Market Discipline
Disclosures on Risk Based Capital (Pillar 3 of Basel III)
For the year ended 31 December 2018

Background

The disclosure of prudential information is a most important component of Basel Committee on Banking Supervision (BCBS)'s framework of capital measurement and capital adequacy, known as Basel III. Bangladesh Bank has specified the standard of disclosures through Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III) on December 2014 with effect from January 01, 2015. The capital and liquidity standards have been focused in the RBCA Guidelines to greater business implications for Banks.

Purpose

- To complement the Minimum Capital Requirement (MCR) under Pillar 1 and the Supervisory Review Process (SRP) under Pillar 2 of Basel III;
- To establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and
- To identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

Disclosure Policy

- Bank should have a formal disclosure framework approved by the Board of Directors/Chief Executive Officer.
- The disclosure framework does not conflict with requirements under accounting standards as set by Bangladesh Bank from time to time.
- Under MCR, Bank will use specified approaches/methodologies to measure the various risks its face and the resulting capital requirements.
- The disclosures should be subject to adequate validation. Since information in the annual financial statements would generally be audited, the additionally published with such statements must be consistent with the audited statements.
- Bank should decide which disclosures are relevant for it based on the materiality concept.
- Bank has to submit a copy of all required disclosures in both qualitative and quantitative form to Department of Off-site Supervision of Bangladesh Bank and upload on the Bank's website page as titled "Disclosure on Risk Based Capital (Basel III) within end March of each year.

Components of Disclosure Framework

Bangladesh Bank set out the following componenets in the disclosures under Pillar 3 of Basel framework.

1. Scope of Application 2. Capital Structure 3. Capital Adequacy 4. Investment (Credit) Risk 5. Equities: Disclosures for Banking Book Positions 6. Profit (Interest) Rate Risk in the Banking Book (PRRBB) 7. Market Risk 8. Operational Risk 9. Liquidity Ratio 10. Leverage Ratio 11 Remuneration.

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Consistency and Validation

The quantitative disclosures on Risk Based Capital (Basel III) are made on the basis of audited consolidated financial statements of Shahjalal Islami Bank Limited (SJIBL) and its subsidiaries for the year ended 31 December 2018 and prepared in accordance with the "First Schedule (Sec-38)" of the Banking Compaines Act 1991 and amendment therin 2007 and 2013, related International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) adopted by the Institue of Chartered Accountats of Bangladesh (ICAB) and related circulars/institutions issued by Bangladesh Bank from time to time. The Bank complied with the requirements of laws and regulations from various regulatory bodies.

Therefore, information presented in the 'Quantitative Disclosures' section can easily be verified and validated with with corresponding information presented in the audited consolidated financial statements 2018 of SJIBL and its subsidiary available on the website of the Bank (www.sjiblbd.com). The following disclosures are prepared once a year and is available in the website.

1. Scope of Application	
Qualitative Disclosures	
a) The name of the top corporate entity in the group to which this guidelines applies:	Shahjalal Islami Bank Limited (SJIBL)
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted).	The Consolidated Financial Statements of the Bank include the financial statements of (i) Shahjalal Islami Bank Limited including Off-Shore Banking Unit (OBU) and (ii) Shahjalal Islami Bank Securities Limited. Shahjalal Islami Bank Limited holds 91.79% shares of Shahjalal Islami Bank Securities Limited. A brief description of the Bank including OBU and its subsidiary are given below:
	Shahjalal Islami Bank Limited Shahjalal Islami Bank Limited (hereinafter called 'the Bank' or 'SJIBL') was established as a Public Limited Company (Banking Company) as on the April 01, 2001 under the Companies Act 1994 as interest free Islamic Shari'ah based commercial bank and commenced its operation on the May 10, 2001 with the permission of Bangladesh Bank. Presently the Bank is operating its business through Head Office having 122 branches, Central Processing Center (CPC), Off-shore Banking Unit (OBU), 84 ATM booths and 2,395 employees all over Bangladesh. The Bank is listed with both the Stock Exchanges of the country, i.e. Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Bank offers all

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	kinds of Islamic Shari'ah based commercial banking services to its customers through its branches following the provisions of the Bank Companies Act 1991 (as amended up to 2018), Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shari'ah. The registered office of the Bank is located at Shahjalal Islami Bank Tower, Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.
	Off-shore Banking Unit (OBU) Off-shore Banking Unit is a separate business unit governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the operations of OBU from Bangladesh Bank vide letter no. BRPD (P-3) 744(99)/2008-2800 dated July 24, 2008. The Bank commenced the operation of its Off-shore Banking Unit on December 21, 2008 and the unit is located at Shahjalal Islami Bank Tower (Level-6), Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.
	Shahjalal Islami Bank Securities Limited (SJIBSL) 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 vides certification of incorporation no. C - 86917/10 dated September 06, 2010 and commenced its operation on the May 25, 2011. Presently the company is operating its business through Head Office with 02 extention office and 08 branches with 82 employees all over Bangladesh. The principal objectives of the company are to carry on the business of stock brokers/stock dealers and other related business in connection with the delings of listed securities. Other objectives of the company are to buy, sell, hold shraes, stock and fixed income securities or otherwise acquire or invest the capital of the company in the same 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. Its corporate Head office and Principal place of

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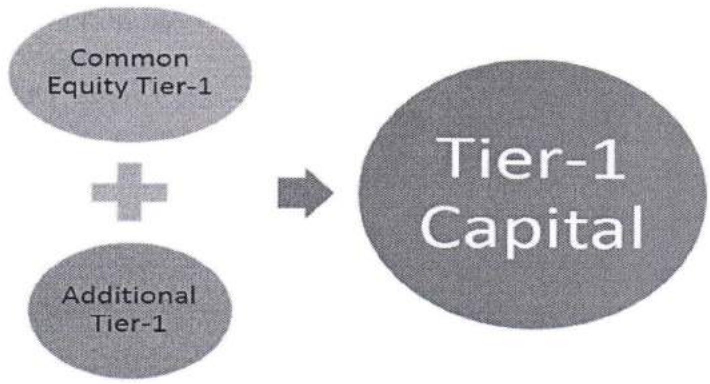
<table>
<tr><td></td><td>business is at Jiban Bima Bhaban (4th floor), 10 Dilkusha C/A, Dhaka-1000.</td></tr>
<tr><td>c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group</td><td>The rules and regulations of BRPD of Bangladesh Bank that govern 'Single Borrower Exposure Limit' for the customers are equally applicable for the Bank in financing its own subsidiaries. Bank is following latest Bangladesh bank circular in determining maximum amount of finance to the subsidiaries of the Bank.</td></tr>
<tr><td colspan="2">Quantitative Disclosures</td></tr>
<tr><td>d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and name(s) of such subsidiaries.</td><td>Not applicable.</td></tr>
<tr><td colspan="2">2. Capital Structure</td></tr>
<tr><td>Qualitative Disclosures</td><td></td></tr>
<tr><td>a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Common Equity Tier-1, Additional Tier-1 or Tier -2.</td><td>As per the Guidelines on Risk Based Capital Adequacy of Bangladesh Bank, the regulatory capital of Bank is classified into two tiers which will consist of sum of the following categories:
i. Tier-1 Capital (going-concern capital)


a) Common Equity Tier-1 capital of SJIBL consists of Paid-up Capital, Statutory Reserve, Retained Earnings and Minority Interest in Subsidiaries.
b) Additional Tier-1 capital (There are no such capital components in the capital portfolio of SJIBL since the Bank did not issue any instruments that meets the qualifying criteria for Additional Tier-1 Capital).
ii. Tier-2 Capital (gone-concern capital) of SJIBL consists of General Provisions and Mudaraba Subordinated Bond/Debt issued by the Bank that meets the qualifying criteria for Tier-2 Capital.</td></tr>
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Disclosures on Risk Based Capital (Pillar 3 of Basel III)

Quantitative Disclosures			
b) The Amount of Tier 1 Capital with break-up		**Taka in Million**	
Particulars		**Solo**	**Consolidated**
A.	**Common Equity Tier (CET1) Capital:**		
i.	Fully paid-up capital	8,485.65	8,485.65
ii.	Statutory reserve	5,452.36	5,452.36
iii.	Non-repayable share premium account	-	-
iv.	General reserve	-	-
v.	Retained earnings	850.96	921.46
vi.	Dividend equalization reserve	-	-
vii.	Minority interest in subsidiaries	-	231.31
viii.	Others (if any item approved by Bangladesh Bank)	-	-
ix.	Sub-Total (i to viii)	**14,788.97**	**15,090.78**
Regulatory Adjustments:			
x.	Shortfall in provision against NPIs and Investments	1,895.60	1,895.60
xi.	Deferred tax assets (DTA)	-	-
xii.	Others	-	-
xiii.	Sub-Total (x to xii)	**1,895.60**	**1,895.60**
Sub-Total of CET1 Capital (ix - xiii)		**12,893.37**	**13,195.18**
B.	**Additional Tier 1 (AT1) Capital**	-	-
i.	Instruments issued by the bank that meet the qualifying criteria for AT1	-	-
ii.	Minority interest i.e. AT1 issued by the consolidated subsidiaries to third parties (for consolidated reporting only)	-	-
iii.	Others (if any item approved by Bangladesh Bank)	-	-
Sub-Total of AT1 Capital (i to iii)		-	-
C.	**Total Tier 1 Capital (Going-Concern Capital) (A+B)**	**12,893.37**	**13,195.18**
D.	**Tier 2 Capital (Gone-Concern Capital)**		
i.	General provision against unclassified investments/loans and off balance sheet exposures (including OBU)	2,212.50	2,563.62
ii.	Subordinated debt/instruments issued by the banks that meet the qualifying criteria for Tier 2 capital	10,000.00	10,000.00
iii.	Others (if any item approved by Bangladesh Bank)	-	-
Sub-Total of Tier 2 Capital (i to iii)		**12,212.50**	**12,563.62**
E.	**Total Regulatory Capital (C+D)**	**25,105.87**	**25,758.80**

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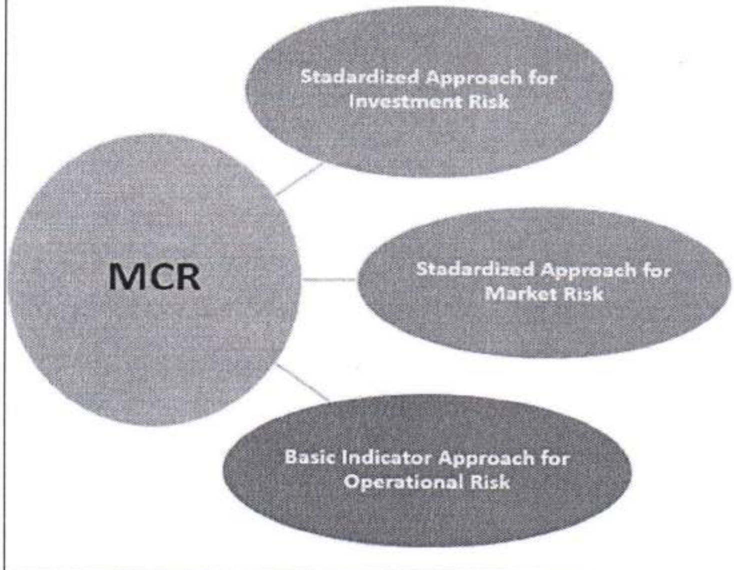
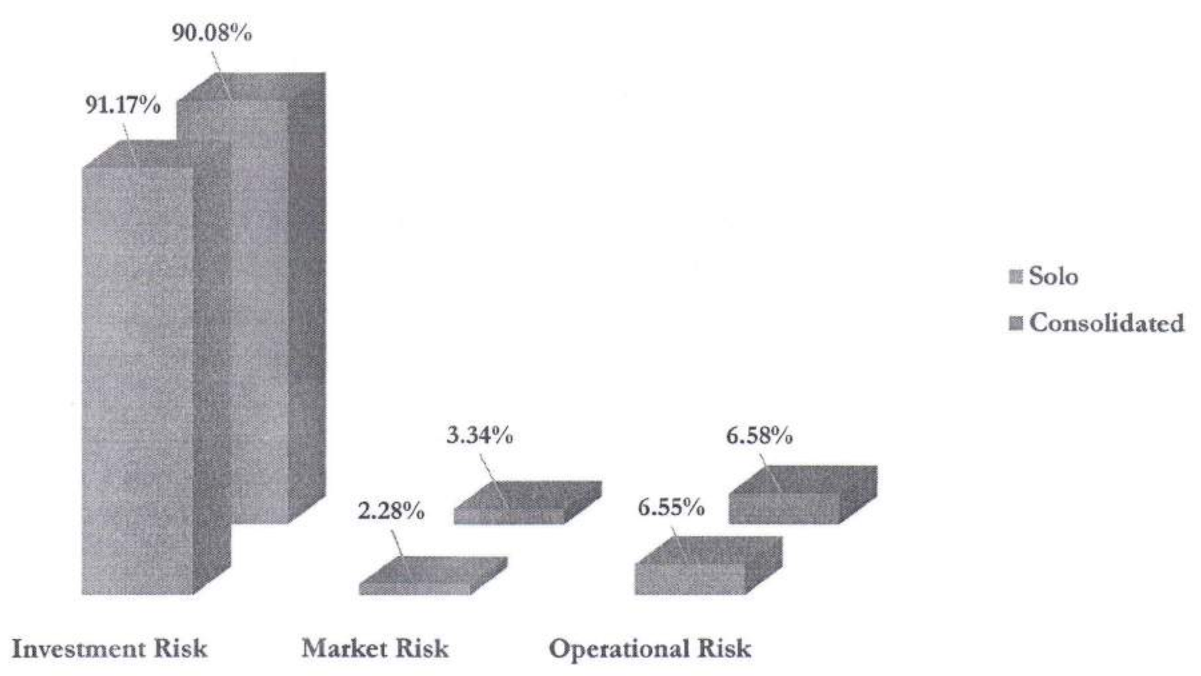
3. Capital Adequacy	
Qualitative Disclosures	
a) A summary discussion of the bank's approach to assess the adequacy of its capital to support current and future activities.	Shahjalal Islami Bank Limited with its focused strategy on risk management has always been consistent in maintaining Capital to Risk Weighted Assets Ratio above the regulatory requirements. The Bank has been successfully managing the incremental growth of Risk Weighted Assets (RWA) by ensuring diversification of the portfolio in SME, Agricuture, Retail and Corporate segments. However, RWA is also managed by taking collaterals against investments. The Bank Management strives to ensure external credit rating is duly done by the investment clients. The Bank has adopted Standardized Approach (SA) for computation of capital charge for investment risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank. 
	The Bank has maintained Capital to Risk Weighted Assets (RWA) Ratio at 14.51% & 14.50% on the basis of "Consolidated" and "Solo" respectively as against the minimum regulatory requirement of 10% plus capital conservation buffer of 1.875% totaling of 11.875%. The Bank's policy is to manage and maintain strong Capital to RWA Ratio with high rating grade of investment clients. The Bank maintains adequate capital that is sufficient to absorb all material risks associated with the Bank. The Bank also ensures that the levels of capital comply with regulatory requirements and satisfy the

	external rating agencies and other all stakeholders including depositors. The main objective of the capital management process in the Bank is to ensure that Bank has adequate capital to meet up its losses.

Quantitative Disclosures	**Taka in Million**	
Particulars	**Solo**	**Consolidated**
b) Capital requirements for Investment (Credit) Risk:	15,787.45	15,994.71
c) Capital requirements for Market Risk	395.15	592.86
d) Capital requirements for Operational Risk	1,133.55	1,168.34
Minimum Capital Requirement (b+c+d)	17,316.15	17,755.91
Total Regulatory Capital	25,105.87	25,758.80
Total Risk Weighted Assets (RWA)	173,161.45	177,559.14
e) Capital to Risk-weighted Asset Ratio (CRAR) (iii to iv)	14.50%	14.51%
i. CET 1 capital ratio	7.45%	7.43%
ii. AT 1 capital ratio	-	-
iii. Total Tier 1 capital ratio (i to ii)	7.45%	7.43%
iv. Tier-2 capital ratio	7.05%	7.08%
f) Capital Conservation Buffer (1.875%)	3,246.78	3,329.23
g) Available Capital under Pillar 2 Requirement*	4,542.94	4,673.66

*After deduction of Minimum Capital Requirement and Capital Conservation Buffer from Total Regulatory Capital.

Capital Requirement Under Pillar I



4. Investment (Credit) Risk	
Qualitative Disclosures	
a)The general qualitative disclosure requirement with respect to credit risk, including:	
i) Definitions of past due and impaired (for accounting purposes)	**Past Due:** As per Bangladesh Bank guidelines, any Investment if not repaid within the fixed expiry date will be treated as Past Due. **Impaired:** An Investment where profit and/or installment of principal remain for more than 90 days in respect of a Continuous Investment, Demand Investment or a Term Investment etc. except Term Investment below Tk.1 million will be treated as Impaired (NPI).
	Bangladesh Bank issued Circulars from time to time for strengthening Investment (Credit) discipline and brings provisioning. All Investments/Loans & Advances will be grouped in to four (4) categories for the purpose of classification, namely (a) **Continuous Investment (Loan):** The Investment accounts in which transactions may be made within certain limit and have an expiry date for full adjustment will be treated as Continuous Investment. Examples are: Cash Credit, Overdraft, etc. (b) **Demand Investment (Loan):** The Investments that become repayable on demand by the bank will be treated as Demand Investment. If any contingent or any other liabilities are turned to forced investment (i.e. without any prior approval as regular investment) those too will be treated as Demand Investment. Such as: Forced Investment against Imported Merchandise, Payment against Document, FBP and IBP etc. (c) **Fixed Term Investment (Loan)**: The Investments, which are repayable within a specific time period under a specific repayment schedule, will be treated as Fixed Term Investment. (d) **Short Term Agricultural & Micro Investment (Loan)**: Short-term Agricultural Investment will include the short-term investments as listed under the Annual Credit Programme issued by the Agricultural Credit and Financial Inclusion Department (ACFID) of Bangladesh Bank. Investments in the agricultural sector repayable within 12 (twelve) months will also be included herein. Short-term Micro-Credit will include any micro-credit not exceeding an amount determined by the ACFID of Bangladesh Bank from time to time and repayable within 12 (twelve) months, be those termed in any names such as Non-agricultural credit, Self-reliant Credit, Weaver's Credit or Bank's individual project credit.

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The above Investments (Loans) are classified as follows:

Types of Facility		Investment (Loan) Classification		
		Sub Standard (SS)	**Doubtful (DF)**	**Bad & Loss (BL)**
		Overdue Period	**Overdue Period**	**Overdue Period**
Continuous Investment & Demand Investment		3 Months or more but less than 6 months	6 Months or more but less than 9 months	9 Months or more
Fixed Term Investment	More than Tk.1 million	3 Months or more but less than 6 months	6 Months or more but less than 9 months	9 Months or more
	Up to Tk.1 million	6 Months or more but less than 9 months	9 Months or more but less than 12 months	12 Months or more
Short-term Agricultural & Micro Credit		12 Months or more but less than 36 months	36 Months or more but less than 60 months	60 Months or more

A Continuous Investment, Demand or a Term Investment which will remain overdue for a period of 02 (two) months or more will be put into the "Special Mention Account (SMA)".

ii) Description of approaches followed for specific and general allowances and statistical methods;	Provision for Investments is created for covering the Bank from possible investment losses in the future. General provision is made on the outstanding amount of investments without considering the classified status following the prescribed rate of Bangladesh Bank. Classified investments of the Bank are categorized as Sub-standard, Doubtful and Bad & Loss as per Bangladesh Bank circulars. For investments which are classified, specific provision is created netting off eligible security value and profit suspense from the outstanding amount. Provision for off balance sheet items is made as per BRPD circular no. 14 of September 2012 for covering the Bank for possible losses in the future. Profit accrued on Sub-standard, Doubtful and Bad & Loss investments is transferred to profit suspense account and not consider as profit income. This profit is recognized as profit income when it realized in cash by the Bank as per latest circular of Bangladesh Bank. Investment are written off to the extent that (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filled and classified as bad & loss as per BRPD circular no. 01 dated 13 January 2003 and 13 dated 07 November 2013. However, these write off will not undermine/affect the claim amount against the client of Investments. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up. The Bank is required to maintain the following general and specific provision in respect of un-classified and classified investments on the basis of Bangladesh Bank guidelines issued from time to time. Rates of provision are noted below:

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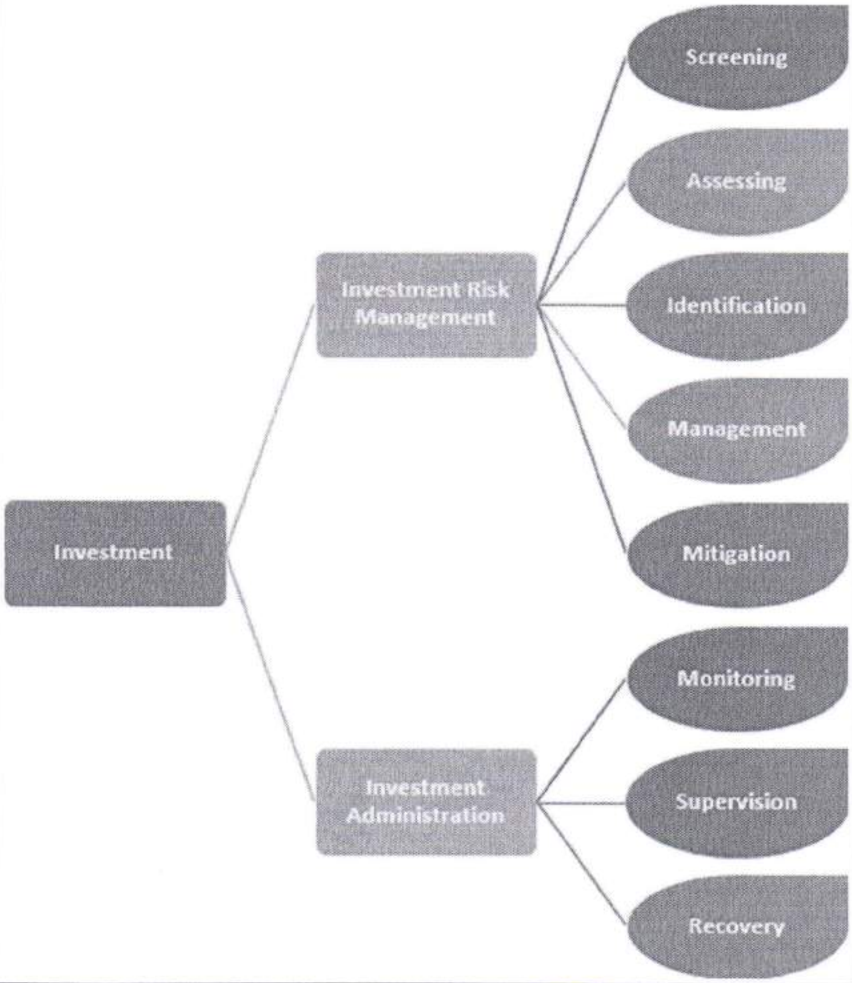
Types of Investments		Rates of Provision				
		Un-classified (UC)		Classified		
		STD	SMA	SS	DF	BL
Consumer Financing	House Finance	1%	1%	20%	50%	100%
	Investment for professionals	2%	2%	20%	50%	100%
	Other than Housing Finance and Professionals to set up Business	5%	5%	20%	50%	100%
Investments (Loans) to Broker House, Merchant Banks, Stock Dealers etc.		2%	2%	20%	50%	100%
Small and Medium Enterprise Finance		0.25%	0.25%	20%	50%	100%
Short-term Agricultural Credit and Micro Credit		1%	1%	5%	5%	100%
Credit Card		2%	2%	20%	50%	100%
All Other Credit		1%	1%	20%	50%	100%
Off Balance Sheet		1%	-	-	-	-

iii) Discussion of the Bank's investment risk management policy	The Board of SJIBL approves the Investment Risk Manual (IRM) keeping in view relevant Bangladesh Bank guidelines to ensure best practice in investment risk management and maintain quality of assets. Authorities are properly delegated ensuring check and balance in investment operation at every stage i.e. screening, assessing, identification, management and mitigation of investment risk as well as monitoring, supervision and recovery of investments with provision for Early Warning System (EWS).

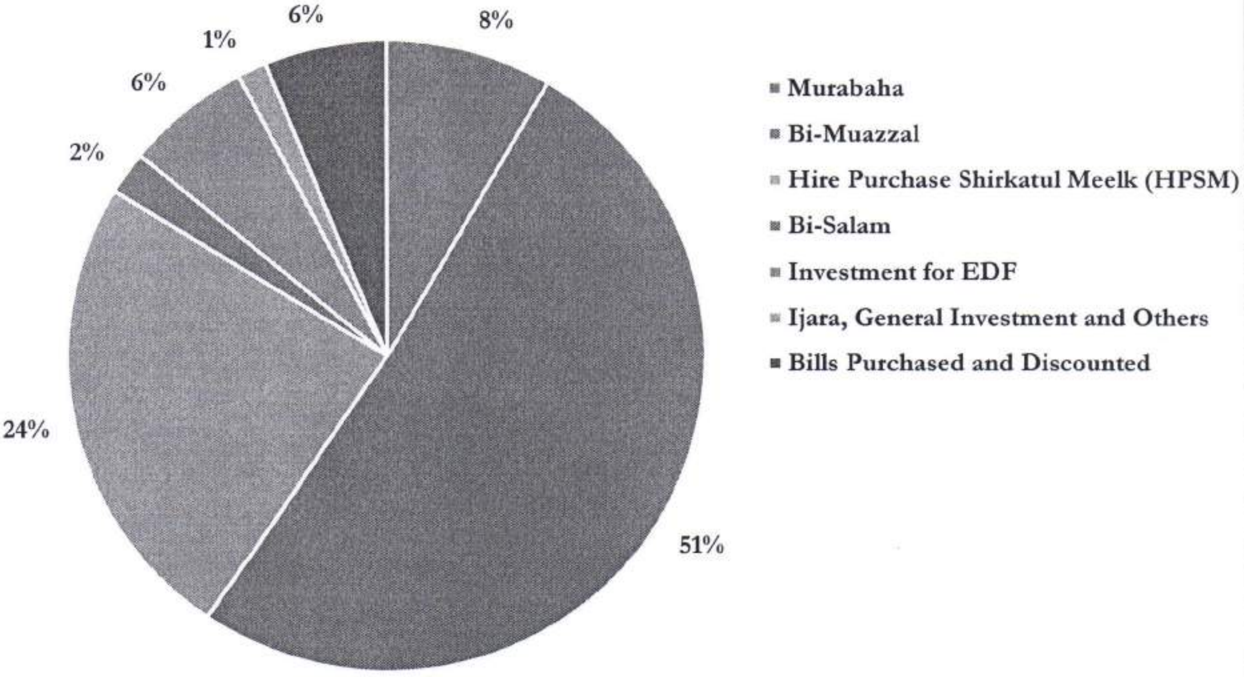


	There is a separate Investment Risk Management (IRM) under the Chief Risk Officer (CRO) for mitigation of investment risk, separate Investment Administration Division (IAD) for ensuring perfection of securities and Recovery Unit for monitoring and recovery of irregular investments. Internal Control & Compliance Division (IC&CD) independently assess quality of investments and compliance status of investments during their audit at least once in a year. Adequate provision is maintained against classified investments as per Bangladesh Bank Guidelines. Status of investments is reported periodically to the Board Risk Management Committee (BRMC)/Board by the concerned Division.

Quantitative Disclosures

a) Total gross investment risk exposures broken down by major types of investment exposures.	Total gross Investment risk exposures broken down by major types of Investment exposure of the Bank are as under:

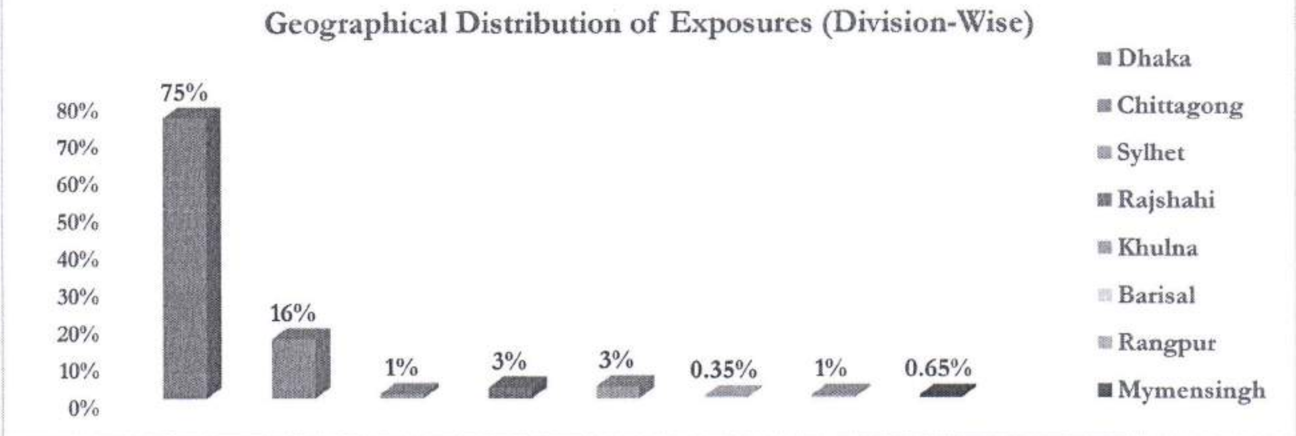
Particulars	Taka in Million
Murabaha	15,710.42
Bi-Muazzal	95,133.81
Hire Purchase Shirkatul Meelk (HPSM)	45,029.32
Bi-Salam	4,126.26
Investment for EDF	11,826.43
Ijara, General Investment and Others	2,716.01
Bills Purchased and Discounted	11,547.79
Total	**186,090.03**



b) Geographical distribution of exposures, broken down in significant areas by major types of investment exposure.

Geographical distribution of exposures, broken down in significant areas by major types of investment exposure of the Bank are as under:

Particulars	Taka in million
i. Area-wise:	
Urban	176,138.57
Rural	9,951.47
Outside Bangladesh	0.00
Total	**186,090.03**
ii. Division- wise:	
Dhaka	140,389.31
Chittagong	29,438.34
Sylhet	2,042.35
Rajshahi	5,312.20
Khulna	5,753.21
Barisal	659.70
Rangpur	1,282.79
Mymensingh	1,212.13
Total	**186,090.03**



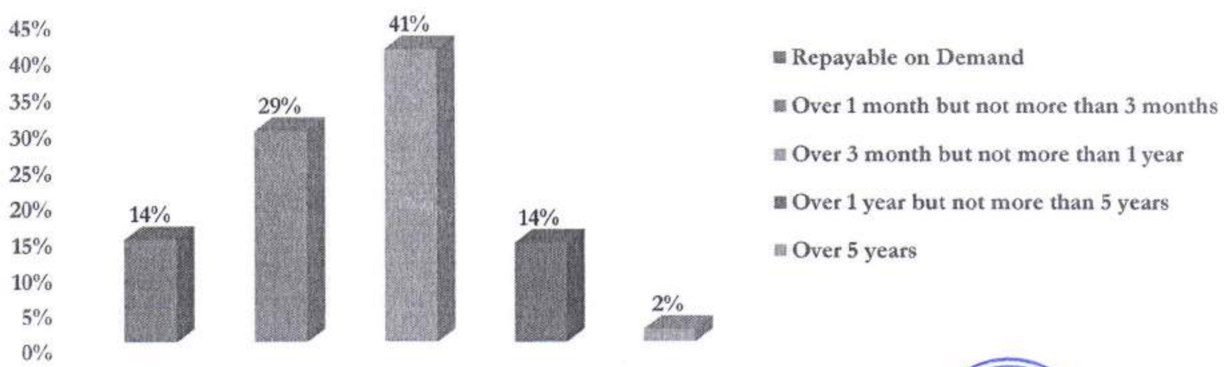
c) Industry or counterparty type distribution of exposures, broken down by major types of investment exposure.

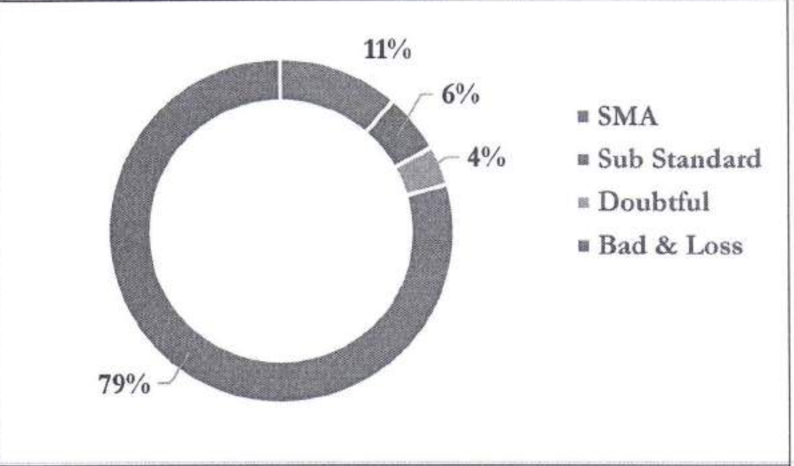
Industry or counterparty type distribution of exposures, broken down by major types of investment exposure of the Bank are as under:

Particulars	Taka in million
i. Industry-wise:	
Agriculture & Fishing	4,741.30
Cotton & Textile	19,149.37
Garments	26,279.87
Cement	1,735.80
Pharmaceuticals & Chemicals	3,734.83
Real Estate	6,922.90
Transport	3,244.94
Information Technology	1,161.68
Non Banking Financial Institutions	1,954.09
Steel & Engineering	8,391.97
Food Processing & Beverage	12,748.30

	Power & Energy	5,904.19
	Paper & Paper Products	1,906.92
	Plastic & Plastic Products	4,868.70
	Electronics	5,184.65
	Services Industries	5,897.78
	Trading	28,819.40
	Import Financing	5,629.77
	Consumer Financing	437.90
	Share business	1,606.04
	Staff Investment	1,497.30
	Others	34,272.33
	Total	**186,090.03**
	Particulars	**Taka in million**
	ii. Counterparty-wise:	
	Investments to allied concern of Directors	1,313.31
	Investments to Executive/Officers	1,497.30
	Investments to Customer Groups	81,441.12
	Industrial Investment	99,611.90
	Others	2,226.40
	Total	**186,090.03**
d) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of investment exposure.	Residual contractual maturity break down of the whole portfolios, broken down by major types of investment exposure of the Bank are as under:	
	Particulars	**Taka in million**
	Repayable on Demand	26,703.92
	Over 1 month but not more than 3 months	54,673.25
	Over 3 month but not more than 1 year	75,589.77
	Over 1 year but not more than 5 years	25,792.08
	Over 5 years	3,331.01
	Total	**186,090.03**

Residual Contractual Maturity Breakdown of the Whole Portfolio



e) By major industry or counterparty type:	i. Amount of impaired investments and if available, past due investments provided separately	
	Particulars	**Taka in million**
	Past Due	
	Special Mention Account (SMA)	1,627.63
	Sub Standard	796.80
	Doubtful	533.42
	Bad & Loss	11,393.08
	Total	14,350.93
		
	ii. Specific and general provisions	
	Unclassified Investment	1,375.40
	Classified Investment	2,444.97
	Off-Balance Sheet Exposure	837.10
	Total	**4,657.47**
	iii.Charges for specific allowances during the period	
	Provision on Unclassified Investment	209.50
	Provision on Classified Investment	1,114.60
	Provision on Off-Balance Sheet Exposure	0.00
	Total	**1,324.10**
f) Gross Non Performing Assets (NPAs)	i. Non Performing Assets (NPAs) to outstanding Investments	6.84%
	ii. Movement of Non Performing Assets (NPAs)	
	Particulars	**Taka in million**
	Opening Balance	6,300.50
	Additions	6,422.79
	Reductions	0.00
	Closing Balance	12,723.29
	iii. Movement of specific provisions for NPAs	
	Opening Balance	1,415.06
	Recovery amount previously written-off	10.37

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	Provisions made during the period	1,114.60
	Fully provided Investment write-off	0.00
	Adjustment and Provision transferred	(95.06)
	Closing Balance	**2,444.97**

5. Equities: Disclosures for Banking Book Position

Qualitative Disclosures

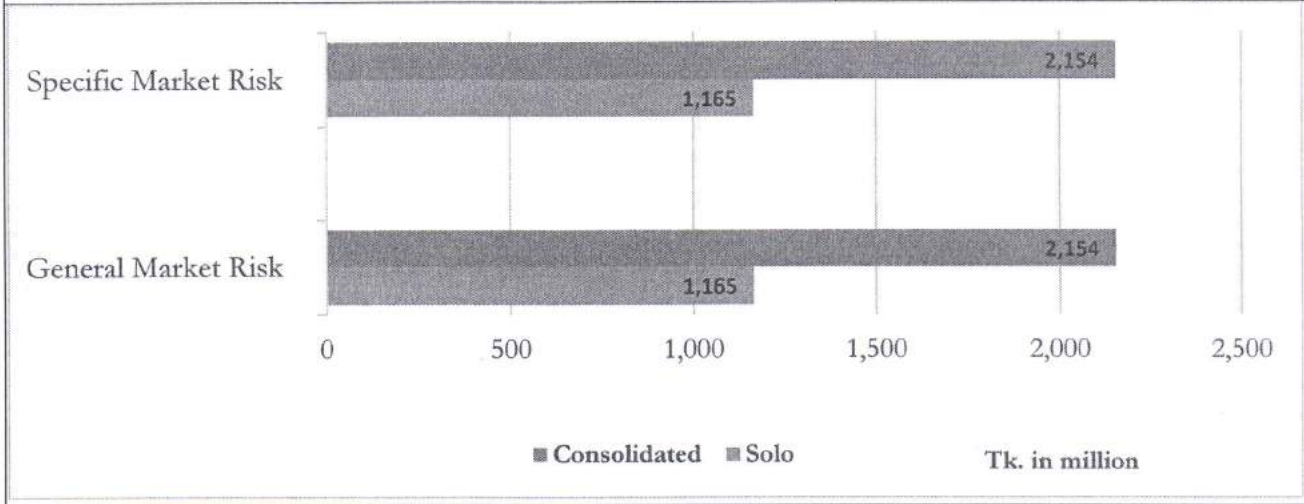
a)The general qualitative disclosures requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	Investment in equity securities are broadly categorized into two parts: i) Quoted Securities that are traded in the secondary market (Trading Book Assets). ii) Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. Held to Maturity (HTM). And securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	The primary objective is to invest in equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received and right to receive when established. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained time to time as per instruction of Bangladesh Bank if the prices fall below the cost price.

Quantitative Disclosures	**Solo**	**Consolidated**
Particulars	**Taka in million**	
a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	1,165.24	2,153.79
c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	(82.86)	(59.50)
d) Total un-realised gains (losses)	(549.21)	(686.36)
Total latent revaluation gains (losses)	-	-
Any amounts of the above included in Tier-2 capital.	-	-

e) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Particulars	Solo	Consolidated
	Taka in million	
• Specific Market Risk	1,165.24	2,153.79
• General Market Risk	1,165.24	2,153.79



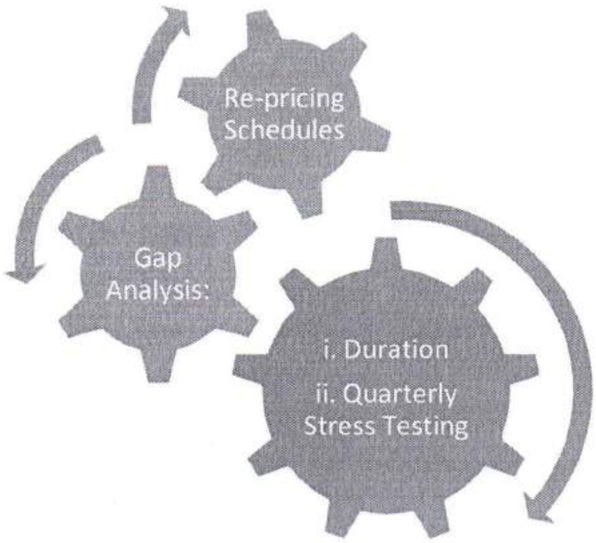
6. Profit (Interest) Rate Risk in the Banking Book (PRRBB)

Qualitative disclosures

a) The general qualitative disclosure requirement including the nature of PRRBB and key assumptions, including assumptions regarding investment prepayments and behavior of non-maturity deposits, and frequency of PRRBB measurement.	Profit rate risk is the risk where changes in market profit rates might adversely affect bank's financial condition. Changes in profit rates have two following types of affect: i. **Earning Perspective** (Current Earnings): It affects a bank's earnings by changing its net profit income and the level of other profit (interest) sensitive income and operating expenses. The short term impact of changes in profit rates is on the bank's Net Profit (Interest) Income (NII). ii. **Economic Value Perspective** (Net Worth of the Bank): The economic value of future cash flows changes when profit rate changes. In a longer term, changes in profit rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other profit rate sensitive position. In Shahjalal Islami Bank Limited, the Treasury Division under the supervision of the Asset & Liability Committee (ALCO) is responsible for managing

market risk arising from banking book activities of Bank.

Tecniques of Addressing PRRBB: Shahjalal Islami Bank Limited are applied the following techniques to manage the Profit Rate Risk in the Banking Book.



Re-pricing Scedules: It is the simplest techniques for measuring a Bank's profit rate risk exposure and that is generating a maturity/re-pricing schedule that distributes profit sensitive assets, liabilities, and OBS positions into a certain number of predefined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floting-rate). Those assets and liabilities lacking definitive re-pricing intervals (e.g. sight deposits or savings accounts) or actual maturities that could fluctuate from contractual maturities are assigned to re-pricing time bands according to judgement and past experience of the Bank.

Gap Analysis: It helps to assess the profit rate risk of current earnings. To evaluate earnings exposure, profit rate-sensitive liabilities in each time band are subtracted from the corresponding profit rate sensitive asstes to produce a re-pricing "gap" for that time band. This gap is then multiplited by an assumed changed in profit rates to yield an approximation of the change in net profit income that would result from such a profit rate movement.

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	i. **Duration:** A maturity/re-pricing schedule is also used to evaluate the effects of changing profit rates on a bank's economic value by applying sensitivity weights to each time band. Typically, such weights are based on estimates of the duration of assets and liabilities that fall into each time band. ii. **Quarterly Stress Testing:** It is conducted on quarterly basis as per the directives of Bangladesh Bank to gain better insight into the vulnerable issue of PRRBB.

Quantitative Disclosures

b) The increase (decrease) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring PRRBB, broken down by currency (as relevant).

Quantitative Disclosures

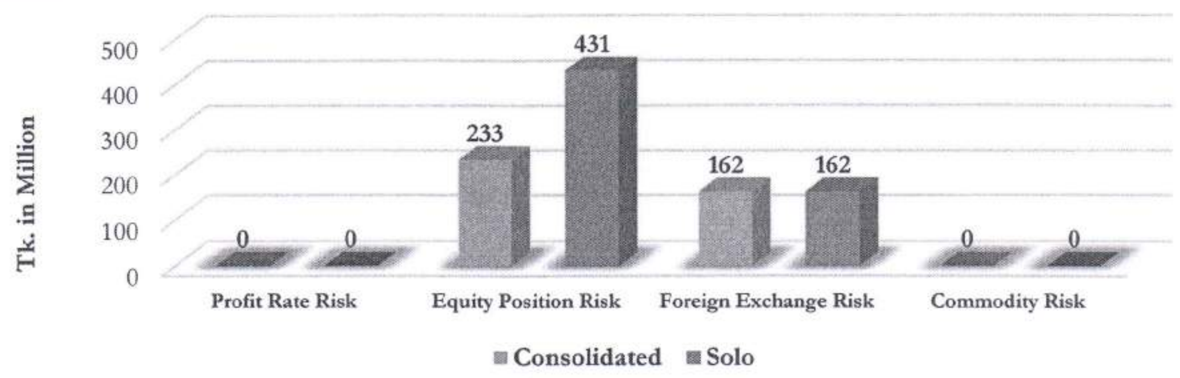
Particular	**Taka in million**		
Market Value of Assets			243,070.40
Market Value of Liabilites			228,226.50
Weighted Average of Duration of Assets (DA)			0.69%
Weighted Average of Duration of Liabilites (DL)			1.04%
Duration GAP (DA-DL)			0.29%
Yield to Maturity (YTM-Assets)			7.57%
Yield to Maturity (YTM-Liability)			5.11%
Magnitude of Profit Rate Change	1%	2%	3%
Change in Market Value of Equity due to an Increased in Profit Rate	666.35	1,332.70	1,999.05
Stress Testing	**Minor**	**Moderate**	**Major**
Regulatory Capital (After Shock)	24,439.60	23,773.20	23,106.90
RWA (After Shock)	173,141.50	173,141.50	173,141.50
CRAR (After Shock)	14.12%	13.73%	13.35%

7. Market risk

Qualitative disclosures	**Particulars**
a) i) Views of BOD on trading / investment activities	The Board approves all policies related to market risk, setting of limits and review on Core Risk compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions.
ii) Methods used to measure Market risk	Standardized approach has been used to measure the Market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".
iii) Market Risk Management system	The Treasury Division manage market risk covering liquidity, profit rate and foreign exchange risks with

	oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.
iv) Policies and processes for mitigating market risk	There are approved limits for Investment (credit) to deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect the market risks. The exchange rate of the Bank is monitored regularly and reviews the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.

Quantitative Disclosures		
b)The capital requirements for	**Solo**	**Consolidated**
Particulars	**Taka in million**	
Profit rate risk	-	-
Equity position risk	233.05	430.76
Foreign Exchange risk and	162.10	162.10
Commodity risk	-	-
Total Capital Requirement	**395.15**	**592.86**



8. Operational Risk

Qualitative disclosures	
i) Views of BOD on system to reduce Operational Risk	Operational risk is the risk of loss or harm resulting from inadequate or failed internal processes, people and systems or from external events. Capability to carry out a large number of transactions effectively and accurately while complying with applicable laws and regulations constitute operational risk management activities of the bank. The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control & Compliance to protect against all operational risk.

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ii) Performance gap of executives and staffs	Performance of employees is the most important factor to achieve organizational goals. Bank has put in place a well defined performance management process which aims to clarify what is expected from its different level of employees as well as how it is to be achieved. At the beginning of a year's objectives is communicated to the employees who includes what are expected from him/her during the ensuring period through their direct reporting heads. A yearly performance appraisal practice is in place to review achievements based on which rewards and recognition decisions are made. Bank has a special focus on: • Ensuring a balanced diversity, • Promoting human capital development, • Providing competitive compensation and benefits • Protecting human rights, • Ensuring workplace health and safety, • Ensuring equal opportunity. SJIBL's strong brand image also plays an important role in employee motivation.
iii) Potential external events	By its nature, Operational Risk cannot be totally eliminated. Like other banks, SJIBL also operates its business with few potential external events that may significantly affect the bank into operational risks are as follows: • General business and political condition, • Inflation, • Changes in taxation rules, • The risk of litigation process, • Changes in credit quality of borrowers, • Damage of physical asset, • Volatility in equity market, • Information security, • External fraud, • Business disruption and system failure etc.
iv) Policies and processes for mitigating operational risk	To mitigate the day to day Operations Manual including internal control & compliance risk Mannual is approved by the Board taking into account relevant guidelines of Bangladesh Bank. On the basis of routine audit, branches are rated according to their risk grading/ scoring audit procedure and required frequent audit to the Branches are operating by Audit & Inspection Unit of IC & CD. Bank's Anti - Money laundering activities are headed by CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check &

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	balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
v)Approach for calculating capital charge for operational risk	Basic Indicator Approach (BIA) was used for calculating of capital charge for operational risk as per Guidelines on Risk Based Capital Adequacy of Bangladesh Bank. Under BIA, the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the bank over past three years. Figures for any year in which annual gross income is negative or Zero, should be excluded from both the numerator and denominator when calculating the average.

Quantitative Disclosures	**Solo**	**Consolidated**
Particular	**Taka in million**	
b) The capital requirements for :		
Operational risk	1,133.55	1,168.34

9. Liquidity Ratio

Qualitative disclosures	
Liquidity Risk	Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments. Thus, liquidity risk can be of two types: (i) Funding liquidity risk and (ii)Market liquidity risk.
Views of Board of Directors on system to reduce liquidity Risk	The Bank's Board of Directors already approved the strategy and significant policies related to the management of liquidity. According to the strategy and policies, SJIBL maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquiduty risk. The responsibility of managing the liquidity risk of the bank lies with Treasury Front Office. Different key ratios including LCR and NSFR are regularly discussed in monthly meeting of ALCO. The committee meets at least once in a month to review Asset-Liability and Liquidity position of the Bank. Treasury Division maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs and ALCO monitors present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

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Methods used to measure Liquidity Risk	A sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank. The measurement tools those are used to assess liquidity risks are: i. Cash Reserve Requirement (CRR); ii. Statutory Liquidity Ratio (SLR); iii. Investment to Deposit Ratio (IDR); iv. Structural Liquidity Profile (SLP); v. Maximum Cumulative Outflow (MCO); vi. Liquidity Coverage Ratio (LCR); vii. Net Stable Funding Ratio (NSFR) etc.
Liquidity risk management system	The Asset Liability Committee (ALCO) meets at least once in a month to discuss and monitor overall position of the Bank including liquidity. Treasury Division closely monitors liquidity requirements on daily basis by appropriate coordination among funding activities. Besides, monthly fund flow projection is reviewed in ALCO meeting regularly in order to manage liquidity risk of the bank.
Policies and processes for mitigating liquidity risk	In order to develop comprehensive liquidity risk management framework, the Bank has Board approved Contingency Funding Plan (CFP), a set of policies and procedures that serves as a blueprint for the bank, to meet its funding needs in a planned manner at reasonable cost. Thus, CFP is an extension of ongoing liquidity management that formalizes the objectives of liquidity management by ensuring: a) Reasonable liquid assets being maintained; b) Measurement and projection of funding requirements during various scenarios; and c) Management of access to sources of find. Maturity ladder of cash inflows and outflows are effective tool to determine the bank's cash position. A maturity ladder estimates a bank's cash inflows and outflows and thus net deficit or surplus (GAP) on a day to day basis in different time buckets (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years).

Quantitative Disclosures

Particulars	Taka in million
Liquidity Coverage Ratio (LCR)	138.08%
Net Stable Funding Ratio (NSFR)	131.94%
Stock of High Quality Liquidity Assets	24,008.71
Total Net Cash Outflows Over the Next 30 Calender Days	17,387.54
Available Amount of Stable Funding	186,153.20
Required Amount of Stable Funding	141,086.55

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10. Leverage Ratio

Qualitative disclosures	
Views of Board of Directors on system to reduce excessive leverage	The responsibility of monitoring excessive leverage of the Bank lies with the concerned divisions under the guidance of the Board of Directors of the bank. The Board delivers policies and processes from time to time for managing the Bank's leverage ratio up to the mark.
Policies and processes for managing excessive on and off –balance sheet leverage	The leverage ratio was introduced into the Basel III framework as a non-risk based backstop limit, to supplement risk-based capital requirements. In order to avoid building-up excessive on and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by the Bangladesh Bank. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives: • Constrain the build-up of leverage in the banking sector for broader financial system and the economy; and • Reinforce the risk based requirements with an easy to understand and a non-risk based measure.
Approaches for calculating exposure	The exposure mesure for the leverage ratio generally follows the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following approaches are applied by the bank: i. On balance sheet, non-derivative exposures are being net of specific provisions and valuation adjustments (e.g. surplus/ deficit on Available for Sale (AFS)/ Held-for-Trading (HFT) positions). ii. Physical or financial collateral, guarantee or investment risk mitigation purchased is not allowed to reduce on-balance sheet exposure. iii. Netting of investments and deposits is not allowed. The Bank has calculated the regulatory leverage ratio as per the guideline of Basel III. The numerator, capital measure is calculated using the new definition of Common Equity Tier 1 capital applicable from January 01, 2015.

Quantitative Disclosures	
Leverage Ratio	A minimum Tier 1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated basis. The bank measures and maintains leverage ratio on quarterly basis. The status of leverage ratio at the end of each calendar quarter is submitted to Bangladesh Bank. The formula of Leverage Ratio is as under: $\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

Particular	Solo	Consolidated
	Taka in million	
Common Equity Tier 1 Capital (A)*	12,893.37	13,195.18
Exposure Measure:		
On Balance Sheet Exposure*	241,240.12	244,325.53
Off-Balance Sheet Exposure*	39,845.10	39,845.10
Less: Regulatory adjustment made to Tier 1 Capital	0.00	0.00
Total Exposure (B)	281,085.22	284,170.63
Leverage Ratio (A/B)	4.59%	4.64%
* Considering all regulatory adjustments		

11. Remuneration

Qualitative disclosures	
a) Information relating to the bodies that oversee remuneration.	
i. Name, composition and mandate of the main body overseeing remuneration.	Human Resources Division of the Bank deals with the remuneration related issues of employees with the assistance of Financial Administration Division as per specific provisions laid down in the Employees' Service Rules of the Bank and Pay structure duly approved by the Board of Directors, while the same is governed and oversight by the Managing Director, Management Committee and Head of Human Resourse Division. The Bank has a well defined Employees' Service Rules approved by the Board of Directors, which includes remuneration/compensation packages, retirement benefits of regular employees and incentive schemes etc. The Board has also approved a very competitive and rewarding scale of pay for the Employees. The Service Rules and Remuneration policies/Pay Structure is reviewed and revised from time to time by the management constituting high powered committee and got approved by the board. While reshuffling the pay structure/compensation packages, the inflation & price hike of commodities, industry best practices and peer banks' status etc. are taken into consideration.

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ii. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	Bank does not seek advice from any external consultant in any step of remuneration process and therefore, no commission is paid to this effect.
iii. A description of the scope of the bank's remuneration policy (e.g. by regions, business lines) including the extent to which it is applicable to foreign subsidiaries and branches.	SJIBL follows the uniform remuneration policy. However, management ensures extremely fair and performance based compensation to all employees. Further, the remuneration of higher management, consultants and contractual appointments are determined and oversight by the Board of Directors on case to case basis and as per requirement. As on December 31, 2018, the Bank had no foreign subsidiaries and branches outside Bangladesh.
iv. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	The bank has not categorized any group or grade of employees as material risk taker. The risks in different operational events of the bank are borne by the concerned employees of those particular areas as a team. However, the members of senior management, senior most branch managers and Head of the functional division at Head Office are considered as senior managers. As such, a number of 77 Executives of the Bank up to the rank of Vice President as on December 31, 2018 has been considered as senior managers as follows:

Designation	Number
Managing Director	1
Deputy Managing Director	6
Senior Executive Vice President	6
Executive Vice President	9
Senior Vice President	25
Vice President	30
Total	**77**

b) Information relating to design and structure of remuneration process.

i. An overview of the key features and objectives of remuneration policy.	The bank has a well structured, competitive and rewarding scale of pay for the regular employees of the bank duly approved by the Board of Directors. The pay package of all employees other than Managing Director and Contractual Employees are determined by the management in accordance with the approved scale of pay. The compensation package of Managing Director is determined by the Board of Directors and subject to the subsequent approval of the Central Bank, i.e. Bangladesh Bank. Remuneration Package of

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	Contractual Employees, as and when required, are determined and approved by Board of Directors on case to case basis prior to appointment. The annual increment and incentive bonuses for the eligible employees are paid on the basis of performances under the purview of Board approved policies in this regard. The main objective of the remuneration policy of the bank is to retain the existing human resources, attract/hire the talented & experienced professionals and to motivate the workforce to put their best efforts for sustainable growth of the Bank. The remuneration includes basic pay, house rent, medical allowance, enoveyance allowance etc. The basic pay & other allowances like house rent, medical allowance are increased at a fixed rate annually subject to satisfactory performance of past year. The employees are also rewarded by way of special promotion, increment for their outstanding performance. Other than monthly remuneration bank offers a number of facilities/benefits like Leave Fare Assistance (LFA); Executive Car Facility; Corporate Mobile Phone facility, Maternity benefits for female employees; Employees' House Building Investment Facility; Employees' House building Safety Scheme; House Furnishing Allowance, Super Annuation & Disability & Death benefits etc. Besides, a very attractive retirement/separation benefit is paid in the form of Gratuity; Contributory Provident Fund; Leave encashment, Social Security fund etc. The employees are paid two festival bonus and boishaki bonus per year. Incentive bonus is also paid on the basis of performance for annual profit of the bank.
ii. Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.	The remuneration policy and pay structure for the employees of the Bank is reviewed and revised/reshuffled from time to time by management and subsequently got approved by the Board of Directors.
iii. A discussion of how the bank ensures that risk and compliance employees are remunerated independently	The officials working in the Risk and Compliance areas have got their specific job descriptions & job allocations like professionals of other functional areas and performing their responsibilities independently as per standing guidelines of the regulators as well as the

of the businesses they oversee.	bank management. Their service and remuneration are governed under the approved Employees' Service Rules of the Bank and pay structure of the Bank.
c) Description of the ways in which current and future risks are taken into account in the remuneration process.	
i. An overview of the key risks that the bank takes into account when implementing remuneration measures.	The remuneration is measured taking into consideration of the following two risk factors: • Financial risks and • Compliance risk. If the financial losses is made for non-compliance of any of that rules & regulations by any employee the bonus, increment etc. are held.
ii. An overview of the nature and type of the key measures used to take account of these risks including risks difficult to measure.	SJIBL follows financial capacity of the bank to measure remuneration packages. Besides, it considers operational impacts, cost of living adjustments, relevants compliances, industry-competitives remuneration in relation to the market reputation and other effective risk-adjusted measures in determing remuneration.
iii. A discussion of the ways in which these measures affect remuneration.	SJIBL approaches the employee's remuneration arrangements, especially periodic fixed remuneration enhancements and variable compensation through an integrated risk, finance, compensation and performance management framework. Annual salary increment and potential variable benefits are rewarded at the end of each year.
iv. A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	The realistic grounds has considered by the Bank's management to revise and measure the remuneration arrangement from time to time in order to ensure risk adjusted business operations and employee satisfaction simultaneously.
d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	
i. An overview of main performance metrics for bank, top-level business lines and individuals.	• Net Profit (Income) Margin (NIM) • Return on Investment (ROI) • Return on Assets (ROA) • Return on Equity (ROE) • RAROC (Risk adjusted Return on Capital) • Classified Investment Ratio • Earning Per Share (EPS) • Capital to Risk-weighted Asset Ratio (CRAR) • Operating Efficiency (cost control)

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ii. A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	Annual performance bonus, salary increment and promotion are directly linked with employee's individual performance.
iii. A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.	Not Applicable
e) Description of the ways in which the Bank seeks to adjust remuneration to take account of longer-term performance.	
i. A discussion of the bank's policy on deferral and vesting of variable remuneration and, if thefraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative impotance.	Currently SJIBL does not offer any variable remuneration that may be deferred or vested either in the form of cash, shares or share-linked instruments. However, employees are eligible for variable remuneration arrangement in the form of Incentive Bonus (non-deferred cash awards), applicable to their positions.
ii. A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.	Not Applicable
f) Description of the different forms variable remuneration that the bank utilizes and the rationale for using these different forms.	
i. An overview of the forms of variable remuneration offered (i.e. cash, share and share-linked instrument and other forms.	The structure of remuneration arrangements for all employees primarily consists of a fixed remuneration component, which is made up of basic salary, allowances and other benefits. Employees are also eligible for variable remuneration arrangements applicable to their position. Variable remuneration consists of Incentive Bonus (cash awards) for most of SJIBL's employees.

<table>
<tr><td>ii. A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that dermine the mix and their relative importance.</td><td>The following variable remunerations are provided by the Bank on the basis of employee's individual performance.
• Annual performance bonus and
• Salary increment.</td></tr>
<tr><td>Quantitative Disclosures</td><td></td></tr>
<tr><td>g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</td><td>Not Applicable</td></tr>
<tr><td>h)i.Number of employees having received a variable remuneration award during the financial year.</td><td>Not Applicable</td></tr>
<tr><td>h)ii.Number and total amount of guaranteed bonuses awarded during the financial year.</td><td><table><tr><th>No. of Guaranteed Bonus</th><th>Total Amount (Tk. in million)</th></tr><tr><td>3 festival bonuses</td><td>192.94</td></tr></table></td></tr>
<tr><td>h)iii.Number and total amount of sign-on awards made during the financial year.</td><td>Not Applicable</td></tr>
<tr><td>h)iv.Number and total amount of severance payments made during the financial year.</td><td>Not Applicable</td></tr>
<tr><td>i) i.Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</td><td>Not Applicable</td></tr>
<tr><td>i) ii.Total amount of deferred remuneration paid out in the financial year.</td><td>Not Applicable</td></tr>
<tr><td>j) Breakdown of amount of remuneration awards for the financial year to show:
i. Fixed and variable;
ii. Deferred and non-deferred;
iii. Different forms used (cash, shares and share linked instruments, other forms).</td><td><table><tr><th>Sl.</th><th>Particulars</th><th>Total Amount (Tk. in million)</th></tr><tr><td>i.</td><td>Fixed and variable</td><td>2,463.49</td></tr><tr><td>ii.</td><td>Deferred and non-deferred</td><td>Nil</td></tr><tr><td>iii.</td><td>Different forms used</td><td>Cash</td></tr></table></td></tr>
</table>

k)i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not Applicable
k)ii. Total amount of reductions during the financial year due to ex post explicit adjustments.	Not Applicable
k)iii. Total amount of reductions during the financial year due to ex post implicit adjustments.	Not Applicable

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