



Shahjalal Islami Bank

L I M I T E D

FINANCIAL STATEMENTS 2016

FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SHAHJALAL ISLAMI BANK LIMITED

Report on the financial statements

We have audited the accompanying 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 balance sheet and the separate balance sheet as at 31 December 2016, 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 a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements and internal controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also 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 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

Report on other legal and regulatory requirements

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

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the 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:
 - internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 50 of the financial statements appeared to be materially adequate; and
 - nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in these financial statements;
- financial statements of the subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;
- in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purposes of the Bank's business;
- 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 with related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanation required by us have been received and found satisfactory; and
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,500 person hours for the audit of the books and accounts of the Bank.

Dhaka, 05 April 2017

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

SHAHJALAL ISLAMI BANK LIMITED AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2016

| | Note | 31.12.2016 Taka | 31.12.2015 Taka |
|---|------|------------------------|------------------------|
| Property and Assets | | | |
| Cash | | | |
| Cash in hand (Including Foreign Currencies) | 3 | 1,179,754,405 | 1,106,558,612 |
| Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies) | 4 | 8,398,144,743 | 8,177,172,061 |
| | | 9,577,899,148 | 9,283,730,673 |
| Balance with other Banks and Financial Institutions | | | |
| Inside Bangladesh | | 1,948,192,572 | 805,850,678 |
| Outside Bangladesh | | 472,970,179 | 667,183,236 |
| | 5 | 2,421,162,751 | 1,473,033,914 |
| Placement with other Banks & Financial Institutions | 6 | 7,861,781,566 | 8,657,997,972 |
| Investments in Shares & Securities | | | |
| Government | | 5,500,000,000 | 4,200,000,000 |
| Others | | 3,964,312,892 | 3,777,086,773 |
| | 7 | 9,464,312,892 | 7,977,086,773 |
| Investments | | | |
| General Investment etc. | | 115,618,153,110 | 92,024,490,000 |
| Bills Purchased and Discounted | | 10,478,684,675 | 7,164,796,744 |
| | 8 | 126,096,837,785 | 99,189,286,744 |
| Fixed Assets Including Premises | 9 | 3,474,011,723 | 3,341,443,033 |
| Other Assets | 10 | 12,005,895,988 | 11,288,361,306 |
| Non Banking Assets | 11 | 51,078,968 | 51,078,968 |
| Total Property and Assets | | 170,952,980,821 | 141,262,019,382 |
| Liabilities and Capital | | | |
| Liabilities | | | |
| Placement from other Banks & Financial Institutions | 12 | 17,239,879,460 | 3,890,911,426 |
| Deposits and Other Accounts | | | |
| Mudaraba Savings Deposits | | 18,510,981,952 | 15,876,565,502 |
| Mudaraba Term Deposits | | 44,923,686,220 | 41,842,087,699 |
| Other Mudaraba Deposits | | 44,393,859,970 | 37,120,302,113 |
| Al-Wadeeah Current & Other Deposit Accounts | | 14,492,841,209 | 13,114,867,832 |
| Bills Payable | | 1,712,398,926 | 1,152,971,241 |
| | 13 | 124,033,768,277 | 109,106,794,387 |
| Other Liabilities | 14 | 16,340,159,954 | 15,630,481,431 |
| Deferred Tax Liabilities | 15 | 95,464,963 | 104,211,220 |
| Total Liabilities | | 157,709,272,654 | 128,732,398,464 |
| Capital/Shareholders' Equity | | | |
| Paid-up Capital | 16 | 7,346,881,330 | 7,346,881,330 |
| Statutory Reserve | 17 | 4,403,561,679 | 3,942,345,432 |
| Retained Earnings | 18 | 1,253,792,811 | 1,010,103,443 |
| | | 13,004,235,820 | 12,299,330,205 |
| Total Shareholders' Equity | | 13,004,235,820 | 12,299,330,205 |
| Non-controlling Interest | 16.7 | 239,472,347 | 230,290,713 |
| Total Liabilities & Shareholders' Equity | | 170,952,980,821 | 141,262,019,382 |

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| Off-balance Items | Note | 31.12.2016 Taka | 31.12.2015 Taka |
|---|------|-----------------------|-----------------------|
| Contingent Liabilities | | | |
| Acceptances & endorsements | | 23,719,133,589 | 16,581,184,728 |
| Letters of guarantee | 19 | 11,956,867,945 | 7,184,290,937 |
| Irrevocable letters of credit | 20 | 18,421,361,635 | 13,947,624,480 |
| Bills for collection | | 9,228,367,132 | 5,812,711,245 |
| Other contingent liabilities | | - | - |
| Total | | 63,325,730,301 | 43,525,811,390 |
| Other Commitments | | | |
| Documentary credits, short term and trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance, revolving and underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Total | | - | - |
| Total off-balance sheet items including contingent liabilities | | 63,325,730,301 | 43,525,811,390 |

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

Chairman *Director* *Director* *Managing Director*

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

Dhaka, 05 April 2017

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

SHAHJALAL ISLAMI BANK LIMITED AND ITS SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 Taka | 2015 Taka |
|--|------|----------------------|----------------------|
| Operating Income | | | |
| Investment Income | 22 | 11,334,017,520 | 10,738,893,763 |
| Less: Profit paid on Deposits | 23 | 7,103,095,818 | 7,051,597,514 |
| Net Investment Income | | 4,230,921,702 | 3,687,296,249 |
| Income from Investment in Shares/Securities | 24 | 242,461,114 | 244,424,333 |
| Commission, Exchange and Brokerage | 25 | 1,342,881,837 | 1,128,139,349 |
| Other Operating Income | 26 | 457,549,789 | 417,582,620 |
| | | 2,042,892,740 | 1,790,146,302 |
| Total Operating Income | | 6,273,814,442 | 5,477,442,551 |
| Operating Expenses | | | |
| Salaries and Allowances | 27 | 1,915,727,099 | 1,780,765,175 |
| Rent, Taxes, Insurances, Electricity etc. | 28 | 438,994,609 | 387,774,764 |
| Legal Expenses | 29 | 1,052,709 | 2,156,033 |
| Postage, Stamps, Telecommunication etc. | 30 | 37,365,945 | 38,280,606 |
| Stationery, Printings, Advertisements etc. | 31 | 80,268,567 | 67,154,097 |
| Chief Executive's Salary & Fees | 32 | 13,430,500 | 13,260,000 |
| Directors' Fees & Expenses | 33 | 6,259,712 | 5,997,441 |
| Shariah Supervisory Committee's Fees & Expenses | 34 | 559,816 | 462,957 |
| Auditors' Fees | 35 | 639,500 | 439,500 |
| Depreciation & Repairs of Bank's Assets | 36 | 145,424,652 | 144,820,044 |
| Zakat Expenses | 37 | 101,969,969 | 93,316,700 |
| Other Expenses | 38 | 406,695,185 | 323,297,752 |
| | | 3,148,388,263 | 2,857,725,069 |
| Total Operating Expenses | | 3,148,388,263 | 2,857,725,069 |
| Profit / (Loss) before Provision | 21 | 3,125,426,179 | 2,619,717,482 |
| Specific provision for Classified Investment | | 356,500,000 | 320,913,336 |
| General Provision for Unclassified Investment | | 115,200,000 | 257,177,896 |
| General Provision for Off-Balance Sheet Items | | 197,900,000 | 31,060,000 |
| Provision for deminution in value of Investments in Shares | | - | 152,000,000 |
| Provision for Other Assets | | 3,526,000 | 5,139,000 |
| Total Provision | 39 | 673,126,000 | 766,290,232 |
| Total Profit / (Loss) before taxes | | 2,452,300,179 | 1,853,427,250 |
| Provision for taxation | | | |
| Deferred tax | 40 | (8,746,257) | (13,493,006) |
| Current tax | 40a | 791,864,614 | 545,081,276 |
| | | 783,118,357 | 531,588,270 |
| Net Profit / (Loss) after Tax | | 1,669,181,822 | 1,321,838,980 |
| Net profit after tax attributable to: | | | |
| Equity holders of SJIIBL | | 1,660,000,188 | 1,318,543,217 |
| Non-controlling interest | | 9,181,634 | 3,295,763 |
| | | 1,669,181,822 | 1,321,838,980 |
| Retained earnings from previous year | | 1,010,103,443 | 777,808,975 |
| Add: Net profit after tax (attributable to equity holders of SJIIBL) | | 1,660,000,188 | 1,318,543,217 |
| Profit available for appropriation | | 2,670,103,631 | 2,096,352,191 |
| Appropriation: | | | |
| Statutory reserve | 17 | 461,216,247 | 351,560,615 |
| Dividend | | 955,094,573 | 734,688,133 |
| Retained earnings | 18 | 1,253,792,811 | 1,010,103,443 |
| | | 2,670,103,631 | 2,096,352,191 |
| Consolidated earnings per share | 41 | 2.26 | 1.79 |

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

Chairman *Director* *Director* *Managing Director*

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

Dhaka, 05 April 2017

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

SHAHJALAL ISLAMI BANK LIMITED AND ITS SUBSIDIARY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 Taka | 2015 Taka |
|--|------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Investment income receipt in cash | 42 | 11,670,404,910 | 11,183,486,832 |
| Profit paid on deposits | 43 | (7,429,829,009) | (7,738,200,876) |
| Dividend receipts | | 62,426,658 | 34,108,744 |
| Fees & commission receipt in cash | | 1,342,881,837 | 1,128,139,349 |
| Recoveries on investment previously written off | | 22,583,982 | 231,201,927 |
| Cash payments to employees | | (1,929,157,599) | (1,794,025,175) |
| Cash payments to suppliers | | (80,268,567) | (67,154,097) |
| Income tax paid | | (644,006,097) | (606,240,779) |
| Receipts from other operating activities | 44 | 459,444,812 | 420,282,008 |
| Payment for other operating activities | 45 | (1,010,270,173) | (868,786,722) |
| | | 2,464,210,755 | 1,922,811,211 |
| (i) Operating profit before changes in operating assets & liabilities | | | |
| Changes in operating assets and liabilities | | | |
| (Increase)/decrease in investment to customers | | (27,846,228,421) | (13,932,791,988) |
| (Increase)/decrease in other assets | | (10,738,761) | (21,819,434) |
| (Increase)/decrease of placement with other banks & financial institutions | | 796,216,405 | (4,423,856,895) |
| Increase/(decrease) in deposits from other banks | | (1,311,106,591) | 2,897,269,895 |
| Increase/(decrease) of placement from other banks & financial institutions | | 13,348,968,035 | (200,936,623) |
| Increase/(decrease) in deposits received from customers | | 16,228,090,481 | 7,766,197,143 |
| Increase/(decrease) in other liabilities on account of customers | | (19,963,183) | 245,607,243 |
| Increase/(decrease) in other liabilities | 47 | 286,439,794 | 416,685,273 |
| | | 1,481,667,758 | (7,253,645,386) |
| (ii) Cash flows from operating assets and liabilities | | 3,945,878,513 | (7,253,645,386) |
| Net cash flows from operating activities (A)=(i+ii) | | 3,945,878,513 | (7,253,645,386) |
| Cash flows from investing activities | | | |
| Proceeds from sale of securities | | 989,951,210 | 1,848,951,517 |
| Proceeds for purchases of securities | | (2,477,177,329) | (893,728,250) |
| Proceeds from sale of fixed assets | | 2,321,270 | 5,360,527 |
| Purchases of property, plant & equipments | | (263,581,780) | (267,233,852) |
| Purchase/sale of subsidiaries | | - | - |
| | | (1,748,486,628) | 693,349,941 |

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| | Note | 2016 Taka | 2015 Taka |
|---|------|-----------------------|------------------------|
| Cash flows from financing activities | | | |
| Receipts from issue of debt instruments | | - | - |
| Payments for redemption of debt instruments | | - | - |
| Receipts from issue of ordinary shares | | - | - |
| Dividend paid to ordinary share holder | | (955,094,573) | (734,688,133) |
| Net cash used in financing activities (C) | | (955,094,573) | (734,688,133) |
| Net increase/(decrease) in cash & cash equivalents (A+B+C) | | 1,242,297,312 | (5,372,172,367) |
| Add: Effect of exchange rate changes on cash & cash equivalents | | - | - |
| Add: Cash and cash equivalents at the beginning of the year | | 10,756,764,587 | 16,128,936,954 |
| Cash & cash equivalents at the end of the year | 48 | 11,999,061,899 | 10,756,764,587 |

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

Chairman *Director* *Director* *Managing Director*

Dhaka, 05 April 2017

SHAHJALAL ISLAMI BANK LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

For the year ended 31 December 2016

(Amount in taka)

| Particulars | Paid-up Capital | Statutory Reserve | Non- controlling Interest | Retained Earnings | Total |
|--|----------------------|----------------------|---------------------------------|----------------------|-----------------------|
| Balance as at 01 January 2016 | 7,346,881,330 | 3,942,345,432 | - | 1,010,103,443 | 12,299,330,205 |
| Cash dividend paid for the year 2015 | - | - | - | (955,094,573) | (955,094,573) |
| Net profit during the year | - | 461,216,247 | - | 1,198,783,941 | 1,660,000,188 |
| Total Shareholders' Equity as at 31 December 2016 | 7,346,881,330 | 4,403,561,679 | - | 1,253,792,811 | 13,004,235,820 |
| Non-controlling interest | - | - | 239,472,347 | - | 239,472,347 |
| Add: General Provision for Unclassified Investment & Off-Balance Sheet Items | | | | 1,953,120,900 | 1,953,120,900 |
| Total Eligible Regulatory Capital as at 31 December 2016 | | | | | 15,196,829,067 |

For the year ended 31 December 2015

(Amount in taka)

| Particulars | Paid-up Capital | Statutory Reserve | Non-controlling Interest | Retained Earnings | Total |
|--|----------------------|----------------------|--------------------------|----------------------|-----------------------|
| Balance as at 01 January 2015 | 7,346,881,330 | 3,590,784,817 | - | 777,808,975 | 11,715,475,122 |
| Cash dividend paid for the year 2014 | - | - | - | (734,688,133) | (734,688,133) |
| Net profit during the year | - | 351,560,615 | - | 966,982,601 | 1,318,543,216 |
| Total Shareholders' Equity as at 31 December 2015 | 7,346,881,330 | 3,942,345,432 | - | 1,010,103,443 | 12,299,330,205 |
| Non-controlling Interest | - | - | 230,290,713 | - | 230,290,713 |
| Add: General Provision for Unclassified Investment & Off-Balance Sheet Items | - | - | - | - | 1,098,178,936 |
| Less: Shortfall in provisions of investment in shares (subsidiary) | - | - | - | - | 259,500,000 |
| Total Eligible Regulatory Capital as at 31 December 2015 | - | - | - | - | 13,368,229,854 |



Shahjalal Islami Bank

L I M I T E D


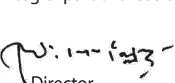
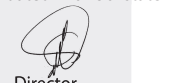

FINANCIAL STATEMENTS 2016

SHAHJALAL ISLAMI BANK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016


| Note | 2016 Taka | 2015 Taka |
|--|----------------------|----------------------|
| Operating income | | |
| Investment Income | 22a 11,154,356,257 | 10,509,980,697 |
| Less: Profit paid on Deposits | 23a 6,986,501,525 | 6,942,572,993 |
| Net Investment Income | 4,167,854,732 | 3,567,407,704 |
| Income from Investment in Shares/securities | 24a 136,077,151 | 141,927,979 |
| Commission, Exchange and Brokerage | 25a 1,222,560,456 | 1,036,123,630 |
| Other Operating Income | 26a 451,673,610 | 410,187,078 |
| | 1,810,311,217 | 1,588,238,687 |
| Total Operating Income | 5,978,165,949 | 5,155,646,391 |
| Operating expenses | | |
| Salaries and Allowances | 27a 1,878,143,846 | 1,747,409,359 |
| Rent, Taxes, Insurances, Electricity etc. | 28a 423,595,761 | 373,598,915 |
| Legal Expenses | 29a 728,459 | 1,555,477 |
| Postage, Stamps, Telecommunication etc. | 30a 34,794,548 | 35,411,933 |
| Stationery, Printings, Advertisements etc. | 31a 78,884,275 | 64,550,360 |
| Chief Executive's Salary & Fees | 32 13,430,500 | 13,260,000 |
| Directors' Fees & Expenses | 33 6,259,712 | 5,997,441 |
| Shariah Supervisory Committee's Fees & Expenses | 34 559,816 | 462,957 |
| Auditors' Fees | 35a 600,000 | 400,000 |
| Depreciation & Repairs of Bank's Assets | 36a 138,680,426 | 138,616,713 |
| Zakat Expenses | 37 101,969,969 | 93,316,700 |
| Other Expenses | 38a 321,311,401 | 303,630,126 |
| Total Operating Expenses | 2,998,958,713 | 2,778,209,981 |
| Profit / (Loss) before Provision | 2,979,207,236 | 2,377,436,410 |
| Specific provision for Classified Investment | | 320,913,336 |
| General Provision for Unclassified Investment | | 115,200,000 |
| General Provision for Off-Balance Sheet Items | | 197,900,000 |
| Provision for demutation in value of Investments in Shares | | - |
| Provision for Other Assets | | 3,526,000 |
| Total Provision | 673,126,000 | 619,633,336 |
| Total Profit / (Loss) before taxes | 2,306,081,236 | 1,757,803,074 |
| Provision for taxation | | |
| Deferred tax | 40 (8,746,257) | (13,493,006) |
| Current tax | 40b 757,457,278 | 480,803,528 |
| | 748,711,021 | 467,310,522 |
| Net Profit after Taxation | 1,557,370,215 | 1,290,492,552 |
| Retained Earnings from previous year | | 760,829,703 |
| Add: Net Profit after Tax | | 1,557,370,215 |
| | 2,322,443,722 | 2,051,322,255 |
| Profit available for appropriation | | |
| Appropriation | | |
| Statutory Reserve | 17 461,216,247 | 351,560,615 |
| Dividend | 18a 955,094,573 | 734,688,133 |
| Retained Earnings | 18a 1,106,132,902 | 965,073,507 |
| | 2,522,443,722 | 2,051,322,255 |
| Earnings Per Share (EPS) | 41a 2.12 | 1.76 |

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

 Chairman
 Director
 Director
 Managing Director

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

Dhaka, 05 April 2017


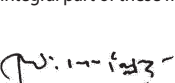



Hoda Vasi Chowdhury & Co
Chartered Accountants

SHAHJALAL ISLAMI BANK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

| Note | 2016 Taka | 2015 Taka |
|--|---------------------------|------------------------|
| Cash flows from operating activities | | |
| Investment income receipt | 42a 11,275,216,925 | 10,679,748,148 |
| Profit paid on deposits | 43a (7,085,259,948) | (7,324,682,200) |
| Dividend receipts | 62,426,658 | 34,108,744 |
| Fees & commission receipt | 1,222,560,456 | 1,036,123,630 |
| Recoveries on investment previously written off | 22,583,982 | 231,201,927 |
| Cash payments to employees | (1,891,574,346) | (1,760,669,359) |
| Cash payments to suppliers | (78,884,275) | (64,550,360) |
| Income tax paid | (586,051,379) | (556,059,713) |
| Receipts from other operating activities | 44a 451,673,505 | 410,137,095 |
| Payments for other operating activities | 45a (906,401,371) | (831,202,188) |
| (i) Operating Profit before changes in operating assets & liabilities | 2,486,290,208 | 1,854,155,725 |
| Changes in operating assets & liabilities | | |
| (Increase)/decrease in investment to customers | (27,102,407,455) | (13,886,479,464) |
| (Increase)/decrease of other assets | (671,323,245) | 217,209,198 |
| (Increase)/decrease of Placement with other Banks & Financial Institutions | 796,216,405 | (4,423,856,895) |
| (Increase)/decrease of deposits from other banks | (1,301,116,591) | 2,897,269,895 |
| (Increase)/decrease of Placement from other Banks & Financial Institutions | 13,284,631,374 | (300,936,623) |
| (Increase)/decrease of deposits received from customers | 16,452,226,926 | 7,760,129,336 |
| (Increase)/decrease of other liabilities on account of customers | (19,963,183) | 245,607,243 |
| (Increase)/decrease of other liabilities | (50,122,802) | 127,643,956 |
| (ii) Cash flows from operating assets and liabilities | 1,388,141,428 | (7,363,413,354) |
| Net cash flows from operating activities (A)=(i+ii) | 3,874,431,636 | (5,509,257,629) |
| Cash flows from investing activities | | |
| Proceeds from sale of securities | 46a 466,338,218 | 1,421,221,240 |
| Payment for purchases of securities | (1,875,753,853) | (296,243,089) |
| Proceeds from sale of fixed assets | 2,321,270 | 5,360,527 |
| Purchases of property, plant & equipments | (258,066,897) | (261,113,602) |
| Purchase/sale of subsidiaries | - | - |
| Net cash used in investing activities (B) | (1,665,161,261) | 869,225,075 |
| Cash flows from financing activities | | |
| Receipts from issue of debt instruments | - | - |
| Payments for redemption of debt instruments | - | - |
| Receipts from issue of ordinary shares | - | - |
| Dividend paid to ordinary shareholders | (955,094,573) | (734,688,133) |
| Net cash used in financing activities (C) | (955,094,573) | (734,688,133) |
| Net Increase/(decrease) in cash & cash equivalents (A+B+C) | 1,254,175,802 | (5,374,720,687) |
| Add: Effect of exchange rate changes on cash & cash equivalents | - | - |
| Cash and cash equivalents at the beginning of the year | 10,739,727,356 | 16,114,448,043 |
| Cash and cash equivalents at the end of the year | 48a 11,993,903,158 | 10,739,727,356 |

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

 Chairman
 Director
 Director
 Managing Director

Dhaka, 05 April 2017

SHAHJALAL ISLAMI BANK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

| Particulars | Paid-up Capital | Statutory Reserve | Retained Earnings | Total |
|--|----------------------|----------------------|----------------------|-----------------------|
| Balance as at 01 January 2016 | 7,346,881,330 | 3,942,345,432 | 965,073,507 | 12,254,300,269 |
| Cash dividend paid for the year 2015 | - | - | (955,094,573) | (955,094,573) |
| Net profit during the year | - | 461,216,247 | 1,096,153,968 | 1,557,370,215 |
| Total Shareholders' Equity as at 31 December 2016 | 7,346,881,330 | 4,403,561,679 | 1,106,132,902 | 12,856,575,911 |
| Total Equity for the purpose of Capital Adequacy | | | | |
| Equity as per above | | | | 12,856,575,911 |
| Add: General Provision for Unclassified Investment & Off-Balance Sheet items | | | | 1,529,500,000 |
| Total Eligible Regulatory Capital as at 31 December 2016 | | | | 14,386,075,911 |


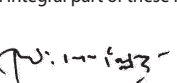


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For the year ended 31 December 2015

(Amount in taka)

| Particulars | Paid-up Capital | Statutory Reserve | Retained Earnings | Total |
|--|----------------------|----------------------|----------------------|-----------------------|
| Balance as at 01 January 2015 | 7,346,881,330 | 3,590,784,817 | 760,829,703 | 11,698,495,850 |
| Cash dividend paid for the year 2014 | - | - | (734,688,133) | (734,688,133) |
| Net profit during the year | - | 351,560,615 | 938,931,937 | 1,290,492,552 |
| Total Shareholders' Equity as at 31 December 2015 | 7,346,881,330 | 3,942,345,432 | 965,073,507 | 12,254,300,269 |
| Total Equity for the purpose of Capital Adequacy | | | | |
| Equity as per above | | | | 12,254,300,269 |
| Add: General Provision for Unclassified Investment & Off-Balance Sheet items | | | | 1,100,927,373 |
| Total Eligible Regulatory Capital as at 31 December 2015 | | | | 13,355,227,642 |

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

 Chairman
 Director
 Director
 Managing Director

Dhaka, 05 April 2017


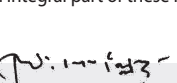


SHAHJALAL ISLAMI BANK LIMITED

LIQUIDITY STATEMENT, ASSETS AND LIABILITIES MATURITY ANALYSIS AS AT 31 DECEMBER 2016

(Amount in Taka)

| Particulars | Upto 01 Month | 01-03 Months | 03-12 Months | 01-05 Years | More than 05 years | Total |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Assets | | | | | | |
| Cash in hand | 1,179,754,405 | - | - | - | - | 1,179,754,405 |
| Balance with other Banks and Financial Institutions | 2,524,631,504 | 472,970,179 | - | - | 7,816,547,070 | 10,814,148,753 |
| Placement with other Banks & Financial Institutions | 2,000,000,000 | 4,250,000,000 | 1,300,000,000 | 311,781,566 | - | 7,861,781,566 |
| Investment in Shares & Securities | 3,986,131,998 | 2,120,000,000 | 1,400,000,000 | 87,000,000 | - | 7,593,131,998 |
| Investments | 23,861,685,787 | 40,724,763,732 | 37,563,705,357 | 15,928,290,255 | 4,919,935,214 | 122,998,380,344 |
| Fixed Assets including premises | 12,912,646 | 25,825,292 | 116,213,815 | 521,625,615 | 2,756,461,674 | 3,433,039,043 |
| Other Assets | 204,029,877 | 273,975,955 | 451,245,474 | 1,443,003,631 | 10,941,193,583 | 13,313,448,521 |
| Non-banking Assets | - | - | - | - | 51,078,968 | 51,078,968 |
| Total assets (i) | 33,769,146,217 | 47,867,535,158 | 40,831,164,646 | 18,291,701,067 | 26,485,216,510 | 167,244,763,598 |
| Liabilities | | | | | | |
| Placement from other Banks & Financial Institutions | 4,000,000,000 | 7,814,829,758 | 4,420,713,041 | - | - | 16,235,542,799 |
| Deposits and other accounts | 28,388,595,107 | 38,135,619,529 | 28,999,898,645 | 15,374,524,061 | 13,511,193,361 | 124,409,830,702 |
| Other liabilities | 612,765,980 | 1,458,901,632 | 6,156,319,234 | 2,729,469,844 | 2,689,892,533 | 13,647,349,223 |
| Deferred tax Liabilities | - | - | - | - | 95,464,963 | 95,464,963 |
| Total Liabilities (ii) | 33,001,361,087 | 47,409,350,918 | 39,576,930,920 | 18,103,993,906 | 16,296,550,856 | 154,388,187,687 |
| Net Liquidity Gap (i-ii) | 767,785,130 | 458,184,240 | 1,254,233,726 | 187,707,161 | 10,188,665,654 | 12,856,575,911 |

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

 Chairman
 Director
 Director
 Managing Director

Dhaka, 05 April 2017

SHAHJALAL ISLAMI BANK LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Status of the Bank

1.1 Legal Form of the Bank

Shahjalal Islami Bank Limited (hereinafter called 'the Bank'/'SIBL') was established as a Public Limited Company (Banking Company) as on the 1 April 2001 under the Companies Act 1994 as interest free Islamic Shariah based commercial bank and commenced its operation on 10 May 2001 with the permission of Bangladesh Bank. Presently the Bank is operating its business through head office having 103 branches, 59 (Fifty Nine) ATM booths and 2,191 employees all over Bangladesh. The Bank has also a subsidiary company named 'Shahjalal Islami Bank Securities Limited' and an Off-shore Banking Unit. The Bank is listed with both the Stock Exchanges of the country, i.e. Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The registered office of the Bank is located at Uday Sanz, Plot No-SE(A), 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212.

1.2 Nature of Business

The Bank offers all kinds of commercial banking services to its customers through its branches following the provisions of the Bank Companies Act 1991 (as amended up to 2013), Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shariah.

1.3 Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank Limited incorporated as a public limited company under the Companies Act 1994 vide certification of incorporation no. C - 8691710 dated 06 September 2010 and commenced its operation on the 25 May 2011. The main objective of the company is to carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Shahjalal Islami Bank Limited hold 91.79% shares of Shahjalal Islami Bank Securities Limited.

1.4 Off-shore Banking Unit

Off-shore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission from Bangladesh Bank vide letter no. BRPD (P-3/744/99)/2008-2800 dated 24 July 2008. The Bank opened its Off-shore Banking Unit on 21 December 2008. The unit is located at Uday Sanz, Plot No-SE(A) 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212. Separate Financial Statements of Off-shore Banking Unit are also presented.

2. Significant Accounting Policies

2.1 Basis of preparation of the Financial Statements

The Bank and its subsidiary are being operated in strict compliance with the rules of Islamic Shariah. The consolidated and separate financial statements of the Bank have been prepared under the historical cost convention consistently with those of previous year and as per provisions of the "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 with reference to the provisions of the Bank Companies Act, 1991 (as amended up to 2013), BRPD Circular No. 14 dated 25.06.2003 & Bangladesh Bank's other circulars/instructions and in accordance with 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 Securities and Exchange Rules, 1987; Dhaka and Chittagong Stock Exchanges (Listing) Regulations, 2015, Financial Reporting Act 2015 and other laws and rules applicable in Bangladesh and Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of that organization.

In case any requirement of the Bank Companies Act, 1991 (as amended up to 2013) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs & IASs as adopted, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank will prevail.

Material departures from the requirements of BFRS are as follows:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 "Financial Instruments: Recognition and Measurement" investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

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

ii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39 "Financial Instruments: Recognition and Measurement" where securities will fall under the category of 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 Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

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

iii) Provision on investments and off-balance sheet exposure

BFRS: As per BAS 39 "Financial Instruments: Recognition and Measurement" an entity should start the impairment assessment by considering whether objective evidence of impairment exists

for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2014) and BRPD circular No. 16 (18 November 2014) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively (except short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39 "Financial Instruments: Recognition and Measurement".

iv) Recognition of investment income in suspense

BFRS: Investment to customers are generally classified as 'loans and receivables' as per BAS 39 "Financial Instruments: Recognition and Measurement" and investment income is recognised through effective interest rate method over the term of the loan. Once an investment (loan) is impaired, investment income is recognised in profit and loss account on the same basis based on revised carrying amount.

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

v) Other comprehensive income

BFRS: As per BAS 1 "Presentation of Financial Statements", Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

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

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

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

b) Foreign Exchange Risk Management

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

c) Asset Liability Risk Management

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director conducted 15 meetings in 2016. The key agenda of the meetings were liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic outlook & Market Status and rate of profit (interest). For managing Balance Sheet risk properly, the bank has already prepared a Manual of The Asset Liability Management according to the guidelines of Bangladesh Bank.

d) Money Laundering Risk Management

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

e) Internal Control & Compliance Risk

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

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

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

- Audit and Inspection;
- Compliance; and
- Monitoring.

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

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

f) Information and Communication Technology Security Risk

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

ii. Internal Audit

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

iii. Fraud and Forgeries

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

2.3 Consolidation

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

The consolidated Financial Statements have been prepared in accordance with BFRS 10' Consolidated Financial Statements'. The consolidated Financial Statements are prepared to a common financial year ending 31 December 2016.

2.4 Subsidiary

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

2.5 Transactions Eliminated on Consolidation

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

2.6 Use of estimates and judgments

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

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

2.7 Revenue Recognition

The revenue is recognized as follows complying the conditions of revenue recognition as provided in IAS-18.

- Income from Investments has been accounted for on accrual basis.
- Income from Investment in Securities is recognized at the time of sale.
- Dividend income on Investment is Subsidiary is accounted for when the right to receive payment is established.
- Profit on Investment in Bangladesh Government Islamic Investment Bond (Islamic Bond) is recognized on accrual basis.
- Income from bills purchased and discounted is recognized at the time of realization.
- Fees and commission income are recognized when earned.
- Profit paid to mudaraba depositors is recognized on accrual basis as per provisional rate. The final profit is determined and to be paid to the depositors.
- The proposed dividend for the year 2016 has not been recognized as a liability in the balance sheet in accordance with the BAS-10: Events After the Balance Sheet Date.

2.8 Profit Suspende /Compensation Account & Shariah non-compliance Income

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

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

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

2.9 Investment and Provisions

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

The rates of provision are given below:

| Particulars | 2016 | | | | | 2015 | | | | |
|--|--|-------|-----|-----|------|-------|-------|-----|-----|------|
| | Classification/Percentage (%) of provision requirement | | | | | | | | | |
| | UC | SMA | SS | DF | BL | UC | SMA | SS | DF | BL |
| Small and Medium Enterprise (SME) Financing | 0.25% | 0.25% | 20% | 50% | 100% | 0.25% | 0.25% | 20% | 50% | 100% |
| Investment for House Building & Professional | 2% | 2% | 20% | 50% | 100% | 2% | 2% | 20% | 50% | 100% |
| Consumer Other than House Building & Professional | 5% | 5% | 20% | 50% | 100% | 5% | 5% | 20% | 50% | 100% |
| All Other (Except Short-term Agricultural and Micro-Credits) | 1% | 1% | 20% | 50% | 100% | 1% | 1% | 20% | 50% | 100% |
| Short-term Agricultural and Micro-Credits | 2.50% | | 5% | | 100% | 2.50% | | 5% | | 100% |
| Investment to Stock Dealers & Stock Broker | 2.00% | | 20% | 50% | 100% | 2.00% | | 20% | 50% | 100% |
| Off Balance Sheet exposures | | | 1% | | | | | 1% | | |

2.10 Provision for Nostro Accounts

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

2.11 Sharing of Investment Income

The Investment income earned through deployment of Mudaraba Fund is shared among the Mudaraba Depositors at the ratio as determined by the Bank, but not less than 65% of the total shared investment income. In 2016, the sharing ratio among the Mudaraba fund providing were 75.70% which is more than the committed ratio of 65%.

2.12 Investment in Securities

Islamic Investment Bond (Islami Bond)

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

Investment in Shares and Securities

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

Derivative Investments

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

Investment in Subsidiary

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

2.13 Fixed Assets and Depreciation

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

| Name of the Assets | Rates of Depreciation Per Annum | Method of Depreciation |
|---|---------------------------------|------------------------|
| Building | 2.25 | Reducing balance |
| Furniture & Fixtures other than residence | 10 | Reducing balance |
| Furniture & Fixtures- residence | 20 | Straight line |
| Office Appliances & Equipment | 20 | Reducing balance |
| Vehicles | 20 | Straight line |
| Books | 20 | Reducing balance |

- For addition during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

- Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account.

2.14 Intangible Assets

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

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

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

2.15 Impairment of Assets

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

2.16 Foreign Currency Translations

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

2.17 Earnings Per Share

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

2.18 Statement of liquidity

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

- Balance and placement with other Banks and Financial Institutions are on the basis of their maturity term.
- Investment in share and securities are on the basis of their residual maturity term.
- Investments are on the basis of their repayment/ maturity schedule.
- Fixed assets are on the basis of their useful life.
- Other assets are on the basis of their adjustment.
- Placement from other banks & FI as per their maturity/repayment term.
- 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.
- Other long-term liability on the basis of their maturity term.
- Provisions and other liabilities are on the basis of their expected settlement.

2.19 Cash Flow Statement

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

2.20 Off Balance Sheet Items

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

2.21 Taxation

Current Tax

Provision for current income tax has been made @ 40.00% as prescribed in the Finance Act, 2016 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure & provisions as per Income Tax Ordinance 1984 in compliance with BAS-12 " Income Taxes".

Deferred tax

The Bank has adopted deferred tax accounting policy as per Bangladesh Accounting Standard (BAS) 12. Accordingly deferred tax liability/asset is accounted for all temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the prevailing tax rate as per Finance Act 2016.

2.22 Reporting Period

The Financial Statements cover one calendar year from 01 January to 31 December 2016.

2.23 Offsetting

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

2.24 Statutory Reserve

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

2.25 Zakat

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

Zakat is chargeable in the profit & Loss account of the Bank as per " Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No.15 dated 09.11.2009

2.26 Employee benefits

Provident Fund (Defined Contribution Plan)

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

Gratuity Fund (Define Benefit Plan)

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

Other Employee Benefits

Superannuation Fund

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

Benevolent Fund

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

Incentive Bonus

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

2.27 Reconciliation of books of Accounts

Books of Account in regard to inter-Bank are reconciled and un-reconciled entries in case of inter-branch transactions on the reporting date are not mentionable, which are, due to the time-gap before finalizing the same. Inter-branch outstanding entries are less than 03 month, detail of which are disclosed in Note 10a.5

2.28 Related Party Transactions

The Bank entered into transactions with the related parties complying with the requirements of Section 27(1) of the Bank Companies (Amendment) Act 2013. All the related party transactions have been accounted for, the detail of which are disclosed in Note 51.

2.29 Corporate Governance

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

2.30 General Information

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

2.31 Compliance with Financial Reporting Standards as applicable in Bangladesh

While reporting the financial statements, Shahjalal Islami Bank Ltd. applied all the applicable IAS and IFRS as adopted in Bangladesh. Details are given below:

| SI. No. | BAS No. | BAS 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 Reporting Period | Complied |
| 6 | 11 | Construction Contracts | Not Applicable |
| 7 | 12 | Income Taxes | Complied |
| 8 | 16 | Property, Plant & Equipment | Complied |
| 9 | 17 | Leases | Complied |
| 10 | 18 | Revenue | Complied |
| 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 | Complied |
| 15 | 24 | Related Party Disclosures | Complied |
| 16 | 26 | Accounting and Reporting by Retirement Benefit Plans | Complied |
| 17 | 27 | Consolidated and Separate Financial Statements | Complied |
| 18 | 28 | Investment in Associates | Not Applicable |
| 19 | 31 | Interest in Joint Venture | Not Applicable |
| 20 | 32 | Financial Instruments: Presentation | Complied * |
| 21 | 33 | Earnings per Share | Complied |
| 22 | 34 | Interim Financial Reporting | Complied |
| 23 | 36 | Impairment of Assets | Complied |
| 24 | 37 | Provisions, Contingent liabilities and Contingent Assets | Complied * |
| 25 | 38 | Intangible Assets | Complied |
| 26 | 39 | Financial Instruments: Recognition and Measurement | Complied * |
| 27 | 40 | Investment Property | Not Applicable |
| 28 | 41 | Agriculture | Not Applicable |

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

* Subject to departure disclosed in note no. 2.1.

| | | 31.12.2016 | 31.12.2015 |
|------|--|-------------------------|---------------|
| | | Taka | Taka |
| 3 | Consolidated Cash in hand (Including foreign currencies) | | |
| | Shahjalal Islami Bank Ltd | (Note-3a) 1,179,754,405 | 1,106,558,612 |
| | Shahjalal Islami Bank Securities Ltd | - | - |
| | | 1,179,754,405 | 1,106,558,612 |
| 3a | Cash in hand of the Bank (Including foreign currencies) | | |
| | In local currency | 1,174,258,047 | 1,100,135,446 |
| | In foreign currencies | (Note-3a.1) 5,496,358 | 6,423,166 |
| | | 1,179,754,405 | 1,106,558,612 |
| 3a.1 | In Foreign Currency | | |
| | Foreign Currency | Amount in FC | Exchange Rate |
| | US Dollar | 62,957.66 | 78.7000 |
| | Great Britain Pound | 2,846.77 | 96.6043 |
| | Euro | 3,239.56 | 82.2887 |
| | | 5,496,358 | 6,423,166 |
| 4 | Consolidated Balance with Bangladesh Bank and it's agent bank(s) | | |
| | Shahjalal Islami Bank Ltd | (Note-4a) 8,398,144,743 | 8,177,172,061 |
| | Shahjalal Islami Bank Securities Ltd | - | - |
| | | 8,398,144,743 | 8,177,172,061 |
| 4a | Balance with Bangladesh Bank and it's agent bank(s) (Including foreign currencies) | | |
| | In local currency | 8,191,357,896 | 7,197,428,342 |
| | In foreign currencies | 24,364,878 | 843,455,094 |
| | | 8,215,722,774 | 8,040,883,436 |



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| | 31.12.2016 | 31.12.2015 |
|---|----------------------|----------------------|
| | Taka | Taka |
| Balance with Sonali Bank Ltd. as agent of Bangladesh Bank | | |
| In local currency | 182,421,969 | 136,288,625 |
| In foreign currencies | - | - |
| | 182,421,969 | 136,288,625 |
| | 8,398,144,743 | 8,177,172,061 |

4a.1 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Company Act, 1991 and subsequent BCD Circular No.13 dated May 24, 1992; BRPD Circular No. 12 dated September 20, 1999; BRPD Circular No. 22 dated November 6, 2003; BRPD Circular No. 12 dated August 25, 2005; DOS Circular No.01 dated March 03, 2009 and MPD Circular No. 04 & 05 dated December 01, 2010; MPD Circular No. 02 dated December 10, 2013 and Circular No. 01 dated June 23, 2014.

4a.2 Cash Reserve Ratio (CRR): 6.5% of Average Demand and Time Liabilities

| | | |
|---|--------------------|--------------------|
| Required Reserve | 7,816,547,070 | 6,858,399,570 |
| Actual Reserve held with Bangladesh Bank (In local currency)* | 8,192,127,709 | 7,195,322,743 |
| CRR Surplus | 375,580,639 | 336,923,173 |
| Maintained (%) | 6.81% | 6.82% |

* Actual Reserve held with Bangladesh Bank (In local currency) reported as per Statement of Bangladesh Bank.

4a.3 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities

| | | |
|---------------------------------|----------------------|----------------------|
| Required Reserve | 6,614,001,360 | 5,803,261,000 |
| Actual Reserve held (Note-4a.4) | 7,737,757,013 | 7,123,225,504 |
| SLR Surplus | 1,123,755,653 | 1,319,964,504 |
| Maintained (%) | 6.43% | 6.75% |

4a.4 Held for Statutory Liquidity Ratio

| | | |
|--|----------------------|----------------------|
| Cash in hand (Note-3a) | 1,179,754,405 | 1,106,558,612 |
| Balance with Bangladesh Bank and its agents (excluding Bangladesh Bank local currency account) (Note-4a) | 182,421,969 | 979,743,719 |
| Excess CRR (Note-4a.2) | 375,580,639 | 336,923,173 |
| Bangladesh Bank Islami Investment Bond (Note-7a) | 5,500,000,000 | 4,200,000,000 |
| Refinance Fund (with Bangladesh Bank) (Note-6a.1) | 500,000,000 | 500,000,000 |
| | 7,737,757,013 | 7,123,225,504 |

5 Consolidated Balance with Other Banks and Financial Institutions

| | | | |
|---------------------------------------|----------------------|----------------------|--|
| Inside Bangladesh | | | |
| Shahjalal Islami Bank Ltd (Note-5a.1) | 1,943,033,831 | 788,813,447 | |
| Shahjalal Islami Bank Securities Ltd | 381,221,166 | 168,963,211 | |
| | 2,324,254,997 | 957,776,658 | |
| Less: Inter Company Transaction | 376,062,425 | 151,925,980 | |
| | 1,948,192,572 | 805,850,678 | |
| Outside Bangladesh | | | |
| Shahjalal Islami Bank Ltd (Note-5a.2) | 472,970,179 | 667,183,236 | |
| Shahjalal Islami Bank Securities Ltd | - | - | |
| | 472,970,179 | 667,183,236 | |
| | 2,421,162,751 | 1,473,033,914 | |

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

| | | |
|--------------------------------|----------------------|----------------------|
| Inside Bangladesh (Note-5a.1) | 1,943,033,831 | 788,813,447 |
| Outside Bangladesh (Note-5a.2) | 472,970,179 | 667,183,236 |
| | 2,416,004,010 | 1,455,996,683 |

5a.1 Inside Bangladesh

| | | | |
|--|-------------|-------------|--|
| Current Account | | | |
| Sonali Bank Limited (Other than as agent of Bangladesh Bank) | 11,987,444 | 76,978,705 | |
| National Bank Limited, Naragoyanj Branch | 10,049 | 18,239 | |
| Standard Chartered Bank, Motijheel Branch | 4,847,809 | 2,555,478 | |
| Islami Bank Bangladesh Limited | 142,913 | 145,563 | |
| Agrani Bank Limited, Karatla Branch | 25,994,369 | 27,617,056 | |
| Janata Bank Limited, Dinajpur Branch | 3,832 | 3,832 | |
| Off-Shore Banking Unit | 379,276,662 | 195,609,649 | |
| | 422,263,078 | 302,928,522 | |
| Less: Off-Shore Banking Unit | 379,276,662 | 195,609,649 | |
| | 42,986,416 | 107,318,873 | |

| | | | |
|---|----------------------|--------------------|--|
| Mudaraba Special Notice Deposit | | | |
| Export Import Bank of Bangladesh Limited | 6,472,756 | 296,747 | |
| Trust Bank Limited, Dilkuska Corporate Branch | 6,614,831 | 6,260,577 | |
| Prime Bank Limited, Islami Banking Branch | 363,293 | 4,274,286 | |
| Social Islami Bank Limited | 20,883 | 22,735 | |
| Agrani Bank-Corporate Branch (Islami Banking Wing) | 6,768,483 | 485,556,632 | |
| AB Bank Limited, Islami Banking Branch | 29,818,711 | 2,628,451 | |
| Jamuna Bank Limited, Naya Bazar Islami Banking Branch | 163,730 | 1,774,763 | |
| Bank Al Falah, Islami Banking Branch | 109,533,015 | 105,063,511 | |
| Al-Arafah Islami Bank Limited | 1,657,770,078 | - | |
| Southeast Bank Limited, Islami Banking Branch | 292,161 | - | |
| The City Bank - Islamic Banking Branch | 1,158,007 | - | |
| Islami Bank Bangladesh Limited | - | 96,187 | |
| | 1,818,975,950 | 605,973,888 | |
| Mudaraba Saving Deposit | | | |
| Dhaka Bank Limited, Islami Banking Branch | 507,776 | 49,064 | |
| Social Islami Bank Limited | 2,379,777 | 45,960,974 | |
| Al-Arafah Islami Bank Limited | 19,870 | 1,243,186 | |
| Islami Bank Bangladesh Limited | 7,342,738 | 14,557,609 | |
| Export Import Bank of Bangladesh Limited | 70,801,131 | 8,857,856 | |
| First Security Islami Bank Limited | 20,173 | 21,027 | |
| Southeast Bank Limited, Islami Banking Branch | - | 3,684,402 | |
| The City Bank - Islamic Banking Branch | - | 1,146,567 | |
| | 81,071,465 | 75,520,685 | |
| | 1,943,033,831 | 788,813,447 | |

5a.2 Outside Bangladesh (NOSTRO Account) [as on 31 December 2016]

| | Currency | F.C. Amount | Rate | Taka |
|---|----------|--------------|----------|--------------------|
| Standard Chartered Bank NY | USD | 2,023,450.21 | 78.7000 | 159,245,532 |
| Mashreq Bank psc, NY | USD | 1,908,781.88 | 78.7000 | 150,221,134 |
| Standard Chartered Bank, Mumbai | USD | 222,198.53 | 78.7000 | 17,487,024 |
| Habib American Bank, USA | USD | 55,051.56 | 78.7000 | 4,332,558 |
| ICICI Bank, Hong Kong | USD | 49,864.86 | 78.7000 | 3,924,364 |
| WACHOVIA BANK, NY, USA | USD | 65,819.88 | 78.7000 | 5,180,025 |
| Sonali Bank (UK) Ltd | USD | 18,379.78 | 78.7000 | 1,446,489 |
| Commerzbank AG Frankfurt | USD | 9,692.08 | 78.7000 | 762,767 |
| Bank Aljazira | USD | 157,746.72 | 78.7000 | 12,414,667 |
| AB Bank Ltd. Mumbai | ACUD | 125,490.48 | 78.7000 | 9,876,101 |
| IFIC Bank Ltd., Karachi | ACUD | 1,648.99 | 78.7000 | 129,776 |
| Standard Chartered Bank, Mumbai | ACUD | 523,273.57 | 78.7000 | 41,181,630 |
| Nepal Bangladesh Bank, Nepal | ACUD | 20,986.62 | 78.7000 | 1,651,647 |
| Standard Chartered Bank, Colombo | ACUD | 12,573.89 | 78.7000 | 989,565 |
| ICICI Bank, Mumbai | ACUD | 96,695.42 | 78.7000 | 7,609,930 |
| Habib Metropolitan Bank Ltd. | ACUD | 17,847.78 | 78.7000 | 1,404,620 |
| United Bank of India, Kolkata | ACUD | 75,438.71 | 78.7000 | 5,937,026 |
| Sonali Bank Ltd ACU, Kolkata | ACUD | 43,504.90 | 78.7000 | 3,423,836 |
| Bank of Bhutan Ltd. Main Branch | ACUD | 55,911.38 | 78.7000 | 4,400,226 |
| AXIS Bank Ltd. India | ACUD | 71,052.80 | 78.7000 | 5,591,855 |
| Standard Chartered Bank, Frankfurt | EURO | 2,785.28 | 82.2887 | 229,197 |
| Mashreq Bank, London | EURO | 1,794.55 | 82.2887 | 147,671 |
| COMMERZBANK AG | EURO | 4,370.27 | 82.2887 | 359,624 |
| Wells Fargo Bank, N. A. London, UK | EURO | 70,723.91 | 82.2887 | 5,819,779 |
| Sonali Bank (UK) Ltd | EURO | 580.00 | 82.2887 | 47,727 |
| Standard Chartered Bank,Tokyo | YEN | 564,688.00 | 0.6701 | 378,397 |
| Banque De Commerce ET DE Placements (BCP) - Geneva, Switzerland | CHF | 1,650.43 | 76.5564 | 126,351 |
| Habib Bank AG Zurich | CHF | 515.10 | 76.5564 | 39,434 |
| Bank Aljazira, KSA | SAR | 1,211,174.25 | 20.9827 | 25,413,706 |
| Standard Chartered Bank London | GBP | 31,015.69 | 96.6043 | 2,996,249 |
| Sonali Bank (UK) Ltd | GBP | 1,910.02 | 105.3774 | 201,273 |
| | | | | 472,970,179 |

| | | | |
|-----------------------------|--------------------|-------------|--------------------|
| Currency wise Distribution: | | | |
| Foreign Currency | | BDT | Composition |
| USD | 355,014,559 | 75.06% | |
| ACUD | 82,196,211 | 17.38% | |
| SAR | 25,413,706 | 5.37% | |
| EURO | 6,603,998 | 1.40% | |
| GBP | 3,197,522 | 0.68% | |
| YEN | 378,397 | 0.08% | |
| CHF | 165,785 | 0.04% | |
| | 472,970,179 | 100% | |

For details comparative statement of 2016 & 2015 of foreign currency amount and rate thereof please see "Annexure-C"

5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular FEPD/FEMO/18/2007-265 dated 17-12-2007, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 2016 reflect the true state of the NOSTRO Account entries recorded correctly and after review a separate audit certificate have also been given by the auditor. The status of all outstanding unmatched entries are given below:

| As on 31 December 2016 | Amount in US\$ | | | | | | | |
|---|--------------------|---------------------|----------------|---------------------|-----------------------------|---------------------|----------------|---------------------|
| | 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 | 21 | 4,421,508.73 | 142 | 8,253,684.10 | 67 | 2,833,844.42 | 183 | 7,882,025.43 |
| 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 | - | - | - | - | - | - | - | - |
| | 21 | 4,421,508.73 | 142 | 8,253,684.10 | 67 | 2,833,844.42 | 183 | 7,882,025.43 |

| As on 31 December 2015 | Amount in US\$ | | | | | | | |
|---|--------------------|---------------------|----------------|---------------------|-----------------------------|-------------------|----------------|---------------------|
| | 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 | 7 | 1,230,017.00 | 105 | 3,194,652.35 | 38 | 411,503.79 | 110 | 2,712,565.63 |
| More than 03 months but less than 06 months | - | - | - | - | - | - | - | - |
| More than 06 months but less than 09 months | - | - | - | - | - | - | - | - |
| More than 09 months but less than 12 months | - | - | - | - | - | - | - | - |
| More than 12 months | - | - | - | - | - | - | - | - |
| | 7 | 1,230,017.00 | 105 | 3,194,652.35 | 38 | 411,503.79 | 110 | 2,712,565.63 |

| | 31.12.2016 | 31.12.2015 |
|--|------------|------------|
| | Taka | Taka |

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

| | | |
|---|----------------------|----------------------|
| On Demand | 667,273,562 | 746,064,581 |
| Not more than 3 months | 1,748,730,448 | 709,932,102 |
| More than 3 months but less than 1 year | - | - |
| More than 1 year but less than 5 years | - | - |
| More than 5 years | - | - |
| | 2,416,004,010 | 1,455,996,683 |

| | | | |
|---|----------------------|----------------------|--|
| 6 Consolidated Placement with other Banks & Financial Institutions | | | |
| Shahjalal Islami Bank Ltd (Note-6a) | 7,861,781,566 | 8,657,997,972 | |
| Shahjalal Islami Bank Securities Ltd | - | - | |
| | 7,861,781,566 | 8,657,997,972 | |
| Less: Inter Company Transaction | - | - | |
| | 7,861,781,566 | 8,657,997,972 | |

| | | | |
|---|----------------------|----------------------|--|
| 6a Placement with other Banks & Financial Institutions of the Bank | | | |
| Placement with other Banks (Note-6a.1) | 1,111,781,566 | 1,352,997,972 | |
| Placement with Financial Institutions (Note-6a.2) | 6,750,000,000 | 7,305,000,000 | |
| | 7,861,781,566 | 8,657,997,972 | |

| | | | |
|--|----------------------|----------------------|--|
| 6a.1 Mudaraba Term Deposits-other Banks | | | |
| ICB Islamic Bank Limited | 311,781,566 | 352,997,972 | |
| Social Islami Bank Limited | 300,000,000 | 300,000,000 | |
| Southeast Bank Ltd, Islami Banking Branch | - | 200,000,000 | |
| Bangladesh Bank (Refinance Fund) | 500,000,000 | 500,000,000 | |
| | 1,111,781,566 | 1,352,997,972 | |

| | | | |
|--|----------------------|----------------------|--|
| 6a.2 Mudaraba Term Deposits-Financial Institutions | | | |
| Prime Finance & Investment Limited | 50,000,000 | 400,000,000 | |
| Fareast Finance & Investment Limited | 100,000,000 | 200,000,000 | |
| Haji Finance Company Limited | 200,000,000 | 200,000,000 | |
| Lanka Bangla Finance Limited | 800,000,000 | 950,000,000 | |
| Industrial and Infrastructure Development Finance Company Ltd | 350,000,000 | 405,000,000 | |
| Union Capital Limited | 300,000,000 | 300,000,000 | |
| Phoenix Finance & Investments Limited | 400,000,000 | 300,000,000 | |
| Delta Brac Housing Finance Corporation | 1,000,000,000 | 1,000,000,000 | |
| IDLC Finance Limited | 1,250,000,000 | 900,000,000 | |
| National Finance Limited | 300,000,000 | 300,000,000 | |
| Midas Financing Limited | 300,000,000 | 250,000,000 | |
| Premier Leasing International Limited | 300,000,000 | 400,000,000 | |
| United Finance Ltd. | 800,000,000 | 600,000,000 | |
| National Housing Finance and Investment Ltd. | 200,000,000 | 200,000,000 | |
| Islamic Finance Investment Ltd. | 100,000,000 | - | |
| Industrial Promotion and Development Company of Bangladesh Limited | 300,000,000 | - | |
| Uttara Finance & Investment Limited | - | 300,000,000 | |
| International Leasing & Financial Services Limited | - | 300,000,000 | |
| Bangladesh Finance and Investment Co. Ltd. | - | 200,000,000 | |
| First Lease Finance & Investment Limited | - | 100,000,000 | |
| | 6,750,000,000 | 7,305,000,000 | |
| | 7,861,781,566 | 8,657,997,972 | |

| | | | |
|--|----------------------|----------------------|--|
| 6a.3 Maturity-wise groupings of placement with other Banks and Financial Institutions | | | |
| On Demand | - | - | |
| Not more than 3 months | 6,250,000,000 | 6,085,000,000 | |
| More than 3 months but less than 1 year | 1,300,000,000 | 2,220,000,000 | |
| More than 1 year but less than 5 years | 311,781,566 | 352,997,972 | |
| More than 5 years | - | - | |
| | 7,861,781,566 | 8,657,997,972 | |

| | | | |
|---|----------------------|----------------------|--|
| 7 Consolidated Investment in Shares & Securities | | | |
| Government | | | |
| Shahjalal Islami Bank Ltd (Note-7a) | 5,500,000,000 | 4,200,000,000 | |
| Shahjalal Islami Bank Securities Ltd | - | - | |
| | 5,500,000,000 | 4,200,000,000 | |
| Others | | | |
| Shahjalal Islami Bank Ltd (Note-7a) | 2,093,131,998 | 1,983,716,363 | |
| Shahjalal Islami Bank Securities Ltd | 1,871,180,894 | 1,793,370,410 | |
| | 3,964,312,892 | 3,777,086,773 | |
| | 9,464,312,892 | 7,977,086,773 | |

| |
|--------------------------------------|
| 7a Investment in Shares & |
|--------------------------------------|



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

| Status | As at 31 December 2016 | | As at 31 December 2015 | |
|---|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Unclassified (including staff Investment) | 115,852,194,622 | 94.19% | 90,089,702,249 | 93.03% |
| Special Mention Account (SMA) | 1,364,486,682 | 1.11% | 483,935,360 | 0.50% |
| Substandard | 246,017,213 | 0.20% | 338,143,403 | 0.35% |
| Doubtful | 272,959,898 | 0.22% | 676,583,431 | 0.70% |
| Bad or loss | 5,262,721,929 | 4.28% | 5,246,285,826 | 5.42% |
| Total | 122,998,380,344 | 100.00% | 96,834,650,269 | 100.00% |

8a.8 Particulars of provision for Investments:

| Status | Rate | Basis for Provision | 31.12.2016 Taka | 31.12.2015 Taka |
|--|-------|---------------------|--------------------|--------------------|
| Standard | | | | |
| Unclassified (excluding staff Investments) | 1% | 66,929,077,167 | 711,790,772 | 649,938,819 |
| Staff Investments | 0% | 1,294,754,280 | - | - |
| Consumer Financing (Other than HF & LP) | 5% | 215,683,416 | 10,784,171 | 4,054,390 |
| Small & Medium Enterprise | 0.25% | 44,840,591,433 | 112,101,479 | 51,509,994 |
| Housing Finance(HF) | 2% | 1,512,776,618 | 30,255,532 | 31,167,558 |
| Loan for professionals (LP) | 2% | 14,819,126 | 296,383 | 449,498 |
| Share Business | 2% | 1,030,623,164 | 20,612,463 | 39,637,321 |
| Short Term Agri Credit | 3% | 13,869,417 | 346,735 | 137,667 |
| SMA | | 1,213,640,503 | 9,329,375 | 3,695,599 |
| | | | 895,516,910 | 780,590,847 |
| Substandard | 20% | 140,829,143 | 28,165,829 | 26,639,128 |
| Doubtful | 50% | 115,695,827 | 57,847,913 | 208,458,823 |
| Bad or loss | 100% | 1,345,111,251 | 1,345,111,251 | 1,505,957,883 |
| | | | 1,431,124,993 | 1,741,055,834 |
| Required provision for Investments | | | 2,326,641,903 | 2,521,646,681 |
| Total provision maintained [note # 14a.1(a) & (b)] | | | 2,327,667,602 | 2,631,061,000 |
| Surplus Provision | | | 1,025,699 | 109,414,319 |

The Bank has maintained provision for unclassified Investment amounting to Tk. 896,200,000 (note # 14a.1.b) and for classified Investment Tk. 1,431,467,602 (note # 14a.1.a) totaling Tk. 2,327,667,602. As per instruction of Bangladesh Bank, as at 31 December 2016 the Bank has maintained the minimum provision.

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

| Status | Basis for Provision | Rate | Rate |
|--|---------------------|---------------|----------------|
| | | 1% | 1% |
| Acceptances & endorsements | 23,719,133,589 | 237,191,336 | 165,811,847 |
| Letters of Guarantees | 11,956,867,945 | 119,568,679 | 71,842,909 |
| Irrevocable Letters of Credit | 18,421,361,635 | 184,213,616 | 139,476,245 |
| Bills for collection | 9,228,367,132 | 92,283,671 | 58,127,112 |
| Required provision for Off Balance Sheet Items | 63,325,730,301 | 633,257,303 | 435,258,114 |
| Provision maintained (note # 14a.1(c)) | | 633,300,000 | 435,400,000 |
| Surplus Provision | | 42,697 | 141,886 |

| | 31.12.2016 Taka | 31.12.2015 Taka |
|--|--------------------|--------------------|
|--|--------------------|--------------------|

8a.10 Particulars of Investments:

| | | |
|--|------------------------|-----------------------|
| (i) Debts considered good in respect of which the banking company is fully secured | 102,131,219,008 | 80,904,882,738 |
| (ii) Debts considered good for which the banking company holds no other security than the debtor's personal security | 19,630,541,503 | 15,454,810,183 |
| (iii) Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors | 1,236,619,832 | 474,957,348 |
| (iv) Debts considered bad or doubtful not provided for | - | - |
| | 122,998,380,344 | 96,834,650,269 |
| (v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other person | 1,294,754,280 | 842,509,420 |
| (vi) Debts 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 51.5). | 757,475,970 | 1,782,672,174 |
| (vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons. | 1,294,754,280 | 842,509,420 |
| (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 | 757,475,970 | 1,782,672,174 |
| (ix) Due from Banking Companies | - | - |
| (x) Total amount of advance on which Profit is not credited: | 5,781,699,039 | 6,261,012,660 |
| a. Movement of Classified Investments: | | |
| Opening Balance | 6,261,012,660 | 6,611,534,895 |
| Increase/ (Decrease) during the year | (479,313,621) | (350,522,235) |
| | 5,781,699,039 | 6,261,012,660 |
| i) (Decrease)/Increase of of specific provision | (418,593,398) | (529,172,737) |
| ii) Amount of written off investment during the year against which fully provided | 1,070,014,659 | 1,224,476,568 |
| iii) Amount recovered against the investment which was previously written off | 22,583,982 | 231,201,927 |
| b. Amount of provision kept against classified Investment as bad or Loss on the reporting day of Balance Sheet | 1,431,467,602 | 1,850,061,000 |
| c. Amount of Profit charged in suspense Account | 621,893,107 | 415,833,323 |
| (xi) Cumulative amount of written off Investments | | |
| Opening Balance | 2,411,525,546 | 1,187,048,978 |
| Amount written off during the year | 1,070,014,659 | 1,224,476,568 |
| Total amount of written off investment | 3,481,540,205 | 2,411,525,546 |

| | | |
|--|----------------------|----------------------|
| 9 Consolidated Fixed Assets including Premises, Furnitures & Fixtures | | |
| Cost: | | |
| Shahjalal Islami Bank Ltd (note-9a) | 4,299,782,666 | 4,053,518,090 |
| Shahjalal Islami Bank Securities Ltd | 76,789,944 | 71,275,061 |
| | 4,376,572,610 | 4,124,793,151 |
| Accumulated Depreciation: | | |
| Shahjalal Islami Bank Ltd (note-9a) | 866,743,623 | 754,126,057 |
| Shahjalal Islami Bank Securities Ltd | 35,817,264 | 29,224,061 |
| | 902,560,887 | 783,350,118 |
| Written Down Value | 3,474,011,723 | 3,341,443,033 |

9a Fixed Assets including Premises, Furnitures & Fixtures of the Bank

| | | |
|--|----------------------|----------------------|
| Cost: | | |
| Opening balance | 3,991,969,098 | 3,749,587,934 |
| Addition during the year | 257,000,459 | 253,583,702 |
| | 4,248,969,557 | 4,003,171,636 |
| Less: Disposal during the year | 11,802,321 | 11,202,538 |
| | 4,237,167,236 | 3,991,969,098 |
| Accumulated Depreciation: | | |
| Opening balance | 723,286,212 | 614,249,354 |
| Addition during the year | 116,105,451 | 114,928,852 |
| | 839,391,663 | 729,178,207 |
| Less: Adjustment on disposal during the year | 9,481,156 | 5,891,995 |
| | 829,910,507 | 723,286,212 |
| Written Down Value | 3,407,256,729 | 3,268,682,886 |
| Intangible assets | | |
| Cost: | | |
| Opening balance | 61,548,992 | 54,019,092 |
| Addition during the year | 1,066,438 | 7,529,900 |
| | 62,615,430 | 61,548,992 |
| Less: Disposal during the year | - | - |
| | 62,615,430 | 61,548,992 |
| Amortization: | | |
| Opening balance | 30,839,845 | 23,980,623 |
| Addition during the year | 5,993,271 | 6,859,222 |
| | 36,833,116 | 30,839,845 |
| Less: Adjustment on disposal during the year | - | - |
| | 36,833,116 | 30,839,845 |
| Written Down Value | 25,782,314 | 30,709,147 |
| Total Written Down Value | 3,433,039,043 | 3,299,392,033 |
| For details please refer to Annexure-B | | |

| | 31.12.2016 Taka | 31.12.2015 Taka |
|--|--------------------|--------------------|
|--|--------------------|--------------------|

| | | |
|--------------------------------------|---------------------------|-----------------------|
| 10 Consolidated Others Assets | | |
| Shahjalal Islami Bank Ltd | (Note-10a) 13,313,448,521 | 12,103,284,073 |
| Shahjalal Islami Bank Securities Ltd | 2,570,816,907 | 2,571,361,851 |
| | 15,884,265,428 | 14,674,645,924 |
| Less: Inter Company transaction | 3,878,369,440 | 3,386,284,618 |
| | 12,005,895,988 | 11,288,361,306 |

| | | |
|--------------------------------------|----------------------------|----------------------|
| 10.1 Consolidated advance tax | | |
| Shahjalal Islami Bank Ltd | (Note-10a.4) 8,700,383,562 | 8,114,332,183 |
| Shahjalal Islami Bank Securities Ltd | 183,559,781 | 125,605,063 |
| | 8,883,943,343 | 8,239,937,246 |

| | | |
|--|----------------------------|-----------------------|
| 10a Others Assets of the Bank | | |
| Stock of Stationery, Stamps and printing materials etc. (valued at cost) | 17,164,051 | 18,109,120 |
| Advance rent and security deposit | 122,989,589 | 114,034,066 |
| Suspense Account | (Note-10a.1) 55,747,673 | 79,909,284 |
| Profit receivable | (Note-10a.2) 278,319,197 | 325,529,373 |
| Other Prepayments | 218,968,790 | 55,942,471 |
| Receivable from Shahjalal Islami Bank Securities Limited | 1,362,959,318 | 1,471,284,618 |
| Shahjalal Islami Bank Securities Ltd | (Note-10a.3) 2,515,000,000 | 1,915,000,000 |
| Advance Insurance premium | 35,880 | 78,431 |
| Advance for new Branches | 16,087,656 | - |
| Advance tax paid | (Note-10a.4) 8,700,383,562 | 8,114,332,183 |
| Other Receivables | 3,889,647 | 9,064,526 |
| SJIBL General Account-Net | (Note-10a.5) 21,903,158 | - |
| | 13,313,448,521 | 12,103,284,073 |

| | | |
|-------------------------------|-------------------|-------------------|
| 10a.1 Suspense Account | | |
| Sundry Debtors | 7,301,848 | 18,629,650 |
| Excise duty on MTDR | 11,869,247 | 12,124,937 |
| Advance against TA/DA | 290,800 | 57,500 |
| Advance against Petty Cash | 345,000 | 232,000 |
| Law charges | 32,213,964 | 25,697,585 |
| Stamp | 61,525 | 80,125 |
| Others | 3,665,289 | 23,087,487 |
| | 55,747,673 | 79,909,284 |

The detail breakup of unadjusted suspense accounts are given below: (Amount in '000)

| Sl | Breakup | Less than 03 months | 03 months to less than 06 months | 06 months to less than 09 months | 09 months to less than 12 months | 12 months and above |
|----|----------------------------|---------------------|----------------------------------|----------------------------------|----------------------------------|---------------------|
| 1 | Sundry Debtors | 4,900 | 1,500 | 840 | - | 62 |
| 2 | Advance against TA/DA | 291 | - | - | - | - |
| 3 | Advance against Petty Cash | 320 | 25 | - | - | - |
| 4 | Legal expenses | 2,330 | 3,979 | 1,500 | 2,007 | 22,398 |
| 5 | Others | 13,671 | 1,200 | 74 | 404 | 246 |
| | Grand Total | 21,512 | 6,704 | 2,414 | 2,411 | 22,706 |

| | 31.12.2016 Taka | 31.12.2015 Taka |
|--|--------------------|--------------------|
|--|--------------------|--------------------|

| | | |
|--|--------------------|--------------------|
| 10a.2 Profit Receivable | | |
| Placement to Other Bank-MTDR | 23,185,396 | 21,280,813 |
| Placement to Financial Institutions-MTDR | 81,708,861 | 86,319,743 |
| Placement to Islamic Investment Bond | 121,791,884 | 132,637,417 |
| Profit on Investment against MSD | 28,309,417 | 61,884,609 |
| On Investments | 23,323,639 | 23,406,790 |
| | 278,319,197 | 325,529,373 |

10a.3 Shahjalal Islami Bank Limited invested Tk. 251.50 crore in its Subsidiary Company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary commenced its operation from 25th May 2011. The total Paid-up Capital of the subsidiary company is Tk. 274.00 crore divided into 27,400,000 ordinary shares @ Tk. 10 each and bank hold 91.79% of its paid-up capital.

| | | |
|--------------------------------------|----------------------|----------------------|
| 10a.4 Advance tax paid | | |
| Balance at the beginning of the year | 8,114,332,183 | 7,558,272,470 |
| Paid during the year | 586,051,379 | 556,059,713 |
| | 8,700,383,562 | 8,114,332,183 |

10a.5 SJIBL General Account represents outstanding Inter-Branch and Head Office transactions (Net) originated but yet to be responded at the Balance Sheet date. The break-up of SJIBL general account are given below:

| | Debit | | Credit | |
|-----------------------------------|--------------|-------------|--------------|-------------|
| | No. of entry | Amount | No. of entry | Amount |
| Up to 3 months | 441 | 125,829,716 | 266 | 103,926,558 |
| Over 3 Months but within 6 months | - | - | - | - |
| Over 6 Months but within 1 year | - | - | - | - |
| Over 1 year but witin 5 years | - | - | - | - |
| | 441 | 125,829,716 | 266 | 103,926,558 |

Net unreconcile amount 21,903,158

There is no outstanding unreconciled enties more than 1 month. However, outstanding enties on Balance Sheet date are subsequently reconciled.

| | 31.12.2016 Taka | 31.12.2015 Taka |
|--|--------------------|--------------------|
|--|--------------------|--------------------|

| | | |
|--|------------|------------|
| 11 Non-Banking Assets | | |
| Shahjalal Islami Bank Ltd | 51,078,968 | 51,078,968 |
| The Bank was awarded absolute ownership on few mortgaged properties through the verdict of Honorable court under section 33(7) of the Artharin Adalat Act 2003. These were recorded as non banking assets as per valuation report submitted by professional surveyor. Value of the assets was recorded in equivalent to the client's adjustable outstanding. | | |
| Following are the details: | | |

| Name of Parties | Assets details | |
|---|---|-------------------|
| i) Haque Steel & Re-Rolling Industries Pvt. Ltd. | i) 26 (twenty six) decimals land situated at Savar, Mouza: Boroboreshi ii) 160.50 decimals land together with building structures standing and / or existing therein and appurtenance thereto situated at Narayangonj, Mouza: Dapa Idrakpur. Carrying value of which was BDT 1741.59 Lac (Market Value). | |
| | 47,064,331 | 47,064,331 |
| ii) M/S Noor Mohammad Iron Store | 6.25 (six point two five) decimals land situated at Bashundhara River View Project at Block - A, Plot # 532, Keranigonj, Dhaka, Mouza - Naiyatola. Carrying value of which was BDT 47.34 Lac (Market Value). | |
| | 4,014,637 | 4,014,637 |
| Total | 51,078,968 | 51,078,968 |

| | 31.12.2016 Taka | 31.12.2015 Taka |
|--|--------------------|--------------------|
|--|--------------------|--------------------|

| | | |
|--|---------------------------|----------------------|
| 12 Consolidated Placement from other Banks & Financial Institutions | | |
| Shahjalal Islami Bank Ltd | (Note-12a) 16,235,542,799 | 2,950,911,426 |
| Shahjalal Islami Bank Securities Ltd | 1,654,336,661 | 2,565,019,861 |
| | 17,889,879,460 | 5,515,931,287 |
| Less: Inter Company transaction | 650,000,000 | 1,625,019,861 |
| | 17,239,879,460 | 3,890,911,426 |

| | | |
|--|----------------------------|----------------------|
| 12a Placement from other Banks & Financial Institutions of the Bank | | |
| Islamic Investment Bond from Bangladesh Bank | 4,000,000,000 | - |
| Muslim Refinance Fund - Bangladesh Bank | 114,829,758 | 205,177,000 |
| Mudaraba FC A/C-Bangladesh Bank (EDF) | 4,420,713,041 | 2,745,734,426 |
| Mudaraba Term Deposit from other Banks | (Note-12a.1) 7,700,000,000 | - |
| Borrowing from Offshore Banking Unit (OBU) | 346,203,974 | 185,709,020 |
| | 16,581,746,773 | 3,136,620,446 |
| Less: Off-Shore Banking Units | 346,203,974 | 185,709,020 |
| | 16,235,542,799 | 2,950,911,426 |

| | | |
|---|----------------------|----------|
| 12a.1 Mudaraba Term Deposit from other Banks | | |
| Islami Bank Bangladesh Limited | 4,950,000,000 | - |
| Bank Asia Limited, Islami Banking Branch | 1,500,000,000 | - |
| Uttara Bank Limited, Islami Banking Branch | 1,000,000,000 | - |
| Trust Bank Limited, Islami Banking Branch | 250,000,000 | - |
| | 7,700,000,000 | - |

| | 31.12.2016 Taka | 31.12.2015 Taka |
|--|--------------------|--------------------|
|--|--------------------|--------------------|

| | | |
|--|---------------------------|-----------------------|
| 13 Consolidated Deposits and Other Accounts | | |
| Al-Wadiah Current Deposit & Other Accounts: | | |
| Shahjalal Islami Bank Ltd | (Note-13a) 14,492,841,209 | 13,114,867,832 |
| Shahjalal Islami Bank Securities Ltd | - | - |
| | 14,492,841,209 | 13,114,867,832 |

| | | |
|--------------------------------------|--------------------------|----------------------|
| Bills Payable: | | |
| Shahjalal Islami Bank Ltd | (Note-13a) 1,712,398,926 | 1,152,971,241 |
| Shahjalal Islami Bank Securities Ltd | - | - |
| | 1,712,398,926 | 1,152,971,241 |

| | | |
|--------------------------------------|---------------------------|-----------------------|
| Mudaraba Savings Deposits: | | |
| Shahjalal Islami Bank Ltd | (Note-13a) 18,510,981,952 | 15,876,565,502 |
| Shahjalal Islami Bank Securities Ltd | - | - |
| | 18,510,981,952 | 15,876,565,502 |

| | | |
|--------------------------------------|---------------------------|-----------------------|
| Mudaraba Term Deposits: | | |
| Shahjalal Islami Bank Ltd | (Note-13a) 44,923,686,220 | 41,842,087,699 |
| Shahjalal Islami Bank Securities Ltd | - | - |
| | 44,923,686,220 | 41,842,087,699 |



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| | 31.12.2016 | 31.12.2015 |
|--|------------|------------|
| | Taka | Taka |

14a.1 Provision for Investment:

| | | |
|---|----------------------|----------------------|
| (a) Provision on Classified Investment: | | |
| Provision held at the beginning of the year | 1,850,061,000 | 2,379,233,737 |
| Provision transferred from Provision for Investment in Securities | 141,000,000 | - |
| Amount transferred from Compensation Realised A/C | - | 50,000,000 |
| Written Off Recovery | 22,583,982 | 231,201,927 |
| Transferred to Others Payable | - | (21,200,000) |
| Net charge to Profit & Loss Account | 356,500,000 | 320,913,336 |
| Fully provided investment written off during the year | (938,677,380) | (1,110,088,000) |
| Provision held at the end of the year | 1,431,467,602 | 1,850,061,000 |

(b) General Provision on Unclassified Investment:

| | | |
|---|--------------------|--------------------|
| Provision held at the beginning of the year | 781,000,000 | 670,479,000 |
| Addition during the year | 115,200,000 | 110,521,000 |
| Balance at the end of the year | 896,200,000 | 781,000,000 |

Total Provision for Investments (a+b)

| | |
|----------------------|----------------------|
| 2,327,667,602 | 2,631,061,000 |
|----------------------|----------------------|

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

| | | |
|--|----------------------|----------------------|
| Provision held at the beginning of the year | 435,400,000 | 404,340,000 |
| Addition during the year | 197,900,000 | 31,060,000 |
| Balance at the end of the year | 633,300,000 | 435,400,000 |
| Total Provision for Investments & Off-Balance Sheet (a+b+c) | 2,960,967,602 | 3,066,461,000 |

(d) Provision for Other Assets:

| | | |
|---|-------------------|-------------------|
| Provision held at the beginning of the year | 15,739,000 | 10,600,000 |
| Addition during the year | 3,526,000 | 5,139,000 |
| Balance at the end of the year | 19,265,000 | 15,739,000 |

(e) Provision for Investment in Securities:

| | | |
|---|--------------------|--------------------|
| Provision held at the beginning of the year | 742,000,000 | 590,000,000 |
| Provision transferred to provision on Classified Investment | (141,000,000) | - |
| Addition during the year | - | 152,000,000 |
| Balance at the end of the year | 601,000,000 | 742,000,000 |

(f) Profit and Compensation Suspense Account:

| | | |
|--|--------------------|--------------------|
| Balance at the beginning of the year | 789,143,022 | 589,549,058 |
| Amount transferred to suspense account during the year | 1,259,152,768 | 1,109,951,741 |
| Amount recovered from suspense account during the year | (1,143,550,877) | (793,053,217) |
| Amount written off/ waived during the year | (166,061,938) | (117,304,560) |
| Balance at the end of the year | 738,682,974 | 789,143,022 |

(g) Compensation Realised Account:

| | | |
|---|-------------------|-------------------|
| Balance at the beginning of the year | 26,243,155 | 30,229,875 |
| Addition during the year | 71,496,865 | 46,013,280 |
| Fund transfer to expended for charitable activities | (41,000,000) | - |
| Amount transferred to provision for Classified Investment | - | (50,000,000) |
| Balance at the end of the year | 56,740,020 | 26,243,155 |

14a.2 Provision for Taxation

Provision for Current tax

| | | |
|---|----------------------|----------------------|
| Balance at the beginning of the year | 7,807,144,969 | 7,288,860,761 |
| Add: Provision made during the year | 757,457,278 | 480,803,528 |
| Add: Adjustment for previous year | - | 154,000 |
| Add: Provision made on other income during the year | - | 37,326,680 |
| Balance at the end of the year | 8,564,602,247 | 7,807,144,969 |

14a.2(a) Provision for Current Tax made during the year

| | | |
|--|----------------------|----------------------|
| Income tax @ 40.00% on estimated taxable Business profit | 740,477,735 | 506,913,590 |
| Income tax @ 20.00% on Dividend Income | 12,485,332 | 6,821,749 |
| Income tax @ 10% on Capital gain on sale of shares | 4,494,211 | 4,394,869 |
| Estimated total provision required | 757,457,278 | 518,130,208 |
| Computation of Taxable Business Profit | | |
| Profit before Tax | 2,306,081,236 | 1,757,803,074 |
| Add: Inadmissible expenditures | 689,255,269 | 805,814,677 |
| Less: Allowable Expenditure & Separate consideration | 1,144,142,167 | 1,296,333,775 |
| Estimated Taxable Business Profit for the year | 1,851,194,338 | 1,267,283,975 |

15 Consolidated Deferred Tax Liability

| | | | |
|--|------------|-------------------|--------------------|
| Shahjalal Islami Bank Ltd | (Note-15a) | 95,464,963 | 104,211,220 |
| Shahjalal Islami Bank Securities Limited | | - | - |
| | | 95,464,963 | 104,211,220 |

15a Deferred Tax Liability of the Bank

| | | |
|---------------------------------------|-------------------|--------------------|
| Balance at the beginning of the year | 104,211,220 | 117,704,226 |
| Add: Provision made during the year | (8,746,257) | (13,493,006) |
| Balance at the end of the year | 95,464,963 | 104,211,220 |

16 Capital

16.1 Authorized Capital:

| | | |
|--|----------------|----------------|
| 100,00,00,000 ordinary shares of Tk. 10 each | 10,000,000,000 | 10,000,000,000 |
| The shareholders of the Bank in its 11th Extra Ordinary General Meeting (EGM) held on 4 June 2013 approved to increase the Authorised capital of the Bank to Tk. 100,00,00,000 from Tk. 600,00,00,000. | | |

16.2 Issued, Subscribed and Paid up Capital

| | | |
|--|----------------------|----------------------|
| 734,688,133 Ordinary Shares of Tk 10 each | 7,346,881,330 | 7,346,881,330 |
| Issued for cash: 18,46,02,500 shares of Tk. 10 each | 1,846,025,000 | 1,846,025,000 |
| Issued other than cash: 550,085,633 bonus shares of Tk 10 each | 5,500,856,330 | 5,500,856,330 |
| | 7,346,881,330 | 7,346,881,330 |

| | | | |
|----------------------------|------------------------------------|----------------------|----------------------|
| | Holding | | |
| Sponsor Shareholders Group | In year 2016: 41.04%; 2015: 43.83% | 3,015,164,370 | 3,219,883,680 |
| Financial Institutes Group | In year 2016: 33.88%; 2015: 30.91% | 2,489,408,100 | 2,270,845,480 |
| General Shareholders Group | In year 2016: 25.08%; 2015: 25.26% | 1,842,308,860 | 1,856,152,170 |
| | | 7,346,881,330 | 7,346,881,330 |

Classification of Shareholders by number of holding:

As at 31 December 2016

| Range of Share Holding | No. of Shareholders | No. of shares | Percentage of holding shares |
|------------------------|---------------------|--------------------|------------------------------|
| Upto 500 | 24,553 | 3,460,661 | 0.47% |
| 501-5,000 | 23,632 | 42,356,959 | 5.77% |
| 5,001-10,000 | 2,126 | 15,192,569 | 2.07% |
| 10,001-20,000 | 1,153 | 16,108,793 | 2.19% |
| 20,001-30,000 | 388 | 9,221,752 | 1.26% |
| 30,001-40,000 | 175 | 6,072,914 | 0.83% |
| 40,001-50,000 | 108 | 4,948,259 | 0.67% |
| 50,001-1,00,000 | 199 | 14,628,240 | 1.99% |
| 1,00,001-10,00,000 | 208 | 58,612,103 | 7.98% |
| Over 10,00,000 | 72 | 564,085,883 | 76.78% |
| Total | 52,614 | 734,688,133 | 100.00% |

As at 31 December 2015

| Range of Share Holding | No. of Shareholders | No. of shares | Percentage of holding shares |
|------------------------|---------------------|--------------------|------------------------------|
| Upto 500 | 30,667 | 4,172,173 | 0.57% |
| 501-5,000 | 27,581 | 49,216,741 | 6.70% |
| 5,001-10,000 | 2,541 | 18,031,204 | 2.45% |
| 10,001-20,000 | 1,373 | 18,949,310 | 2.58% |
| 20,001-30,000 | 447 | 10,635,770 | 1.45% |
| 30,001-40,000 | 233 | 8,021,923 | 1.09% |
| 40,001-50,000 | 123 | 5,594,400 | 0.76% |
| 50,001-1,00,000 | 215 | 15,046,560 | 2.05% |
| 1,00,001-10,00,000 | 240 | 62,452,907 | 8.50% |
| Over 10,00,000 | 60 | 542,567,145 | 73.85% |
| Total | 63,480 | 734,688,133 | 100.00% |

| | 31.12.2016 | 31.12.2015 |
|--|------------|------------|
| | Taka | Taka |

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

a) Going Concern Capital (Tier-I):

| | | |
|--------------------------------------|----------------|----------------|
| Common Equity Tire-I Capital (CET-I) | | |
| i) Paid-up Capital | 7,346,881,330 | 7,346,881,330 |
| ii) Statutory Reserve | (Note-17) | 3,942,345,432 |
| iii) Retained Earnings | (Note-18) | 1,010,103,443 |
| iv) Non-controlling Interest | | 239,472,347 |
| | 13,243,708,167 | 12,529,620,918 |

Less: Shortfall in provisions required against investment in shares (subsidiary)

| | | |
|----------------------------------|----------------|----------------|
| | | 259,500,000 |
| Additional Tier 1 Capital (AT 1) | 13,243,708,167 | 12,270,120,918 |

Additional Tire-I Capital (AT-I)

| | | |
|---|----------------|----------------|
| | 13,243,708,167 | 12,270,120,918 |
| b) Gone Concern Capital (Tier-II): | | |
| i) Capital Reserve | 1,852,128,888 | 1,888,173,836 |

b) Gone Concern Capital (Tier-II):

| | | |
|--|-----------------------|-----------------------|
| | 1,953,120,900 | 1,098,178,936 |
| c) Total Eligible Regulatory Capital (a +b) | 15,196,829,067 | 13,368,299,854 |

c) Total Eligible Regulatory Capital (a + b)

| | |
|-----------------------|-----------------------|
| 15,196,829,067 | 13,368,299,854 |
|-----------------------|-----------------------|

d) Consolidated Total Risk Weighted Assets

| | |
|------------------------|------------------------|
| 130,144,271,335 | 100,674,048,106 |
|------------------------|------------------------|

e) Minimum Required Capital (10% of risk weighted assets)

| | |
|-----------------------|-----------------------|
| 13,014,427,133 | 10,067,404,811 |
|-----------------------|-----------------------|

f) Minimum Required Capital (10.625% of risk weighted assets) including conservation buffer

| | |
|-----------------------|-----------------------|
| 13,827,828,829 | 10,067,404,811 |
|-----------------------|-----------------------|

g) Total Capital Surplus (c-e)

| | |
|----------------------|----------------------|
| 2,182,401,933 | 3,300,895,044 |
|----------------------|----------------------|

h) Total Capital Surplus considering conservation buffer (c-f)

| | |
|----------------------|----------------------|
| 1,369,000,238 | 3,300,895,044 |
|----------------------|----------------------|

Consolidated Capital to Risk Weighted Assets Ratio:

| Particulars | 2016 | | 2015 | |
|---|----------------|--------------------|---------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |
| Going Concern Capital: (Tier-I) | 5.50% | 10.18% | 5.50% | 12.19% |
| Common Equity Tier-I Capital: (CET-I) | 4.50% | 10.18% | 4.50% | 12.19% |
| CET-I Plus Conservation Buffer | 5.125% | 10.18% | 4.50% | 12.19% |
| Gone Concern Capital: (Tier-II) | - | 1.50% | - | 1.09% |
| CRAR | 10.00% | 11.68% | 10.00% | 13.28% |
| CRAR including Conservation Buffer | 10.625% | 11.68% | 10.00% | 13.28% |

| | 31.12.2016 | 31.12.2015 |
|--|------------|------------|
| | Taka | Taka |

16.4 Consolidated Risk Weighted Assets (RWA) for

| | | |
|--|------------------------|------------------------|
| 1. Investment (Credit) Risk | | |
| On-Balance Sheet | 96,202,383,006 | 77,575,466,966 |
| Off-Balance Sheet | 18,223,421,382 | 10,278,847,904 |
| 2. Market Risk | 7,003,266,947 | 4,825,183,236 |
| 3. Operational Risk | 8,715,200,000 | 7,994,550,000 |
| Consolidated Total Risk Weighted Assets (1+2+3) | 130,144,271,335 | 100,674,048,106 |

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

| | | |
|--------------------------------------|-----------------------|-----------------------|
| a) Going Concern Capital (Tier-I): | | |
| Common Equity Tire-I Capital (CET-I) | | |
| i) Paid-up Capital | 7,346,881,330 | 7,346,881,330 |
| ii) Statutory Reserve | (Note-17) | 3,942,345,432 |
| iii) Retained Earnings | (Note-18(a)) | 965,073,507 |
| | 12,856,575,911 | 12,254,300,269 |
| Additional Tire-I Capital (AT-I) | - | - |
| | 12,856,575,911 | 12,254,300,269 |

b) Gone Concern Capital (Tier-II):

| | | | |
|----------------------|------------------|----------------------|----------------------|
| i) General Provision | (Note 14.1(b+c)) | 1,529,500,000 | 1,100,927,373 |
| | | 1,529,500,000 | 1,100,927,373 |

c) Total Eligible Regulatory Capital (a + b)

| | |
|-----------------------|-----------------------|
| 14,386,075,911 | 13,355,227,642 |
|-----------------------|-----------------------|

d) Total Risk Weighted Assets

| | |
|------------------------|-----------------------|
| 124,703,796,335 | 98,789,573,106 |
|------------------------|-----------------------|

e) Minimum Required Capital (10% of risk weighted assets)

| | |
|-----------------------|----------------------|
| 12,470,379,633 | 9,878,957,311 |
|-----------------------|----------------------|

f) Minimum Required Capital (10.625% of risk weighted assets) including conservation buffer

| | |
|-----------------------|----------------------|
| 13,249,778,361 | 9,878,957,311 |
|-----------------------|----------------------|

g) Total Capital Surplus (c-e)

| | |
|----------------------|----------------------|
| 1,915,696,277 | 3,476,270,332 |
|----------------------|----------------------|

h) Total Capital Surplus considering conservation buffer (c-f)

| | |
|----------------------|----------------------|
| 1,136,297,550 | 3,476,270,332 |
|----------------------|----------------------|

Capital Adequacy Ratio:

| Particulars | 2016 | | 2015 | |
|-------------|-------------|--------------------|-------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |

| | | | | |
|---|----------------|---------------|---------------|---------------|
| Going Concern Capital: (Tier-I) | 5.50% | 10.31% | 5.50% | 12.40% |
| Common Equity Tier-I Capital: (CET-I) | 4.50% | 10.31% | 4.50% | 12.40% |
| CET-I Plus Conservation Buffer | 5.125% | 10.31% | 4.50% | 12.40% |
| Gone Concern Capital: (Tier-II) | - | 1.23% | - | 1.12% |
| CRAR | 10.00% | 11.54% | 10.00% | 13.52% |
| CRAR including Conservation Buffer | 10.625% | 11.54% | 10.00% | 13.52% |

| | 31.12.2016 | 31.12.2015 |
|--|------------|------------|
| | Taka | Taka |

16.6 Risk Weighted Assets (RWA) for

| | | |
|---|------------------------|-----------------------|
| 1. Investment (Credit) Risk | | |
| On-Balance Sheet | 93,595,758,006 | 77,795,341,966 |
| Off-Balance Sheet | 18,223,421,382 | 10,278,847,904 |
| 2. Market Risk | 4,446,666,947 | 2,924,583,236 |
| 3. Operational Risk | 8,437,950,000 | 7,790,800,000 |
| Total Risk Weighted Assets (1+2+3) | 124,703,796,335 | 98,789,573,106 |

16.7 Non-controlling Interest

| | | |
|--------------------------------|--------------------|--------------------|
| Opening balance | 230,290,713 | 226,994,950 |
| Share of current year's profit | 9,181,634 | 3,295,763 |
| | 239,472,347 | 230,290,713 |

17 Statutory Reserve

| | | |
|-------------------------------|----------------------|----------------------|
| Opening balance | 3,942,345,432 | 3,590,784,817 |
| Add: Addition during the year | 461,216,247 | 351,560,615 |
| | 4,403,561,679 | 3,942,345,432 |

18 Consolidated Retained Earnings

| | | | |
|--------------------------------------|------------|----------------------|----------------------|
| Shahjalal Islami Bank Ltd | (Note-18a) | 1,106,132,902 | 965,073,507 |
| Shahjalal Islami Bank Securities Ltd | | 162,132,256 | 50,320,650 |
| | | 1,268,265,158 | 1,015,394,157 |
| | | 14,472,347 | 5,290,713 |
| | | 1,253,792,811 | 1,010,103,443 |

18.1 Consolidated Current year Retained Earnings

| | | |
|--|----------------------|--------------------|
| You Retained Earnings of the Bank | | |
| Opening balance | 965,073,507 | 760,829,703 |
| Less: Issue of Bonus shares/Payment of Cash Dividend | 955,094,573 | 734,688,133 |
| Add: Transfer from Profit & Loss Account | 1,096,153,968 | 938,931,937 |
| | 1,106,132,902 | 965,073,507 |

18a Retained Earnings of the Bank

| | | |
|---------------------------------|-----------------------|----------------------|
| Letters of Guarantees (Local) | 11,690,983,683 | 6,995,922,779 |
| Letters of Guarantees (Foreign) | 262,554,861 | 185,038,757 |
| Back to Back | 3,329,401 | 3,329,401 |
| | 11,956,867,945 | 7,184,290,937 |



Shahjalal Islami Bank

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| | 2016 | 2015 |
|---|---------------------------|----------------------|
| | Taka | Taka |
| Banker to the Issue Commission | 115,939 | 145,678 |
| Notice pay earnings | 3,636,557 | 4,107,948 |
| Rebate on Trade Finance | 57,769,448 | 48,226,519 |
| Discrepancy Fee | 86,287,542 | 95,371,096 |
| Profit on sale of Bank's Assets | 106 | 49,984 |
| Miscellaneous income | 79,258,163 | 67,025,271 |
| | 369,041,708 | 326,066,240 |
| 27 Consolidated Salary & Allowances | | |
| Shahjalal Islami Bank Ltd | (Note- 27a) 1,878,143,846 | 1,747,409,359 |
| Shahjalal Islami Bank Securities Ltd | 37,583,253 | 33,355,816 |
| | 1,915,727,099 | 1,780,765,175 |
| 27a Salary & Allowances of the Bank | | |
| Basic Salary | 750,822,458 | 719,554,977 |
| Allowances | 719,624,919 | 676,305,714 |
| Bonus | 335,232,756 | 283,904,139 |
| Bank's Contribution to Provident fund | 72,463,714 | 67,644,529 |
| | 1,878,143,846 | 1,747,409,359 |
| 28 Consolidated Rent, Taxes, Insurance, Electricity etc. | | |
| Shahjalal Islami Bank Ltd | (Note- 28a) 423,595,761 | 373,598,915 |
| Shahjalal Islami Bank Securities Ltd | 15,398,848 | 14,175,849 |
| | 438,994,609 | 387,774,764 |
| 28a Rent, Taxes, Insurance, Electricity etc of the Bank | | |
| Rent, Rates & Taxes | 271,201,602 | 235,387,723 |
| Insurance | 95,421,525 | 84,503,622 |
| Electricity & Lighting | 56,972,635 | 53,707,570 |
| | 423,595,761 | 373,598,915 |
| 29 Consolidated legal Expenses | | |
| Shahjalal Islami Bank Ltd | (Note- 29a) 728,459 | 1,555,477 |
| Shahjalal Islami Bank Securities Ltd | 324,250 | 600,556 |
| | 1,052,709 | 2,156,033 |
| 29a Legal Expenses of the Bank | | |
| Legal Fees & Charge | 183,692 | 331,696 |
| Other Legal Expenses | 544,767 | 1,223,781 |
| | 728,459 | 1,555,477 |
| 30 Consolidated Postage, Stamps, Telecommunication etc | | |
| Shahjalal Islami Bank Ltd | (Note- 30a) 34,794,548 | 35,411,933 |
| Shahjalal Islami Bank Securities Ltd | 2,571,397 | 2,868,673 |
| | 37,365,945 | 38,280,606 |
| 30a Postage, Stamps, Telecommunication etc of the Bank | | |
| Postage | 1,246,543 | 1,343,077 |
| Leased line | 18,713,119 | 20,275,049 |
| Telegram, Fax, Telex & Internet charge | 7,118,415 | 5,834,042 |
| Telephone charges | 4,753,257 | 4,835,305 |
| Mobile phone charges | 2,963,214 | 3,124,460 |
| | 34,794,548 | 35,411,933 |
| 31 Consolidated Stationery, Printing, Advertisements etc | | |
| Shahjalal Islami Bank Ltd | (Note- 31a) 78,884,275 | 64,550,360 |
| Shahjalal Islami Bank Securities Ltd | 1,384,292 | 2,603,737 |
| | 80,268,567 | 67,154,097 |
| 31a Stationery, Printing, Advertisements etc of the Bank | | |
| Table Stationery | 9,330,097 | 9,241,789 |
| Printing Stationery | 7,878,288 | 7,113,482 |
| Security Stationery | 3,159,493 | 3,443,939 |
| Computer Stationery | 28,978,186 | 17,177,973 |
| Advertisement | 29,538,211 | 27,573,177 |
| | 78,884,275 | 64,550,360 |
| 32 Chief Executive's Salary & Fees of the Bank | | |
| Basic Salary | 6,655,000 | 6,600,000 |
| Allowances | 3,900,000 | 3,900,000 |
| Bonus | 2,210,000 | 2,100,000 |
| Bank's Contribution to Provident Fund | 665,500 | 660,000 |
| | 13,430,500 | 13,260,000 |
| 33 Directors' Fees & Expenses of the Bank | | |
| Directors Fee | 4,357,600 | 4,053,200 |
| Meeting Expenses | 1,902,112 | 1,944,241 |
| | 6,259,712 | 5,997,441 |
| 34 Shariah Supervisory Committee's Fees & Expenses of the Bank | | |
| Shariah Council Meeting Expenses | 559,816 | 462,957 |
| | 559,816 | 462,957 |
| 35 Consolidated auditors' Fees | | |
| Shahjalal Islami Bank Ltd | (Note-35a) 600,000 | 400,000 |
| Shahjalal Islami Bank Securities Ltd | 39,500 | 39,500 |
| | 639,500 | 439,500 |
| 35a Auditors' Fees of the Bank | | |
| Auditors Fees | 600,000 | 400,000 |
| | 600,000 | 400,000 |
| 36 Consolidated depreciation and Repair of Assets | | |
| Shahjalal Islami Bank Ltd | (Note-36a) 138,680,426 | 138,616,713 |
| Shahjalal Islami Bank Securities Ltd | 6,744,226 | 6,203,331 |
| | 145,424,652 | 144,820,044 |
| 36a Depreciation and Repair of Bank's Assets | | |
| a) Depreciation of Bank's Assets (Annexure B) | | |
| Land & Building | 9,111,941 | 9,792,304 |
| Furniture & Fixtures | 40,399,545 | 42,529,715 |
| Office Appliance & Equipment | 56,907,171 | 54,732,312 |
| Vehicles | 9,604,598 | 7,787,842 |
| Books | 82,195 | 86,680 |
| b) Amortization of of Bank's Assets (Annexure B) | | |
| Software-Core Banking | 5,993,271 | 6,859,222 |
| | 122,098,721 | 121,788,075 |
| c) Repair on Bank's Assets | | |
| Office Premises | 1,328,253 | 1,659,961 |
| Office Appliance & Equipment | 8,135,417 | 7,958,398 |
| Office Furniture & Fixtures | 753,114 | 854,050 |
| Vehicles | 2,026,092 | 2,058,271 |
| Procurement of Parts, Spares & Others | 4,338,829 | 4,297,957 |
| | 16,581,704 | 16,828,638 |
| | 138,680,426 | 138,616,713 |
| 37 Zakat Expenses of the Bank | | |
| Zakat Expenses | 101,969,969 | 93,316,700 |
| | 101,969,969 | 93,316,700 |
| 38 Consolidated Other Expenses | | |
| Shahjalal Islami Bank Ltd | (Note-38a) 321,311,401 | 303,630,126 |
| Shahjalal Islami Bank Securities Ltd | 85,383,784 | 19,667,626 |
| | 406,695,185 | 323,297,752 |
| 38a Other Expenses of the Bank | | |
| Petrol, Oil and Lubricants | 5,311,084 | 4,272,720 |
| Entertainment | 34,589,152 | 29,798,068 |
| Donation and Subscription | 3,742,332 | 4,192,956 |
| Traveling and Conveyance | 20,556,706 | 18,379,378 |
| Training Expenses | 4,514,622 | 4,603,860 |
| Car expenses | 108,979,104 | 106,050,862 |
| Gratuity expenses | 24,069,000 | 24,000,000 |
| Papers & Periodicals | 502,475 | 526,333 |
| Utility | 5,116,845 | 3,147,499 |
| Uniform & Liveries | 1,989,011 | 2,122,633 |
| Bank Charges | 1,102,227 | 1,669,144 |
| Business development & Promotion | 19,612,344 | 18,780,089 |
| Upkeep and cleaning of office premises | 8,590,086 | 8,358,062 |
| Security Service- Out-sourcing | 37,016,531 | 29,925,304 |
| Branch Opening Expenses | 1,490,810 | 802,471 |
| Credit Rating fee | 430,000 | 200,000 |
| SJIBL Card expenses | 5,231,102 | 5,187,784 |
| AGM & Meeting expenses | 5,074,711 | 4,423,906 |
| Capital Enhancement Fees | 730,141 | 827,343 |
| Contribution to Social Security Super Annuation Fund | 1,000,000 | 1,000,000 |
| Laundry and Washing | 163,410 | 191,448 |
| Crockeries, Kettle and others | 269,263 | 495,006 |
| Photograph and Photocopy | 506,148 | 309,797 |
| Consultancy | - | 1,389,600 |
| Leave Encashment | 10,934,215 | 18,848,053 |
| Award Expenses | 1,630,800 | 1,246,804 |
| Brokerage House Expenses | 106,000 | 586,534 |
| Maintenance of Head Office (New Premises) Building | 5,458,114 | 2,644,342 |
| Miscellaneous Expenses | 12,595,169 | 9,650,130 |
| | 321,311,401 | 303,630,126 |

| | 2016 | 2015 |
|--|---------------------------------|-----------------------|
| | Taka | Taka |
| 39 Consolidated Provision against Investment, Off-Balance Sheet & Others | | |
| Shahjalal Islami Bank Ltd | (Note-39a) 673,126,000 | 619,633,336 |
| Shahjalal Islami Bank Securities Ltd | - | 146,656,896 |
| | 673,126,000 | 766,290,232 |
| 39a Provision against Investment, Off-Balance Sheet & Others of the Bank | | |
| Provision on unclassified investment | 115,200,000 | 110,521,000 |
| Provision on classified investment | 356,500,000 | 320,913,336 |
| Provision on Off-Balance Sheet | 197,900,000 | 31,060,000 |
| Provisions on Investment in Securities | - | 152,000,000 |
| Provision on Other Assets | 3,526,000 | 5,139,000 |
| | 673,126,000 | 619,633,336 |
| 40 Deferred Tax Expenses/(Income) of the Bank | | |
| Closing deferred tax liability | 95,464,963 | 104,211,220 |
| Opening deferred tax liability | 104,211,220 | 117,704,226 |
| Deferred tax expense/(Income) | (8,746,257) | (13,493,006) |
| 40a Consolidated Tax Expenses of the Bank | | |
| Current tax | 791,864,614 | 545,081,276 |
| Deferred tax | (8,746,257) | (13,493,006) |
| | 783,118,357 | 531,588,270 |
| 40b Tax Expenses of the Bank | | |
| Current tax | 757,457,278 | 480,803,528 |
| Deferred tax | (8,746,257) | (13,493,006) |
| | 748,711,021 | 467,310,522 |
| 41 Consolidated Earnings Per Share (EPS) | | |
| Calculation of Earnings Per Share | (Note- 2.17) | |
| Net Profit after Tax | 1,660,000,188 | 1,318,543,217 |
| Number of Ordinary Shares outstanding (Denominator) | 734,688,133 | 734,688,133 |
| | 2.26 | 1.79 |
| 41a Earnings Per Share of the Bank (EPS) | | |
| Calculation of Earnings Per Share | (Note- 2.17) | |
| Net Profit after Tax | 1,557,370,215 | 1,290,492,552 |
| Number of Ordinary Shares outstanding (Denominator) | 734,688,133 | 734,688,133 |
| | 2.12 | 1.76 |
| Earnings per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)". | | |
| 42 Consolidated investment income receipt in cash | | |
| Shahjalal Islami Bank Ltd | (Note-42a) 11,275,216,925 | 10,679,748,148 |
| Shahjalal Islami Bank Securities Ltd | 395,187,985 | 503,738,684 |
| | 11,670,404,910 | 11,183,486,832 |
| 42a Investment income receipt of the Bank | | |
| Investment income receipt (Excluding Dividend Income) | (Note 22a & 24a) 11,228,006,749 | 10,617,799,931 |
| Add: Opening profit Receivable | (Note-10a.2) 325,529,373 | 387,477,590 |
| Less: Closing profit receivable | (Note-10a.2) 278,319,197 | 325,529,373 |
| | 11,275,216,925 | 10,679,748,148 |
| 43 Consolidated Profit Paid on Deposits | | |
| Shahjalal Islami Bank Ltd | (Note-43a) 7,085,259,948 | 7,324,682,200 |
| Shahjalal Islami Bank Securities Ltd | 344,569,061 | 413,518,676 |
| | 7,429,829,009 | 7,738,200,876 |
| 43a Profit Paid on Deposits of the Bank | | |
| Profit Paid on Deposits | (Note-23a) 6,986,501,525 | 6,942,572,993 |
| Add: Opening profit payable on deposit | (Note-14a) 703,408,900 | 1,064,318,107 |
| Less: Closing profit payable on deposit | (Note-14a) 604,650,477 | 703,408,900 |
| Less: Adjustment for transfer | - | (21,200,000) |
| | 7,085,259,948 | 7,324,682,200 |
| 44 Consolidated Cash Receipt from other Operating activities (Note-26) | | |
| Shahjalal Islami Bank Ltd | (Note-44a) 451,673,505 | 410,137,095 |
| Shahjalal Islami Bank Securities Ltd | 7,771,307 | 10,144,913 |
| | 459,444,812 | 420,282,008 |
| 44a Cash Receipt from other Operating activities of the Bank (Note-26a) | | |
| Postage & Telex Charge Recovery | 80,712,392 | 82,594,730 |
| Incidental Charge | - | 449,920 |
| Supervision & Monitoring Charge | 1,919,510 | 1,076,189 |
| Other charges (except income from sale of fixed assets) | 369,041,602 | 326,016,256 |
| | 451,673,505 | 410,137,095 |
| 45 Consolidated Cash Payment for other Operating activities | | |
| Shahjalal Islami Bank Ltd | (Note-45a) 906,401,371 | 831,202,188 |
| Shahjalal Islami Bank Securities Ltd | 103,868,802 | 37,584,534 |
| | 1,010,270,173 | 868,786,722 |
| 45a Cash Payment for other Operating activities of the Bank | | |
| Rent, Taxes, Insurance, Lighting etc. | (Note-28a) 423,595,761 | 373,598,915 |
| Legal Expenses | (Note-29a) 728,459 | 1,555,477 |
| Postage, Stamp, Telegram & Telephone | (Note-30a) 34,794,548 | 35,411,933 |
| Directors' Fee & Expenses | (Note-33) 6,259,712 | 5,997,441 |
| Shariah Supervisory Committee's Fees & Expenses | (Note-34) 559,816 | 462,957 |
| Auditors' Fee | (Note-35a) 600,000 | 400,000 |
| Repair, Maintenance of Bank's Assets | (Note-36a.c) 16,581,704 | 16,828,638 |
| Zakat Expenses | (Note-37) 101,969,969 | 93,316,700 |
| Other Expenses | (Note-38a) 321,311,401 | 303,630,126 |
| | 906,401,371 | 831,202,188 |
| 46 Cash Increase/ Decrease in Consolidated Other Assets (Note-10) | | |
| Shahjalal Islami Bank Ltd | (Note-46a) 4,334,745,762 | 3,663,422,516 |
| Shahjalal Islami Bank Securities Ltd | 2,387,257,126 | 2,445,756,788 |
| | 6,722,002,888 | 6,109,179,304 |
| Less: Cash Increase/ (Decrease) through Inter Company transaction | 3,400,437,451 | 2,798,352,629 |
| | 3,321,565,437 | 3,310,826,675 |
| Cash (Increase)/ Decrease in Other Assets | (10,738,761) | (21,819,434) |
| 46a Cash Increase/ Decrease in Other Assets of the Bank (Note-10a) | | |
| Stock of Stationery and Stamps | 17,164,051 | 18,109,120 |
| Advance deposits and rent | 122,989,589 | 114,034,066 |
| Suspense Account | 55,747,673 | 79,909,284 |
| Other Prepayments | 218,968,790 | 55,942,471 |
| Receivable from Shahjalal Islami Bank Securities Limited | 1,362,959,318 | 1,471,284,618 |
| Shahjalal Islami Bank Securities Ltd | (Note 10a.3) 2,515,000,000 | 1,915,000,000 |
| Advance for new Branches | 16,087,656 | - |
| Advance Insurance premium | 35,880 | 78,431 |
| Other Receivables | 3,889,647 | 9,064,526 |
| SJIBL General Account-Net | 21,903,158 | - |
| | 4,334,745,762 | 3,663,422,516 |
| Cash (Increase)/ Decrease in Other Assets | (671,323,245) | 217,209,198 |
| 47 Cash Increase/ Decrease in Consolidated Other Liabilities (Note-14) | | |
| Shahjalal Islami Bank Ltd | (Note- 47a) 299,844,331 | 349,967,133 |
| Shahjalal Islami Bank Securities Ltd | 2,845,654,021 | 2,543,214,872 |
| | 3,145,498,352 | 2,893,182,005 |
| Less: Cash Increase/ (Decrease) through Inter Company transaction | 892,475,368 | 926,598,815 |
| | 2,253,022,984 | 1,966,583,190 |
| Cash Increase/ (Decrease) in Other Liabilities | 286,439,794 | 416,685,273 |
| 47a Cash Increase/ Decrease in Other Liabilities of the Bank (Note-14a) | | |
| Other Payable | 51,652,328 | 90,205,318 |
| Taxation on other income & prior years | 198,403,428 | 198,403,428 |
| Outstanding Expenses | 47,645,633 | 42,438,498 |
| Unearned Income on Quard | 2,142,943 | 447,023 |
| SJIBL General Account | - | 18,472,867 |
| | 299,844,331 | 349,967,133 |
| Cash Increase/ (Decrease) in Other Liabilities | (50,122,802) | 127,643,956 |
| 48 Consolidated Cash and Cash Equivalent | | |
| Shahjalal Islami Bank Ltd | (Note-48a) 11,993,903,158 | 10,739,727,356 |
| Shahjalal Islami Bank Securities Ltd | 381,221,166 | 168,963,211 |
| | 12,375,124,324 | 10,908,690,567 |
| Less: Cash Increase/ (Decrease) through Inter Company transaction | 376,062,425 | 151,925,980 |
| | 11,999,061,899 | 10,756,764,587 |
| 48a Cash and Cash Equivalent of the Bank | | |
| Cash in Hand | 1,179,754,405 | 1,106,558,612 |
| Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank) | 8,398,144,743 | 8,177,172,061 |
| Balance with Other Banks & Financial Institutions | 2,416,004,010 | 1,455,996,683 |
| | 11,993,903,158 | 10,739,727,356 |
| 49 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 2,191. | | |
| 50 Audit Committee of the Bank | | |
| a) Particulars of Audit Committee | | |
| Pursuant to the BRPD Circular no. 11 dated 27 October, 2013 the Board of Director's of the Bank formed a five members (including 2 (two) independent Director) Audit Committee called "Board Audit Committee". The Board of Directors in its Meeting No. 240 held on 30-10-2016 reconstituted the Committee by the following members:- | | |

| Name | Status with the Bank | Status with the Committee | Educational Qualification |
|---|----------------------|--|---------------------------|
| Mr. Mosharraf Hossain | Independent Director | Chairman | Masters |
| Mr. Md. Harun Miah | Director | Member | BA |
| Mr. Md. Abdul Halim | Director | Member | BA |
| Mr. Mohammed Golam Quddus (rep. of Anwer Khan Modern Hospital Ltd.) | Director | Member | Masters |
| Farida Parvin Nuru | Independent Director | Member | Masters |
| The members of the Board Audit Committee are all having good exposure in the banking business. They are all playing active role in the Board Meeting. | | | |
| b) Meeting of Audit Committee | | | |
| During 1 January to 31 December 2016, the Audit Committee of the Board conducted 11 (Eleven) meetings in which among others, the following issues were discussed:- | | | |
| i) The duties and responsibilities of the Committee as stated in BRPD Circular no. 11 dated 27 October 2013. | | | |
| ii) 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. | | | |
| iii) Minimization of expenditure in all operational activities where possible. | | | |
| iv) Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the Bank. | | | |
| 51 Related Party Disclosures of the Bank | | | |
| 51.1 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 | |
| Engr. Md. Towhidur Rahman | Chairman | i) Fresh Foods Ltd. | |
| | | ii) Sea Fresh Ltd. | |
| | | iii) Libas Textiles Ltd | |
| | | iv) Fresh Knitwear Ltd. | |
| | | v) Fresh Export Import Ltd. | |
| | | vi) Fresh Properties Ltd. | |
| | | vii) Hettich (Joint Venture Co. with Germany) | |
| Mohiuddin Ahmed | Vice Chairman | viii) Shahjalal Islami Bank Securities Ltd. | |
| | | ix) Prime University | |
| | | i) Mohiuddin Auto House | |
| | | ii) M/s. Rupsha Trading Corporation | |
| | | iii) Pacific Automobile | |
| | | iv) Shahjalal Islami Bank Securities Ltd. | |
| | | v) Shamsuddin Khan & Harun Miah Ltd (UK) | |
| Md. Harun Miah (Rep. of Shamsuddin Khan & Harun Miah Ltd.) | Vice Chairman | vi) Shamsuddin Khan & Harun Miah Ltd (UK) | |
| | | vii) Shahjalal Islami Bank Securities Ltd. | |
| 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 Center Ltd. | |
| | | vi) Fareast Stocks & Bonds Ltd. | |
| | | vii) Shahjalal Islami Bank Securities Ltd. | |
| Md. Sanaullah Shahid (Rep. of Electra International Ltd.) | Director | viii) Anwer Khan Modern University | |
| | | i) Electra International Ltd. | |
| | | ii) Electra Consumer Electronics & Investment Ltd. | |
| | | iii) Federal Securities & Invst. Ltd. | |
| | | iv) Electra International | |
| | | v) Kashmir Chemical Co. | |
| | | vi) Sazawa Brothers | |
| Md. Abdul Barek | Director | vii) Electra Furniture | |
| | | viii) Shahjalal Islami Bank Securities Ltd. | |
| | | i) Arju Electronics | |
| | | ii) Jony Electronics | |
| | | iii) Rony Electronics | |
| | | iv) Shahjalal Islami Bank Securities Ltd. | |
| | | v) Abdul Halim & Brothers | |
| Abdul Halim | Director | ii) Excellent Ceramic Industries Ltd. | |
| | | iii) Excellent Motors Ltd. | |
| | | iv) Islamic Insurance Bangladesh Ltd. | |
| | | v) Shahjalal Islami Bank Securities Ltd. | |
| | | i) Russel Spinning Mills Ltd. | |
| | | ii) PNR Industries Ltd. | |
| | | iii) Russel Garments Ltd. | |
| Akkas Uddin Mollah | Director | iv) Russel Apparels Ltd. | |
| | | v) Ekram Sweaters Ltd. | |
| | | vi) Tania Cotton Mills Ltd. | |
| | | vii) Russel Washing Plant | |
| | | viii) Shahjalal Islami Bank Securities Ltd. | |
| | | i) Zulriia Trade International | |
| | | ii) Z. Agrovet Enterprise | |
| Khandaker Sakib Ahmed | Director | iii) Five Star Cargo Corporation | |
| | | iv) Shahjalal Islami Bank Securities Ltd. | |
| | | i) Ha-Meem Denim Ltd. | |
| | | ii) Ha-Meem Apparels Ltd. | |
| | | iii) Ha-Meem Spinning Mills Ltd. | |
| | | iv) Ha-Meem Design Ltd. | |
| | | v) That's It Sweater Ltd. | |
| A. K. Azad | Director | vi) That's It Sportswear Ltd. | |
| | | vii) That's It Garments Ltd. | |
| | | viii) That's It Knit Ltd. | |
| | | ix) Sajid Washing & Dyeing Ltd. | |
| | | x) Nishat Jute Mills Ltd. | |
| | | xi) Refat Garments Ltd. | |
| | | xii) Refat Packaging & Printing Industries Ltd. | |
| Mohammed Younus | Director | xiii) Sakib Poly Industries Ltd. | |
| | | xiv) Apparel Galary Ltd. | |
| | | xv) Artistic Design Ltd. | |
| | | xvi) Creative Collections Ltd. | |
| | | xvii) Express Washing & Dyeing Ltd. | |
| | | xviii) Times Media Ltd. (Channel 24 & The Daily Samakal) | |
| | | xix) Shahjalal Islami Bank Securities Ltd. | |
| Farida Parvin Nuru | Independent Director | i) Sonali Papers and Board Mills Ltd. | |
| | | ii) Galaxy Flying Academy Ltd. | |
| | | iii) Younus Newsprint Mills Ltd. | |
| | | iv) Younus Offset Paper Mills Ltd. | |
| | | v) Younus Fine Paper Mills Ltd. | |
| | | vi) Younus Paper Mills Ltd. | |
| | | vii) Ananta Paper Mills Ltd. | |
| Fakir Akhtaruzzaman | Director | viii) Universal Paper & Board Mills Ltd. | |
| | | ix) Younus Spinning Mills Ltd. | |
| | | x) Sobhan Ice & Cold Storage Ltd. | |
| | | xi) Younus Specialized Cold Storage Ltd. | |
| | | xii) Younus Cold Storage Ltd. | |
| | | xiii) Sharif Cold Storage Ltd. | |
| | | xiv) Nowpara Cold Storage (Pvt.) Ltd. | |
| Mosharraf Hossain Chowdhury | Independent Director | xv) Garib-E-Newal Cold Storage Ltd. | |
| | | xvi) Siddheswari Cold Storage Ltd. | |
| | | xvii) Europa Cold Storage Ltd. | |
| | | xviii) Alko Industries & Cold Storage Ltd. | |
| | | xix) Combined Food & Cold Storage Ltd. | |
| | | xx) A. Kader & Sons Himagar Ltd. | |
| | | xxi) Wadud & Aysha Cold Store Ltd. | |
| Farida Parvin Nuru | Independent Director | xxii) Bikkrampur Potato Flakes Inds. Ltd. | |
| | | xxiii) United Traders | |
| | | xxiv) Sonali Dredger Ltd. | |
| | | xxv) Sonali Rubber Garden | |
| | | xxvi) Sonali Agro | |
| | | xxvii) Sonali Abason Ltd. | |
| | | xxviii) Sonali News.Com | |
| Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.) | Director | xxix) Sonali IT | |
| | | xxx) Wordbridge School | |
| | | xxxi) International Television Channel Ltd. (NTV) | |
| | | xxxii) Express Insurance Ltd. | |
| | | xxxiii) Athena Venture & Equities Ltd. | |
| | | xxxiv) Shahjalal Islami Bank Securities Ltd. | |
| | | xxxv) Fareast International University | |
| Farida Parvin Nuru | Independent Director | Fakir Knitwears Ltd. | |
| | | N/A | |
| Farida Parvin Nuru | Independent Director | N/A | |
| | | i) Viceroy Group of Restaurant | |
| Farida Parvin Nuru | Independent Director | ii) Property Management Ltd. (UK) | |
| | | N/A | |



Shahjalal Islami Bank

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

Nil

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

Nil

51.4 Lending Policies to related parties:

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

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

| | Name of the Party | Related By | Nature of Investment | Amount in Tk. | Status |
|------|---------------------------------------|---------------------------|--|--------------------|---------|
| i) | M/s. Rony Electronics | Md. Abdul Barek | Bai-Muajjal/Murabaha LC/MPI-TR | 15,704,000 | Regular |
| ii) | M/s. Rupsha Trading Corporation | Alhaj Md. Mohiuddin Ahmed | L/C /MPI-TR/Bai-Muajjal | 29,950,000 | Regular |
| iii) | Excellent Ceramic Ind. Ltd. | Alhaj Abdul Halim | Murabaha local/L/C /MPI-TR/Bai-Muajjal | 4,356,429 | Regular |
| iv) | M/s. Exclusive Motors | Alhaj Abdul Halim | Murabaha local/L/C/MPI-TR/Bai-Muajjal | 50,427,625 | Regular |
| v) | Shahjalal Islami Bank Securities Ltd. | Subsidiary | Bai-Muajjal | 657,037,916 | Regular |
| | | | | 757,475,970 | |

51.6 Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Companies Act 1991

NIL

51.7 Investments in Securities of Directors and their related concern:

NIL

52 Events After Reporting Period

The Board of Directors of the Bank at its 245th meeting held on 05 April 2017 has recommended 10% Cash and 5% Stock dividend for the year 2016. This dividend is subject to the final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank.


Chairman
Dhaka, 05 April 2017


Director


Director


Managing Director

Annexure-A

| SHAHJALAL ISLAMI BANK LIMITED | | | | | | |
|---|--|--|--|--|--|--|
| INVESTMENT IN SHARES & SECURITIES (LISTED WITH STOCK EXCHANGES) | | | | | | |
| AS AT DECEMBER 31, 2016 | | | | | | |

| Sl No | Name of Company | No. of Shares/ Securities | Market price per share | Market value 31 December, 2016 | Cost price 31 December, 2016 | Unrealised Gain/(loss) |
|------------------|---|---------------------------|------------------------|--------------------------------|------------------------------|------------------------|
| Quoted | | | | | | |
| 1 | Active Fine Chemicals Ltd. | 819,000 | 43.30 | 35,462,700 | 40,367,121 | (4,904,421) |
| 2 | Aftab Automobiles Limited | 400,000 | 56.70 | 22,680,000 | 35,738,559 | (13,058,559) |
| 3 | AIBL 1st Islamic Mutual Fund | 8,156,000 | 8.30 | 67,694,800 | 73,298,207 | (5,603,407) |
| 4 | Al-Arafah Islami Bank Limited | 4,112,062 | 15.90 | 65,381,786 | 80,277,378 | (14,895,592) |
| 5 | Appollo Ispat Complex Limited (APOLOISPAT) | 100,000 | 20.50 | 2,050,000 | 1,900,315 | 149,685 |
| 6 | Beacon Pharmaceuticals Limited | 901,950 | 22.00 | 19,842,900 | 39,266,541 | (19,423,641) |
| 7 | Beximco Limited | 1,672,962 | 26.00 | 43,497,012 | 53,917,267 | (10,420,255) |
| 8 | Central Pharmaceuticals Ltd. | 300,000 | 22.30 | 6,690,000 | 6,731,215 | (41,215) |
| 9 | Dhaka Electric Supply Company Ltd. (DESCO) | 637,273 | 46.30 | 29,505,740 | 40,103,115 | (10,597,375) |
| 10 | Eastern Housing Limited | 2,145,258 | 42.90 | 92,031,568 | 166,063,283 | (74,031,714) |
| 11 | Envoy Textiles Ltd. | 1,030,000 | 38.80 | 39,964,000 | 42,402,697 | (2,438,697) |
| 12 | Export Import Bank of Bangladesh Limited | 7,251,749 | 11.70 | 84,845,463 | 128,470,525 | (43,625,062) |
| 13 | Familytex (BD) Ltd. | 1,963,500 | 9.80 | 19,242,300 | 47,453,468 | (28,211,168) |
| 14 | Fareast Islami Life Insurance Co. Ltd. | 412,500 | 67.70 | 27,926,250 | 35,899,637 | (7,973,387) |
| 15 | Fine Foods Limited | 1,218,038 | 23.90 | 29,111,108 | 85,826,584 | (56,715,476) |
| 16 | First Security Islami Bank Ltd. | 2,805,000 | 13.90 | 38,989,500 | 39,956,268 | (966,768) |
| 17 | Generation Next Fashions Limited | 1,644,500 | 9.90 | 16,280,550 | 25,741,813 | (9,461,263) |
| 18 | Islami Bank Bangladesh Limited | 1,000,000 | 29.70 | 29,700,000 | 32,559,062 | (2,859,062) |
| 19 | Islami Insurance Bangladesh Limited | 200,000 | 19.70 | 3,940,000 | 3,527,898 | 412,102 |
| 20 | Jamuna Oil Company Limited | 341,434 | 181.60 | 62,004,414 | 67,733,293 | (5,728,878) |
| 21 | M.I. Cement Factory Ltd | 700,000 | 82.50 | 57,750,000 | 58,102,477 | (352,477) |
| 22 | Makson Spinning Mills Limited | 1,321,946 | 8.50 | 11,236,541 | 63,955,630 | (52,719,089) |
| 23 | Meghna Petroleum Limited | 350,000 | 170.40 | 59,640,000 | 75,607,343 | (15,967,343) |
| 24 | Metro Spinning Mills Limited | 1,188,697 | 8.20 | 9,747,315 | 65,855,505 | (56,108,189) |
| 25 | Orion Pharma Ltd. | 715,000 | 42.10 | 30,101,500 | 44,129,226 | (14,027,726) |
| 26 | Padma Islami Life Insurance Limited | 99,480 | 28.20 | 2,805,336 | 5,702,545 | (2,897,209) |
| 27 | Salvo Chemical Industry Ltd. | 176,137 | 16.90 | 2,976,715 | 3,201,604 | (224,888) |
| 28 | Shinepukur Ceramics Limited | 300,000 | 10.40 | 3,120,000 | 6,006,606 | (2,886,606) |
| 29 | Social Islami Bank Ltd. | 4,462,500 | 18.40 | 82,110,000 | 80,932,934 | 1,177,066 |
| 30 | Square Textile Ltd | 880,000 | 69.20 | 60,896,000 | 61,222,988 | (326,988) |
| 31 | The Dacca Dyeing & Mfg. Co. Limited | 5,106,079 | 9.00 | 45,954,711 | 160,115,520 | (114,160,809) |
| 32 | Titas Gas Transmission And Distribution Co. Ltd | 1,000,000 | 49.40 | 49,400,000 | 78,349,510 | (28,949,510) |
| 33 | Unique Hotel and Resorts Ltd | 350,000 | 53.90 | 18,865,000 | 22,403,867 | (3,538,867) |
| 34 | Square Pharmaceuticals Limited | 143,000 | 249.10 | 35,621,300 | 33,600,877 | 2,020,423 |
| 35 | Agricultural Marketing Company Ltd – AMCL (PRAN) | 50,000 | 207.60 | 10,380,000 | 9,958,704 | 421,296 |
| 36 | The ACME Laboratories Limited | 500,000 | 99.00 | 49,500,000 | 56,206,552 | (6,706,552) |
| 37 | RAK Ceramics (Bangladesh) Limited | 100,000 | 61.90 | 6,190,000 | 6,778,747 | (588,747) |
| 38 | MJL Bangladesh Limited | 193,438 | 119.60 | 23,135,185 | 21,706,557 | 1,428,628 |
| 39 | Apex Footwear Limited | 20000 | 330.3 | 6,606,000 | 7510020 | (904,020) |
| Un-Quoted | | | | | | |
| 1 | Lanka Bangla Securiries Ltd | - | - | 5,000,000 | 5,000,000 | - |
| 2 | Market Stabilization Fund, Asset Management Co. Ltd | - | - | 2,000,000 | 2,000,000 | - |
| 3 | Pacific Denims Limited | - | - | 30,000,000 | 30,000,000 | - |
| Total | | | | 1,339,875,695 | 1,945,581,457 | (605,705,761) |

As per DOS Circular Letter no. 3; dated 12 March 2015, no provision is required for investment in AIBL 1st Mutual Fund. As a result required provision for investment in shares stood at Taka 6,007.90 Lac instead of 6,057.06 Lac.

Annexure-B

| SHAHJALAL ISLAMI BANK LIMITED | | | | | | | | | | | |
|-------------------------------|--|--|--|--|--|--|--|--|--|--|--|
| SCHEDULE OF FIXED ASSETS | | | | | | | | | | | |
| AS ON 31 DECEMBER 2016 | | | | | | | | | | | |

| Particulars | Cost | | | | Rate | Depreciation | | | | Written Down Value | |
|---|--------------------------|-----------------------------|------------------------------|--------------------------|---------|--------------------------|------------------------------|---------------------------|--------------------------|----------------------|----------------------|
| | Balance as on 01.01.2016 | Additions during the period | Adjustment during the period | Balance as on 31.12.2016 | | Balance as on 01.01.2016 | Adjustment during the period | Charged during the period | Balance as on 31.12.2016 | As on 31.12.2016 | As on 31.12.2015 |
| Land | 1,876,724,350 | - | - | 1,876,724,350 | - | - | - | - | - | 1,876,724,350 | 1,876,724,350 |
| Building | 462,275,894 | - | - | 462,275,894 | 2.25% | 58,145,222 | - | 9,111,941 | 67,257,163 | 395,018,731 | 404,130,672 |
| Head Office Building under construction | 330,278,245 | 189,992,034 | - | 520,270,279 | - | - | - | - | - | 520,270,279 | 330,278,245 |
| Furniture & Fixtures | 614,909,614 | 17,410,077 | 3,811,634 | 628,508,057 | 10%-20% | 247,116,872 | 2,549,973 | 40,399,545 | 284,966,443 | 343,541,614 | 367,792,742 |
| Office Equipment | 651,863,945 | 36,712,461 | 7,990,687 | 680,585,719 | 20% | 383,553,121 | 6,931,183 | 56,907,171 | 433,529,110 | 247,056,609 | 268,310,824 |
| Vehicles | 55,089,948 | 12,789,000 | - | 67,878,948 | 20% | 34,001,520 | - | 9,604,598 | 43,606,119 | 24,272,829 | 21,088,427 |
| Books | 827,103 | 96,886 | - | 923,989 | 20% | 469,477 | - | 82,195 | 551,672 | 372,317 | 357,626 |
| Sub-total | 3,991,969,098 | 257,000,459 | 11,802,321 | 4,237,167,236 | | 723,286,212 | 9,481,156 | 116,105,451 | 829,910,507 | 3,407,256,729 | 3,268,682,886 |
| Software-Amortization | | | | | | | | | | | |
| Software-Core Banking | 61,548,992 | 1,066,438 | - | 62,615,430 | 20% | 30,839,845 | - | 5,993,271 | 36,833,116 | 25,782,314 | 30,709,147 |
| Sub-total | 61,548,992 | 1,066,438 | - | 62,615,430 | | 30,839,845 | - | 5,993,271 | 36,833,116 | 25,782,314 | 30,709,147 |
| Total | 4,053,518,090 | 258,066,897 | 11,802,321 | 4,299,782,666 | | 754,126,057 | 9,481,156 | 122,098,721 | 866,743,623 | 3,433,039,043 | 3,299,392,033 |

Annexure-C

| SHAHJALAL ISLAMI BANK LIMITED | | | | | | | | |
|---|--|--|--|--|--|--|--|--|
| BALANCE WITH OTHER BANKS IN FOREIGN CURRENCY | | | | | | | | |
| [REFERRED TO NOTE 5a.2 OF THESE FINANCIAL STATEMENTS] | | | | | | | | |

| SL No. | Name of the Banks | Currency Name | 2016 | | | 2015 | | |
|--------|------------------------------------|---------------|----------------------------|-------------------------------|----------------|----------------------------|-------------------------------|----------------|
| | | | Amount in Foreign Currency | Conversion rate per unit F.C. | Amount in BDT. | Amount in Foreign Currency | Conversion rate per unit F.C. | Amount in BDT. |
| 1 | Standard Chartered Bank NY | USD | 2,023,450.21 | 78.7000 | 159,245,531.53 | 3,265,488.32 | 78.5000 | 256,340,833.12 |
| 2 | Mashreq Bank psc, NY | USD | 1,908,781.88 | 78.7000 | 150,221,133.96 | 361,978.24 | 78.5000 | 28,415,291.84 |
| 3 | Standard Chartered Bank, Mumbai | USD | 222,198.53 | 78.7000 | 17,487,024.31 | 222,198.53 | 78.5000 | 17,442,584.61 |
| 4 | Habib American Bank, USA | USD | 55,051.56 | 78.7000 | 4,332,557.77 | 395,856.45 | 78.5000 | 31,074,731.33 |
| 5 | ICICI Bank, Hong Kong | USD | 49,864.86 | 78.7000 | 3,924,364.48 | 200,542.64 | 78.5000 | 15,742,597.24 |
| 6 | WACHOVIA BANK, NY, USA | USD | 65,819.88 | 78.7000 | 5,180,024.56 | 694,357.69 | 78.5000 | 54,507,078.67 |
| 7 | Sonali Bank (UK) Ltd | USD | 18,379.78 | 78.7000 | 1,446,488.69 | 26,457.30 | 78.5000 | 2,076,898.05 |
| 8 | Commerzbank AG Frankfurt | USD | 9,692.08 | 78.7000 | 762,766.70 | 161,476.56 | 78.5000 | 12,675,909.96 |
| 9 | Bank Aljazira | USD | 157,746.72 | 78.7000 | 12,414,666.86 | 548,692.33 | 78.5000 | 43,072,348.07 |
| 10 | AB Bank Ltd. Mumbai | ACUD | 125,490.48 | 78.7000 | 9,876,100.78 | 446,181.42 | 78.5000 | 35,025,241.47 |
| 11 | IFIC Bank Ltd., Karachi | ACUD | 1,648.99 | 78.7000 | 129,775.51 | 118,172.27 | 78.5000 | 9,276,523.20 |
| 12 | SCB, Mumbai | ACUD | 523,273.57 | 78.7000 | 41,181,629.96 | 475,630.25 | 78.5000 | 37,336,974.63 |
| 13 | Nepal Bangladesh Bank, Nepal | ACUD | 20,986.62 | 78.7000 | 1,651,646.99 | 8,436.75 | 78.5000 | 662,284.88 |
| 14 | Standard Chart. Bank, Colombo | ACUD | 12,573.89 | 78.7000 | 989,565.14 | 9,916.60 | 78.5000 | 778,453.10 |
| 15 | ICICI Bank, Mumbai | ACUD | 96,695.42 | 78.7000 | 7,609,929.55 | 595,191.32 | 78.5000 | 46,722,518.62 |
| 16 | Habib Metropolitan Bank Ltd. | ACUD | 17,847.78 | 78.7000 | 1,404,620.29 | 160,949.85 | 78.5000 | 12,634,563.23 |
| 17 | United Bank of India, Kolkata | ACUD | 75,438.71 | 78.7000 | 5,937,026.48 | 154,810.85 | 78.5000 | 12,152,651.73 |
| 18 | Sonali Bank Ltd ACU, Kolkata | ACUD | 43,504.90 | 78.7000 | 3,423,835.63 | - | - | - |
| 19 | Bank of Bhutan Ltd. Main Branch | ACUD | 55,911.38 | 78.7000 | 4,400,225.61 | - | - | - |
| 20 | AXIS Bank Ltd. India | ACUD | 71,052.80 | 78.7000 | 5,591,855.36 | - | - | - |
| 21 | Standard Chartered Bank, Frankfurt | EURO | 2,785.28 | 82.2887 | 229,197.07 | 18,712.91 | 85.8319 | 1,606,164.62 |
| 22 | Mashreq Bank, London | EURO | 1,794.55 | 82.2887 | 147,671.19 | 3,522.86 | 85.8319 | 302,373.77 |
| 23 | COMMERZBANK AG | EURO | 4,370.27 | 82.2887 | 359,623.84 | 79,060.81 | 85.8319 | 6,785,939.54 |
| 24 | Wells Fargo Bank, N. A. London, UK | EURO | 70,723.91 | 82.2887 | 5,819,778.61 | 305,674.48 | 85.8319 | 26,236,621.40 |
| 25 | Sonali Bank (UK) Ltd | EURO | 580.00 | 82.2887 | 47,727.45 | 580.00 | 85.8319 | 49,782.50 |
| 26 | Standard Chartered Bank,Tokyo | YEN | 564,688.00 | 0.6701 | 378,397.43 | 104,939.99 | 0.6516 | 68,378.90 |
| 27 | BCP - Geneva, Switzerland | CHF | 1,650.43 | 76.5564 | 126,350.98 | 1,200.43 | 79.5581 | 95,503.93 |
| 28 | Habib Bank AG Zurich | CHF | 515.10 | 76.5564 | 39,434.20 | 903.71 | 79.5581 | 71,897.45 |
| 29 | Bank Aljazira, KSA | SAR | 1,211,174.25 | 20.9827 | 25,413,705.94 | 389,985.00 | 20.9400 | 8,166,285.90 |
| 30 | Standard Chartered Bank London | GBP | 31,015.69 | 96.6043 | 2,996,249.02 | 65,521.21 | 116.3056 | 7,620,483.64 |
| 31 | Sonali Bank (UK) Ltd | GBP | 1,910.02 | 105.3774 | 201,273.13 | 2,083.48 | 116.3056 | 242,320.39 |
| Total | | | | | 472,970,179.02 | | | 667,183,235.79 |



Shahjalal Islami Bank

L I M I T E D

FINANCIAL STATEMENTS 2016

| SL. No. | Name of client | Outstanding | | | % of Investments to Total Capital | | |
|--------------|---------------------------------------|----------------|----------------|----------------|-----------------------------------|---------------|---------------|
| | | Funded | Non-funded | Total | Funded | Non-funded | Total |
| 14 | Aswad Composite Mills Ltd. | - | 17,788 | 17,788 | | | |
| | Group-total | | 17,788 | 17,788 | 0.00% | 12.36% | 12.36% |
| | Mymensingh Agro Ltd | 16,729 | 13,283 | 30,012 | | | |
| 15 | Banga Building Materials Ltd. | - | 2,286 | 2,286 | | | |
| | Banga Bakers Ltd. | - | - | - | | | |
| | RFL Plastic Ltd. | - | - | - | | | |
| 16 | Group-total | 16,729 | 15,569 | 32,298 | 11.63% | 10.82% | 22.45% |
| | Alim Knit (BD) Ltd. | 1,069 | 5,645 | 6,713 | | | |
| | Mondol Intimates Ltd | 1,568 | 2,745 | 4,313 | | | |
| 17 | Mondol Knit Tex Ltd. | 861 | 6,627 | 7,488 | | | |
| | Group-total | 3,498 | 15,017 | 18,514 | 2.43% | 10.44% | 12.87% |
| | Incepta Pharmaceuticals Ltd. | 8,272 | 8,545 | 16,817 | | | |
| 18 | Impress Aviation Limited | - | 48 | 48 | | | |
| | Next Spaces Ltd | 615 | 1,050 | 1,665 | | | |
| | Infratrade Limited | 434 | 31 | 465 | | | |
| 19 | Group-total | 9,321 | 9,674 | 18,996 | 6.48% | 6.72% | 13.20% |
| | BRAC | 20,037 | - | 20,037 | | | |
| | Group-total | 20,037 | - | 20,037 | 13.93% | 0.00% | 13.93% |
| 20 | Abdul Monem Ltd. | 15,501 | 600 | 16,101 | | | |
| | Group-total | 15,501 | 600 | 16,101 | 10.78% | 0.42% | 11.19% |
| | Mir Akter Hossain Ltd. | 291 | 1,891 | 2,182 | | | |
| 21 | Mir Cement Ltd | 300 | 183 | 483 | | | |
| | Mir Akhter Hossain Ltd | 6,165 | 13,367 | 19,533 | | | |
| | Group-total | 6,756 | 15,441 | 22,198 | 4.70% | 10.73% | 15.43% |
| 22 | Dhaly Construction Ltd. | 19,015 | 9,750 | 28,765 | | | |
| | Group-total | 19,015 | 9,750 | 28,765 | 13.22% | 6.78% | 20.00% |
| | KSRM | 16,896 | 5,737 | 22,632 | | | |
| 23 | Group-total | 16,896 | 5,737 | 22,632 | 11.74% | 3.99% | 15.73% |
| | Max Infrastructure Ltd | 6,884 | 6,082 | 12,966 | | | |
| | Kushiara Power company Ltd | 2,727 | 3,215 | 5,942 | | | |
| 24 | Group-total | 9,611 | 9,297 | 18,908 | 6.68% | 6.46% | 13.14% |
| | Shahjalal Islami Bank Securities Ltd. | 6,570 | 8,000 | 14,570 | | | |
| | Group-total | 6,570 | 8,000 | 14,570 | 4.57% | 5.56% | 10.13% |
| Total | | 282,286 | 249,918 | 532,204 | | | |

Bank's total Capital as on 31 December 2016 is Tk. 143,860.76 lac

| SHAHJALAL ISLAMI BANK LIMITED (OFF-SHORE BANKING UNIT) | | | | | |
|---|------|---------------|---------------|---------------|---------------|
| BALANCE SHEET | | | | | |
| AS AT 31 DECEMBER 2016 | | | | | |
| | Note | 31.12.2016 | | 31.12.2015 | |
| | | USD | Taka | USD | Taka |
| Property and Assets | | | | | |
| Cash | | | | | |
| Cash in hand (Including Foreign Currencies) | | | - | | - |
| Balance with Bangladesh Bank & Sonali Bank Ltd. (Including Foreign Currencies) | | | - | | - |
| Placement with other Banks & Financial Institutions | | | | | |
| Balance with other Banks and Financial Institutions | | | | | |
| Inside Bangladesh | | 4,819,271.44 | 379,276,662 | 2,491,842.66 | 195,609,649 |
| Outside Bangladesh | | - | - | - | - |
| | 3 | 4,819,271.44 | 379,276,662 | 2,491,842.66 | 195,609,649 |
| Investments | | | | | |
| General Investment etc. | | 6,348,645.47 | 499,638,398 | 1,003,413.25 | 78,767,940 |
| Bills Purchased and Discounted | | 80,210,952.90 | 6,312,601,994 | 42,868,754.22 | 3,365,197,206 |
| | 4 | 86,559,598.37 | 6,812,240,392 | 43,872,167.47 | 3,443,965,146 |
| Fixed Assets Including Premises | | | | | |
| Other Assets | | | | | |
| | 5 | 1,899.53 | 149,493 | 2,202.92 | 172,929 |
| Non Banking Assets | | | | | |
| Total Assets | | | | | |
| | | 91,380,769.34 | 7,191,666,547 | 46,366,213.05 | 3,639,747,724 |
| Liabilities and Capital | | | | | |
| Liabilities | | | | | |
| Placement from other Banks & Financial Institutions | | | | | |
| Deposits and Other Accounts | | | | | |
| Mudaraba Savings Deposits | | 16,127.68 | 1,269,248 | 39,897.40 | 3,131,946 |
| Mudaraba Term Deposits | | 16,742,000.00 | 1,317,595,400 | - | - |
| Other Mudaraba Deposits | | - | - | - | - |
| Al-Wadeeah Current & Other Deposit Accounts | | - | - | - | - |
| Bills Payable | | - | - | - | - |
| | 6 | 74,034,800.00 | 5,826,538,760 | 46,126,620.00 | 3,620,939,670 |
| Other Liabilities | | | | | |
| | 7 | 16,758,127.68 | 1,318,864,648 | 39,897.40 | 3,131,946 |
| Other Liabilities | | | | | |
| | 8 | 587,841.66 | 46,263,139 | 199,699.65 | 15,676,109 |
| | | 91,380,769.34 | 7,191,666,547 | 46,366,213.05 | 3,639,747,724 |
| Total Liabilities | | | | | |
| Capital/Shareholders' Equity | | | | | |
| Capital | | | | | |
| Paid-up Capital | | - | - | - | - |
| Statutory Reserve | | - | - | - | - |
| Retained Earnings | | - | - | - | - |
| Total Shareholders' Equity | | | | | |
| Total Liabilities & Shareholders' Equity | | | | | |
| | | 91,380,769.34 | 7,191,666,547 | 46,366,213.05 | 3,639,747,724 |

| SHAHJALAL ISLAMI BANK LIMITED (OFF-SHORE BANKING UNIT) | | | | | |
|---|------|------------|------|------------|------|
| OFF-BALANCE SHEET ITEMS | | | | | |
| AS AT 31 DECEMBER 2016 | | | | | |
| | Note | 31.12.2016 | | 31.12.2015 | |
| | | USD | Taka | USD | Taka |
| Contingent liabilities | | | | | |
| Acceptances & endorsements | | - | - | - | - |
| Letters of guarantee | | - | - | - | - |
| Irrevocable letters of credit (including back to back bills) | | - | - | - | - |
| Bills for collection | | - | - | - | - |
| Other contingent liabilities | | - | - | - | - |
| Total | | - | - | - | - |
| Other commitments | | | | | |
| Documentary credits, short term and trade related transactions | | - | - | - | - |
| Forward assets purchased and forward deposits placed | | - | - | - | - |
| Undrawn note issuance, revolving and underwriting facilities | | - | - | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - | - | - |
| Total | | - | - | - | - |

| SHAHJALAL ISLAMI BANK LIMITED (OFF-SHORE BANKING UNIT) | | | | | |
|--|------|---------------------|--------------------|---------------------|--------------------|
| PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2016 | | | | | |
| | Note | 2016 | | 2015 | |
| | | USD | Taka | USD | Taka |
| Investment Income | 9 | 3,440,515.99 | 270,768,608 | 2,246,905.62 | 176,382,091 |
| Less: Profit paid on Deposits & Borrowing | 10 | 1,291,128.45 | 101,611,809 | 663,258.36 | 52,065,781 |
| Net Investment Income | | | | | |
| Commission, Exchange and Brokerage | 11 | 20.00 | 1,574 | - | - |
| Other Operating Income | 12 | 97,141.70 | 7,645,052 | 79,892.84 | 6,271,588 |
| Total Operating Income | | | | | |
| | | 97,161.70 | 7,646,626 | 79,892.84 | 6,271,588 |
| Total Operating Expenses | | | | | |
| Salaries and Allowances | 13 | 52,339.09 | 4,119,086 | 45,568.88 | 3,577,157 |
| Rent, Taxes, Insurances, Electricity etc. | 14 | 2,701.69 | 212,623 | 2,725.46 | 213,949 |
| Legal Expenses | 15 | 6,760.66 | 532,064 | 6,070.56 | 476,539 |
| Postage, Stamps, Telecommunication etc. | 16 | 702.09 | 55,254 | 486.20 | 38,167 |
| Stationery, Printings, Advertisements etc. | 17 | 303.39 | 23,877 | 348.11 | 27,327 |
| Auditors Fees | 18 | - | 20,882 | 110.42 | 8,668 |
| Depreciation & Repairs of Bank's Assets | | - | - | - | - |
| Other Expenses | | - | - | - | - |
| Total Operating Expenses | | | | | |
| | | 63,072.25 | 4,963,786 | 55,309.63 | 4,341,806 |
| Profit before Provision | | | | | |
| | | 2,183,476.99 | 171,839,639 | 1,608,230.47 | 126,246,092 |
| Specific provisions for Classified Investment | | | | | |
| General Provisions for Unclassified Investment | | - | - | - | - |
| Provisions for Other Assets | | - | - | - | - |
| Total Provision | | | | | |
| | | 2,183,476.99 | 171,839,639 | 1,608,230.47 | 126,246,092 |
| Total Profit before Provisions for Taxation | | | | | |
| Deferred Tax Expenses | | - | - | - | - |
| Current Tax Expenses | | - | - | - | - |
| Net Profit after Taxation | | | | | |
| | | 2,183,476.99 | 171,839,639 | 1,608,230.47 | 126,246,092 |
| Retained Earnings from previous year | | - | - | - | - |
| Add: Retained Earnings of Current year | | 2,183,476.99 | 171,839,639 | 1,608,230.47 | 126,246,092 |
| Retained Earnings carried forward | | | | | |
| | | 2,183,476.99 | 171,839,639 | 1,608,230.47 | 126,246,092 |
| Less: Retained earnings transferred to central operation | | - | - | - | - |

ANNURE-F

SHAHJALAL ISLAMI BANK LIMITED (OFF-SHORE BANKING UNIT)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 | | 2015 | |
|--|------|------------------------|------------------------|-----------------------|----------------------|
| | | USD | Taka | USD | Taka |
| Cash Flow from Operating Activities | | | | | |
| Investment Income receipt in cash | 19 | 3,440,515.99 | 270,768,608 | 2,246,905.62 | 176,382,091 |
| Profit Paid on Borrowing | 20 | (1,291,128.45) | (101,611,809) | (663,258.36) | (52,065,781) |
| Fees & Commission receipt in cash | | 20.00 | 1,574 | | |
| Cash Payments to Employees | | (52,339.09) | (4,119,086) | (45,568.88) | (3,577,157) |
| Cash Payments to Suppliers | | (702.09) | (55,254) | (486.20) | (38,167) |
| Receipts from other Operating activities | 21 | 97,141.70 | 7,645,052 | 79,892.84 | 6,271,588 |
| Payments for other Operating activities | 22 | (9,727.68) | (766,009) | (8,906.44) | (699,156) |
| (i) Operating Profit before changes in Operating Assets | | 2,183,780.38 | 171,863,075 | 1,608,578.58 | 126,273,419 |
| Changes in Operating Assets and Liabilities | | | | | |
| Increase/decrease of Investment to Customers | | (42,687,430.90) | (3,368,275,246) | (5,986,867.88) | (490,806,043) |
| Increase/decrease of Deposits received from Customers | | 16,718,230.28 | 1,315,732,703 | 7,498.39 | 606,443 |
| Increase/decrease of Other Liabilities | | 388,146.01 | 30,587,030 | 131,530.44 | 10,362,630 |
| (ii) Cash flows from operating assets and liabilities | | (25,581,054.61) | (2,021,955,513) | (5,847,839.05) | (479,836,970) |
| Net cash flows from operating activities (A)=(i+ii) | | (23,397,274.23) | (1,850,092,438) | (4,239,260.47) | (353,563,551) |
| Cash flows from Investing Activities | | | | | |
| Proceeds from Sale of fixed assets | | - | - | - | - |
| Purchases of Property, Plant & Equipments | | - | - | (651.03) | (52,151) |
| Net cash used in investing activities (B) | | - | - | (651.03) | (52,151) |
| Cash flows from Financing Activities | | | | | |
| Borrowing from Shahjalal Islami Bank Ltd | | 27,908,180.00 | 2,205,599,090 | 7,728,142.01 | 627,778,311 |
| Profit transferred to Shahjalal Islami Bank Ltd | | (2,183,476.99) | (171,839,639) | (1,608,230.47) | (126,246,092) |
| Net cash flows from financing activities (C) | | 25,724,703.01 | 2,033,759,451 | 6,119,911.54 | 501,532,219 |
| Net Increase/(Decrease) in Cash (A+B+C) | | 2,327,428.78 | 183,667,013 | 1,880,000.04 | 147,916,517 |
| Add: Cash and cash equivalents at the beginning of the year | | 2,491,842.66 | 195,609,649 | 61,842.62 | 47,693,132 |
| Cash & cash equivalents at the end of the year | | 4,819,271.44 | 379,276,662 | 2,491,842.66 | 195,609,649 |

OFF-SHORE BANKING UNIT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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