 2020)
EXIM Bank Limited	1,750,000,000	1,400,000,000	1,000,000,000	1,000,000,000
Pubali Bank Limited	700,000,000	560,000,000	-	-
Rupali Bank Limited	700,000,000	560,000,000	750,000,000	750,000,000
Uttara Bank Limited	500,000,000	400,000,000	-	-
Southeast Bank Limited	350,000,000	280,000,000	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>3,200,000,000</b>	<b>6,000,000,000</b>	<b>6,000,000,000</b>

**15 Consolidated Other Liabilities**

Shahjalal Islami Bank Ltd	(Note-15a)	27,935,935,686	24,641,621,683
Shahjalal Islami Bank Securities Ltd		2,467,300,332	2,129,693,876
		<b>30,403,236,018</b>	<b>26,771,315,560</b>
Less: Inter Company Transaction		-	-
		<b>30,403,236,018</b>	<b>26,771,315,560</b>

**15.1 Consolidated Provision for Current Tax**

Shahjalal Islami Bank Ltd	(Note-15a.2)	14,949,163,422	13,224,746,710
Shahjalal Islami Bank Securities Ltd		367,630,095	345,040,992
		<b>15,316,793,517</b>	<b>13,569,787,703</b>

**15.2 Consolidated Current Tax Expenses**

Shahjalal Islami Bank Ltd	(Note-15a.2)	1,664,048,258	2,130,236,894
Shahjalal Islami Bank Securities Ltd		22,589,103	28,070,778
		<b>1,686,637,361</b>	<b>2,158,307,672</b>

**15.3 Provision against Entries of Nostro Account**

No provision is required as per Circular Letter no. FEPD(FEMO)/01/2005-677 dated 13 September 2005 for unreconciled Nostro debit entries as there is no outstanding entry over 03 months (note-5a.3).





**15a Other Liabilities of the Bank**

		31.12.2020 Taka	31.12.2019 Taka
Profit Payable		22,080,954	33,907,105
Provision for Investment	{Note-15a.1 (a) & (b)}	5,664,361,818	5,159,213,053
Provision for Off-balance Sheet items	{Note-15a.1 (c)}	935,200,000	869,300,000
Provision for Other Assets	{Note-15a.1 (d)}	81,965,000	37,765,000
Provisions for Investments in Securities	{Note-15a.1 (e)}	658,560,000	797,760,000
Provision for Taxation	{Note-15a.2}	14,949,163,422	13,224,746,710
Profit Suspense Account	{Note-15(a).1 (f)}	3,218,459,970	1,913,003,426
Compensation Realisable & Suspense Account		694,726,082	759,953,219
Compensation Realised Account		466,704,500	714,662,624
Other Payables		202,888,051	371,093,474
Outstanding Expenses		279,571,450	326,342,252
Unearned Income on Quard		35,643,836	2,270,063
Lease Liabilities as per IFRS 16 Leases *	{Note-2.7.6}	726,610,603	431,604,755
		<b>27,935,935,686</b>	<b>24,641,621,683</b>

\* As per note-2.7.6, in accordance with IFRS 16, the Bank has recognised the lease liabilities.

**15a.1 Provision for Investment**

**(a) Provision on Classified Investments**

Provision held at the beginning of the year	3,258,413,053	2,444,970,076
Amount transferred to Compensation Realised A/C	-	(200,000,000)
Written-off Recovery	24,654,765	25,546,074
Net charge to Profit and Loss Account	156,994,000	1,160,780,000
Fully provided investment written-off during the year	-	(172,883,097)
<b>Provision held at the end of the year</b>	<b>3,440,061,818</b>	<b>3,258,413,053</b>

**(b) General Provision on Unclassified Investments**

Provision held at the beginning of the year	1,900,800,000	1,375,400,000
Provision transferred from Provision for Investments in Securities	95,000,000	-
Addition during the year	228,500,000	525,400,000
<b>Balance at the end of the year</b>	<b>2,224,300,000</b>	<b>1,900,800,000</b>
<b>Total Provision for Investments (a+b)</b>	<b>5,664,361,818</b>	<b>5,159,213,053</b>

**(c) General Provision on Off-balance Sheet Items**

Provision held at the beginning of the year	869,300,000	837,100,000
Addition during the year	65,900,000	32,200,000
<b>Balance at the end of the year</b>	<b>935,200,000</b>	<b>869,300,000</b>
<b>Total Provision for Investments &amp; Off-balance Sheet Items (a+b+c)</b>	<b>6,599,561,818</b>	<b>6,028,513,053</b>

**(d) Provision for Other Assets**

Provision held at the beginning of the year	37,765,000	37,765,000
Transfer from Provision for Investments in Securities	44,200,000	-
<b>Balance at the end of the year</b>	<b>81,965,000</b>	<b>37,765,000</b>

**(e) Provision for Investments in Securities**

Provision held at the beginning of the year	797,760,000	545,160,000
Transfer to Provision on Unclassified Investments	(95,000,000)	-
Transfer to Provision for Other Assets	(44,200,000)	-
Addition during the year	-	252,600,000
<b>Balance at the end of the year</b>	<b>658,560,000</b>	<b>797,760,000</b>

**(f) Profit Suspense Account**

Balance at the beginning of the year	1,913,003,426	741,880,059
Amount transferred to suspense account during the year	3,119,752,786	2,262,057,857
Amount recovered from suspense account during the year	(1,796,506,920)	(1,058,784,667)
Amount waived/ written-off during the year	(17,789,322)	(32,149,822)
<b>Balance at the end of the year</b>	<b>3,218,459,970</b>	<b>1,913,003,426</b>

**15a.2 Provision for Taxation**

**Provision for Current Tax**

Balance at the beginning of the year	13,224,746,710	11,094,509,817
Add: Provision made during the year	1,664,048,258	2,130,236,894
Add: Provision made on other income during the year	60,368,453	-
<b>Balance at the end of the year</b>	<b>14,949,163,422</b>	<b>13,224,746,710</b>

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 off, there should not be any additional tax demand against the Bank and hence no further provision is required.

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

Income tax @ 37.50% on estimated taxable Business Profit	1,711,526,097	2,116,743,130
Income tax @ 20.00% on Dividend Income	9,266,236	9,427,864
Income tax @ 10% on Capital Gain on Sale of Shares	3,624,378	4,065,899
<b>Estimated Total Provision Required</b>	<b>1,724,416,711</b>	<b>2,130,236,894</b>



Computation of Taxable Business Profit  
Profit before Tax  
Add: Inadmissible expenditures  
Less: Allowable Expenditure & Separate consideration  
**Estimated Taxable Business Profit for the year**

31.12.2020 Taka	31.12.2019 Taka
3,643,419,997	3,894,149,945
1,463,630,954	2,318,905,843
542,981,360	568,407,441
<b>4,564,069,591</b>	<b>5,644,648,347</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**

37.5%	3,643,419,997	3,894,149,945
	1,366,282,499	1,460,306,230
13.41%	488,493,155	869,589,691
-4.74%	(172,652,399)	(180,228,423)
-0.22%	(8,107,957)	(8,249,381)
-0.27%	(9,967,040)	(11,181,223)
<b>45.67%</b>	<b>1,664,048,258</b>	<b>2,130,236,894</b>

**16 Consolidated Deferred Tax Liabilities**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-16a)

259,248,945	188,075,793
(2,571,206)	(1,752,809)
<b>256,677,740</b>	<b>186,322,984</b>

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

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

188,075,793	142,464,474
71,173,152	45,611,319
<b>259,248,945</b>	<b>188,075,793</b>

**16a.1 Deferred Tax (assets)/liabilities**

Fixed Assets (as per Financial Statements)  
Less: Carrying amount of vehicles purchase over the allowable limit

4,740,650,245	4,503,970,454
15,689,567	17,492,510
<b>4,724,960,679</b>	<b>4,486,477,944</b>

Tax base carrying amount

4,033,630,158	3,984,942,496
<b>691,330,521</b>	<b>501,535,448</b>

**Deferred Tax (assets)/liabilities**

<b>259,248,945</b>	<b>188,075,793</b>
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**17 Capital**

**17.1 Authorized Capital**

1,500,000,000 ordinary shares of Tk. 10 each

<b>15,000,000,000</b>	<b>10,000,000,000</b>
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The shareholders of the Bank in its 13th Extra Ordinary General Meeting (EGM) held on 12 August 2020 approved to increase the Authorised Capital of the Bank to Tk. 15,000,000,000 from Tk. 10,000,000,000.

**17.2 Issued, Subscribed and Paid-up Capital**

980,092,335 Ordinary Shares of Tk 10 each

<b>9,800,923,350</b>	<b>9,334,212,720</b>
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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  
5% Stock Dividend for the year 2019

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	848,564,790
466,710,630	-
<b>9,800,923,350</b>	<b>9,334,212,720</b>

**Holding**

Sponsor & Director Group  
Institutes Group  
General Shareholders Group  
Foreign Group

In year 2020: 48.77%; 2019: 43.22%  
In year 2020: 13.12%; 2019: 16.95%  
In year 2020: 37.96%; 2019: 39.51%  
In year 2020: 0.15%; 2019: 0.32%

4,779,921,720	4,034,924,630
1,285,929,520	1,582,810,850
3,719,941,250	3,686,976,990
15,130,860	29,500,250
<b>9,800,923,350</b>	<b>9,334,212,720</b>



**Classification of Shareholders by number of holding:****As at 31 December 2020**

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	13,776	1,885,248	0.19%
501-5,000	12,805	24,943,770	2.55%
5,001-10,000	1,155	7,715,234	0.79%
10,001-20,000	593	7,992,059	0.82%
20,001-30,000	203	5,057,314	0.52%
30,001-40,000	58	2,027,016	0.21%
40,001-50,000	51	2,291,804	0.23%
50,001-100,000	99	6,709,860	0.68%
100,001-1,000,000	102	32,567,798	3.32%
Over 1,000,000	82	888,902,232	90.70%
<b>Total</b>	<b>28,924</b>	<b>980,092,335</b>	<b>100.00%</b>

**As at 31 December 2019**

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 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%
50,001-100,000	90	5,989,571	0.64%
100,001-1,000,000	103	34,168,010	3.66%
Over 1,000,000	88	839,743,048	89.96%
<b>Total</b>	<b>31,022</b>	<b>933,421,272</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 Tier-I Capital (CET-I)**

i) Paid-up Capital

ii) Statutory Reserve

iii) Retained Earnings

iv) Capital Reserve

v) Non-controlling Interest

(Note-18)

(Note-19)

Less: Shortfall in provisions required against investment

**Additional Tier-I Capital (AT-I)****b) Gone Concern Capital (Tier-II):**

i) General Provision

ii) Mudaraba Subordinated Bond

**c) Total Eligible Regulatory Capital (a+b)****d) Consolidated Total Risk Weighted Assets****e) Minimum Required Capital (10% of Risk Weighted Assets)****f) Minimum Required Capital (12.50% of Risk Weighted Assets) including conservation buffer****g) Total Capital Surplus (c-e)****h) Total Capital Surplus considering conservation buffer (c-f)****Consolidated Capital to Risk Weighted Assets Ratio**

Particulars	2020		2019	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.82%	6.00%	8.43%
Common Equity Tier-I Capital: (CET-I)	4.50%	8.82%	4.50%	8.43%
Tier-I Plus Conservation Buffer	8.50%	8.82%	8.50%	8.43%
CET-I Plus Conservation Buffer	7.00%	8.82%	7.00%	8.43%
Gone Concern Capital: (Tier-II)	-	4.90%	-	6.43%
CRAR	10.00%	13.72%	10.00%	14.87%
CRAR including Conservation Buffer	12.50%	13.72%	12.50%	14.87%



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

1. Investment (Credit) Risk
    - On-balance Sheet
    - Off-balance Sheet
  2. Market Risk
  3. Operational Risk
- Consolidated Total Risk Weighted Assets (1+2+3)**

31.12.2020 Taka	31.12.2019 Taka
146,493,176,391	137,468,182,856
32,162,166,808	28,530,087,857
5,884,024,959	5,583,664,001
18,080,883,001	15,199,465,647
<b>202,620,251,158</b>	<b>186,781,400,361</b>

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

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

- i) Paid-up Capital
  - ii) Statutory Reserve
  - iii) Retained Earnings
- (Note-18)  
{Note-19(a)}

9,800,923,350	9,334,212,720
6,959,872,664	6,231,188,665
1,187,959,349	941,866,028
<b>17,948,755,363</b>	<b>16,507,267,412</b>

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

-	-
<b>17,948,755,363</b>	<b>16,507,267,412</b>

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

- i) General Provision
  - ii) Mudaraba Subordinated Bond
- {Note-15.1(b+c)}

3,159,500,000	2,770,100,000
6,720,000,000	9,200,000,000
<b>9,879,500,000</b>	<b>11,970,100,000</b>

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

<b>27,828,255,363</b>	<b>28,477,367,412</b>
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**d) Total Risk Weighted Assets**

<b>196,154,987,362</b>	<b>182,775,689,488</b>
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**e) Minimum Required Capital (10% of Risk Weighted Assets)**

<b>19,615,498,736</b>	<b>18,277,568,949</b>
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**f) Minimum Required Capital (12.50% of Risk Weighted Assets) including conservation buffer**

<b>24,519,373,420</b>	<b>22,846,961,186</b>
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**g) Total Capital Surplus (c-e)**

<b>8,212,756,627</b>	<b>10,199,798,464</b>
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**h) Total Capital Surplus considering conservation buffer (c-f)**

<b>3,308,881,943</b>	<b>5,630,406,226</b>
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**Capital Adequacy Ratio**

Particulars	2020		2019	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	9.15%	6.00%	9.03%
Common Equity Tier-I Capital: (CET-I)	4.50%	9.15%	4.50%	9.03%
Tier-I Plus Conservation Buffer	8.50%	9.15%	8.50%	9.03%
CET-I Plus Conservation Buffer	7.00%	9.15%	7.00%	9.03%
Gone Concern Capital: (Tier-II)	-	5.04%	-	6.55%
CRAR	10.00%	14.19%	10.00%	15.58%
CRAR including Conservation Buffer	12.50%	14.19%	12.50%	15.58%

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

1. Investment (Credit) Risk
    - On-balance Sheet
    - Off-balance Sheet
  2. Market Risk
  3. Operational Risk
- Total Risk Weighted Assets (1+2+3)**

143,018,801,812	135,786,054,271
32,162,166,808	28,530,087,857
4,135,709,903	4,076,803,893
16,838,308,839	14,382,743,467
<b>196,154,987,362</b>	<b>182,775,689,488</b>

**17.7 Non-controlling Interest**

- Opening balance
- Share of current year's profit

226,408,192	231,307,418
468,914	(4,899,226)
<b>226,877,106</b>	<b>226,408,192</b>

**18 Statutory Reserve**

- Opening balance
- Add: Addition during the year

6,231,188,665	5,452,358,676
728,684,000	778,829,989
<b>6,959,872,664</b>	<b>6,231,188,665</b>

**19 Consolidated Retained Earnings**

- Shahjalal Islami Bank Ltd
  - Shahjalal Islami Bank Securities Ltd
  - Less: Non-controlling Interest
- (Note-19a)

1,187,959,349	941,866,028
19,980,021	14,269,694
<b>1,207,939,370</b>	<b>956,135,722</b>
1,877,106	1,408,192
<b>1,206,062,264</b>	<b>954,727,530</b>





**19.1 Consolidated current year's Retained Earnings**

Current Year  
Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-19a)

Less: Non-controlling Interest

**19a Retained Earnings of the Bank**

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

**20 Letters of Guarantee**

Letters of Guarantee (Local)  
Letters of Guarantee (Foreign)  
Back to Back Usance

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

**21 Irrevocable Letters of Credit**

Letters of credit

**22 Consolidated Profit and Loss Account**

**Income:**

Profit on Investments  
Income from Investments in securities  
Dividend Income  
Commission, Exchange and Brokerage  
Gains less losses arising from Investments in Securities  
Other Operating Income

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

**Expenses:**

Profit paid on Deposits  
Administrative Expenses  
Other operating Expenses  
Depreciation on Banking Assets

(Note-24)

**Profit/(Loss) before Provision**

**22a Profit and Loss Account of the Bank**

**Income:**

Profit on Investments  
Income from Investments in Securities  
Dividend Income  
Commission, Exchange and Brokerage  
Gains less losses arising from Investments in Securities  
Other Operating Income

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

**Expenses:**

Profit paid on Deposits  
Administrative Expenses  
Other Operating Expenses  
Depreciation on Banking Assets

(Note-24a)

**Profit/(Loss) before Provision**

31.12.2020 Taka	31.12.2019 Taka
1,179,514,587	939,471,743
5,710,327	(59,661,685)
<b>1,185,224,915</b>	<b>879,810,058</b>
468,914	(4,899,226)
<b>1,184,756,001</b>	<b>884,709,284</b>
941,866,028	850,959,074
933,421,266	848,564,790
1,179,514,587	939,471,743
<b>1,187,959,349</b>	<b>941,866,028</b>
30,289,472,406	28,843,951,731
801,654,425	903,954,700
932,987	1,762,099
<b>31,092,059,818</b>	<b>29,749,668,530</b>
-	-
-	-
-	-
31,092,059,818	29,749,668,530
<b>31,092,059,818</b>	<b>29,749,668,530</b>
34,857,199,890	31,562,148,000
<b>34,857,199,890</b>	<b>31,562,148,000</b>
<b>2020 Taka</b>	<b>2019 Taka</b>
16,986,601,742	20,301,832,199
640,308,884	466,594,260
46,331,181	47,139,321
1,857,875,279	2,152,478,637
36,243,782	40,658,993
818,539,311	797,137,757
<b>20,385,900,179</b>	<b>23,805,841,167</b>
11,440,711,730	13,206,651,379
3,814,411,876	3,812,564,425
620,498,003	675,394,431
387,983,538	278,415,581
<b>16,263,605,148</b>	<b>17,973,025,816</b>
<b>4,122,295,031</b>	<b>5,832,815,351</b>
17,033,748,679	20,290,692,595
542,747,982	390,963,091
46,331,181	47,139,321
1,752,496,265	2,057,856,991
36,243,782	40,658,993
812,353,493	791,003,472
<b>20,223,921,381</b>	<b>23,618,314,463</b>
11,418,428,603	13,112,331,753
3,749,616,591	3,728,328,029
591,894,537	643,198,651
369,167,653	269,326,085
<b>16,129,107,384</b>	<b>17,753,184,518</b>
<b>4,094,813,997</b>	<b>5,865,129,945</b>



**23 Consolidated Profit on Investments**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-23a)

Less: Inter Company Transaction

2020 Taka	2019 Taka
17,033,748,679	20,290,692,595
123,462,806	154,432,842
<b>17,157,211,485</b>	<b>20,445,125,437</b>
170,609,743	143,293,238
<b>16,986,601,742</b>	<b>20,301,832,199</b>

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

Profit on Investments\*  
Profit on Placement with Other Banks & Financial Institutions

(Note-23a.1)

15,843,375,369	18,758,587,936
1,190,373,310	1,532,104,659
<b>17,033,748,679</b>	<b>20,290,692,595</b>

\*In 2019, the Government declared that all types of lending rates would be as high as 9% and it was implemented in early 2020. Due to Central bank caps, the profit on investments reduced by 15.54% though investments reduced by 0.39%.

**23a.1 Profit on Investments**

Profit on Murabaha  
Profit on Bi-Muazzal  
Profit on Hire-Purchase  
Profit on Ijara  
Profit on Bi-Salam  
Profit on Inland Document Bill Purchased  
Profit on Foreign Document Bill Purchased  
Profit on Investment against Scheme Deposit  
Profit on Investment against Mudaraba Savings Deposit  
Profit on Investment against EDF  
Profit on Mudaraba  
Profit Received From Rescheduled Investment - Rent Mode  
Profit on Murabaha Import Bill (UPAS)  
Profit Received From HPSM  
Income from Islamic Credit Card  
Profit on Investment against Mudaraba Term Deposit  
Profit on Investment against Other Securities

1,109,903,419	1,660,265,911
9,104,442,339	10,299,879,634
3,455,609,394	4,415,878,748
222,743,348	259,688,076
262,155,491	258,303,279
368,430,483	523,076,006
15,072,467	22,667,162
62,344	22,175
17,496	16,349
230,756,959	323,169,155
761,976,531	627,033,099
192,947,399	255,053,690
98,193,920	105,590,987
1,746,074	2,192,323
19,317,704	5,671,888
-	74,455
-	5,000
<b>15,843,375,369</b>	<b>18,758,587,936</b>

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

Inside Bangladesh  
i) Mudaraba Deposits  
ii) Other Deposits/Fund  
  
Outside Bangladesh

10,201,549,400	13,896,361,943
5,641,825,969	4,862,225,993
<b>15,843,375,369</b>	<b>18,758,587,936</b>
-	-
<b>15,843,375,369</b>	<b>18,758,587,936</b>

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

Area	2020		2019	
	Amount	Composition	Amount	Composition
<b>i) Inside Bangladesh (note-22a.3.1)</b>				
a) In Rural Areas	841,932,474	5.31%	967,024,806	5.16%
b) In Urban Areas	15,001,442,895	94.69%	17,791,563,130	94.84%
<b>Sub-total</b>	<b>15,843,375,369</b>	<b>100.00%</b>	<b>18,758,587,936</b>	<b>100.00%</b>
ii) Outside Bangladesh	-	-	-	-
<b>Total</b>	<b>15,843,375,369</b>	<b>100.00%</b>	<b>18,758,587,936</b>	<b>100.00%</b>

**23a.3.1 Inside Bangladesh**

Area	As at 31 December 2020		As at 31 December 2019	
	Amount	Composition	Amount	Composition
<b>i) Inside Bangladesh</b>				
<b>a) In Rural Areas</b>				
Dhaka	591,924,826	3.74%	655,417,170	3.49%
Chattogram	81,905,212	0.52%	110,574,499	0.59%
Sylhet	15,524,251	0.10%	18,986,498	0.10%
Rajshahi	54,069,181	0.34%	62,306,376	0.33%
Khulna	61,867,460	0.39%	77,087,366	0.41%
Barishal	19,515,118	0.12%	21,918,641	0.12%
Mymensingh	17,126,427	0.11%	20,734,256	0.11%
<b>Sub-total</b>	<b>841,932,474</b>	<b>5.31%</b>	<b>967,024,806</b>	<b>5.16%</b>





<b>b) In Urban Areas</b>				
Dhaka	11,464,872,610	72.36%	13,639,037,028	72.71%
Chattogram	2,386,939,389	15.07%	2,741,319,378	14.61%
Sylhet	85,511,431	0.54%	121,124,735	0.65%
Rajshahi	401,845,274	2.54%	463,814,148	2.47%
Rangpur	102,541,153	0.65%	128,185,302	0.68%
Khulna	408,826,112	2.58%	519,200,711	2.77%
Barishal	47,407,122	0.30%	46,665,955	0.25%
Mymensingh	103,499,804	0.65%	132,215,873	0.70%
<b>Sub-total</b>	<b>15,001,442,895</b>	<b>94.69%</b>	<b>17,791,563,130</b>	<b>94.84%</b>
<b>ii) Outside Bangladesh</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>15,843,375,369</b>	<b>100%</b>	<b>18,758,587,936</b>	<b>100%</b>

		<b>2020</b>	<b>2019</b>
		<b>Taka</b>	<b>Taka</b>
<b>24 Consolidated Profit paid on Deposits</b>			
Shahjalal Islami Bank Ltd	(Note-24a)	11,418,428,603	13,112,331,753
Shahjalal Islami Bank Securities Ltd		200,279,831	241,265,463
		<b>11,618,708,434</b>	<b>13,353,597,216</b>
Less: Inter Company Transaction		177,996,704	146,945,837
		<b>11,440,711,730</b>	<b>13,206,651,379</b>
<b>24a Profit paid on Deposits of the Bank</b>			
Profit on Deposits*		10,568,923,180	11,498,851,386
Profit paid on Borrowings		849,505,423	1,613,480,367
		<b>11,418,428,603</b>	<b>13,112,331,753</b>
*The Bank accepted deposits at reduced rate in 2020 to align with lending rate cap of 9% as well as to improve the deposit mix. Resultant profit paid on deposits reduced by 8.09% though deposits increased by 7.46%.			
<b>24a.1 Profit paid on Borrowings</b>			
Profit paid on Borrowings		807,945,865	1,592,699,332
Profit Expenses of Lease Liabilities (as per IFRS 16 Leases)		41,559,558	20,781,035
		<b>849,505,423</b>	<b>1,613,480,367</b>
<b>25 Consolidated Income from Investments in Shares/Securities</b>			
Shahjalal Islami Bank Ltd	(Note-25a)	625,322,945	478,761,405
Shahjalal Islami Bank Securities Ltd		97,560,902	75,631,169
		<b>722,883,847</b>	<b>554,392,574</b>
Less: Dividend from Subsidiary		-	-
		<b>722,883,847</b>	<b>554,392,574</b>
<b>25a Income from Investments in Shares/Securities of the Bank</b>			
Income from Investments in Islami Bond		362,992,407	241,897,738
Income/(Loss) from Investments in Shares	(Note-25a.1)	36,243,782	40,658,993
Dividend Income		46,331,181	47,139,321
Income from Investments in Mudaraba Perpetual Bond (MPB)		4,690,000	4,510,000
Income from Investments in Subordinated Bond		175,065,574	144,555,353
		<b>625,322,945</b>	<b>478,761,405</b>
<b>25a.1 Income from investments in shares arisen through sale of listed shares in the Stock Exchanges.</b>			
<b>26 Consolidated Commission, Exchange and Brokerage</b>			
Shahjalal Islami Bank Ltd	(Note-26a)	1,752,496,265	2,057,856,991
Shahjalal Islami Bank Securities Ltd		105,379,014	94,621,646
		<b>1,857,875,279</b>	<b>2,152,478,637</b>
<b>26a Commission, Exchange and Brokerage of the Bank</b>			
Other commission		951,570,778	981,109,091
Exchange earnings	(Note-26a.1)	800,925,486	1,076,747,900
		<b>1,752,496,265</b>	<b>2,057,856,991</b>
<b>26a.1 Exchange Earnings</b>			
Gross exchange gain		1,447,471,501	1,629,486,465
Less: Exchange loss		646,546,015	552,738,565
<b>Net Exchange Gain</b>		<b>800,925,486</b>	<b>1,076,747,900</b>
<b>27 Consolidated Other Operating Income</b>			
Shahjalal Islami Bank Ltd	(Note-27a)	812,353,493	791,003,472
Shahjalal Islami Bank Securities Ltd		13,572,779	9,786,884
		<b>825,926,272</b>	<b>800,790,356</b>
Less: Inter Company Transaction		7,386,961	3,652,599
		<b>818,539,311</b>	<b>797,137,757</b>



**27a Other Operating Income of the Bank**

Postage, Telex, SWIFT & REUTERS  
Incidental Charge  
Supervision & Monitoring Charge  
Other Charges

(Note-27a.1)

2020 Taka	2019 Taka
124,486,149	122,326,905
720	7,045
7,906,201	17,850,129
679,960,422	650,819,393
<b>812,353,493</b>	<b>791,003,472</b>

**27a.1 Other Charges**

Rent receipts  
Charges on A/C closing  
Charges on clearing returned  
Cheque processing charge  
Service charges on Ijara  
Service charges on scheme investment  
Service charges on Quard  
Passport endorsement charge  
PO/DD cancellation charge  
Branch banking services  
Account maintenance fee  
Recoveries from cheque issue  
Income from sale of forms  
Service charge on SJIBL VISA Card  
Other Income From Islamic Credit Card  
Management Fees  
Notice pay earnings  
Rebate on Trade Finance  
Discrepancy Fee  
Profit on sale of Bank's Assets  
Provident Fund Forfeiture Balance Refund  
Miscellaneous income

5,159,057	4,589,125
398,509	488,661
1,955,700	2,875,330
2,768,329	3,564,438
36,500	93,000
1,542,850	1,506,295
77,519,798	66,173,508
21,650	85,800
232,417	105,565
18,489,798	19,164,779
73,936,079	83,011,185
5,063,941	6,283,435
5,423,201	5,597,055
91,279,563	61,762,156
6,635,007	2,759,417
521,421	653,534
3,872,662	4,277,746
77,696,346	79,975,475
186,691,638	183,786,407
594,121	7,192
2,586,653	-
117,535,182	124,059,291
<b>679,960,422</b>	<b>650,819,393</b>

**28 Consolidated Salaries & Allowances**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note- 28a)

2,980,281,717	2,911,379,476
51,218,912	51,427,395
<b>3,031,500,629</b>	<b>2,962,806,871</b>

**28a Salaries & Allowances of the Bank**

Basic Salary  
Allowances  
Bonus  
Bank's Contribution to Provident fund  
Leave Encashment

1,272,172,148	1,219,487,643
1,148,434,703	1,038,076,316
424,347,754	522,534,451
115,661,817	112,488,938
19,665,296	18,792,128
<b>2,980,281,717</b>	<b>2,911,379,476</b>

**29 Consolidated Rent, Taxes, Insurance, Electricity etc.**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note- 29a)

429,749,211	457,470,794
8,448,714	27,956,347
<b>438,197,925</b>	<b>485,427,141</b>

**29a Rent, Taxes, Insurance, Electricity etc. of the Bank**

Rent, Rates & Taxes  
Insurance  
Electricity & Lighting

182,550,529	224,282,977
170,771,492	151,227,323
76,427,190	81,960,494
<b>429,749,211</b>	<b>457,470,794</b>

**29a.1 Rent, Rates & Taxes**

Rent, Rates & Taxes  
Transfer to depreciation and profit expenses under IFRS 16\*

285,445,961	279,851,247
102,895,432	55,568,270
<b>182,550,529</b>	<b>224,282,977</b>

\*Due to the adoption of IFRS 16 *Leases*, rental expense of BDT 102,895,432 was transferred to depreciation of Right of use (RoU) Assets and profit expense of lease liabilities.

**30 Consolidated Legal Expenses**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note- 30a)

1,235,580	1,145,455
874,000	255,300
<b>2,109,580</b>	<b>1,400,755</b>

**30a Legal Expenses of the Bank**

Legal Fees & Charge  
Other Legal Expenses

409,390	567,144
826,190	578,312
<b>1,235,580</b>	<b>1,145,455</b>



**31 Consolidated Postage, Stamps, Telecommunication etc.**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note- 31a)

2020 Taka	2019 Taka
44,513,612	39,643,446
2,445,832	2,728,098
<b>46,959,444</b>	<b>42,371,544</b>

**31a Postage, Stamps, Telecommunication etc. of the Bank**

Postage  
Leased line  
Telegram, Fax, Telex & Internet charge  
Telephone charges  
Mobile phone charges

1,771,481	2,031,830
23,680,495	25,490,463
5,494,991	4,715,624
2,375,989	3,070,151
11,190,657	4,335,379
<b>44,513,612</b>	<b>39,643,446</b>

**32 Consolidated Stationery, Printing, Advertisements etc.**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note- 32a)

82,898,124	118,743,626
1,767,577	1,794,506
<b>84,665,701</b>	<b>120,538,132</b>

**32a Stationery, Printing, Advertisements etc. of the Bank**

Table Stationery  
Printing Stationery  
Security Stationery  
Computer Stationery  
Publicity and Advertisement

7,619,419	10,873,961
10,832,812	12,253,475
5,223,749	6,152,246
30,274,393	31,911,964
28,947,751	57,551,981
<b>82,898,124</b>	<b>118,743,626</b>

**33 Chief Executive's Salary & Fees of the Bank**

Basic Salary  
Allowances  
Bonus  
Bank's Contribution to Provident Fund

12,177,000	11,070,000
5,000,000	4,800,000
3,178,000	2,980,000
1,217,700	1,107,000
<b>21,572,700</b>	<b>19,957,000</b>

**34 Directors' Fees & Expenses of the Bank**

Directors' Fees  
Meeting Expenses

4,714,000	4,183,600
2,023,530	3,212,809
<b>6,737,530</b>	<b>7,396,409</b>

**35 Shariah Supervisory Committee's Fees & Expenses of the Bank**

Shariah Council Meeting Expenses

295,512	1,317,660
<b>295,512</b>	<b>1,317,660</b>

**36 Consolidated Auditors' Fees**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-36a)

500,000	500,000
40,250	74,750
<b>540,250</b>	<b>574,750</b>

**36a Auditor's Fees of the Bank**

Auditor's Fees

<b>500,000</b>	<b>500,000</b>
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**37 Consolidated Depreciation & Repairs of Assets**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-37a)

390,017,716	299,367,622
18,815,885	9,089,496
<b>408,833,601</b>	<b>308,457,118</b>

**37a Depreciation & Repairs of Bank's Assets****a) Depreciation of Bank's Assets (Annexure-B)**

Land & Building  
Furniture & Fixtures  
Office Equipment  
Computer & Network Equipment  
Vehicles  
Right of use (ROU) Assets\*  
Books

15,157,806	17,715,399
75,438,606	68,933,479
86,226,863	55,380,645
71,850,305	48,517,601
13,034,194	12,704,986
91,528,548	50,881,807
92,791	90,723

**b) Amortization of Bank's Assets (Annexure-B)**

Software-Core Banking  
Software-Others

5,164,930	5,150,818
10,673,610	9,950,627
<b>369,167,653</b>	<b>269,326,085</b>

**c) Repairs on Bank's Assets**

Office Premises  
Office Equipment  
Office Furniture & Fixtures  
Vehicles  
Procurement of Parts, Spares & Others

2020 Taka	2019 Taka
628,596	8,222,708
9,710,840	10,212,046
997,691	1,296,558
1,519,343	2,384,859
7,993,594	7,925,365
<b>20,850,063</b>	<b>30,041,537</b>
<b>390,017,716</b>	<b>299,367,622</b>

\* As per note-2.7.6, in accordance with IFRS 16 Leases, the Bank has recognized Right of use (ROU) Assets and related depreciation as shown above.

**38 Zakat Expenses of the Bank**

Zakat Expenses

160,982,542	140,732,626
<b>160,982,542</b>	<b>140,732,626</b>

**39 Consolidated Other Expenses**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-39a)

591,894,537	643,198,651
28,603,466	32,195,780
<b>620,498,003</b>	<b>675,394,431</b>

**39a Other Expenses of the Bank**

Petrol, Oil and Lubricants  
Entertainment  
Donation and Subscription  
Traveling and Conveyance  
Training Expenses  
Car expenses  
Gratuity expenses  
Papers & Periodicals  
Utility  
Uniform & Liveries  
Bank Charges  
Business development & promotion  
Upkeep and cleaning of office premises  
Security Service- outsourcing  
Branch Opening Expenses  
Credit Rating fee  
SJIBL Card expenses  
Islamic Credit Card Expenses  
AGM & meeting expenses  
Capital Enhancement Fees  
Contribution to Social Security Superannuation Fund  
Laundry and Washing  
Crockerries, Kettle and others  
Photograph and Photocopy  
Loss on Disposal of Fixed Assets  
Miscellaneous Expenses  
Maintenance of Head Office Building

4,529,028	6,466,989
16,373,126	50,277,502
8,231,843	10,014,463
23,489,059	33,274,701
2,250,680	7,147,037
180,780,892	171,567,822
128,400,000	100,000,000
26,626	660,450
6,685,880	5,673,545
2,629,316	4,508,629
8,304,450	1,152,584
31,225,954	38,773,365
36,634,511	20,271,072
81,711,566	74,137,787
390,034	6,825,257
270,000	267,500
25,395,557	19,599,287
2,888,192	1,923,582
2,965,094	6,453,036
8,917,773	6,770,657
2,000,000	3,000,000
236,237	368,854
493,374	1,956,530
547,052	709,657
6,642,148	15,053,215
9,876,145	15,742,241
-	40,602,890
<b>591,894,537</b>	<b>643,198,651</b>

**40 Consolidated Provision against Investments, Off-balance Sheet Items & Others**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-40a)

451,394,000	1,970,980,000
-	-
<b>451,394,000</b>	<b>1,970,980,000</b>

**40a Provision against Investments, Off-balance Sheet Items & Others of the Bank**

Provision on Unclassified Investments  
Provision on Classified Investments  
Provision on Off-balance Sheet Items  
Provisions on Investments in Securities  
Provision on Other Assets

228,500,000	525,400,000
156,994,000	1,160,780,000
65,900,000	32,200,000
-	252,600,000
-	-
<b>451,394,000</b>	<b>1,970,980,000</b>

**41 Consolidated Deferred Tax Expenses/(Income)**

Shahjalal Islami Bank Ltd  
Shahjalal Islami Bank Securities Ltd

(Note-41a)

71,173,152	45,611,319
(818,396)	(723,687)
<b>70,354,756</b>	<b>44,887,632</b>

**41a Deferred Tax Expenses/(Income) of the Bank**

Closing deferred tax liability  
Opening deferred tax liability  
Deferred tax expenses/(Income)

259,248,945	188,075,793
188,075,793	142,464,474
<b>71,173,152</b>	<b>45,611,319</b>





		2020 Taka	2019 Taka
<b>41b Consolidated Tax Expenses of the Bank</b>			
Current tax		1,686,637,361	2,158,307,672
Deferred tax		70,354,756	44,887,632
		<b>1,756,992,117</b>	<b>2,203,195,304</b>
<b>41c Tax Expenses of the Bank</b>			
Current tax	(Note-15a.2)	1,664,048,258	2,130,236,894
Deferred tax	(Note-41a)	71,173,152	45,611,319
		<b>1,735,221,410</b>	<b>2,175,848,213</b>
<b>42 Consolidated Earnings per Share (EPS)</b>			
Calculation of Earnings per Share	(Note-2.19)		
Net Profit after Tax		1,913,440,000	1,663,539,273
Number of Ordinary Shares outstanding (Denominator)		980,092,335	980,092,335
		<b>1.95</b>	<b>1.70</b>
<b>42a Earnings per Share (EPS) of the Bank</b>			
Calculation of Earnings per Share	(Note-2.19)		
Net Profit after Tax		1,908,198,587	1,718,301,732
Number of Ordinary Shares outstanding (Denominator)		980,092,335	980,092,335
		<b>1.95</b>	<b>1.75</b>
Earnings per Share (EPS) has been increased due to significant decrease in provision expense on investments and income tax expense.			
Earnings per share has been calculated in accordance with IAS 33 <i>Earnings per Share</i> .			
<b>42(i) Net Asset Value (NAV) per Share:</b>			
Net Assets Value (Consolidated)		17,969,737,239	16,523,007,876
Net Assets Value (Bank's)		17,948,755,363	16,507,267,412
No. of Outstanding Share		980,092,335	980,092,335
Net Asset Value (NAV) per Share (Consolidated) [previous year's figure restated]		<b>18.33</b>	<b>16.86</b>
Net Asset Value (NAV) per Share (Bank's) [previous year's figure restated]		<b>18.31</b>	<b>16.84</b>
Net Asset Value (NAV) per Share has been increased due to significant decrease in profit on deposits, provision expense on investments and income tax expense.			
<b>42(ii) Net Operating Cash Flows per Share (NOCFPS):</b>			
Net cash flows from operating activities (Consolidated)		16,849,979,622	9,013,125,552
Net cash flows from operating activities (Bank's)		16,618,307,760	8,905,254,454
No. of Outstanding Share		980,092,335	980,092,335
Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]		<b>17.19</b>	<b>9.20</b>
Net Operating Cash Flow per Share (NOCFPS) (Bank's) [previous year's figure restated]		<b>16.96</b>	<b>9.09</b>
Net Operating Cash Flow per Share increased compared to the last year mainly due to decrease in cost of deposit, increase in placement from other banks & financial institutions and decrease in net investment etc.			
<b>43 Consolidated Investment Income Receipt in Cash</b>			
Shahjalal Islami Bank Ltd	(Note-43a)	17,580,956,079	20,635,681,058
Shahjalal Islami Bank Securities Ltd		221,023,708	230,064,011
		<b>17,801,979,787</b>	<b>20,865,745,069</b>
<b>43a Investment Income Receipt of the Bank</b>			
Investment income receipt (excluding Dividend Income)	(Note 23a & 25a)	17,612,740,443	20,722,314,679
Add: Opening profit receivable	(Note-10a.2)	313,492,263	226,858,642
Less: Closing profit receivable	(Note-10a.2)	345,276,627	313,492,263
		<b>17,580,956,079</b>	<b>20,635,681,058</b>
<b>44 Consolidated Profit Paid on Deposits</b>			
Shahjalal Islami Bank Ltd	(Note-44a)	12,093,678,875	12,533,641,554
Shahjalal Islami Bank Securities Ltd		242,647,072	277,590,123
		<b>12,336,325,947</b>	<b>12,811,231,677</b>
<b>44a Profit Paid on Deposits of the Bank</b>			
Profit Paid on Deposits	(Note-24a)	11,418,428,603	13,112,331,753
Add: Opening profit payable on deposit	(Note-15a)	1,971,040,298	1,392,350,100
Less: Closing profit payable on deposit	(Note-15a)	1,295,790,027	1,971,040,298
		<b>12,093,678,875</b>	<b>12,533,641,554</b>



		2020 Taka	2019 Taka
<b>45 Consolidated Cash Receipt from other Operating activities</b>			
Shahjalal Islami Bank Ltd	(Note-45a)	811,759,372	790,996,280
Shahjalal Islami Bank Securities Ltd		13,572,779	9,786,884
		<b>825,332,151</b>	<b>800,783,164</b>
<b>45a Cash Receipt from other Operating activities of the Bank</b>			
Postage & Telex Charge Recovery		124,486,149	122,326,905
Incidental Charge		720	7,045
Supervision & Monitoring Charge		7,906,201	17,850,129
Other charges (except income from sale of fixed assets)		679,366,302	650,812,201
		<b>811,759,372</b>	<b>790,996,280</b>
<b>46 Consolidated Cash Payment for other Operating activities</b>			
Shahjalal Islami Bank Ltd	(Note-46a)	1,250,116,440	1,321,446,577
Shahjalal Islami Bank Securities Ltd		33,822,095	63,713,323
		<b>1,283,938,535</b>	<b>1,385,159,900</b>
<b>46a Cash Payment for other Operating activities of the Bank</b>			
Rent, Taxes, Insurance, Lighting etc.	(Note-29a)	429,749,211	457,470,794
Legal Expenses	(Note-30a)	1,235,580	1,145,455
Postage, Stamp, Telegram & Telephone	(Note-31a)	44,513,612	39,643,446
Directors' Fee & Expenses	(Note-34)	6,737,530	7,396,409
Shariah Supervisory Committee's Fees & Expenses	(Note-35)	295,512	1,317,660
Auditor's Fee	(Note-36a)	500,000	500,000
Repairs, Maintenance of Bank's Assets	(Note-37a.c)	20,850,063	30,041,537
Zakat Expenses	(Note-38)	160,982,542	140,732,626
Other Expenses		585,252,390	643,198,651
		<b>1,250,116,440</b>	<b>1,321,446,577</b>
<b>47 Cash Increase/ Decrease in Consolidated Other Assets</b>			
Shahjalal Islami Bank Ltd	(Note-47a)	2,874,965,509	3,028,278,010
Shahjalal Islami Bank Securities Ltd		60,134,014	50,566,734
		<b>2,935,099,523</b>	<b>3,078,844,744</b>
Less: Cash Increase/ (Decrease) through Inter Company Transaction		2,515,000,000	2,515,000,000
		<b>420,099,523</b>	<b>563,844,744</b>
<b>Cash (Increase)/ Decrease in Other Assets</b>		<b>143,745,220</b>	<b>17,138,990</b>
<b>47a Cash Increase/ Decrease in Other Assets of the Bank</b>			
Stock of Stationery and Stamps		21,388,644	23,810,353
Advance deposits and rent		84,983,375	137,044,277
Suspense Account		112,787,431	145,734,796
Other Prepayments		90,173,713	90,351,271
Shahjalal Islami Bank Securities Ltd	(Note 10a.3)	2,515,000,000	2,515,000,000
Advance Insurance premium		19,821,018	60,515,770
Other Receivables		3,181,647	3,181,647
SJIBL General Account-Net		27,629,682	42,884,136
Advance for new Branches		-	9,755,760
		<b>2,874,965,509</b>	<b>3,028,278,010</b>
<b>Cash (Increase)/Decrease in Other Assets</b>		<b>153,312,500</b>	<b>393,133,601</b>
<b>48 Cash Increase/Decrease in Consolidated Other Liabilities</b>			
Shahjalal Islami Bank Ltd	(Note- 48a)	1,525,566,775	1,363,621,078
Shahjalal Islami Bank Securities Ltd		1,617,113,341	1,302,095,988
		<b>3,142,680,116</b>	<b>2,665,717,066</b>
Less: Cash Increase/(Decrease) through Inter Company transaction		-	-
		<b>3,142,680,116</b>	<b>2,665,717,066</b>
<b>Cash Increase/(Decrease) in Other Liabilities</b>		<b>476,963,050</b>	<b>259,197,883</b>
<b>48a Cash Increase/Decrease in Other Liabilities of the Bank</b>			
Other Payables		224,969,005	405,000,580
Taxation on other income & prior years		258,771,881	198,403,428
Outstanding Expenses		279,571,450	326,342,252
Unearned Income on Quard		35,643,836	2,270,063
Leased Liabilities as per IFRS - 16		726,610,603	431,604,755
		<b>1,525,566,775</b>	<b>1,363,621,078</b>
<b>Cash Increase/(Decrease) in Other Liabilities</b>		<b>161,945,697</b>	<b>400,288,889</b>





**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

2020 Taka	2019 Taka
22,901,161,618	20,129,680,036
395,609,024	153,758,423
<b>23,296,770,642</b>	<b>20,283,438,459</b>
388,139,197	146,421,934
<b>22,908,631,445</b>	<b>20,137,016,525</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

1,814,745,636	2,209,024,307
13,351,033,150	15,539,227,347
7,735,382,832	2,381,428,382
<b>22,901,161,618</b>	<b>20,129,680,036</b>

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

**Cash flows from operating activities**

Net Profit after Taxation  
Provision for Tax  
Provision for Investment, Share & Contingent Liability  
(Increase)/Decrease profit receivable  
Increase/(Decrease) Profit Payable on Deposits  
Depreciation & Amortization of Fixed Assets  
Recoveries on investment previously written off  
Income tax paid  
Loss/Profit on sale of Bank's Assets  
Effect of exchange rate changes on cash & cash equivalents  
**Operating Profit before changes in operating assets & liabilities**

1,908,198,587	1,718,301,732
1,735,221,410	2,175,848,213
451,394,000	1,970,980,000
(31,784,364)	(86,633,621)
(675,250,272)	578,690,199
369,167,653	269,326,085
24,654,765	25,546,074
(2,156,182,447)	(1,952,776,321)
6,048,027	(7,192)
(2,121,500)	(6,599,147)
<b>1,629,345,858</b>	<b>4,692,676,024</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 2,657.

**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 3 (three) Independent Directors] Audit Committee called "Board Audit Committee". The Board of Directors in its Meeting No. 313 held on 06 January 2021 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
K.A.M Majedur Rahman	Independent Director	Member	Masters
Nasir Uddin Ahmed, FCA, FCS	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 Audit Committee.

**b) Meeting of Audit Committee**

During 01 January to 31 December 2020, the Audit Committee of the Board conducted 06 (Six) 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 procedures with a view to ascertain that the International Financial Reporting Standards (IFRSs) have 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) Electra Furniture iv) Electra International v) Electra Mobile Ltd vi) Electra Mobile vii) Federal Securities & Invst. Ltd. viii) Jalsiri Dairy Firm and Fishery ix) Kashmir Chemical Co. x) Sazawa Brothers xi) 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 Barek	Vice Chairman	i) Arju Electronics ii) Jony Electronics iii) Rony Electronics iv) Shahjalal Islami Bank Securities Ltd
Dr. Anwer Hossain Khan	Director	i) Anwer Khan Modern Medical College & Hospital ii) Modern Diagnostic Center Ltd. iii) Anwer Khan Modern Nursing College iv) Hazi Sakawat Anwara Modern Eye Hospital Ltd. v) Modern Diabetic Centre Ltd. vi) Fareast Stocks & Bonds Ltd. vii) Takaful Insurance Co. Ltd. viii) Shahjalal Islami Bank Securities Ltd ix) Anwer Khan Modern University
Abdul Halim	Director	i) Abdul Halim & Brothers ii) Excellent Ceramic Industries Ltd. iii) Excellent Motors Ltd. iv) Islamic Insurance Bangladesh Ltd. v) Shahjalal Islami Bank Securities Ltd
Mohiuddin Ahmed	Director	i) Rupsha Trading Corporation ii) Mohiuddin Auto House iii) Pacific Automobile iv) Shahjalal Islami Bank Securities Ltd
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) Own The World Company Ltd. ii) AQUA Consultant & Associates Ltd. iii) Intech Limited iv) AIBL Securities Ltd. v) Shahjalal Islami Bank Securities Ltd
Engr. Md. Towhidur Rahman	Director	i) Fresh Foods Ltd. ii) Fresh Export Import Ltd. iii) Sea Fresh Ltd. iv) Libas Textiles Ltd v) Fresh Knitwear Ltd. vi) Moshur Infrastructure Ltd. vii) Hettich (Joint Venture Co. with Germany) viii) Shahjalal Islami Bank Securities Ltd ix) South Asian Scholars School and College x) Prime University





Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
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. xxii) Next Collections Ltd. xxiii) Shahjalal Islami Bank Securities Ltd
Mohammed Younus	Director	i) Sonali Papers and Board Mills Ltd. ii) Sonali Dredger Ltd. iii) Sonali Rubber Garden iv) Sonali Abason Ltd. v) Sonali News.Com vi) Sonali IT vii) Sonali Bazar Dot Com viii) Younus Newsprint Mills Ltd. ix) Younus Offset Paper Mills Ltd. x) Younus Fine Paper Mills Ltd. xi) Younus Paper Mills Ltd. xii) Younus Fillament Ind. Ltd xiii) Younus Plastic Ind Ltd xiv) Younus Spinning Mills Ltd. xv) Younus Specialized Cold Storage Ltd. xvi) Younus Cold Storage Ltd. xxvii) United Traders xxviii) United Fisheries xix) United Multi Agro Ltd. xx) Ananta Paper Mills Ltd. xxi) Sobhan Ice & Cold Storage Ltd. xxii) Sharif Cold Storage Ltd. xxiii) Nowpara Cold Storage (Pvt.) Ltd. xxiv) Garib-E-Newaj Cold Storage Ltd. xxv) Siddheswari Cold Storage Ltd. xxvi) Europa Cold Storage Ltd. xxvii) Akco Industries & Cold Storage Ltd. xxviii) Combined Food & Cold Storage Ltd. xxix) A. Kader & Sons Himagar Ltd. xxx) Wadud & Aysha Cold Store Ltd. xxxi) Bikrampur Potato Flakes Inds. Ltd. xxxii) Wordbridge School xxxiii) Shahjalal Islami Bank Securities Ltd xxxiv) Fareast International University xxxv) Long Lasting Coating xxxvi) Meghna Pipe Factory xxxvii) Fly Galaxy Travel and Tours xxxviii) Galaxy Flying Academy Ltd. xxxix) NRB Recruiting Agency xl) Quality Accessories xli) Laxmi Cold Storage Ltd xlii) Sreenagor Cold Storage Ltd xliii) Five Star Ice and Cold Storage Ltd
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. Tahera Faruque	Director	i) F & T Property Management Company ii) Star of India Restaurant iii) Shahjalal Islami Bank Securities Ltd.



Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
Mrs. Jabun Nahar (Rep. of Daffodils Trading International)	Director	i) Daffodils Trading International ii) Anwer Khan Modern Medical College & Hospital iii) Anwer Khan Modern University
Fakir Mashrikuzzaman (Rep. of Fakir Knitwears Ltd.)	Director	Fakir Knitwears Ltd.
Ekramul Hoque	Independent Director	N/A
K.A.M Majedur Rahman	Independent Director	N/A
Nasir Uddin Ahmed	Independent Director	MABS & J Partners, Chartered Accountants

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 Banking Companies Act, 1991 (as amended up to 2018).

53.5 Investments (Loans and Advances) to Directors and their related Concern (Note-8a.4):

Sl. #	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	-	32,787,150	Regular
ii)	Excellent Ceramic Ind. Ltd.	Abdul Halim	BMCTR-Rev	4,328,882	27,116,125	Regular
iii)	Karnaphuli Motors	Abdul Halim	BMCTR-Rev	-	17,539,766	Regular
iv)	Abdul Hakim	Abdul Halim	HPSM-Real Estate	-	13,340,021	Regular
v)	Shoyeb Ahmed	Abdul Halim	HPSM-Real Estate	-	13,382,340	Regular
vi)	Electra International Ltd.	Sanaullah Shahid	Bai-Muajjal Commercial TR (Revolving)	-	9,728,775	Regular
vii)	Electra International	Sanaullah Shahid	Bai-Muajjal Commercial TR (Revolving)	-	100,609,550	Regular
viii)	Own the World Company Limited	Khandaker Sakib Ahmed	Bank Guarantee	3,000,000	-	Regular
ix)	Modern Diagnostic Center Limited	Anwer Hossain Khan	HPSM-Real Estate	-	196,308,870	Regular
x)	Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal	300,000,000	2,011,859,180	Regular
				<b>307,328,882</b>	<b>2,422,671,777</b>	

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

53.7 Investments in Securities of Directors and their related concern: Nil

#### 54 Events after Reporting Period

The Board of Directors of the Bank at its 317th meeting held on 10 March 2021 has recommended 5% stock & 7% cash dividend for the year 2020. This dividend is subject to the final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank. The effect of the above stock & cash dividend will be accounted for in the period when shareholders' right to receive the payment will be established. The declared dividend is also in compliance with Section 16F and 16G of Income Tax Ordinance, 1984.

Dhaka,  
10 March 2021

Chairman

Director

Director

Managing Director





**Shahjalal Islami Bank Limited**  
**Investments in Shares & Securities (Listed with Stock Exchanges)**  
**As at 31 December 2020**

Sl. No.	Name of Company	No. of Shares/ Securities	Market Price per Share	Market Value as at 31 December 2020	Cost Price as at 31 December 2020	Unrealised Gain/(loss)
<b>Quoted</b>						
1	Agricultural Marketing Company Ltd – AMCL (PRAN)	62,500	194.80	12,175,000	12,508,253	(333,253)
2	Aamra Technologies Limited	300,000	26.40	7,920,000	8,527,068	(607,068)
3	The ACME Laboratories Limited	1,550,000	74.70	115,785,000	133,933,591	(18,148,591)
4	Active Fine Chemicals Ltd.	1,080,000	16.90	18,252,000	35,487,579	(17,235,579)
5	Aftab Automobiles Limited	816,854	26.70	21,810,002	61,605,088	(39,795,086)
6	AIBL 1st Islamic Mutual Fund	2,500,000	8.40	21,000,000	67,402,500	(46,402,500)
7	Apex Footwear Limited	37,165	220.30	8,187,450	12,854,787	(4,667,338)
8	Bangladesh Building Systems Ltd.	630,000	17.50	11,025,000	13,071,649	(2,046,649)
9	Beximco Limited	750,000	57.00	42,750,000	41,467,354	1,282,646
10	Bangladesh Steel Re-Rolling Mills Limited	600,000	42.50	25,500,000	36,383,068	(10,883,068)
11	Dhaka Electric Supply Company Ltd.	2,250,000	34.80	78,300,000	115,162,210	(36,862,210)
12	Eastern Housing Limited	2,145,258	41.30	88,599,155	166,063,283	(77,464,127)
13	Envoy Textiles Ltd.	1,103,130	24.60	27,136,998	42,402,697	(15,265,699)
14	Esquire Knit Composite Limited	200,000	26.30	5,260,000	6,778,090	(1,518,090)
15	Export Import Bank of Bangladesh Limited	6,800,000	11.80	80,240,000	100,196,838	(19,956,838)
16	Fareast Islami Life Insurance Co. Ltd.	958,000	46.40	44,451,200	65,297,780	(20,846,580)
17	First Security Islami Bank Limited	2,200,000	9.00	19,800,000	19,903,128	(103,128)
18	Generation Next Fashions Limited	1,989,845	3.90	7,760,396	25,741,813	(17,981,418)
19	LafargeHolcim Bangladesh Limited	3,681,654	47.80	175,983,061	173,528,430	2,454,631
20	M.I. Cement Factory Ltd	546,950	46.40	25,378,480	43,580,439	(18,201,959)
21	Meghna Petroleum Limited	300,000	198.00	59,400,000	62,070,338	(2,670,338)
22	Metro Spinning Mills Limited	1,212,470	9.20	11,154,724	65,855,505	(54,700,781)
23	Orion Pharma Ltd.	500,000	54.70	27,350,000	28,796,598	(1,446,598)
24	RAK Ceramics (Bangladesh) Limited	1,500,000	26.10	39,150,000	64,176,345	(25,026,345)
25	Square Textile Ltd	864,739	29.80	25,769,222	45,712,547	(19,943,324)
26	The Dacca Dyeing & Mfg. Co. Limited	4,924,869	7.80	38,413,978	156,023,958	(117,609,979)
27	Titas Gas Transmission and Distribution Co. Ltd	2,000,000	30.80	61,600,000	111,712,964	(50,112,964)
28	Unique Hotel and Resorts Ltd	619,105	39.60	24,516,558	36,810,461	(12,293,903)
29	Prime Islami Life Insurance Ltd.	500,000	51.90	25,950,000	32,516,491	(6,566,491)
30	Premier Cement Mills Limited	200,000	61.10	12,220,000	18,441,295	(6,221,295)
31	Shahjibazar Power Co. Ltd.	408,000	73.30	29,906,400	36,951,327	(7,044,927)
32	Singer Bangladesh Limited	135,000	175.60	23,706,000	23,605,504	100,496
33	Olympic Industries Ltd.	50,000	191.10	9,555,000	10,352,346	(797,346)
34	Square Pharmaceuticals Ltd.	376,950	219.50	82,740,525	77,460,720	5,279,805
35	Padma Islami Life Insurance Limited	550,266	20.50	11,280,453	15,673,722	(4,393,269)
36	Bashundhara Paper Mills Limited	300,000	44.40	13,320,000	16,714,534	(3,394,534)
37	The IBN SINA Pharmaceutical Industry Ltd.	100,000	244.00	24,400,000	25,580,746	(1,180,746)
38	MJL Bangladesh Limited	668,067	76.90	51,374,352	55,849,486	(4,475,134)
39	Sea Pearl Beach Resort & Spa Limited	1,865	79.10	147,522	18,635	128,886
40	Silva Pharmaceuticals Limited	900,000	18.30	16,470,000	20,335,072	(3,865,072)
41	Dominage Steel Building Systems Ltd.	1,985	34.50	68,483	18,602	49,881
42	Robi Axiata Limited	271,254	29.80	8,083,369	2,715,540	5,367,829
43	Linde Bangladesh Ltd.	20,000	1,281.10	25,622,000	25,454,659	167,341
44	Power Grid Company of Bangladesh Ltd.	400,000	41.80	16,720,000	19,730,763	(3,010,763)
<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	Lub-rref (Bangladesh) Limited	-	-	5,125,000	5,125,000	-
<b>Total</b>				<b>1,488,357,327</b>	<b>2,146,598,802</b>	<b>(658,241,475)</b>



Annexure-B

**Shahjalal Islami Bank Limited**  
**Schedule of Fixed Assets including Premises, Furniture and Fixtures**  
**As at 31 December 2020**

Particulars	Cost			Rate	Depreciation			Written Down Value	
	Balance as at 01.01.2020	Additions during the year	Adjustment during the year		Balance as at 01.01.2020	Adjustment during the year	Balance as at 31.12.2020	As at 31.12.2020	As at 31.12.2019
Land	1,876,724,350	-	-	-	1,876,724,350	-	-	1,876,724,350	1,876,724,350
Building	893,925,316	4,548,105	4,487,144	2.50%	893,986,278	-	126,631,127	767,355,151	782,450,129
Head Office Building under construction	89,165,998	10,309,314	99,475,312	-	-	-	-	-	89,165,998
Furniture & Fixtures	1,022,397,154	99,359,093	12,881,003	10% & 20%	1,108,875,244	6,869,967	431,926,712	676,948,532	659,040,948
Office Equipment	660,138,562	93,598,807	5,547,081	20%	748,190,288	5,131,722	381,547,381	366,642,907	359,686,321
Computer & Network Equipment	476,948,775	135,948,446	3,686,930	20%	609,210,291	3,515,473	351,263,915	257,946,376	194,019,692
Vehicles	114,089,748	7,118,160	4,266,000	20%	116,941,907	4,265,999	85,809,961	31,131,946	37,047,982
Right of use Assets (ROU)	523,964,749	360,052,488	-	-	884,017,237	-	142,410,355	741,606,882	473,082,942
Books	1,042,667	-	-	20%	812,443	-	905,234	137,433	230,224
<b>Sub-total</b>	<b>5,658,397,319</b>	<b>710,934,413</b>	<b>130,343,470</b>		<b>1,186,948,734</b>	<b>19,783,161</b>	<b>1,520,494,686</b>	<b>4,718,493,576</b>	<b>4,471,448,586</b>
<b>Software-Amortization</b>									
Software-Core Banking	62,615,431	-	-	20%	52,285,570	-	57,450,499	5,164,932	10,329,860
Software-Others	80,939,128	5,473,340	-	20%	58,747,119	-	69,420,730	16,991,738	22,192,008
<b>Sub-total</b>	<b>143,554,559</b>	<b>5,473,340</b>	<b>-</b>		<b>111,032,689</b>	<b>-</b>	<b>126,871,229</b>	<b>22,156,670</b>	<b>32,521,869</b>
<b>Grand Total</b>	<b>5,801,951,877</b>	<b>716,407,753</b>	<b>130,343,470</b>		<b>1,297,981,423</b>	<b>19,783,161</b>	<b>1,647,365,915</b>	<b>4,740,650,245</b>	<b>4,503,970,454</b>





**Shahjalal Islami Bank Limited**  
**Statement of Foreign Currency**  
**As at 31 December 2020**

[Refer to Note-5a.2 to the financial statements]

Sl. No.	Name of the Bank	Currency Name	2020			2019		
			Amount in Foreign Currency	Conversion Rate per Unit F.C.	Amount in Taka	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in Taka
1	Standard Chartered Bank NY	USD	49,195,869.17	84.8000	4,171,809,706	666,605.51	84.9000	56,594,808
2	Mashreq Bank psc, NY	USD	1,120,294.21	84.8000	95,000,949	211,583.99	84.9000	17,963,481
3	Standard Chartered Bank, Mumbai	USD	222,198.53	84.8000	18,842,435	222,198.53	84.9000	18,864,655
4	Habib American Bank, USA	USD	987,047.96	84.8000	83,701,667	188,751.39	84.9000	16,024,993
5	ICICI Bank, Hong Kong	USD	69,151.09	84.8000	5,864,012	280,463.55	84.9000	23,811,355
6	WACHOVIA BANK, NY, USA	USD	198,414.08	84.8000	16,825,514	365,732.78	84.9000	31,050,713
7	Commerzbank AG Frankfurt	USD	319,409.60	84.8000	27,085,934	458,413.54	84.9000	38,919,310
8	Bank Aljazira	USD	51,775.88	84.8000	4,390,595	51,775.88	84.9000	4,395,772
9	JPMorgan Chase Bank N.A., NY, USA	USD	165,884.65	84.8000	14,067,018	-	-	-
10	AB Bank Ltd. Mumbai	ACUD	87,601.44	84.8000	7,428,602	139,176.61	84.9000	11,816,094
11	Standard Chartered Bank, Mumbai	ACUD	750,427.41	84.8000	63,636,244	1,661,264.72	84.9000	141,041,375
12	Nepal Bangladesh Bank, Nepal	ACUD	8,600.69	84.8000	729,339	13,408.33	84.9000	1,138,367
13	Standard Chartered Bank, Colombo	ACUD	17,763.89	84.8000	1,506,378	17,115.57	84.9000	1,453,112
14	ICICI Bank, Mumbai	ACUD	342,494.97	84.8000	29,043,573	244,860.43	84.9000	20,788,651
15	Habib Metropolitan Bank Ltd.	ACUD	38,911.64	84.8000	3,299,707	161,025.67	84.9000	13,671,079
16	United Bank of India, Kolkata	ACUD	226,914.35	84.8000	19,242,337	225,228.12	84.9000	19,121,867
17	Sonali Bank Ltd ACU, Kolkata	ACUD	145,032.62	84.8000	12,298,766	53,047.62	84.9000	4,503,743
18	Bank of Bhutan Ltd. Main Branch	ACUD	16,268.90	84.8000	1,379,603	12,869.62	84.9000	1,092,631
19	AXIS Bank Ltd. India	ACUD	79,647.22	84.8000	6,754,084	379,041.14	84.9000	32,180,593
20	MCB Bank Limited	ACUD	148,485.82	84.8000	12,591,598	150,894.47	84.9000	12,810,941
21	HDFC Bank Ltd., Mumbai	ACUD	592,362.59	84.8000	50,232,348	-	-	-
22	Standard Chartered Bank, Frankfurt	EURO	117,883.59	103.5832	12,210,759	110,113.14	94.8927	10,448,933
23	COMMERZBANK AG	EURO	38,612.42	103.5832	3,999,598	13,162.26	94.8927	1,249,002
24	Wells Fargo Bank, N. A. London, UK	EURO	602,362.16	103.5832	62,394,600	292,987.35	94.8927	27,802,361
25	JPMorgan Chase AG, Frankfurt	EURO	87,370.02	103.5832	9,050,066	-	-	-
26	Mashreq Bank, London	EURO	-	-	-	72,557.24	94.8927	6,885,152
27	Standard Chartered Bank, Tokyo	YEN	966,228.99	0.8167	789,119	1,560,768.99	0.7760	1,211,157
28	Habib Bank AG Zurich	CHF	1,641.24	95.3773	1,110,310	3,305.93	87.1395	288,077
29	ICICI Bank, Canada	CAD	6,900.21	66.0488	455,751	3,826.16	64.8983	248,311
30	Bank Aljazira, KSA	SAR	266,929.35	22.5977	6,031,989	1,763,886.35	22.6255	39,908,811
31	Riyad Bank, KSA	SAR	101,648.45	22.5977	2,297,021	2,229,004.45	22.6255	50,432,340
32	Standard Chartered Bank London	GBP	10,654.42	113.9797	1,214,388	8,377.20	111.0322	930,139
33	JPMorgan Chase Bank N.A., London	GBP	4,940.00	113.9797	563,060	-	-	-
34	MASHREQBANK PSC. UAE	AED	314,372.25	23.0849	7,257,252	21,142.25	23.1159	488,722
35	Emirates Islamic Bank PJSC, Dubai	AED	235,000.00	23.0849	5,424,952	-	-	-
36	Standard Chartered Bank, China	CNY	76,087.95	12.9771	987,401	92,260.00	12.1598	1,121,863
<b>Total</b>					<b>4,759,516,675</b>			<b>608,258,408</b>



**DETAILS OF INFORMATION ON INVESTMENTS EXCEEDING 10% OF  
BANKS TOTAL REGULATORY CAPITAL (FUNDED & NON-FUNDED)  
As at 31 December 2020**

(Taka in Lac)

Sl. #	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	Logos Apparels Ltd.	4,943	11,227	16,171			
	Rahmat Sweater (BD) Ltd.	1,928	1,922	3,850			
	Belkuchi Spinning Mills Ltd.	8,555	496	9,051			
	M/S SHAHI PRODUCTS	2,174	-	2,174			
	<b>Group-total</b>	<b>17,601</b>	<b>13,645</b>	<b>31,246</b>	<b>6.32%</b>	<b>4.90%</b>	<b>11.23%</b>
2	Moonlight Garments Ltd.	789	3,287	4,076			
	Ehsan Garments Ltd.	1,167	1,780	2,946			
	Nourish Poultry & Hatchery Ltd.	1,941	8,804	10,745			
	Nourish Agro Ltd.	4,685	1,311	5,996			
	Nourish Feeds Ltd.	2,578	8,509	11,087			
	Nourish Foods Ltd.	-	55	55			
	Telnet Communication Ltd.	35	2	36			
	Ehsan Packaging & Printing Ltd.	17	31	48			
	Agrow Fruits & Vegetables Ltd.	370	1,297	1,667			
	<b>Group-total</b>	<b>11,582</b>	<b>25,076</b>	<b>36,658</b>	<b>4.16%</b>	<b>9.01%</b>	<b>13.17%</b>
3	Anwar Silk Mills Ltd.	953	151	1,104			
	A-One Polymer Ltd.	285	1,095	1,380			
	Anwar Jute Spinning Mills Ltd.	-	34	34			
	A.G. Automobiles Ltd.	1,892	199	2,091			
	A.G. Motors Ltd.	495	1	496			
	Anwar Ispat Ltd.	4,222	2,857	7,079			
	Hossain Dyeing & Printing Mills Ltd.	997	709	1,706			
	Mehmud Ind (Pvt.) Ltd.	245	-	245			
	Anwar Cement Sheet Ltd.	19,931	4,701	24,633			
	Anwar Cement Ltd	-	1,606	1,606			
	<b>Group-total</b>	<b>29,020</b>	<b>11,353</b>	<b>40,372</b>	<b>10.43%</b>	<b>4.08%</b>	<b>14.51%</b>
4	Nassa Basics Ltd.	16,042	10,488	26,529			
	Nassa Spinning Ltd.	7,767	-	7,767			
	Nassa Basic Wash Ltd.	799	-	799			
	NASSA HI TECH WASH LTD	1,208	443	1,651			
	Nassa Taipei Textile Mills Ltd.	12,264	2,866	15,130			
	<b>Group-total</b>	<b>38,080</b>	<b>13,797</b>	<b>51,877</b>	<b>13.68%</b>	<b>4.96%</b>	<b>18.64%</b>
5	Chittagong Denim Mills Ltd	9,368	2,952	12,320			
	Smart Jeans Ltd	4,355	1,708	6,063			
	Smart Jacket Ltd.	1,681	2,888	4,569			
	Shehan Textile Ltd.	-	206	206			
	Smart Bio-Inception Ltd	-	46	46			
	Apparel Promoters Limited	5,665	10,726	16,390			
	Al-Razi	3,210	17,969	21,179			
	BM Cotainer (BD) Ltd.	-	-	-			
	BM Energy (BD) Ltd.	1,016	16,680	17,696			
	<b>Group-total</b>	<b>25,295</b>	<b>53,175</b>	<b>78,469</b>	<b>9.09%</b>	<b>19.11%</b>	<b>28.20%</b>
6	Shah Cement Ind. Ltd.	-	2,274	2,274			
	Abul Khair Melting Ind Ltd	25,972	5,282	31,254			
	Abul Khair Strip Processing	2,512	479	2,991			
	Abul Khair Ltd	-	-	-			
	Abul Khair Milk Products Ltd	-	609	609			
	<b>Group-total</b>	<b>28,484</b>	<b>8,644</b>	<b>37,127</b>	<b>10.24%</b>	<b>3.11%</b>	<b>13.34%</b>
7	Super Oil Refinery Ltd.	-	26,370	26,370			
	Multi Oil Refinery Ltd	-	-	-			
	Super Board Mills Limited	-	-	-			
	Super Formica & Lamination Ltd.	9,894	7,381	17,275			
	T.K. Chemical Complex Ltd.	5,684	4,036	9,720			
	<b>Group-total</b>	<b>15,578</b>	<b>37,788</b>	<b>53,365</b>	<b>5.60%</b>	<b>13.58%</b>	<b>19.18%</b>
8	Aswad Composite Mills Ltd.	836	1,622	2,458			
	Palmal Logistics	424	-	424			
	Aswad Composite Mills Limited	5,245	29,744	34,989			
	<b>Group-total</b>	<b>6,506</b>	<b>31,366</b>	<b>37,872</b>	<b>2.34%</b>	<b>11.27%</b>	<b>13.61%</b>
9	Alim Knit (BD) Ltd.*	7,723	10,581	18,304			
	Mondol Intimates Ltd.	3,173	3,371	6,544			
	Mondol Knit Tex Ltd.**	888	879	1,767			
	Appollo Knitwear BD Ltd	578	1,721	2,298			
	Appollo Fashions Ltd	534	867	1,402			
	Appollo Packaging (BD) LTD	-	-	-			
	<b>Group-total</b>	<b>12,896</b>	<b>17,418</b>	<b>30,315</b>	<b>4.63%</b>	<b>6.26%</b>	<b>10.89%</b>





Sl. #	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
10	Incepta Pharmaceuticals Ltd.	-	11,410	11,410			
	Incepta Vaccine Ltd.	-	3,021	3,021			
	Incepta Hygiene and Hospicare Ltd.	-	45	45			
	Incepta Chemicals Ltd.	-	629	629			
	Incepta Herbal and Nutricare Ltd.	-	272	272			
	MAHEEN DIZAYN ETIKET (BD) UNIT-2 LIMITED	4,694	1,549	6,243			
	Impress Fashion Limited	9,562	5,549	15,111			
	Impress Accessories Limited	3,559	838	4,397			
	Iport Logistics Ltd	-	390	390			
	Impress Aviation Limited	1,953	147	2,100			
	Impress Aviation Limited	-	-	-			
	Next Spaces Ltd	884	9,841	10,725			
	Infratrade Limited	94	48	142			
	<b>Group-total</b>	<b>20,746</b>	<b>33,739</b>	<b>54,485</b>	<b>7.45%</b>	<b>12.12%</b>	<b>19.58%</b>
11	Bengal Plastics Ltd.	1,972	4,471	6,443			
	Bengal Polymer Wares Ltd.	2,332	2,165	4,497			
	Bengal Polymer Wares Ltd. (Unit-2)	8,317	2,352	10,669			
	Bengal Concept and Holdings Ltd	549	-	549			
	Euphoria Apparels Ltd	4,679	3,465	8,144			
	<b>Group-total</b>	<b>17,850</b>	<b>12,452</b>	<b>30,302</b>	<b>6.41%</b>	<b>4.47%</b>	<b>10.89%</b>
12	Abdul Monem Ltd.	16,711	13,778	30,489			
	Tekken-Aml-Abenikko-JV	-	9,813	9,813			
	<b>Group-total</b>	<b>16,711</b>	<b>23,591</b>	<b>40,302</b>	<b>6.00%</b>	<b>8.48%</b>	<b>14.48%</b>
13	Mir Akter Hossain Ltd.	75	11	86			
	Mir Cement Ltd	11,682	4,969	16,652			
	Mir Concrete Products Ltd	1,494	208	1,702			
	Mir Akhter Hossain Ltd	18,087	25,492	43,579			
	<b>Group-total</b>	<b>31,338</b>	<b>30,681</b>	<b>62,019</b>	<b>11.26%</b>	<b>11.03%</b>	<b>22.29%</b>
14	Dhaly Construction Ltd.	34,406	13,386	47,791			
	<b>Group-total</b>	<b>34,406</b>	<b>13,386</b>	<b>47,791</b>	<b>12.36%</b>	<b>4.81%</b>	<b>17.17%</b>
15	Energypac Engineering Ltd.	4,175	14,506	18,681			
	Energypac Fashions Limited	15,433	3,795	19,228			
	<b>Group-total</b>	<b>19,609</b>	<b>18,300</b>	<b>37,909</b>	<b>7.05%</b>	<b>6.58%</b>	<b>13.62%</b>
16	Max Infrastructure Ltd	1,522	8,590	10,112			
	CTM JOINT VENTURE	17,256	599	17,855			
	Kushiara Power company ltd	-	-	-			
	<b>Group-total</b>	<b>18,778</b>	<b>9,190</b>	<b>27,967</b>	<b>6.75%</b>	<b>3.30%</b>	<b>10.05%</b>
17	Golden Ispat Ltd	16,177	12,748	28,924			
	<b>Group-total</b>	<b>16,177</b>	<b>12,748</b>	<b>28,924</b>	<b>5.81%</b>	<b>4.58%</b>	<b>10.39%</b>
18	Navana Ltd.	122	40	162			
	Navana Food Ltd.	78	13	91			
	Navana Batteries Ltd.	1,659	806	2,465			
	Aftab Automobiles Ltd.	-	-	-			
	Navana CNG Limited	641	3,070	3,711			
	Navana Engineering Ltd.	2,162	-	2,162			
	NAVANA LPG LIMITED	18,965	850	19,815			
	Navana Welding Electrode Ltd	594	396	990			
	Navana Ltd.	29	-	29			
	Navana Electronics Ltd	599	-	599			
	<b>Group-total</b>	<b>24,848</b>	<b>5,174</b>	<b>30,023</b>	<b>8.93%</b>	<b>1.86%</b>	<b>10.79%</b>
19	Sinha Peoples Energy Ltd.	7,858	-	7,858			
	Venture Energy Limited	2,592	-	2,592			
	Sinha Power Generation Com. Ltd	18,741	995	19,735			
	<b>Group-total</b>	<b>29,191</b>	<b>995</b>	<b>30,186</b>	<b>10.49%</b>	<b>0.36%</b>	<b>10.85%</b>
20	BRAC	37,480	-	37,480			
	<b>Group-total</b>	<b>37,480</b>	<b>-</b>	<b>37,480</b>	<b>13.47%</b>	<b>0.00%</b>	<b>13.47%</b>
21	Trade International Industries Limited	4,669	14,647	19,316			
	Trade International Marketing Ltd	6,148	4,885	11,033			
	MD. NURIN NEWAZ AND OTHERS	349	-	349			
	<b>Group-total</b>	<b>11,166</b>	<b>19,532</b>	<b>30,698</b>	<b>4.01%</b>	<b>7.02%</b>	<b>11.03%</b>
22	Bangladesh Steel Re-Rolling Mills Ltd.	4,116	1,965	6,081			
	BSRM STEELS LIMITED	-	20,473	20,473			
	BSRM IRON & STEEL CO. LIMITED	-	-	-			
	H. AKBERALI & Co.	-	-	-			
	BSRM STEEL MILLS LIMITED	1,849	5,689	7,539			
	<b>Group-total</b>	<b>5,965</b>	<b>28,128</b>	<b>34,093</b>	<b>2.14%</b>	<b>10.11%</b>	<b>12.25%</b>
<b>Total</b>		<b>469,303</b>	<b>420,176</b>	<b>889,479</b>			

Total Capital of the Bank as at 31 December 2020 is Taka 278,282.55 lac.

**Highlights of Performance of Bank**  
**As at 31 December 2020**

(Amount in Taka)

Sl. #	Particulars	2020	2019
1	Paid-up Capital	9,800,923,350	9,334,212,720
2	Total Capital (Tier-I + Tier-II)	27,828,255,363	28,477,367,412
3	Capital Surplus	8,212,756,627	10,199,798,464
4	Total Assets	293,517,852,175	265,992,536,911
5	Total Deposit	218,442,949,715	203,272,975,725
6	Total Investments (Loans & Advance)	196,512,651,241	197,285,680,082
7	Total Contingent Liabilities and Commitment	120,035,036,488	113,090,491,393
8	Investment Deposit Ratio (%)	79.62%	87.47%
9	Percentage of Classified Investments against Total Investments	4.57%	4.91%
10	Profit after Tax and Provision	1,908,198,587	1,718,301,732
11	Amount of Classified Investments	8,973,476,102	9,687,322,264
12	Provisions kept against Classified Investments	3,440,061,818	3,258,413,053
13	Provisions Surplus	8,783,884	259,697
14	Cost of Fund	7.39%	8.42%
15	Profit Earning Assets	244,232,030,384	219,817,551,885
16	Non-Profit Earning Assets	49,285,821,791	46,174,985,026
17	Return on Investments in Securities (ROI)	2.59%	2.90%
18	Return on Assets (ROA)	0.68%	0.67%
19	Income from Investment in Securities	625,322,945	478,761,405
20	Earnings per Share	1.95	1.75
21	Net Income per Share	1.95	1.75
22	Price Earning Ratio (Times)	11.76	13.35



**Shahjalal Islami Bank Limited (Offshore Banking Unit)**  
**Balance Sheet**  
**As at 31 December 2020**

Note	31.12.2020		31.12.2019	
	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>Placement with other Banks &amp; Financial Institutions</b>				
<b>Balance with other Banks and Financial Institutions</b>				
Inside Bangladesh	258,303.19	21,904,111	311,392.33	26,437,209
Outside Bangladesh	-	-	-	-
3	<b>258,303.19</b>	<b>21,904,111</b>	<b>311,392.33</b>	<b>26,437,209</b>
<b>Investments</b>				
General Investment etc.	10,997,570.45	932,593,974	23,905,468.00	2,029,574,233
Bills Purchased and Discounted	131,649,519.60	11,163,879,262	112,300,655.50	9,534,325,652
4	<b>142,647,090.05</b>	<b>12,096,473,236</b>	<b>136,206,123.50</b>	<b>11,563,899,885</b>
<b>Fixed Assets including Premises, Furniture and Fixtures</b>				
5	<b>6,434.37</b>	<b>545,635</b>	<b>7,114.87</b>	<b>604,052</b>
<b>Other Assets</b>				
	-	-	-	-
<b>Non-Banking Assets</b>				
	-	-	-	-
<b>Total Property and Assets</b>	<b>142,911,827.61</b>	<b>12,118,922,981</b>	<b>136,524,630.70</b>	<b>11,590,941,146</b>
<b>Liabilities and Capital</b>				
<b>Liabilities</b>				
<b>Placement from other Banks &amp; Financial Institutions</b>				
6	<b>142,030,000.00</b>	<b>12,044,144,000</b>	<b>135,293,300.00</b>	<b>11,486,401,170</b>
<b>Deposits and Other Accounts</b>				
Mudaraba Savings Deposits	45,091.50	3,823,759	54,024.78	4,586,704
Mudaraba Term Deposits	-	-	-	-
Other Mudaraba Deposits	-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	96,767.32	8,205,869	39,954.79	3,392,162
Bills Payable	-	-	-	-
7	<b>141,858.82</b>	<b>12,029,628</b>	<b>93,979.57</b>	<b>7,978,865</b>
<b>Other Liabilities</b>				
8	<b>739,968.79</b>	<b>62,749,353</b>	<b>1,137,351.13</b>	<b>96,561,111</b>
<b>Total Liabilities</b>	<b>142,911,827.61</b>	<b>12,118,922,981</b>	<b>136,524,630.70</b>	<b>11,590,941,146</b>
<b>Capital/Shareholders' Equity</b>				
Paid-up Capital	-	-	-	-
Statutory Reserve	-	-	-	-
Retained Earnings	-	-	-	-
<b>Total Shareholders' Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>142,911,827.61</b>	<b>12,118,922,981</b>	<b>136,524,630.70</b>	<b>11,590,941,146</b>

**Shahjalal Islami Bank Limited (Offshore Banking Unit)**  
**Off-balance Sheet Items**  
**As at 31 December 2020**

Note	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
<b>Contingent Liabilities</b>				
Acceptances & endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit (including back to back bills)	58,646.16	4,973,194	26,400.00	2,241,360
Bills for collection	107,400.48	9,107,561	657,955.64	55,860,434
Other contingent liabilities	-	-	-	-
<b>Total</b>	<b>166,046.64</b>	<b>14,080,755</b>	<b>684,355.64</b>	<b>58,101,794</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>166,046.64</b>	<b>14,080,755</b>	<b>684,355.64</b>	<b>58,101,794</b>



**Shahjalal Islami Bank Limited (Offshore Banking Unit)**  
**Profit and Loss Account**  
**For the year ended 31 December 2020**

	Note	2020		2019	
		USD	Taka	USD	Taka
Investment Income	9	7,357,248.95	623,894,711	6,663,576.72	565,737,664
Less: Profit paid on Deposits & Borrowing	10	2,533,546.64	214,844,755	2,556,452.92	217,042,853
<b>Net Investment Income</b>		<b>4,823,702.31</b>	<b>409,049,956</b>	<b>4,107,123.80</b>	<b>348,694,811</b>
Commission, Exchange and Brokerage	11	8,985.99	762,012	8,785.10	745,855
Other Operating Income	12	123,468.09	10,470,094	126,612.21	10,749,377
		<b>132,454.08</b>	<b>11,232,106</b>	<b>135,397.31</b>	<b>11,495,232</b>
<b>Total Operating Income</b>		<b>4,956,156.39</b>	<b>420,282,062</b>	<b>4,242,521.11</b>	<b>360,190,042</b>
Salaries and Allowances	13	114,359.58	9,697,692	103,032.16	8,747,430
Rent, Taxes, Insurances, Electricity etc.	14	233.86	19,831	273.85	23,250
Legal Expenses		2,739.74	232,330	-	-
Postage, Stamps, Telecommunication etc.	15	213.90	18,139	343.71	29,181
Stationery, Printings, Advertisements etc.	16	285.46	24,207	225.65	19,158
Auditor's Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	17	1,511.66	128,189	945.64	80,285
Other Expenses	18	8,758.39	742,711	9,415.45	799,372
<b>Total Operating Expenses</b>		<b>128,102.59</b>	<b>10,863,100</b>	<b>114,236.46</b>	<b>9,698,675</b>
<b>Profit before Provision</b>		<b>4,828,053.80</b>	<b>409,418,962</b>	<b>4,128,284.65</b>	<b>350,491,367</b>
Specific provisions for Classified Investments		-	-	-	-
General provisions for Unclassified Investments		-	-	-	-
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>4,828,053.80</b>	<b>409,418,962</b>	<b>4,128,284.65</b>	<b>350,491,367</b>
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
		-	-	-	-
<b>Net Profit after Taxation</b>		<b>4,828,053.80</b>	<b>409,418,962</b>	<b>4,128,284.65</b>	<b>350,491,367</b>
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of current year		4,828,053.80	409,418,962	4,128,284.65	350,491,367
<b>Retained Earnings carried forward</b>		<b>4,828,053.80</b>	<b>409,418,962</b>	<b>4,128,284.65</b>	<b>350,491,367</b>
Less: Retained earnings transferred to central operation		4,828,053.80	409,418,962	4,128,284.65	350,491,367
		-	-	-	-

**Shahjalal Islami Bank Limited (Offshore Banking Unit)**  
**Cash Flow Statement**  
**For the year ended 31 December 2020**

	2020		2019	
	USD	Taka	USD	Taka
<b>Cash flows from operating activities</b>				
Investment income receipt in cash	7,357,248.95	623,894,711	6,663,576.72	565,737,664
Profit paid on deposits & borrowings	(2,533,546.64)	(214,844,755)	(2,556,452.92)	(217,042,853)
Fees & commission receipt in cash	8,985.99	762,012	8,785.10	745,855
Cash payments to employees	(114,359.58)	(9,697,692)	(103,032.16)	(8,747,430)
Cash payments to suppliers	(285.46)	(24,207)	(225.65)	(19,158)
Receipts from other operating activities	123,468.09	10,470,094	126,612.21	10,749,377
Payments for other operating activities	(12,059.95)	(1,021,972)	(10,033.01)	(855,134)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>	<b>4,829,451.40</b>	<b>409,538,190</b>	<b>4,129,230.29</b>	<b>350,568,320</b>
<b>Changes in operating assets and liabilities</b>				
Increase/decrease of investments to customers	(6,440,966.55)	(532,573,351)	(52,180,029.33)	(4,514,110,584)
Increase/decrease of deposits received from customers	47,879.25	4,050,762	(42,003.86)	(3,430,144)
Increase/decrease of other liabilities	(397,382.34)	(33,811,758)	15,324.82	2,423,104
<b>(ii) Cash flows from operating assets and liabilities</b>	<b>(6,790,469.64)</b>	<b>(562,334,346)</b>	<b>(52,206,708.37)</b>	<b>(4,515,117,625)</b>
<b>Net cash flow from operating activities (A)=(i+ii)</b>	<b>(1,961,018.24)</b>	<b>(152,796,156)</b>	<b>(48,077,478.08)</b>	<b>(4,164,549,305)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of fixed assets	-	-	-	-
Purchases of property, plants & equipments	(717.10)	(60,810)	(4,729.29)	(401,517)
<b>Net cash used in investing activities (B)</b>	<b>(717.10)</b>	<b>(60,810)</b>	<b>(4,729.29)</b>	<b>(401,517)</b>
<b>Cash flows from financing activities</b>				
Borrowing from Banks & Financial Institutions	6,736,700.00	557,742,830	39,378,300.00	3,439,132,670
Profit transferred to Shahjalal Islami Bank Ltd	(4,828,053.80)	(409,418,962)	(4,128,284.65)	(350,491,367)
<b>Net cash flow from financing activities (C)</b>	<b>1,908,646.20</b>	<b>148,323,868</b>	<b>35,250,015.35</b>	<b>3,088,641,303</b>
<b>Net decrease in cash &amp; cash equivalents (A+B+C)</b>	<b>(53,089.14)</b>	<b>(4,533,098)</b>	<b>(12,832,192.02)</b>	<b>(1,076,309,518)</b>
Add: Cash and cash equivalents at the beginning of the year	311,392.33	26,437,209	13,143,584.35	1,102,746,727
<b>Cash and cash equivalents at the end of the year</b>	<b>258,303.19</b>	<b>21,904,111</b>	<b>311,392.33</b>	<b>26,437,209</b>



## Shahjalal Islami Bank Limited (Offshore Banking Unit)

### Notes to the Financial Statements For the year ended 31 December 2020

#### 1. Status of the Unit

Offshore 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 Offshore 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-04, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

##### 1.1 Nature of Business/Principal Activities

The principal activities of OBU are to provide all kinds 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 form and the financial statements are prepared on a going concern basis under the historical cost convention and in accordance with First Schedule of the Banking 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

- Expenditure for audit fees has not been separately accounted for in the Financial Statements of OBU.
- Provision for taxation, investments and off-balance sheet items has not been accounted for in the separate Financial Statements of OBU. However, all provisions have been accounted for in the Financial Statement of Shahjalal Islami Bank Limited instead of OBU.

##### 2.3 General

- 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.
- Assets, liabilities, income & expenses have been converted to BDT currency @ US\$1 = Taka 84.80 (weighted average rate as at 31 December 2020).



Annexure-F

	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
<b>3 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Fund)</b>				
Inside Bangladesh (Note-3.1)	258,303.19	21,904,111	311,392.33	26,437,209
Outside Bangladesh	-	-	-	-
	<b>258,303.19</b>	<b>21,904,111</b>	<b>311,392.33</b>	<b>26,437,209</b>
<b>3.1 Inside Bangladesh</b>				
Shahjalal Islami Bank Ltd	258,303.19	21,904,111	311,392.33	26,437,209
	<b>258,303.19</b>	<b>21,904,111</b>	<b>311,392.33</b>	<b>26,437,209</b>
<b>4 Investments (Loans and Advances)</b>				
<b>Country-wise Classification of Investments</b>				
<b>Inside Bangladesh</b>				
Gross Murabaha, Bai-Muajjal etc.	10,997,570.45	932,593,974	23,905,468.00	2,029,574,233
Less: Profit receivable on Murabaha, Bai-Muajjal etc.	-	-	-	-
Net Murabaha, Bai-Muajjal etc.	<b>10,997,570.45</b>	<b>932,593,974</b>	<b>23,905,468.00</b>	<b>2,029,574,233</b>
Net Bills Purchased and Discounted (Note- 4.1)	131,649,519.60	11,163,879,262	112,300,655.50	9,534,325,652
<b>Outside Bangladesh</b>	-	-	-	-
	<b>142,647,090.05</b>	<b>12,096,473,236</b>	<b>136,206,123.50</b>	<b>11,563,899,885</b>
<b>4.1 Bills Purchased and Discounted</b>				
Payable inside Bangladesh	5,681,044.00	481,752,531	-	-
Payable outside Bangladesh	126,160,275.00	10,698,391,320	112,670,775.37	9,565,748,829
Gross Bills Purchased and Discounted	<b>131,841,319.00</b>	<b>11,180,143,851</b>	<b>112,670,775.37</b>	<b>9,565,748,829</b>
Less: Profit receivable on Bills Purchased and Discounted	191,799.40	16,264,589	370,119.87	31,423,177
Net Bills Purchased and Discounted	<b>131,649,519.60</b>	<b>11,163,879,262</b>	<b>112,300,655.50</b>	<b>9,534,325,652</b>
<b>5 Fixed Assets including Premises, Furniture &amp; Fixtures</b>				
Furniture & Fixture	3,316.41	281,232	4,121.63	349,926
Office Equipment	3,117.96	264,403	2,993.24	254,126
<b>Carrying Value</b>	<b>6,434.37</b>	<b>545,635</b>	<b>7,114.87</b>	<b>604,052</b>
<b>6 Placement from other Banks &amp; Financial Institutions</b>				
Mudaraba Term Deposit from other Banks	45,000,000.00	3,816,000,000	13,000,000.00	1,103,700,000
Borrowing from Shahjalal Islami Bank Ltd	97,030,000.00	8,228,144,000	122,293,300.00	10,382,701,170
	<b>142,030,000.00</b>	<b>12,044,144,000</b>	<b>135,293,300.00</b>	<b>11,486,401,170</b>
<b>7 Deposits and Other Accounts</b>				
Al-Wadeeah Current Deposit	38,121.16	3,232,674	9,050.15	768,358
Sundry Deposits	58,646.16	4,973,194	30,904.64	2,623,804
	<b>96,767.32</b>	<b>8,205,869</b>	<b>39,954.79</b>	<b>3,392,162</b>
Mudaraba Savings Deposit	45,091.50	3,823,759	54,024.78	4,586,704
	<b>45,091.50</b>	<b>3,823,759</b>	<b>54,024.78</b>	<b>4,586,704</b>
Mudaraba Term Deposit	-	-	-	-
	<b>141,858.82</b>	<b>12,029,628</b>	<b>93,979.57</b>	<b>7,978,865</b>
<b>8 Other Liabilities</b>				
Profit Payable	739,968.79	62,749,353	1,137,351.13	96,561,111
Outstanding Expenses	-	-	-	-
	<b>739,968.79</b>	<b>62,749,353</b>	<b>1,137,351.13</b>	<b>96,561,111</b>
<b>9 Profit on Investments</b>				
Profit received from Mudaraba Import Bills (UPAS)	6,754,117.20	572,749,139	5,898,814.98	500,809,392
Profit received from Hire Purchase	603,131.75	51,145,572	764,761.74	64,928,272
	<b>7,357,248.95</b>	<b>623,894,711</b>	<b>6,663,576.72</b>	<b>565,737,664</b>
<b>10 Profit paid on Deposits &amp; Borrowings</b>				
Profit paid on borrowings	2,533,546.64	214,844,755	2,556,452.92	217,042,853
	<b>2,533,546.64</b>	<b>214,844,755</b>	<b>2,556,452.92</b>	<b>217,042,853</b>
<b>11 Commission, Exchange &amp; Brokerage</b>				
Commission from LC	8,985.99	762,012	8,785.10	745,855
	<b>8,985.99</b>	<b>762,012</b>	<b>8,785.10</b>	<b>745,855</b>





**12 Other Operating Income**

SWIFT & REUTERS  
Miscellaneous Earnings  
Service & Charges Receipts

2020		2019	
USD	Taka	USD	Taka
20,699.23	1,755,295	23,897.96	2,028,937
102,594.97	8,700,053	102,708.25	8,719,930
173.89	14,746	6.00	509
<b>123,468.09</b>	<b>10,470,094</b>	<b>126,612.21</b>	<b>10,749,377</b>

**13 Salary & Allowances**

Basic Salary  
Allowances  
Bonus  
Bank's Contribution to Provident fund

48,842.84	4,141,873	42,838.95	3,637,027
41,602.36	3,527,880	36,567.95	3,104,619
19,862.36	1,684,328	19,618.11	1,665,578
4,052.02	343,611	4,007.15	340,207
<b>114,359.58</b>	<b>9,697,692</b>	<b>103,032.16</b>	<b>8,747,430</b>

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

Insurance

233.86	19,831	273.85	23,250
<b>233.86</b>	<b>19,831</b>	<b>273.85</b>	<b>23,250</b>

**15 Postage, Stamps, Telecommunication etc**

Telephone charges

213.90	18,139	343.71	29,181
<b>213.90</b>	<b>18,139</b>	<b>343.71</b>	<b>29,181</b>

**16 Stationery, Printing, Advertisement etc**

Computer Stationery  
Advertisement

275.33	23,348	198.33	16,838
10.13	859	27.32	2,319
<b>285.46</b>	<b>24,207</b>	<b>225.65</b>	<b>19,158</b>

**17 Depreciation and Repairs of Fixed Assets**

**Depreciation of Fixed Assets**

Furniture & Fixtures  
Office Appliance & Equipment

805.22	68,283	11.67	991
592.38	50,234	933.97	79,294
<b>1,397.60</b>	<b>118,516</b>	<b>945.64</b>	<b>80,285</b>

Repairs & Maintenance

114.06	9,672	-	-
<b>1,511.66</b>	<b>128,189</b>	<b>945.64</b>	<b>80,285</b>

**18 Other Expenses**

Entertainment Expense  
Travelling Expense  
Business development & promotion  
Car Expenses

558.20	47,335	1,086.38	92,234
-	-	15.27	1,296
381.23	32,328	451.85	38,362
7,818.96	663,048	7,861.95	667,480
<b>8,758.39</b>	<b>742,711</b>	<b>9,415.45</b>	<b>799,372</b>