

Strictly Private & Confidential

INFORMATION MEMORANDUM

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond of BDT 5,000 Million



Issuer: Shahjalal Islami Bank PLC.

Corporate Head Office:
Shahjalal Islami Bank Tower
Plot: 4, Block- CWN(C), Gulshan Avenue
Gulshan, Dhaka-1212, Bangladesh

Trustee: DBH Finance PLC.

Type of Security: Non-Convertible, Floating Rate, Redeemable BASEL III compliant Tier 2 Debt instruments

Total Face Value: Up to BDT 5,000 million

Face Value of Each Bond is: BDT 1,000,000

Issue Price of Each Bond is: BDT 1,000,000

Number of Securities: 5,000 nos.

Total Issue Amount: BDT 5,000,000,000

Profit rate and YTM: Floating

Issue Date of IM: -----


Credit Rating status of the Issue: AA

Long Term Rating of Issuer: AA+; **Outlook:** Stable

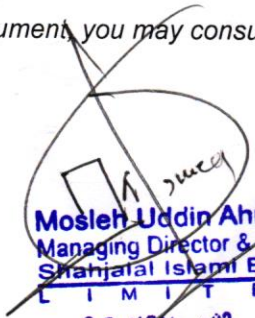
Mandated Lead Arranger
Standard Chartered Bank



"If you have any query about this document, you may consult the issuer and the trustee."


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

ARRANGER'S DISCLAIMER

Shahjalal Islami Bank PLC. (the "**Issuer**") has authorized Standard Chartered Bank ("**Standard Chartered**" or the "**Arranger**") to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the "**Transaction**") and the bond proposed to be issued in the Transaction (the "**Bond**").

"**Standard Chartered Bank**" means Standard Chartered and any group, subsidiary, associate or affiliate of Standard Chartered and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions there from. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. The issue of Unsecured Subordinated Floating Rate Bond is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the bond issue to the public in general. Apart from this Information Memorandum, no information memorandum or prospectus has been prepared in connection with the offering of this issue.

This Information Memorandum has been prepared to provide general information about the issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the bond issue. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither does this Information Memorandum nor any other information supplied in connection with the bond issue is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any bonds. Each potential investor contemplating the purchase of any bonds should make his/her own independent investigation of the financial condition and affairs of the issuer and his/her own appraisal of the creditworthiness of the issuer.

Potential investors should consult their own financial, legal, tax, and other professional advisors as to the risks and investment considerations arising from an investment in the bonds and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The information relating to the company contained in this Information Memorandum is believed by the issuing company to be accurate in all respects as to the date hereof.

It is the responsibility of potential investors to also ensure that they will sell/transfer these Bonds in strict accordance with this Information Memorandum and other applicable laws. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the bonds of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the issuer.


The contents of this Information Memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the issuer till the time the Information Memorandum comes within public domain. Notwithstanding the foregoing, a bondholder may provide this Information Memorandum to a potential investor for the sole purpose of transferring the bonds.

 05 NOV 2023
Strictly Private & Confidential
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

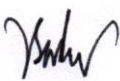
 05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Each person receiving this Information Memorandum acknowledges that:

- Such person has been afforded an opportunity to request and to review and has reviewed and received this Information Memorandum and all additional information considered by an individual to be necessary to verify the accuracy or to supplement the information herein; and
- Such person has not relied on any intermediary that may be associated with the issuance of the bonds in connection with his/her investigation of the accuracy of such information or his/her investment decision.

The issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the issuer. Neither the delivery of this Information Memorandum nor any sale of bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the bonds or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the bonds may be restricted by law in certain jurisdiction. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

CONTACT LIST

SHAHJALAL ISLAMI BANK PLC.

Md. Jafar Sadeq FCA
Chief Financial Officer

Corporate Head Office
Shahjalal Islami Bank Tower
Plot: 4, Block- CWN(C)
Gulshan Avenue, Gulshan
Dhaka-1212, Bangladesh.
Phone: +88 02 222283457 Ext.1117
Fax: + 88 02 222297607
Cell: +88 01755 556077
E-mail : jafar511@sjiblbld.com

Md. Shaiful Alam FCA
Senior Assistant Vice President
Financial Administration Division

Corporate Head Office
Shahjalal Islami Bank Tower
Plot: 4, Block- CWN(C)
Gulshan Avenue, Gulshan
Dhaka-1212, Bangladesh.
Phone: +88 02 222283457 Ext.1120
Fax: + 88 02 222297607
Cell: +88 01755556339
E-mail : shaiful3185@sjiblbld.com

STANDARD CHARTERED BANK

Farhan Tariq
Associate Director, Capital Markets,
Bangladesh

Level 3, 67 Gulshan Avenue, Dhaka – 1212
Phone: + 880 2 8833003-4 ext. 53034
Fax: +88 02 883 7810
Mobile: +88 0171 3243779
E-mail: farhan.tariq@sc.com

Nasreen Rehman
Executive Director & Head, Banks, Financial
Institutions, Bangladesh

Level 4, 67 Gulshan Avenue, Dhaka – 1212
Phone: + 880 2 8833003-4 ext. 54437
Mobile: + 880 183 3362088
Email: Nasreen.Rehman@sc.com

TRUSTEE: DBH FINANCE PLC.

Jashim Uddin
SVP & Company Secretary (Compliance Officer of Trustee)

Landmark Building (9th Floor)
12-14 Gulshan North C/A
Gulshan 2, Dhaka-1212
Tel:++88 02 222282112
Mobile: +88 01613435138



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

LETTER OF AUTHORITY

09 April 2023

Nasreen Rehman

Executive Director & Head, Banks, Financial Institutions, Bangladesh
Standard Chartered Bank
67, Gulshan Avenue
Gulshan, Dhaka-1212

LETTER OF AUTHORITY

Dear Sir,

We refer to the Mudaraba Subordinated Floating Rate Bond Issue of BDT 5,000 million (the "Bonds") which, you (the Arranger) is arranging at our request, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum"):

Shahjalal Islami Bank PLC. (the "Issuer"), the undersigned, confirms that:

- Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which investors may require in order to evaluate the issuer's business.
- The forecasts contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- The information (including forecast) in the Information Memorandum fairly represents the basis on which the Issuer and its shareholders are proceeding with the business.

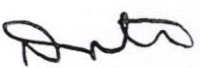
The Issuer does not however make any express of implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documents and no representations or warranties other than those specially set forth on the bond documents shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors who may subscribe the Bonds. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective participants (including their relevant staff members and board of directors) to whom the Information Memorandum shall be placed and we confirm our consent to the distribution of "Information Memorandum" and other relevant documents to prospective investors distributed in this manner.


Yours sincerely,

Sd/-

Mr. Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank PLC.


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Jafar Sadeq FQA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Page 6

05 NOV 2023

05 NOV 2023

05 NOV 2023

Contents

2. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS.....	8
A. Profit (Interest) Rate Risks.....	8
B. Exchange Rate Risks.....	8
C. Non-Repayment Risks (Credit Risks)	8
D. Prepayment, Call or Refunding Risks	9
E. Security Risks.....	9
F. Liquidity Risks	9
G. Management Risks	10
H. Operational Risks	10
I. Business Risks	10
J. Industry Risks.....	11
K. Market and Information Technology-related Risks	11
L. Risks related to potential or existing government regulations	13
M. Risks related to potential changes in global or national policies	13
3. DETAILED DESCRIPTION AND INFORMATION OF ISSUER'S APPLICATION	14
4. DETAILS OF THE UTILIZATION OF PROCEEDS	19
5. FEATURES OF THE SUBORDINATED BOND TO BE ISSUED.....	20
Basic Features of the Instrument	20
6. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE	27
7. RIGHTS & OBLIGATIONS OF THE ISSUER	28
8. RIGHTS & OBLIGATIONS OF THE TRUSTEE.....	31
9. RIGHTS & OBLIGATIONS OF THE ARRANGER	33
10. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS	34
11. DESCRIPTION OF THE ISSUER: SHAHJALAL ISLAMI BANK PLC.....	35
A. CAPITAL STRUCTURE	35
B. BUSINESS OF THE ISSUER, SHAHJALAL ISLAMI BANK PLC	36
C. MANAGEMENT	38
D. DESCRIPTION OF ASSETS AND LIABILITIES	48
E. DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR SECURITIES	49
12. AUDITED FINANCIAL STATEMENTS OF THE ISSUER, SHAHJALAL ISLAMI BANK PLC.....	52
13. COMPARATIVE FINANCIAL STATEMENTS	65
14. RATIOS & FINANCIAL SUMMARY	68
15. CREDIT RATING REPORT OF THE ISSUE AND THE ISSUER.....	69
16. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC.....	70
DESCRIPTION OF THE TRUSTEE: DBH FINANCE PLC.	74
17. MODUS OPERANDI OF THE ISSUE	77
18. DETAILS OF FEE STRUCTURE AND EXPENSES.....	81

Annexure 1: Declaration about the Responsibility of the Managing Director & CEO of the Issuer or Originator in Respect of the Information Memorandum

Annexure 2: Due Diligence Certificate of Trustee

Annexure 3: Audited Financial Statements of Shahjalal Islami Bank PLC. for the Period Ended 30 September 2023

ANNEXURE 4: Credit Rating Report of the Issue

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

Page 7

2. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

The following matters should be considered carefully before making any investment decision with respect to the Issuer or the Bonds. This Section contains a list of risks usually associated with the Issuer and the Bonds that It is issuing. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences. This list of risk factors is not meant to be a comprehensive description of all risks which may be relevant to a decision to invest in the Bonds. It does not take into consideration an investor's specific knowledge and/or understanding about the risks typically associated with the Issuer and the purchase and ownership of the Bonds. You are advised to review the risks below, if necessary, with the assistance of your own professional advisors, prior to making any investment decisions. If any of the risks described materialize, they could have a serious effect on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the Bonds to be issued.

A. Profit (Interest) Rate Risks

Profit (Interest) Rate Risk can be defined as the risk of change in the value of an asset due to volatility in rates rendering the security in question non-competitive or increasing its value. Though the risk is said to arise due to an unexpected move, generally, investors are concerned with downside risk. This risk directly affects the fixed-rate security holder. Whenever the profit (interest) rate rises, the price of the fixed-income bearing security falls and vice-a-versa. For a bank, this risk arises from differences in the repricing profile, profit (interest) rate basis, and optionality of banking book assets, liabilities, and off-balance sheet items. Profit (Interest) Rate Risks represents an economic and commercial risk to the Bank and its capital adequacy.

Management Perception:

Although the consequences of unusual and abrupt increase in the borrowing rate cannot be avoided, SJIBL takes all the appropriate measures to minimize the negative consequences. For instance, the Bank currently pursues a policy with emphasis on maintaining an appropriate blend of fixed and floating rates in the investment portfolio of the bank. Moreover, the bank revises both its lending and borrowing rates regularly based on current market scenario and future outlook.

B. Exchange Rate Risks

Foreign exchange risk is the risk that a business' financial performance or financial position will be impacted by fluctuations in the exchange rates between currencies. The risk can manifest itself through a bank's holdings of assets (or liabilities) with net payment streams denominated in a foreign currency. Foreign exchange rate fluctuations alter the domestic currency values of such assets. Foreign exchange risk is not confined to proprietary positions taken by a bank and client driven transactions but can also arise from known profit flows in foreign currency, and provisions for bad debts denominated in foreign currency. It is important that these exposures are identified and, where necessary, hedged, on a timely basis with the proper mitigants at place.

Management Perception:

SJIBL has established Risk Tolerance limits for foreign exchange exposure with the directives of Bangladesh Bank in order to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are managed within acceptable parameters.

C. Non-Repayment Risks (Credit Risks)

Non-repayment risk is defined as the potential risk that a bank's borrower or counterparty may fail to meet its obligations in accordance with agreed terms, resulting into an adverse impact on the quality

of bank's assets and profitability. Non-repayment risk also refers to the bank's risk of having its cash flows interrupted when a borrower fails to make their repayment. Such a scenario results into having the investment classified in separate categories, the extreme one being Non-performing Investments (NPI) which adversely impacts the bank's profitability due to higher required provisioning.

In the case of an unpaid investment, non-repayment risk can result in the loss of both profit on the debt and unpaid principal, whereas in the case of an unpaid account receivable, there is no loss of profit. In both cases, the party granting the credit may also incur incremental collection costs.

Management Perception:

SJIBPLC believes that a key component of a disciplined investment (credit) culture is adherence to internal policies and procedures. Hence comprehensive investment policies and guidelines have been established in the bank to always ensure quality and transparency of investment decisions. The Board of Directors has approved the Investment Policy for the Bank where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company, group and area) and risk management strategy have been described/stated in detail. Investment policy is being regularly updated to cope up with the changing global and domestic economic scenarios.

D. Prepayment, Call or Refunding Risks

Call risk is the risk that the bond an investor has invested in will be redeemed by the issuer before its maturity date, thereby raising the risk for the investor as they would have to reinvest the redeemed amount at a much lower rate or in an unfavourable investing market scenario. If the bond is called at or close to par value, as is usually the case, investors who paid premium for their bond also risk a loss of principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower profit (interest) rates make the bond likely to be called.

Management Perception:

Since this is the first issue of bonds by SJIBPLC and this particular bond issue has no prepayment, call or refunding options thus, it does not impose risk to the Issuer.

E. Security Risks

The risk of loss arising from errors in the nature, quantity, pricing, or characteristics of collateral securing a transaction with credit risk. Institutions that actively accept and deliver collateral and are unable to manage the process accurately are susceptible to loss.

Management Perception:

Since this is an unsecured bond, this particular risk is not applicable here.

F. Liquidity Risks

Liquidity is a bank's ability to meet its cash and collateral obligations without sustaining unacceptable losses. Liquidity risk refers to how a bank's inability to meet its obligations (whether real or perceived) threatens its financial position or existence. Institutions manage their liquidity risk through effective asset liability management (ALM).

Management Perception:

Shahjalal Islami Bank PLC. maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of managing the liquidity risk of the bank lies with Treasury Division. Different key ratios including LCR and NSFR are regularly discussed in monthly meeting of ALCO of the Bank. The committee meets at least once

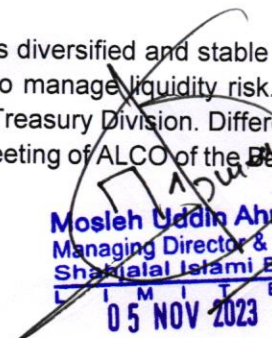


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023


Md. Jafar Sadeque
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Asim Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

in every month to review LCR, NSFR report and overall 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, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

G. Management Risks

The risk associated with the management in charge of running the company. Ineffective, myopic, or inadequate strategies undertaken by the management hurt the shareholders and in turn, expose the company to management risk. Lack of proper succession planning and experience of the management are also some key variables in considering the said risk.

Management Perception:

SJIBL is one of the leading Islamic banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. SJIBPLC has a sound management system that is not only efficient but also dynamic in taking appropriate decision to make the organization more effective, vibrant and result oriented. Therefore, with the strong leaderships and structured corporate set-up the management risk is not a matter of concern at all for the steady and sustainable growth of SJIBPLC.

H. Operational Risks

Operational risk is the risk of loss due to failed internal processes or external events at an organization. Operational risk involves the legal and compliance risks in response to the disruption of day-to-day business operations. It also involves risk of losses suffered by the institutions stemming from the operational errors or mismatches in the process flows inherent in the lines of businesses.

Due to rising customer expectations, increasing regulatory requirements, proliferating financial engineering, uprising technological innovation, and mounting competition, banks and financial institutions are undergoing changes. This has increased the probability of failure or mistakes from the operational point of view that can result in increased focus on managing operational risks.

Management Perception:

The policy for operational risks including internal control and compliance risk is approved by the Board taking into account the relevant guidelines of Bangladesh Bank. In order to review the operation and compliance of statutory requirements, Internal Control & Compliance Division undertakes various measures including periodical and special audits on the affairs of the branches and departments at head office. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division of the bank to protect and safeguard the interest of all stakeholders.

I. Business Risks

Business risk is the possibility that an organization's operations or competitive environment will cause it to generate financial results that are worse than expected. An entity with high business risk should be operated in a more conservative manner, keeping the debt level as low as possible. Business risk is influenced by a lot of factors, including revenue, costs, competition, and overall economic climate and government regulations.

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & Company Secretary
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Faruk Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Management Perception:

The Bank has a robust risk management system to counter any adverse business risk. Most business risks have been covered in investment, Liquidity and profit rate Risk. To counter and mitigate business risk, the following mitigation measures are in place:

- Regular review of impact of global & domestic economic changes meltdown and taking appropriate measures
- Innovative and convenient financial products and services.
- Taking prompt action on customer complaints.
- Frequent assessment of clients satisfaction.
- Regular review of performance against budget and targets.
- Review and analysis of competitors' performance.
- Regular review on different government regulations & make prompt action to cope up with those regulations.

Prevention of risk by forecasting future market condition gives SJIBPLC competitive edge over other competitors in the local market. In order to mitigate prospective risks of the market, the ALCO team regularly assesses the market information. This assessment updates the Management about the current market situation, growth of certain industries, current global phenomena, price index of raw materials, refinance scheme taken by central bank and regulatory steps taken by various regulatory bodies. This also helps to make future prediction on any industry and the market as a whole.

J. Industry Risks

Industry risk is the systematic risk inherent in a particular industry affecting all the entities. The risk can manifest itself through increased competition in the industry, threats of substitutes, bargaining power of supply chain entities etc. Macro-economic conditions also impact the ecosystem of the industry a particular company is a part of. Specially for the financial sector, there can be certain economic events or anomalies that adversely affect the industry sending it on a decline.

Management Perception:

SJIBPLC constantly keeps watch on ever changing economic and business environment which sometimes leads some industry risk as well as opportunity and banks has taken prompt & proactive action for avoiding probable risk and grabbing the opportunity. SJIBPLC has always been careful in offering Innovative, convenient and cost-effective financial products and services which flexibility in nature and by the way minimizes its industry risk exposure. Since its inception the bank contributes significantly in harnessing deposits by launching different attractive schemes befitting the requirement of different segment of customers. The bank actively encourages feedback from the customers and regard complaints as constructive comments that helps to build customer relationships and improve business situation. The Bank has also succeeded in diversifying its business portfolio across the thrust sectors of the economy and always takes special care for utmost value addition in clientele services.

K. Market and Information Technology-related Risks

Market risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices. Market risk stems from all the positions included in the Bank's trading book, foreign exchange risk as well as from commodity positions.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 11

05 NOV 2023

Technology risk, or information technology risk, is the potential for any technology failure to disrupt the flow of a Bank's business. Banks face many types of technology risks, such as information security incidents, cyberattacks, password theft, service outages, and more. Every type of technology risk has the potential to cause financial, reputational, regulatory, and/or strategic risk. As such, it's critical to have an effective technology risk management strategy in place to anticipate potential problems.

Management Perception:

The Treasury Division manages market risk covering liquidity, profit rate and foreign exchange with oversight from Asset Liability Management Committee (ALCO) comprising Senior Executives of the Bank. ALCO is headed by the Managing Director

In order to manage IT related risk, Shahjalal Islami Bank PLC. has adopted core banking software, BankUltimus, for its operation. The bank has built a new state of the art Data Center (DC) in its' Corporate Head Office at Shahjalal Islami Bank Tower, Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212, Bangladesh. Bank has also taken steps to secure its information through Disaster Recovery Site (DRS) located at Kashimpur, Gazipur to make sure that bank will not lose any data in case of any disaster. SJIBL has an IT Audit and Security team formed as per the guideline of Central Bank. It is conducting IT Audit in each branch on a periodic basis and providing suggestions to higher management. IT Division is also managing IT related training programs to make sure that employees are aware of IT risk related issues. Besides, the bank has taken the initiatives for capacity building of IT officials of the bank through providing appropriate training. In short, some of the achievements that have been accomplished to mitigate risk are as follows:

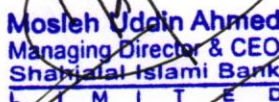
- Implementation of Layer-7 security to protect cyber attracts on ICT Infrastructure.
- Deployment of XtrimIO storage, recovery Point and Disk Based Backup system to protect and secure business data and to ensure high availability.
- Ensure restriction over unauthorized/unwanted physical access by implementing central attendance system.
- Deploy email services over private cloud to ensure communication reliability.
- Up-gradation of Antivirus and Active Directory (AD) system to mitigate internal and external threats.



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Strictly Private & Confidential

05 NOV 2023

05 NOV 2023

05 NOV 2023

Page 12

L. Risks related to potential or existing government regulations

Excessive growth of risk weighted assets against the growth of eligible regulatory capital of Shahjalal Islami Bank PLC. might breach the Bangladesh Bank's criteria of minimum capital requirement. Also, the Bank might fail to comply with the laws, regulations, or codes applicable to the financial services industry.

Management Perception:

Internal Control and Compliance of SJIBPLC works to achieve effectiveness and efficiency of operations, reliable financial reporting and compliance with laws and regulations. Pillar 1 and Pillar 2 of Basel-III Accord also focused on operational risk and supervisory review respectively attaching considerable importance to internal control & compliance and on supervision & monitoring. As prescribed in the Bangladesh Bank core risk guideline on Internal Control & Compliance, Management Committee of SJIBL reviews the overall effectiveness of internal control system.

M. Risks related to potential changes in global or national policies

Risk associated with any potential global issues (i.e., a global financial crisis or a massive volatility in an international currency) or a national policy change (i.e., regulatory changes made by the Bangladesh Bank or the Bangladesh Securities and Exchange Commission).

Management Perception:

Since this security would be issued in the local market, potential global changes are unlikely to have any impact on the security issued. Moreover, SJIBPLC has a robust risk management team and has the capability to adapt to any local/global scenario that might affect the local market.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

3. DETAILED DESCRIPTION AND INFORMATION OF ISSUER'S APPLICATION

1. Particulars of the Issuer, Shahjalal Islami Bank PLC.

1.	Name of the Issuer	:	Shahjalal Islami Bank PLC.
2.	Legal status of the issuer	:	Public Limited Company
3.	Details of Contact Information	:	Md. Jafar Sadeq FCA Chief Financial Officer Phone: +88 02 222283457 Ext.1117 Fax: + 88 02 222297607 Cell: +88 01755 556077 E-mail: jafar511@sjiblbld.com
4.	Date of incorporation	:	April 1 st , 2001
5.	Date of commencement of business	:	May 10 th , 2001
6.	Authorized capital	:	BDT 15,000,000,000/-
7.	Paid-up capital	:	BDT 11,129,683,510 /- As at 30 September 2023
8.	Total equity	:	BDT 24,041,435,997 /- As at 30 September 2023
9.	Total liabilities	:	BDT 330,739,588,279 /- As at 30 September 2023
10.	Total financial obligations	:	N/A
11.	Total debt including the proposed issue along with redeemable preference share, if any, does not exceed 70% of its total tangible assets	:	N/A
12.	Total assets	:	BDT 355,009,780,162 /- As at 30 September 2023
13.	Total tangible assets	:	N/A
14.	Net worth	:	BDT 24,041,435,997 /- As at 30 September 2023
15.	Others	:	N/A

2. Particulars of Issue Manager: Not applicable

3. Particulars of the Issue:

16.	Name of the issue	:	SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond
17.	Type of instruments to be issued	:	Non-Convertible, Floating Rate, Redeemable BASEL III compliant Tier 2 Debt instruments
18.	Purpose of the issue	:	To strengthen Tier II Capital Base
19.	Number of securities and total size of the issue to be offered	:	5,000 nos. bonds totaling BDT 5,000 million
20.	Face value and issue price of securities mentioning discount or premium thereof	:	Face Value: BDT 1,000,000 only per bond Issue Price: BDT 1,000,000 only per bond

Strictly Private & Confidential
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

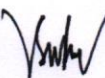
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

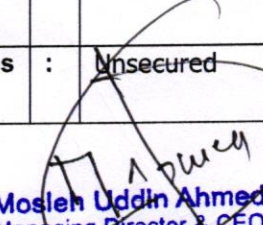
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

21.	Coupon rate /discount rate and YTM	:	<p>Floating- Investors will get an additional profit rate of 2.00% per annum to be paid semi-annually along with the benchmark profit by the issuer for the respective investments in the Mudaraba Subordinated Bonds.</p> <p>Benchmark Mudaraba Term Deposit Profit: The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of all Islami Banks (except foreign Islamic Banks and Z category Islamic Banks) to be applied semi-annually. The highest prevailing published Mudaraba Term Deposit profit rate in 6 months tenor (as reported to Bangladesh Bank) of the Issuer to be included in the semi-annual profit rate fixation. The first rate will be fixed at the date of the issuance of the Mudaraba Subordinated Bonds as per above. From thereon, the rate will be re-fixed semi-annually. After each financial year end, the issuer will give adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.</p> <p>The Range of Profit Rate will be 6.00%p.a. – 9.00% p.a. at all times</p>
22.	Tenor or maturity	:	Up to 7 years from the Issue Date
23.	Details of conversion/ exchange option features	:	Not applicable as the bond is non-convertible
24.	Mode of redemption or conversion/ exchange	:	To be redeemed in 5 equal yearly instalments, starting from the end of 3rd year from the Issue Date, subject to regulatory approvals and as defined in the agreements.
25.	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	:	N/A
26.	Rate of return	:	Benchmark Rate plus an additional 2.00% p.a. to be paid semi-annually
27.	Applicable tax rate	:	As per applicable Tax Laws of Bangladesh
28.	Default protection mechanism (details of credit enhancement arrangement/ agreement, redemption reserve, sinking fund etc.), if Any	:	Not applicable
29.	Type of collateral securities being offered, if any	:	Unsecured


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

 05 NOV 2023
Strictly Private & Confidential
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

 05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

 05 NOV 2023
Moslem Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

30.	Status of securities holders in case of priority of payment	:	<p>The Claims of the Investors/Bondholders shall:</p> <ul style="list-style-type: none"> (i) be superior to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bond (MPB); (iv) pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 (AT1) Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and (v) neither be secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. <p>Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.</p>
31.	Period within which securities to be issued	:	Within 6 (six) months of regulatory approval in Single or Multiple Tranches
32.	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)	:	As per regulatory approval as per the guidance of BSEC
33.	Others	:	Not Applicable

4. Particulars of the Trustee:

34.	Name of the trustee	:	DBH Finance PLC.
35.	Paid-up capital of the trustee	:	BDT 1,949 million (As of December 31, 2022)
36.	Net worth of the trustee	:	BDT 7,994 million (As of December 31, 2022)
37.	Name of the issue(s) where performing as trustee	:	<ol style="list-style-type: none"> 1. UCBL 5th Subordinated Bond 2. 5th PBL Subordinated Bond 3. IBBL Fourth Mudaraba Subordinated Bond 4. SIBL 4th Mudaraba Subordinated Bond 5. Pubali Bank 3rd Subordinated Bond 6. TBL 6th Subordinated Bond 7. SJIBL 3rd Mudaraba Subordinated Bond 8. IDLC Venture Capital Fund 9. Janata Bank Subordinated Bond II

Nasimul Baten
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Mosleh Uddin Ahmed
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

Strictly Private & Confidential


Md. Bashir
Md. Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

			10. Lankabangla 1st PE Fund 11. UCB Private Equity Fund I 12. UCB Venture Capital Fund I
38.	Others	:	N/A

5. Particulars of the Credit Rating Company:

39.	Name of credit rating company	:	Emerging Credit Rating Limited										
40.	Credit rating status of the issuer or originator	:	Long term rating: AA+ Short term rating: ST-2 Outlook: Stable										
41.	Credit rating status of the issue	:	Bond rating: AA Outlook: Stable										
42.	Periodical surveillance rating shall be done by the said rating company in line with the provisions of the Credit Rating Companies Rules, 1996	:	Complied										
43.	The issue shall not be rated below the minimum investment grade of triple 'BBB' or equivalent rating in the long term and "ST-3" or equivalent rating in the short term	:	Complied										
44.	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	:	Issuer Rating Validity: March 24, 2024 (Surveillance-2) Issue Rating Validity: June 21, 2024 (Surveillance-1)										
45.	Latest default rate of the credit rating company	:	0.00%										
46.	Average time to default of the rated category	:	Not Applicable										
47.	Rating trigger, if any	:	"BBB" in long term and ST-3 in short time										
48.	Others	:	Risk Premium: In case of a downgrade of credit rating under surveillance rating, Risk Premium to be added as under: <table><tr><td>Issue Rating</td><td>Risk Premium to be added</td></tr><tr><td>BB</td><td>0.25%</td></tr><tr><td>B</td><td>0.50%</td></tr><tr><td>C</td><td>0.75%</td></tr><tr><td>D</td><td>1.00%</td></tr></table>	Issue Rating	Risk Premium to be added	BB	0.25%	B	0.50%	C	0.75%	D	1.00%
Issue Rating	Risk Premium to be added												
BB	0.25%												
B	0.50%												
C	0.75%												
D	1.00%												


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

6. Particulars of originators, if any: Not applicable


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

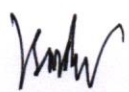
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

7. Particulars of other contractual parties:

49.	Name of the Mandated Lead Arranger	:	Standard Chartered Bank acting through its Bangladesh Branch
50.	Legal status of the Mandated Lead Arranger	:	Foreign Commercial Bank
51.	Details of contact information of the Mandated Lead Arranger	:	Farhan Tariq Associate Director, Capital Markets, Bangladesh Level 3, 67 Gulshan Avenue, Dhaka – 1212
52.	Legal Advisor	:	Mr. Md. Mydul Haque Khan, Barrister-at-Law & Advocate, Supreme Court of Bangladesh and Partner – Lex Juris
53.	Others	:	Not Applicable

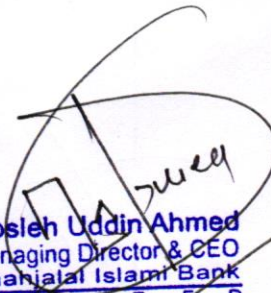

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

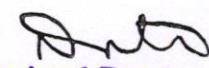
Strictly Private & Confidential


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

02 NOV 2023
DMM Program POC
DMM Program POC



02 NOV 2023
DMM Program POC
DMM Program POC



4. DETAILS OF THE UTILIZATION OF PROCEEDS


Shahjalal Islami Bank PLC. (i.e. the Issuer) has planned to issue BDT 5,000 million of SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond for augmenting Tier 2 Capital (As per the terms defined in Basel III Regulations/Guidelines/Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Bank (i.e. Issuer) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.

The funds being raised by the Issuer (i.e. SJIBPLC) through the present Issue are not meant for financing any particular project. The Bank (i.e. the Issuer) shall utilize the proceeds of the Issue for its regular business activities. The Issuer (i.e. Bank) shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Securities and Exchange Commission.

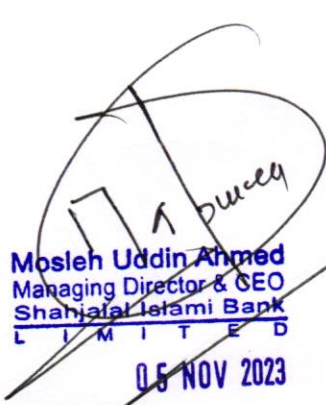

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Strictly Private & Confidential


Md. Abul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

5. FEATURES OF THE SUBORDINATED BOND TO BE ISSUED

Basic Features of the Instrument

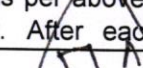
Issuer:	Shahjalal Islami Bank PLC.
The Issue:	SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond
Issue Type:	Non-Convertible, Floating Rate, Redeemable BASEL III compliant Tier 2 Debt instruments
Mandated Lead Arranger:	Standard Chartered Bank ("SCB") and referred to as the "Mandated Lead Arranger" or the "MLA"
Trustee:	DBH Finance PLC
Arrangement Basis:	Best Efforts / Strictly Non-Underwritten
Purpose:	To strengthen Tier II Capital Base
Investors:	Local Financial Institutions, Insurance Companies, Offshore Development Financial Institutions, Corporates, High Net Worth Individuals, etc. and any other eligible investors
Currency:	Bangladeshi Taka (BDT)
Issue Size:	BDT 5,000 million
Denomination:	Denomination of each Bond is indicated at BDT 1,000,000 Face Value
Number of Issuing Unit:	5000 Nos.
Market Lot:	01(one) unit/bond and in multiples
Minimum Application	BDT 1,000,000
Minimum Application	1 (one) lot
Mode of Placement:	Private Placement
Issue Price:	100% at Par
Tenor:	7 years from the Issue Date
Nature of Debt instrument	Mudaraba Subordinated Bond
Expected Issue Date:	Post BSEC approval or any other mutually agreeable date
Status of Debt:	Subordinated Non-Convertible
Security:	Unsecured
Form:	Registered
Listing:	As per BSEC consent letter
Credit Rating of the Issue:	AA Issue Rating Validity: June 21, 2024
Mudaraba Profit Rate:	<p>The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate of the issuer plus a predetermined additional profit rate as described in below mechanism:</p> <p>Benchmark Mudaraba Term Deposit Profit: The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of all Islami Banks (except foreign Islamic Banks and Z category Islamic Banks) to be applied semi-annually. The highest prevailing published Mudaraba Term Deposit profit rate in 6 months tenor (as reported to Bangladesh Bank) of the Issuer to be included in the semi-annual profit rate fixation. The first rate will be fixed at the date of the issuance of the Mudaraba Subordinated Bonds as per above. From thereon, the rate will be re-fixed semi-annually. After each financial year end, the issuer will give</p>


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023


Md. Jafar Sadeq FCA
SEVP & Company Secretary
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

05 NOV 2023

05 NOV 2023

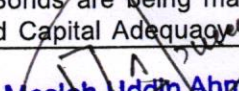
	adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.																					
	The Benchmark rate will be calculated by the Trustee and notified to the Issuer and all Investors on every Profit Reset Date.																					
Margin with Rate of Return:	Additional Profit Rate: Investors will get an additional profit rate of 2.00% per annum to be paid semiannually along with the benchmark profit by the issuer for the respective investments in the Mudaraba Subordinated Bonds.																					
Range of Profit Rate:	Floor: 6.00% p.a. - Ceiling: 9.00% p.a. at all times																					
Payment of Profit:	Semi-annually not later than 60 days from expiry of 6 months and 12 months of each year from the issuance of the Bond																					
	To be redeemed at par in 5 equal annual instalments starting from end of 3rd year from the subscription closing date/deemed date of allotment and each 12 months from thereafter as per following table:																					
Redemption Schedule:	<table><tr><th><u>No. of Installment</u></th><th><u>Installment due (In Months)</u></th><th><u>Percentage Redemption (%)</u></th></tr><tr><td>1</td><td>36</td><td>20%</td></tr><tr><td>2</td><td>48</td><td>20%</td></tr><tr><td>3</td><td>60</td><td>20%</td></tr><tr><td>4</td><td>72</td><td>20%</td></tr><tr><td>5</td><td>84</td><td>20%</td></tr><tr><td colspan="2">Total</td><td>100%</td></tr></table>	<u>No. of Installment</u>	<u>Installment due (In Months)</u>	<u>Percentage Redemption (%)</u>	1	36	20%	2	48	20%	3	60	20%	4	72	20%	5	84	20%	Total		100%
<u>No. of Installment</u>	<u>Installment due (In Months)</u>	<u>Percentage Redemption (%)</u>																				
1	36	20%																				
2	48	20%																				
3	60	20%																				
4	72	20%																				
5	84	20%																				
Total		100%																				
Late Redemption:	Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.																					
Over Subscription:	In event of this issue of the bond being oversubscribed, the allotment will be a first come first serve basis																					
Under Subscription:	Any under-subscribed portion will be re-offered for fresh subscription depending on prevailing market conditions.																					
Documentation:	Will include but not limited to the followings: <ul style="list-style-type: none">• Term Sheet• Bond Subscription Agreement• Trust Deed• Any other documentation related to the transaction Customary documentation including force majeure, negative pledge, cross default and indemnity provisions.																					
Governing Law:	The Laws of The People's Republic of Bangladesh																					
	The Bonds are governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh.																					
Applicable Bangladesh Bank Guidelines:	The Bonds are being made in pursuance of "Guidelines on Risk Based Capital Adequacy" (Revised Regulatory Capital Framework																					


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Governing Law:

05 NOV 2023

Applicable Bangladesh Bank Guidelines:


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, and the
 Bureau of Reclamation, regarding the land owned by the
 United States in the State of California.

Section	Range	County	Acres
1	1	Alameda	10
2	2	Alameda	10
3	3	Alameda	10
4	4	Alameda	10
5	5	Alameda	10
6	6	Alameda	10
7	7	Alameda	10
8	8	Alameda	10
9	9	Alameda	10
10	10	Alameda	10
11	11	Alameda	10
12	12	Alameda	10
13	13	Alameda	10
14	14	Alameda	10
15	15	Alameda	10
16	16	Alameda	10
17	17	Alameda	10
18	18	Alameda	10
19	19	Alameda	10
20	20	Alameda	10
21	21	Alameda	10
22	22	Alameda	10
23	23	Alameda	10
24	24	Alameda	10
25	25	Alameda	10
26	26	Alameda	10
27	27	Alameda	10
28	28	Alameda	10
29	29	Alameda	10
30	30	Alameda	10
31	31	Alameda	10
32	32	Alameda	10
33	33	Alameda	10
34	34	Alameda	10
35	35	Alameda	10
36	36	Alameda	10
37	37	Alameda	10
38	38	Alameda	10
39	39	Alameda	10
40	40	Alameda	10
41	41	Alameda	10
42	42	Alameda	10
43	43	Alameda	10
44	44	Alameda	10
45	45	Alameda	10
46	46	Alameda	10
47	47	Alameda	10
48	48	Alameda	10
49	49	Alameda	10
50	50	Alameda	10
51	51	Alameda	10
52	52	Alameda	10
53	53	Alameda	10
54	54	Alameda	10
55	55	Alameda	10
56	56	Alameda	10
57	57	Alameda	10
58	58	Alameda	10
59	59	Alameda	10
60	60	Alameda	10
61	61	Alameda	10
62	62	Alameda	10
63	63	Alameda	10
64	64	Alameda	10
65	65	Alameda	10
66	66	Alameda	10
67	67	Alameda	10
68	68	Alameda	10
69	69	Alameda	10
70	70	Alameda	10
71	71	Alameda	10
72	72	Alameda	10
73	73	Alameda	10
74	74	Alameda	10
75	75	Alameda	10
76	76	Alameda	10
77	77	Alameda	10
78	78	Alameda	10
79	79	Alameda	10
80	80	Alameda	10
81	81	Alameda	10
82	82	Alameda	10
83	83	Alameda	10
84	84	Alameda	10
85	85	Alameda	10
86	86	Alameda	10
87	87	Alameda	10
88	88	Alameda	10
89	89	Alameda	10
90	90	Alameda	10
91	91	Alameda	10
92	92	Alameda	10
93	93	Alameda	10
94	94	Alameda	10
95	95	Alameda	10
96	96	Alameda	10
97	97	Alameda	10
98	98	Alameda	10
99	99	Alameda	10
100	100	Alameda	10

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, and the
 Bureau of Reclamation, regarding the land owned by the
 United States in the State of California.


The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, and the
 Bureau of Reclamation, regarding the land owned by the
 United States in the State of California.

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, and the
 Bureau of Reclamation, regarding the land owned by the
 United States in the State of California.

	for banks in line with Basel III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 (herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria for Subordinated Debt to Qualify as Tier 2 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bonds and terms and conditions of the Bonds will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time.
Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Issuer will issue the Bonds.
Transferability:	Freely transferable subject to the terms and conditions of the Bond documents.
Liquidity:	Freely transferable subject to the terms and conditions of the Bond documents.
Prepayment:	No Prepayment option.
Call:	Bond is non-callable
Refunding:	Not applicable
Conversion features:	Bond is non-convertible
Exchange options:	Not applicable
Early Redemption:	Not applicable
Compliance	The bond indenture to be aligned, where applicable, for compliance with "Guideline of Risk Based Capital Adequacy" issued by Bangladesh Bank (BB). Rules & Regulations of Bangladesh Securities & Exchange Commission (BSEC) and applicable Laws of the land.
Tax Features:	All payments made by the Issuer or under or in respect of the Trust Deed or the Bonds will be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be Obligated pay any additional amounts in respect of such taxes, duties, assessments or governmental charges that may from time to time be deducted or withheld from such payments but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.
Cost Related to the Issue:	Arrangement Fee: Total of 0.50% of the Face Value Amount of the Bonds + VAT Trustee Fee: <ul style="list-style-type: none"> BDT 400,000 per annum + VAT Credit Rating Fee: <ul style="list-style-type: none"> BDT 1.00 Lac per rating Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the Face Value Other/Legal/Regulatory Cost (if any): At Actual
Credit enhancement or guarantee, if any:	Not Applicable


Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

05 NOV 2023

Enforcement of charges over securities:	Not Applicable
Conditions Precedent:	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing.
Enforcement of Charges over securities:	At any time after the Bonds have become due and repayable, the Trustee may, and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 66 $\frac{2}{3}$ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.
Basel Accords	Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II, and III.
Basel III  Nasimul Baten Managing Director & CEO DBH Finance PLC. 05 NOV 2023	Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: (i) minimum capital requirements, which seek to refine the present measurement framework; (ii) supervisory review of an institution's capital adequacy and internal assessment process; and market discipline through effective disclosure to encourage safe and sound banking practices.
Additional Tier 1 (AT1) capital	Capital instruments that meet the criteria for inclusion in the additional tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh.
Tier 2 capital	Sum of Capital instruments that meet the criteria for inclusion in the tier 2 capital (gone-concern capital) as defined by the Bangladesh Bank, the Central Bank of Bangladesh.
Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014	BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for

issue of debt instruments for inclusion in regulatory capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III). In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines as per Bangladesh Bank shall prevail. The issue of Bonds and the terms and conditions of the Bonds will primarily be subject to and govern by the applicable guidelines issued by the Bangladesh Bank from time to time and the Rules and Regulations of Bangladesh Securities and Exchange Commission as amended from time to time.

6(b) Rate of Return, Yield to Maturity, Coupon/Discount Rate:

Floating Rate and total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin @2.00% per annum on the outstanding balance of the Bonds to be paid semi annually. The Benchmark rate will be calculated and duly notified by the Trustee on every Profit Rate/Coupon Rate Determination Date throughout tenor of the bond.

6(c) Transferability/Liquidity:

Transfer and transmission of the Bonds shall be subject to the Depositories Act, 1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.

6(d) Prepayment, Call, Refunding, Conversion Feature:

Not applicable

6(e) Early redemption or late redemption:

Early redemption-Not applicable but Penalty rate on delay repayment (as fixed by the Regulator@ 2% (two percent) per annum above the usual rate of return of the debt instrument As per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021.

6(f) Tax Features:

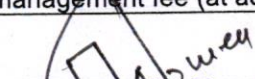
Deduction of tax at source at the rates prevailing from time to time under the provisions of the Income-tax Ordinance, 1984, or any other statutory modification or re-enactment thereof


6(f) Cost related to the issue

Particulars	Basis of Calculation	Amount in BDT
BSEC fees:		
Application Fee to BSEC	Fixed	BDT 10,000
Consent Fee to BSEC	@ 0.10% of total Issue size	BDT 50,00,000
The estimated other cost(fees, commissions & misc. expenses):		
Trustee Fee (yearly)	BDT 400,000 per annum only per year excluding VAT and trust management fee (at actual).	


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 24
05 NOV 2023

Arranger fees	@0.50% (excluding VAT) on total Issue size
Rating Agency fee with periodic review	BDT 1.00 Lac per rating
Legal Consultant fee	BDT 1,40,000 only (excluding VAT). Besides Professional Fee, all ancillary cost (i.e. notarization, registration, filing, non-judicial stamp, cartridge paper, printing, etc.) to be borne by the Bank At actual.

6(h) Repayment Schedule

20% of the total bond value to be redeemed at the end of each year starting from 3rd year and the repayment schedule is depicted below:

Issue Size (BDT)	5,000,000,000	
Years	Repayment (BDT)	Balance
End of 1 st year	-	5,000,000,000
End of 2 nd year	-	5,000,000,000
End of 3 rd year	1,000,000,000	4,000,000,000
End of 4 th year	1,000,000,000	3,000,000,000
End of 5 th year	1,000,000,000	2,000,000,000
End of 6 th year	1,000,000,000	1,000,000,000
End of 7 th year	1,000,000,000	0

5(i) Call or put option, and premium or discount thereof, if any:

Not applicable

5(j) Credit enhancement or guarantee, if any:

Not applicable

5(k) Enforcement of Charges over securities

At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 66 $\frac{2}{3}$ per cent in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

5(l) Force Majeure:

Notwithstanding anything contained in this Letter, SCB may by notice in writing to the Issuer terminate this Letter at any time before the time on the Closing Date when payment would otherwise be due under this Letter to the Issuer in respect of the Bond if, in the opinion of the MLA, there is a change in national or international financial, political or economic conditions or currency exchange rates or exchange

Md. Jafar Sadeq FICA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosteh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Bond and, upon notice being given, the parties to this Letter shall (except for the liability of the Issuer in relation to expenses related to the Transaction and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Letter.



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Page 26

Page 2

Page 2

The following information is being provided to you for your information only. It is not intended to be used for any other purpose. The information is being provided to you for your information only. It is not intended to be used for any other purpose.

02 NOV 2023
Missouri State
Missouri State
Missouri State

02 NOV 2023
Missouri State
Missouri State
Missouri State

02 NOV 2023
Missouri State
Missouri State
Missouri State

02 NOV 2023
Missouri State
Missouri State
Missouri State

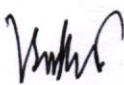
6. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE


The issue is an unsecured corporate bond hence no charge on assets is to be created. The issuer only owes the bondholders an indebtedness which is secured by claims over all present and future assets of the issuer subsequent to all secured lenders.


The issue is unsecured subordinated bond hence no charge on Assets to be created. The Claims of the Bondholders shall:

- be superior to the claims of investors in equity shares;
- be subordinated to the claims of depositors and general creditors of the bank;
- be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bond (MPB);
- pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 (AT1) Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and
- neither be secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

7. RIGHTS & OBLIGATIONS OF THE ISSUER

Issue of the Bonds: Upon receipt of amount in accordance with the Subscription Agreement to be entered with each investors the Issuer shall issue Bonds subject to and in accordance with the provisions of the Trust Deed, Agency Agreement and the Subscription Agreement and to seal, sign and issue the Bonds and deliver the Bond Certificates on the Closing Date to be fixed by the Issuer and the Trustee.

Covenant to Repay - The Issuer has obligation that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in accordance with the terms and conditions of the Bond in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the terms and conditions of the Bond) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee on the relevant dates provided for in the terms and conditions profit on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

- (i) every payment of principal or profit in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
- (ii) if any payment of principal or profit in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- (iii) in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, profit shall accrue at applicable profit rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the terms and conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

Observe instruction of the Trustee - At any time after any Event of Default shall have occurred, the Issuer shall comply with the instruction of the Trustee subject to provision of the terms and conditions of the Bond.

Observe Bond Documents - The Issuer shall have obligation to comply with, perform and observe all those provisions of this Trust Deed, the Agency Agreement, the terms and conditions of the Bond which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Observe Applicable Law - The Issuer shall have obligation to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

Books of Account - The Issuer shall at all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer.

Notice of Event of Default - The Issuer shall give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action.

Corporate Governance - The Issuer shall ensure that it and each member of its Group comply in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Securities and Exchange Commission.

Information - So far as permitted by applicable law, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents.

Execution of further Documents - So far as permitted by applicable law, the Issuer shall at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed.

Notices to Bondholders - The Issuer shall send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice.

Notification of non-payment - The Issuer shall notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds.

Notification of late payment - In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made.

Notification of redemption or repayment - The Issuer shall within 14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly.

Obligation of Agents - The Issuer shall Observe and ensure agents comply with its obligations under the Agency Agreement; maintain the Register; and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds.

Authorized Signatories - The Issuer shall upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

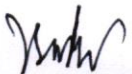
05 NOV 2023
Md. Abdul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Payments – The Issuer shall Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

Audited Financials and Annual General Meeting - The Issuer shall complete audit of its financial statements and hold its annual general meeting within such period as may be specified by the BSEC. If no such period is prescribed, Issuer shall complete audit of its financial statements and hold its general meeting in accordance with law of its jurisdiction of incorporation. The Issuer shall submit copy of its audited financial statements along with its annual report and the minutes of its annual general meeting with the SEC with a copy to the Bondholders within 14 days (or such other period agreed by SEC) of the completion of audit or, as the case may be, holding of the annual general meeting.



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023



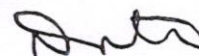
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Strictly Private & Confidential

8. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Rights of the Trustee of Non Convertible Floating Rate Mudaraba Subordinated Bond are, inter alia:

- **Trustee's determination:** The Trustee may determine whether or not a default in the performance or observance by the Issuer of any Obligation under the provisions of the Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.
- **Determination of questions:** The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.
- **Trustee's discretion:** The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

Trustee's consent: Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

- **Conversion of currency:** Where it is necessary or desirable for any purpose in connection with the Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Deed or required by law) be converted at such rate or rates available to the Trustee on the relevant date, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Bondholders.
- **Application of proceeds:** The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it.
- **Error of judgment:** The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.
- **Agents:** The Trustee may, in the conduct of the trusts of the Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person.

Md. Jafar Sadeq FOC
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

- **Delegation:** The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and having exercised reasonable care in so doing, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub - delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate provided that the Trustee had exercised reasonable care in the appointment of such delegate.
- **Custodians and nominees:** The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person; the Trustee is not Obligated to appoint a custodian if the Trustee invests in securities payable to bearer.
- **Confidential information:** The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Obligations of the Trustee of Non Convertible Floating Rate Mudaraba Subordinated Bond are, inter alia:

- to hold the benefit of the covenants made by the Issuer in the Trust Deed and the Conditions on trust for the Bondholders;
- to open such accounts as the Trustee deems necessary for discharging the functions of Trustee;
- to keep the money and assets representing the Trust Assets (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time and in accordance with the terms of the Trust Deed;
- to undertake all such actions for the recoveries of any outstanding payments in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to manage and administer the Bonds in accordance with the terms of the Trust Deed and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to convene any meeting of the Bondholders in accordance with the provisions of the Trust Deed and the Conditions, and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Strictly Private & Confidential
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 32

05 NOV 2023

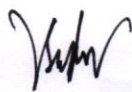
- to implement, give effect to and facilitate the Conditions and such other documents, deeds and agreements in contemplation thereof or in connection therewith;
- upon receipt of the instructions of such requisite majority of the Bondholders in accordance with the terms of the Trust Deed, to sell or otherwise dispose of the Trust Assets and close any bank accounts that may have been opened in pursuance of the Trust Deed after the distribution of amounts standing to their credit; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above provisions unless such acts require the prior consent of the Bondholders in accordance with the terms of the Trust Deed.

9. RIGHTS & OBLIGATIONS OF THE ARRANGER

The Issuer has appointed Standard Chartered Bank acting through its Bangladesh Branch as the Mandated Lead Arranger of the proposed Bonds.

Rights and Obligations of the Arranger of the Non-Convertible Floating Rate Subordinated Bond include:

- Due diligence of the issue prior to submission of the proposed bonds to external parties.
- Coordinate and provide integral support for preparation of Information Memorandum and appointment of relevant parties.
- Ensure proper documentation completion and compliance with regulatory requirements, prior to submission to regulators.
- Engage with regulators and Issuer for approval of the bonds.
- Support due diligence of prospective investors for investing in the bonds.
- Complete documentation of the bonds prior to subscription of the bonds.
- Monitor compliance with conditions precedent prior to issuance of the bonds.



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

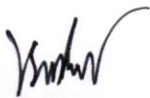
10. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS

Rights and Obligations of the eligible Investors of Non-Convertible Floating Rate Mudaraba Subordinated Bond are, inter alia:

- **Ownership of the Bond:** Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.
- **Right to receive payment –** *Subject to terms and conditions of the Bond, each Bondholder shall have a right to receive payment of principal amount of the Bond on the redemption date and profit amount of the Bond on each profit Payment Date.*
- **Transfer of Bonds –** *Subject to terms and conditions of the Bond Documents each Bondholder shall have the right to transfer the Bonds freely*
- **Basic Rights:** Basic rights of the Bondholders / Investors include but is not limited to: (i) secure methods of ownership registration; (ii) obtain relevant information on the company on a timely and regular basis; (iii) participate and vote in bondholders meetings.

The rights of the Eligible Investors are ensured through the Trust Deed.

- **Rights of the Mudareb Subordinated:** The rights of the holders of Bonds against the Issuer (including for principal and profit) are Subordinated and junior in right of payment to its Obligations (a) to its depositors, (b) under bankers' acceptances and letters of credit issued by the Issuer, (c) to Senior Creditors (including the Bangladesh Bank and the Deposit Insurance Trust Fund). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of bond or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such Obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior Obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank pari passu with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer, the unpaid principal thereof and any unpaid premium, if any, and profit before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any Obligations of the Issuer ranking junior to the Bonds.



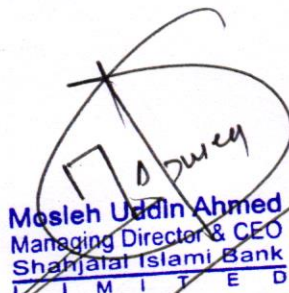
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Strictly Private & Confidential

11. DESCRIPTION OF THE ISSUER: SHAHJALAL ISLAMI BANK PLC.

Shahjalal Islami Bank PLC. commenced its commercial operation in accordance with principle of Islamic Shariah on the 10 May 2001 under the Bank Companies Act, 1991. Over the years SJIBPLC has diversified its service coverage by opening new branches at different strategically important locations across the country offering various service products both investment & deposit. Islamic Banking, in essence, is not only INTEREST-FREE banking business, it carries deal wise business product thereby generating real income and thus boosting GDP of the economy. The bank is led by a board of highly credential investors of the business community supported by a strong Management Team equipped with excellent professional knowledge. SJIBPLC was incorporated as a public limited company in Bangladesh on 01 April 2001 in the name of "Shahjalal Islami Bank Limited" and subsequently renamed as "Shahjalal Islami Bank PLC." with effect from 26 September 2023 under the companies Act 1994 and is listed on both the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

A. CAPITAL STRUCTURE

- **Authorized capital:** BDT 15,000,000,000/- (as of 30 September 2023)
- **Paid-up capital:** BDT 11,129,683,510 (as of 30 September 2023)

Shareholding Structure

Sl.	Shareholder Type	30 Sep 2023	31 Dec 2022
		Shareholding %	Shareholding %
1.	Sponsor Shareholders Group	48.22%	48.22%
2.	Financial Institutes Group	14.88%	14.76%
3.	General Shareholders Group	36.81%	36.87%
4.	Foreign Entities	0.03%	0.15%
Total		100.00%	100.00%

Particulars	30-Sep-23	% of Total Asset
Liabilities	Taka	
Placement from other Banks & Financial Institutions	32,282,983,931	9.09%
Deposits and Other Accounts		0.00%
Mudaraba Savings Deposits	39,907,475,765	11.24%
Mudaraba Term Deposits	96,476,398,868	27.18%
Other Mudaraba Deposits	47,218,457,457	13.30%
Al-Wadeeah Current & Other Deposit Accounts	54,803,290,791	15.44%
Bills Payable	5,466,533,977	1.54%
	243,872,156,858	68.69%
Mudaraba Subordinated Bond	9,400,000,000	2.65%
Other Liabilities	45,026,335,714	12.68%
Deferred Tax Liabilities	158,111,776	0.04%
Total Liabilities	330,739,588,279	93.16%
Paid-up Capital	11,129,683,510	3.14%
Statutory Reserve	10,737,376,063	3.02%
Capital Reserve	28,796,597	0.01%
Foreign Currency Translation Gain/(loss)	11,417,909	0.00%
Retained Earnings	2,134,161,919	0.60%

05 NOV 2023

Strictly Private & Confidential

M. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

Total Capital/Shareholders' Equity	24,041,435,997	6.77%
Non-controlling Interest	228,755,885	0.06%
Total Liabilities & Capital/Shareholders' Equity	355,009,780,162	100.00%

Total Regulatory Capital of SJIBPLC. as of 30 September 2023

Consolidated Capital to Risk-Weighted Assets Ratio (CRAR) Under Basel-III	Taka
a) Going Concern Capital (Tier-I):	
Common Equity Tier-I Capital (CET-I)	
i. Paid-up Capital	11,129,683,510
ii. Statutory Reserve	10,737,376,063
iii. Retained Earnings	2,145,579,827
iv. Capital Reserve	28,796,597
v. Non-controlling Interest	228,755,885
	24,270,191,882
Less: Carrying amount of intangible assets	22,375,414
Less: Shortfall in provisions required against investment	-
	24,247,816,469
Additional Tier-I Capital (AT-I)	5,000,000,000
	29,247,816,469
b) Gone Concern Capital (Tier-II):	
i. General Provision	4,078,137,573
ii. Mudaraba Subordinated Bond	2,400,000,000
iii. Mudaraba Perpetual Bond (Excess over limit of AT-I)	-
	6,478,137,573
c) Total Eligible Regulatory Capital (a+b)	35,725,954,042
d) Consolidated Total Risk Weighted Assets	235,028,919,151
e) Minimum Required Capital (10% of Risk-Weighted Assets)	23,502,891,915
f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer	29,378,614,894
g) Total Capital Surplus (c-e)	12,223,062,127
h) Total Capital Surplus considering conservation buffer (c-f)	6,347,339,148

Particulars	30-Sep-23	
	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	12.44%
Common Equity Tier-I Capital: (CET-I)	4.50%	10.32%
Tier-I Plus Conservation Buffer	8.50%	12.44%
CET-I Plus Conservation Buffer	7.00%	10.32%
Gone Concern Capital: (Tier-II)	-	2.76%
CRAR	10.00%	15.20%
CRAR including Conservation Buffer	12.50%	15.20%


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

B. BUSINESS OF THE ISSUER, SHAHJALAL ISLAMI BANK PLC.

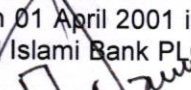
Shahjalal Islami Bank PLC., a Shariah Based Commercial Bank in Bangladesh was incorporated as a public limited company in Bangladesh on 01 April 2001 in the name of "Shahjalal Islami Bank Limited" and subsequently renamed as "Shahjalal Islami Bank PLC" with effect from 26 September 2023 under

05 NOV 2023

Strictly Private & Confidential


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka


Md. Apul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

05 NOV 2023

the companies Act 1994. The Bank commenced its commercial operation on 10th May 2001 by opening its 1st branch, i.e. Dhaka Main Branch at 58, Dilkusha, Dhaka obtaining the license from Bangladesh Bank, the Central Bank of Bangladesh. The Bank went for public issue of its shares in 2007 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange. Now its Corporate Head Office is situated at Shahjalal Islami Bank Tower, Plot # 4, Block- CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212, Bangladesh. As on 31 December 2022 the bank had 140 branches across the country with diversified deposits and investment products.

The principal activities of the Bank is to provide all kinds of commercial banking products and services to the customers including deposits taking, cash withdrawal, extending investments to corporate clients, retail, small & medium enterprises, trade financing, project finance, working capital finance, lease and hire purchase financing, issuance of Debit Card. Its vision is to be the best private commercial bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability.

Corporate Banking:

Bangladesh is walking through the industrialization process in various sectors, leaving behind the identity of underdeveloped country to developing country. To achieve this sustainable growth, Shahjalal Islami Bank PLC. is working hard and has initiated its focus on entertaining large corporate houses with a dedicated team under Corporate Banking with following divisions:

- Investments
- Foreign Exchange & Trade Finance
- Correspondent Banking
- Import Finance
- Export Finance

SME Banking:

The Bank has established a strong and dedicated SME Unit to meet the increasing and growing needs of Small and Medium Enterprises. Current SME portfolio is Tk 6,864.67 crore as on 31 December 2022.

Retail Banking:

Shahjalal Islami Bank PLC. has also focused on Retail Banking and the current Retail Banking portfolio is Tk 1,261.2 crore as on 31 December 2022.

Off-shore Banking Unit

Off-shore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank PLC., governed under the rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission 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 Shahjalal Islami Bank Tower, Plot # 4, Block- CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

Subsidiary: Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank PLC incorporated as a public limited company under the Companies Act 1994 and commenced its operation on the 25th day of 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 PLC holds 91.79% shares of Shahjalal Islami Bank Securities Limited.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

C. MANAGEMENT

Board of Directors

The Bank's Board comprises of 21 members including the Managing Director and three Independent Directors. Mr. Mohammed Younus is the present Chairman of the Bank. The Board is involved in policy formulations, strategic direction setting, business plan approval, approval of financial position and results and review of various activities and also providing necessary directions to the management for conducting businesses in a competitive and profitable manner by managing risks and complying with the regulatory requirements. The Board has four sub committees, Executive Committee, Audit Committee, Risk Management Committee and the Shariah Supervisory Committee.

Executive Committee (EC)

The Executive Committee of the Board has 7 members and is headed by Mr. Akkas Uddin Mollah as Chairman. The Executive Committee reviews all the credit proposals beyond the delegation of management and approve loans, other than large loans (10% or above of regularly capital). Large loans are recommended by the EC for approval by the Board. It is also responsible for administration, investment aspect, expansion of business etc. The Board confirms the decision of all Executive Committee meetings and assesses the operational results.

Audit Committee

The Audit Committee of the Board was duly constituted by the Bank comprising of 5 members of the Board of Directors. The Committee is headed by Mr. Ekramul Haque as Chairman as per the revised corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC). The committee reviews and monitors regulatory compliance, financial reporting, internal control & internal audit functions, and other operational activities.

Risk Management Committee

The Risk Management Committee of the Board has 5 members and is headed by Engr. Md. Towhidur Rahman as Chairman. The Committee reviews stress testing as per Bangladesh Bank guideline for examining the bank's capacity for managing future shocks as well as deals with all potential risks that might occur in future. The Committee also reviews the risk appetite capacity of the Bank commensurate with its capital base, stress test results and implementation of Bank's ICAAP etc. The decisions/resolutions of the Committee are submitted to Bangladesh Bank for regulatory compliance. The resolutions were also disseminated to all concerned of the Bank for ensuring compliance and implementation.

Shariah Supervisory Committee

The Shariah Supervisory Committee of the Board has 9 members. The members also include the bank's Chairman and Managing Director. The Committee primarily oversees the Islamic banking undertakings and Shariah compliance of the Bank.

Board of Directors

SL	Name of Directors	Status
1	Mr. Mohammed Younus	Chairman
2	Mr. Mohiuddin Ahmed	Vice-Chairman
3	Mr. Abdul Karim	Vice-Chairman

Strictly Private & Confidential

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 38

05 NOV 2023

4	Dr. Anwer Hossain Khan	Director
5	Mr. Md. Sanaullah Shahid	Director
6	Mr. Md. Abdul Barek	Director
7	Mr. Abdul Halim	Director
8	Mr. Akkas Uddin Mollah	Director
9	Mr. Khandaker Sakib Ahmed	Director
10	Engr. Md. Towhidur Rahman	Director
11	Mr. A.K. Azad	Director
12	Mr. Fakir Akhtaruzzaman	Director
13	Mr. Md. Moshir Rahman Chamak	Director
14	Mrs. Tahera Faruque	Director
15	Mrs. Jabun Nahar	Director
16	Mr. Fakir Mashrikuzzaman	Director
17	Mr. Mohammed Nasir Uddin Khan	Director
18	Mr. Ekramul Haque	Independent Director
19	Mr. K.A.M. Majedur Rahman	Independent Director
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director
21	Mr. Mosleh Uddin Ahmed	Managing Director

Audit Committee

SL	Name of Directors	Status
1	Mr. Ekramul Haque	Chairman
2	Mr. Abdul Halim	Member
3	Mr. Md. Moshir Rahman Chamak	Member
4	Mr. K.A.M. Majedur Rahman	Member
5	Mr. Nasir Uddin Ahmed FCA, FCS	Member

Shariah Supervisory Committee

SL	Name of Directors	Status
1	Mufti Shahed Rahmani	Chairman
2	Prof. Dr. Muhammad Abdur Rashid	Member
3	Maulana Mohammad Sadequl Islam	Member
4	Mr. Md. Fariduddin Ahmed	Member
5	Mr. M. Kamaluddin Chowdhury	Member
6	Barrister Md. Arifur Rahman	Member
7	Mr. Mohammed Yunus	Ex-Officio Member
8	Mr. Mosleh Uddin Ahmed	Ex-Officio Member
9	Maulana Md. Farid Uddin	Member Secretary

Management Committee: SJIBPLC has a dedicated MANCOM Body comprising with senior executives and headed by the Managing Director. The MANCOM members have long and diversified experience in different roles of banking entrusted with the key operations of the Bank. MANCOM is the highest decision and policy making authority of the management. Following are the members of MANCOM:

SL	Name of Directors	Status
1	Mr. Mosleh Uddin Ahmed	Managing Director & CEO
2	Mr. Abdul Aziz	Additional Managing Director
3	Mr. S.M. Mainuddin Chowdhury	Additional Managing Director
4	Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
5	Mr. Md. Akhter Hossain	Additional Managing Director

05 NOV 2023

Strictly Private & Confidential

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC

Page 39

05 NOV 2023

6	Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
7	Mr. Md. Nazimuddoula	Deputy Managing Director
8	Mr. M. M. Saiful Islam	Deputy Managing Director
9	Mr. Mustafa Husain	Deputy Managing Director
10	Mr. Md. Mohammed Ashfaquul Hoque FCA	Senior Executive Vice President
11	Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President & CFO

PROFILE OF THE DIRECTORS/OWNERS OF THE ISSUER

Mr. Mohammed Younus Chairman

Mr. Mohammed Younus is one of the sponsors of Shahjalal Islami Bank PLC. Presently, he is the Chairman of the Board of Directors of the Bank. He is immediate past Chairman of Shahjalal Islami Bank Securities Limited. He started business after completion of his education.

Mr. Younus has long and creditable business experience for about three decades. He is the Managing Director of Younus Group which is a well-known and fast growing conglomerate in the industrial arena of Bangladesh. The group has been operating at present with 45 business units.

He is also engaged in an online newspaper Sonalinews.com. In addition to his success in trade and business, Mr. Younus is immensely reputed for his contribution to the field of education. He is a member of the Board of Trustee of Fareast International University and Word bridge School. He is the Managing Director of Galaxy Flying Academy Limited.

He is a man of pleasant personality and amiable disposition. He has also travelled different parts of the world in connection with business.

Mr. Mohiuddin Ahmed Vice Chairman

Mr. Mohiuddin Ahmed was born in the year 1955 in a respectable Muslim family and started business after completion of his education.

Mr. Ahmed is the Vice Chairman of the Board of Directors of the Bank. He has long and successful business experience for more than two decades. He is the proprietor of Rupsha Trading Corporation, Mohiuddin Auto House & Pacific Automobile and he is the Vice Chairman of Shahjalal Islami Bank Securities Limited.

He is also a Director of Bangladesh Chamber of Industries (BCI). He is a man of pleasant personality and amiable disposition. He has traveled different parts of the world in connection with business.

Mr. Abdul Karim Vice Chairman

Mr. Abdul Karim is a Director of Shahjalal Islami Bank PLC. He is the Representative of Shamsuddin Khan & Harun Miah Ltd. Mr. Karim was born in a respectable Muslim family in the year 1965 in Sylhet. In 1975, he migrated to the United Kingdom. Whilst studying in the UK, he started restaurant business there.

05 NOV 2023

Strictly Private

Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 40

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

He has long and creditable business experience in the Property Development and Restaurant business in the UK as well as in Bangladesh. He is the owner of Maharani Camden. He is also the Managing Director of Karim Enterprise Ltd.

Furthermore, he is a prominent figure in the Community for his endless charity work and hospitable donations. He is the Trustee and Project Director of Beani Bazar Cancer and General Hospital in Sylhet.

In addition, he is the President of Beani Bazar Welfare Trust, UK and Beani Bazar Jonokallan Shomitee, UK.

Mr. Anwer Hossain Khan
Director

Mr. Anwer Hossain Khan, one of the sponsors and former Chairman of Shahjalal Islami Bank PLC., is a Member of Parliament from Laxmipur-1 constituency. Presently, he is the Chairman of the Shahjalal Islami Bank Foundation. He started business after completion of M. Com. degree. He has a long and outstanding business experience for more than two decades and emerged himself as a prominent figure in Medical/Health care business.

Mr. Khan is also the Chairman and Managing Director of Anwer Khan Modern Medical College & Hospital Limited, Modern Diagnostic Centre Limited, Anwer Khan Modern Nursing College, Hazi Sakawat Anwara Modern Eye Hospital Limited, Anwer Khan Modern Dredging Corporation, Answer Khan Modern Printers and Publications, Online News Portal Bangladesh Journal, Chairman of Takaful Islamic Insurance Limited, Director of Shahjalal Islami Bank Securities Limited and a Sponsor of Fareast Stocks & Bonds Limited.

In addition to his success in trade and business, Mr. Khan is highly reputed for his contribution to the fields of education, social welfare and health care services. He is the Chairman of the Governing Body of Anwar Khan Modern University. His Anwer Khan Modern Medical College & Hospital was nominated by the government for treatment of COVID-19 patients at the earlier stage of pandemic which brought his contribution to health care into lime light.

Mr. Md. Sanaullah Shahid
Director (Representative of Electra International Limited)

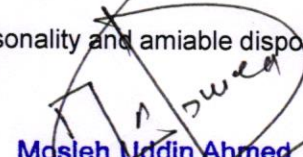
Mr. Md. Sanaullah Shahid (Representative of Electra International Limited) is one of the Sponsors of Shahjalal Islami Bank PLC. He is the immediate past Chairman of the Board of Directors of the Bank. He has started business after completion of Bachelor Degree. He is also the Chairman of Shahjalal Islami Bank Securities Limited.

Mr. Sanaullah has long and creditable business experience for more than two decades. He is an icon of electronic home appliance business in the country. He is the Chairman of Electra International Limited, Director of Electra Consumer Electronics Industries Limited, Electra Mobile Ltd., Electra Holding Ltd., Electra International and Federal Securities & Investment Limited. He is also a Partner of Kashmir Chemical Company, Sazawa Brothers, Electra Furniture and Jalshiri Dairy Farm & Fisheries.

Mr. Sanaullah is a man of pleasant personality and amiable disposition. He has traveled different parts of the world in connection with business.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka


Md. Abdul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC. 05 NOV 2023

Mr. Md. Abdul Barek
Director

Mr. Md. Abdul Barek one of the sponsors of Shahjalal Islami Bank PLC., was born in the year 1953 in a respectable Muslim family and started business after completion of his education.

He has long and creditable business experience for more than three decades. He is the Proprietor of Arju Electronics, Jony Electronics and Rony Electronics. Mr. Barek is the sponsor of Shahjalal Islami Bank Securities Limited. He is also a member of FBCCI.

He is a man of pleasant personality and amiable disposition. He has also traveled different parts of the world in connection with business.

Mr. Abdul Halim
Director

Mr. Abdul Halim was born in the year 1948 in a respectable Muslim family and started business after completion of his education.

Mr. Halim is a sponsor shareholder and Director of the Bank and also a sponsor of Shahjalal Islami Bank Securities Ltd. He has long and successful business experience for more than three decades.

Mr. Halim is also the Chairman of Halim Group, Excellent Ceramic Industries Ltd., Excellent Motors Ltd. and Excellent Tiles Ltd. He is also Proprietor of Abdul Halim & Brothers and sponsor of Islami Insurance Bangladesh Ltd.

He is a man of pleasant personality and amiable disposition. He has also traveled different parts of the world in connection with business.

Mr. Akkas Uddin Mollah
Director

Mr. Akkas Uddin Mollah is one of the Sponsors of Shahjalal Islami Bank PLC. He is the Chairman of the Executive Committee of the Board of Directors of the Bank. Mr. Mollah, former Chairman has long and creditable business experience for more than three decades and established himself as a prominent figure of RMG Manufacturing & exporting sector.

Mr. Mollah is the Chairman and Managing Director of Russel Spinning Mills Limited, PNR Industries Limited, Tania Cotton Mills Limited, Russel Garments, Russel Apperals, Russel Washing Plant, Ekram Sweaters Limited, Nurul Islam Spinning Mills Limited, Tofaz Dresses Limited, Goodman Pharmaceuticals Limited, PNR Leather Products Ltd. and Ekram Industries Ltd. He is also the Director of Shahjalal Islami Bank Securities Limited.

In addition to his success in trade and business, Mr. Mollah is immensely reputed for his contribution to the field of education and health care services. He is the Founder of Osmania Madrasa and Osmania Memorial Hospital.

05 NOV 2023

Md. Jafar Saad
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 42

05 NOV 2023

Mr. Mollah has also affiliation with different trade bodies and social organizations. Presently he is the member of BGMEA and BTMEA. He is also a member of Narayangonj Club.

Mr. Khandaker Sakib Ahmed
Director

Mr. Khandaker Sakib Ahmed is one of the Sponsors and Director of Shahjalal Islami Bank PLC. He started business after completion of his MBA Degree. He has long and creditable business experience for more than one decade.

Mr. Sakib is the Chairman of Own The World Company Limited. He is also one of the Directors of AQUA Consultants & Associates Ltd., Intech Limited (Public Limited Company) & Al-Arafah Islami Bank Securities Limited and sponsor of Shahjalal Islami Bank Securities Limited. By dint of his talent, diligent and amiable personality he is emerging as an eminent business figure.

Engr. Md. Towhidur Rahman
Director

Engr. Md. Towhidur Rahman, one of the sponsors and Former Chairman of Shahjalal Islami Bank PLC., started business after completion of B.Sc. Engineering Degree from Europe. Presently he is the Chairman of the Risk Management Committee of the Board of Directors of the Bank. He has long and outstanding business experience for more than three decades and established himself as an icon of Sea Food business.

He is the Chairman and Managing Director of Fresh Foods Limited (one of the largest sea food exporters of the country), Sea Fresh Limited, Libas Textiles Limited, Fresh Knitwear Limited, Fresh Export Import Limited, Fresh Foods Ltd, Moshir Infrastructure Ltd and Hettich Bangladesh Limited (a joint venture company with Germany). He is the Vice Chairman of Shahjalal Islami Bank Securities Limited.

Mr. Rahman has been awarded with National Export Trophy (Gold, Silver) several times and also selected as C.I.P. by the Government of Bangladesh for the last 15 years for his contribution to national economy.

In addition to his success in trade and business, he is immensely reputed for his contribution to the field of education. He is the member of Governing Body of Prime University and South Asian Scholars School & College. He is also the founder Chairman of Alhaj Jalaluddin College and Chairman of Dhulasar High School.

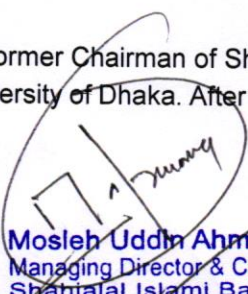
Mr. Rahman has also been awarded with Mother Teresa Gold Medal and other awards for his contribution in social activities of the country.


Mr. A. K. Azad
Director

Mr. A. K. Azad, one of the sponsors and former Chairman of Shahjalal Islami Bank PLC., completed his B.Sc. Honors in Applied Physics from University of Dhaka. After completion of graduation he got involved with business.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

He is one of those who were pioneer to the growth of RMG sector in Bangladesh in early 1980s. A very energetic and sincere industrialist, Mr. Azad is the Managing Director of Ha-Meem Group of Companies, one of the leading business conglomerates of the country. Under the dynamic leadership of Mr. A.K. Azad, this group has been contributing significantly in a bid to expand RMG sector to a great extent. He is also one of the sponsors of Shahjalal Islami Bank Securities Limited.

Mr. Azad has affiliation with different trade bodies and social organizations. He is the Former President of FBCCI & Bangladesh Chamber of Industries (BCI). At present, he is the President of Dhaka University Alumni Association. During his presidency, Dhaka University Alumni Association became more pro-active than ever before.

Alongside trade, commerce and industry, Mr. Azad is also involved in print & electronic media. He is the founder and publisher of the Daily Samakal, a leading Bengali daily newspaper of the country. He is also founder of Channel 24, a popular TV Channel of the country. His contribution in education sector is also commendable.

Mr. Azad is a man of pleasant personality and amiable disposition. He has been honored by national exporters award several times including last year in recognition of his contribution to export growth of Bangladesh.

Mr. Fakir Akhtaruzzaman
Director

Mr. Fakir Akhtaruzzaman was born in the year 1956 in a respectable Muslim family and started business after completion of his education.

Mr. Fakir is a Director and Vice Chairman of the Executive Committee of the Board of Directors of the Bank. He has long and creditable business experience for more than three decades and established himself as an icon of Knit Garments industries.

He is the Managing Director of Fakir Knitwear's Limited which is an export oriented Knit Composite Factory, Fakir Eco Knitwear's Limited, FKL Spinning Ltd. and Zaman Agro Fisheries Ltd. He has been awarded with National Export Trophy (Gold, Silver) several times and also selected as C.I.P. by the Government of Bangladesh for his contribution to national economy.

In addition to the success in trade and business, Mr. Akhtaruzzaman is immensely reputed for his contribution to the field of education and health. He is the Founder of Shaheb Ali High School, Begum Anowara College and Madrasa Darul Hadith Salafih at Araihaazar of the Narayanganj District and Director of Central Hospital Limited.

Mr. Akhtaruzzaman has also affiliation with different trade bodies and social organizations. Presently he is the member of BGMEA and BTMEA. He is also a member of Narayanganj Club.

Mr. Md. Moshir Rahman Chamak

Director (Representative of Fresh Export Import Limited)

Mr. Md. Moshir Rahman Chamak was born in the year 1989 in a respectable Muslim family and started business after completion of his MBA Degree.

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC

Mr. Chamak is a very young and energetic business entrepreneur of the country. He is the Managing Director of Fresh Export Import Limited and Director of Libas Textile Limited, Fresh Knitwear Limited, Moshir Infrastructure Limited and Sponsor of Takaful Islami Insurance Limited. By dint of his talent, diligent and affable personality he is emerging as an eminent business figure.

He has also traveled different parts of the world in connection with business.

Mrs. Tahera Faruque
Director

Mrs. Tahera Faruque was born in the year 1960 in a respectable Muslim family and started business after completion of her education.

Mrs. Faruque is the Director of the Bank and she has long and successful business experience for more than 15 years in the UK.

She is the Director of Star of India Restaurant and Partner of F&T Property Management Company of the UK.

Mrs. Jabun Nahar
Director

Mrs. Jabun Nahar, representative of Daffodils Trading International, was born in the year 1981 in a respectable Muslim family. She is the owner of Daffodils Trading International.

Mrs. Nahar is also working as an Executive Director of Anwer Khan Modern Hospital Ltd. She is a member of Trustee of Anwer Khan Modern University. She is an excellent person with good communication and time management skills.

Mr. Fakir Mashrikuzzaman
Director

Mr. Fakir Mashrikuzzaman, Representative of Fakir Knitwear's Limited was born in the year 1984 in a respectable Muslim family and started business after completion of his education.

Mr. Mashrikuzzaman is a very young and energetic business entrepreneur of the country. He is the Deputy Managing Director of Fakir Knitwear's Limited which is an export oriented Knit Composite Factory. He is also the Director of Fakir Eco Knitwear's Limited and FKL Spinning Limited, Zaman Agro Fisheries Ltd. By dint of his talent, diligent and pleasant personality, he is emerging as an eminent business figure.

Mr. Mohammed Nasir Uddin Khan
Director

Mr. Mohammed Nasir Uddin Khan is a Director of Shahjalal Islami Bank PLC. He is the Representative of Anwer Khan Modern Hospital Ltd. Mr. Khan was born in a respectable Muslim family in the year 1989 in Lakshmipur. He has completed honours and masters in Accounting.

Md. Jafar Sadeq FGA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abdul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Mr. Khan is a very young and energetic person. He is involved in construction business and also have fisheries and dairy firm at Ramganj in Lakshmipur District. Furthermore, he is a prominent figure of the society for his endless social work.

Mr. Ekramul Hoque
Independent Director

Mr. Ekramul Hoque, having brilliant academic and banking background, has joined in our bank as Independent Director. Presently he is the Chairman of the Board Audit Committee of the Board of Directors.

He hails from a respectable muslim family of Noakhali and got MA degree in Economics from the University of Dhaka. He also got DAIBB degree from IBB and won Rupali Bank's prize for standing First in Finance of Foreign Trade and Foreign Exchange subject. He was a guest speaker at BIBM for consecutive 03 years.

Mr. Ekram has contributed a lot for the banking sector and economy of our beloved country. At the final stage of his 43 years professional career, he was the Managing Director of Al-Arafah Islami Bank Ltd. From 2010 to 2013 and succeeded to bring out AIBL from the problem Bank area to normal banking channel in 2012 by providing most dynamic leadership there.

He had golden touch in Uttara Bank Limited, National Bank Limited and Export Import Bank of Bangladesh Limited. After attainment of 65 years age he retired from banking services.

Mr. K.A.M Majedur Rahman
Independent Director

Mr. K A M Majedur Rahman serves as an Independent Director on the Board of Shahjalal Islami Bank PLC. with roles in the Board Audit Committee and Board Risk Management Committee.

Mr. Rahman is a seasoned banker and an experienced capital market professional. Spanning nearly four decades Mr. Rahman has worked extensively in strategic business transformation, operational and credit risk management, consumer banking, trade finance, treasury, audit, fintech, HR, governance and stakeholder relationships in Bangladesh, Middle East, Africa and Australia.

Mr. Rahman served as the Managing Director of Dhaka Stock Exchange Limited, Managing Director & CEO of Premier Bank Limited, Country Head of Bank Alfalah Limited, Chief Risk Officer & Additional Managing Director of AB Bank Limited and Deputy Managing Director of IPDC Finance in Bangladesh. Currently, he is engaged as the Chief Executive Officer of A.K. Khan & Company Limited, one of the oldest conglomerates in Bangladesh. He is a Director on the Board of the company and is also nominated as director in all the associate companies of the group. He is also a sponsor Director of Financial Excellence Limited (Fin Excel) and Vice Chairman of Valor of Bangladesh Limited, a non-profit knowledge sharing platform.

During his banking career, Mr. Rahman has led key strategic initiatives including implementation of the Standard Chartered's consumer banking platform in Bangladesh, implementation of core banking system of Dhaka Bank Limited, introduction of Bank Alfalah Limited as a new bank in Bangladesh. He had performed a key role in the transformation of 'Bank of Oman Limited' to Mashreq Bank, UAE. One of Mr. Rahman's most prominent achievements in the capital market include the landmark induction of Shanghai and Shenzhen Stock Exchanges as strategic investors in Dhaka Stock Exchange Limited.

Md. Jafar Sadeq FGA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Bashir Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 46

05 NOV 2023

Mr. Rahman holds a Masters and Bachelor's degree from Dhaka University. He has also attended senior management development programme at Said Business School, Oxford and London Business School.

Mr. Nasir Uddin Ahmed FCA, FCS
Independent Director

Mr. Nasir Uddin Ahmed was born in a respectable Muslim family in the year 1961 and obtained B. Com (Hons) degree with first class and M. Com, both in Accounting from the University of Dhaka. An ICAB Medal awardee, he became a Chartered Accountant in February 1987. He is an Independent Director of Shahjalal Islami Bank PLC. since 18 March, 2020.

He is a veteran Chartered Accountant with successful leadership experience over 34 years. He is currently Senior Partner of MABS & J Partners, Chartered Accountants. He is a fellow member of Institute of Chartered Accountants of Bangladesh (ICAB) and has been a Council Member since 2001. He was the President of ICAB in 2009. He is also a fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He acquired membership of the Institute of Chartered Accountants in England and Wales (ICAEW) and Chartered Institute of Management Accountants (CIMA, UK) in 2017. He was a Board Member of South Asian Federation of Accountants (SAFA). Currently he is representing Bangladesh in the Board of Directors of Confederation of Asian & Pacific Accountants (CAPA), Malaysia. He was Director in many companies and organization namely, Bangladesh Commerce Bank Ltd., Dhaka Stock Exchange, BTCL, Leads Corporation, Popular Pharmaceuticals, Bangladesh Submarine Cable Co., Color City Ltd. etc. He also worked as a member of Expert Panel and Jury Board of Dhaka Stock Exchange Ltd.

He was General Secretary of Dhaka University Accounting Alumni and served for a term of two years. Mr. Nasir worked for more than two decades in two British MNCs, British American Tobacco Bangladesh and Coats Bangladesh. He left corporate jobs in 2010, as Finance Director of Coats Bangladesh. He attended Management Development Programs at various business schools including Cranfield School of Management, Asian Institute of Management, IIM- Ahmedabad, Singapore Institute of Management etc.

Mr. Mosleh Uddin Ahmed
Managing Director & CEO

Mr. Mosleh Uddin Ahmed is a seasoned banking professional who currently serves as the Managing Director and CEO of Shahjalal Islami Bank PLC. with a vast experience in the banking industry, he has honed his expertise in various areas such as financial operations, risk management, capital market, money market, planning, and forecasting. Mr. Ahmed's deep understanding of the banking industry has been a result of his extensive experience in different positions, including as the Managing Director and CEO of National Credit and Commerce Bank and South Bangla Agricultural and Commerce Bank and Additional Managing Director & CBO of Jamuna Bank Limited.

Mr. Ahmed has rendered his services at many diversified banks and financial institutions in various capacities with remarkable successes & noteworthy achievements throughout his long and glorious phases of service. During his long banking career, he has served in specialized Government Bank, NBF, Foreign Bank, and Private Commercial Banks. He served in Jamuna Bank as Additional Managing Director & Deputy Managing Director. He also served in The City Bank as Senior Executive Vice President (SEVP). Besides, he served in different capacities in The City Bank, State Bank of India, Prime Bank,

Md. Jafar Sadat
Md. Jafar Sadat, FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten
Nasimul Baten
Managing Director & CEO
DBH Finance PLC. 05 NOV 2023

and Phoenix Leasing Company Limited. He has participated in a number of training programs, seminars, symposiums, and workshops at home and abroad. His extensive knowledge and invaluable experience in banking and economics have earned him positions on the boards of directors of several esteemed companies. Mr. Ahmed served as Director in the Boards of Jamuna Bank Securities Limited, Jamuna Bank Merchant Bank Limited, NCC Bank Securities Limited, NCC Bank Capital Management Limited, Venture investment Partners Bangladesh Limited, BDRL Rating Company Limited, and Energypack Power Venture Limited.

In addition to his impressive corporate leadership skills, Mr. Ahmed has also excelled as a university teacher. He has served as a faculty member at Asian University of Bangladesh, Islamic University of Chittagong, Northern University, and Darul Ihsan University. Mr. Mosleh Uddin Ahmed earned his MBA from the Institute of Business Administration (IBA) at the University of Dhaka and his B.Sc. Engineering in Electrical and Electronics from Rajshahi University of Engineering and Technology (RUET). Besides, he has also completed long course on Advance Credit Risk Management from AIT, Bangkok and also attended different workshop & seminars from State Bank of India, Staff College Hyderabad, Delhi & Mumbai, University of Cambridge, UK etc.

Mr. Ahmed is actively involved in socio-economic and welfare activities through various organizations, and he has gained a vast understanding of socio-cultural variations and their implications on business and economics through his global travels. He is a life member of the IBA Alumni Association, as well as a member of the Institution of Engineers Bangladesh and the Bangladesh Computer Society. Mr. Ahmed has traveled extensively for overseas trainings, workshops, and seminars and has delivered lectures in the field of finance and banking. He is a man of strong ethics, with a strong desire for success in every assignment of his life.

D. DESCRIPTION OF ASSETS AND LIABILITIES

Assets (as of 30 September 2023)

Particulars	30.09.2023	% of Total Asset
Property and Assets		
Cash		
Cash in hand (Including Foreign Currencies)	2,216,469,790	0.62%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	20,224,673,501	5.70%
	22,441,143,290	6.32%
Balance with other Banks and Financial Institutions		0.00%
Inside Bangladesh	5,316,157,852	1.50%
Outside Bangladesh	3,357,263,848	0.95%
	8,673,421,701	2.44%
Placement with other Banks & Financial Institutions	24,726,017,716	6.96%
Government	26,139,910,000	7.36%
Others	9,954,452,807	2.80%
	36,094,362,807	10.17%
Investments		0.00%

General Investment etc.	222,017,222,156	62.54%
Bills Purchased and Discounted	10,728,309,543	3.02%
	232,745,531,699	65.56%
Fixed Assets Including Premises	5,160,987,031	1.45%
Other Assets	25,079,406,563	7.06%
Non-Banking Assets	88,909,355	0.03%
Total Property and Assets	355,009,780,162	100.00%

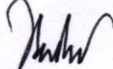
Liabilities (as of 30 September 2023)


Particulars	30-Sep-23	
Liabilities	Taka	% of Total Asset
Placement from other Banks & Financial Institutions	32,282,983,931	9.09%
Deposits and Other Accounts		0.00%
Mudaraba Savings Deposits	39,907,475,765	11.24%
Mudaraba Term Deposits	96,476,398,868	27.18%
Other Mudaraba Deposits	47,218,457,457	13.30%
Al-Wadeeah Current & Other Deposit Accounts	54,803,290,791	15.44%
Bills Payable	5,466,533,977	1.54%
	243,872,156,858	68.69%
Mudaraba Subordinated Bond	9,400,000,000	2.65%
Other Liabilities	45,026,335,714	12.68%
Deferred Tax Liabilities	158,111,776	0.04%
Total Liabilities	330,739,588,279	93.16%
Paid-up Capital	11,129,683,510	3.14%
Statutory Reserve	10,737,376,063	3.02%
Capital Reserve	28,796,597	0.01%
Foreign Currency Translation Gain/(loss)	11,417,909	0.00%
Retained Earnings	2,134,161,919	0.60%
Total Capital/Shareholders' Equity	24,041,435,997	6.77%
Non-controlling Interest	228,755,885	0.06%
Total Liabilities & Capital/Shareholders' Equity	355,009,780,162	100.00%

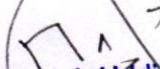
E. DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR SECURITIES


Mudaraba Subordinated Bond:

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


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC
05 NOV 2023

Features of SJIBL Mudaraba Subordinated Bonds:

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

Mudaraba Perpetual Bond

With due approval from competent authority, Shahjalal Islami Bank PLC. raised Additional Tier-1 Capital through issuance of "SJIBL Mudaraba Perpetual Bond" for Tk. 500.00 crore of which Tk. 450.00 crore raised through private placement and Tk. 50.00 crore raised through public offer in order to strengthen the capital base of the Bank.

Description of Paid-up Capital:


1,080,551,798 ordinary shares of Tk. 10 each	10,805,517,980	10,290,969,510
20,500,000 ordinary sponsor shares of Tk. 10 each issued for cash	205,000,000	205,000,000
12.5% Stock Dividend for the year 2002	25,625,000	25,625,000
2,362,000 ordinary new shares issued	236,200,000	236,200,000
4,690,000 ordinary new shares issued	469,000,000	469,000,000
93,582,500 shares issued under Initial Public Offer (IPO)	935,825,000	935,825,000
20% Stock Dividend for the year 2007	374,330,000	374,330,000
22% Stock Dividend for the year 2008	494,115,600	494,115,600
25% Stock Dividend for the year 2009	685,023,900	685,023,900
30% Stock Dividend for the year 2010	1,027,535,850	1,027,535,850
25% Stock Dividend for the year 2011	1,113,163,830	1,113,163,830
20% Stock Dividend for the year 2012	1,113,163,840	1,113,163,840
10% Stock Dividend for the year 2013	667,898,310	667,898,310
5% Stock Dividend for the year 2016	367,344,060	367,344,060



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

10% Stock Dividend for the year 2017	771,422,540	771,422,540
10% Stock Dividend for the year 2018	848,564,790	848,564,790
5% Stock Dividend for the year 2019	466,710,630	466,710,630
5% Stock Dividend for the year 2020	490,046,160	490,046,160
5% Stock Dividend for the year 2021	514,548,470	-
	10,805,517,980	10,290,969,510


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

12. AUDITED FINANCIAL STATEMENTS OF THE ISSUER, SHAHJALAL ISLAMI BANK PLC.

a. Auditor's Report as of (30 September 2023)

Hoda Vasi Chowdhury & Co Chartered Accountants

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

Opinion

We have audited the special purpose consolidated financial statements of Shahjalal Islami Bank PLC. and its subsidiary (the "Group") as well as the separate financial statements of Shahjalal Islami Bank PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 September 2023 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 period then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 30 September 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

Emphasis of Matter – Restriction of use

These special purpose financial statements have been prepared to assist the Bank to meet the requirements for issuing Mudaraba Bond. As a result, the financial statements may not be suitable for other purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

National Office: 8THC Bhuvan (5th & 7th Floor), 7-9 Karigan Bazar Commercial Area, Dhaka-1213, Bangladesh
Chattogram Office: Delwar Bhuvan (9th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for investment	
<p>The process for estimating the provision for investment portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation.</p> <p>At period end the Group reported total gross investments of BDT 232,746 million (2022: BDT 239,862 million) and total provision for investments of BDT 7,376 million (2022: BDT 6,589 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and For individually assessed provisions, the measurement of 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Credit appraisal, investment disbursement procedures, monitoring and provisioning process; Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; Alternate procedures applied by management to assess new investment/renewal of existing investments where latest audited financial statements of the borrower is not available; Identification of loss events, including early warning and default warning indicators; Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained <p>Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many</p>


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023


Md. Abul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

<p>the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;</p> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>borrowers were adversely impacted during the period as well as in earlier years. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for investments vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep an investment/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022.</p> <p>At the time of finalisation of annual financial statements of the Bank for the year ended 31 December 2022, management has given undertaking to ensure recovery/regularisation of certain investments to avoid future classification. The Bank has notified progress on these investments to Bangladesh Banks including expected outcome. All these accounts/customers are included as unclassified.</p>
See note # 8 and 15a.1 to the financial statements	

Risk	Our response to the risk
Investment income recognition	
<p>Recognition and measurement of investment income involve complex IT environment as well as require critical estimates and judgment. Since investment income from investments is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of investment income.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of income on investment.</p> <p>For selected customers and investment files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of investment income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of income recognised during the year with reference to the product wise outstanding investment balances.</p> <p>However, due to the current uncertainty of the overall economic situation, and in particular</p>

[Signature]
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023

[Signature]
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

[Signature]
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

[Signature]
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

	impacts from major global events such as Russia-Ukraine and Middle-East conflict, volatility in fuel and commodity price, inflation, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued investment income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of investment accrued during the period ended 30 September 2023.
--	--

See note # 23a to the financial statements

Valuation of bonds, sukuk and other investments

The Bank has made significant investments in fixed term financial instruments such as Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba Perpetual Bond and Sukuk Al Istisna as well as Mudaraba Subordinated Bond, classification and measurement of these require judgment and complex estimates.

In the absence of a quoted price in an active market, the fair value of these Bonds and Sukuk are determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models and require an elevated level of judgment.

We assessed the processes and controls put in place by the Bank to identify and confirm the existence of these Bonds and Sukuks.

We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the Bonds and Sukuks valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.

We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.

Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note # 7 to the financial statements

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.

We tested IT general controls (logical access, changes management and aspects of IT

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.	operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
--	---

Legal and regulatory matters	
We focused on this area because the Bank and its subsidiary (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

Carrying value of investments in subsidiary by the Bank	
The Bank has invested in equity shares of its subsidiary namely Shahjalal Islami Bank Securities Limited. As at 30 September 2023 the carrying value of these investments in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2022: BDT 2,515 million). At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiary in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosten Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

<p>Bank's investments in all the above subsidiary stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiary in accordance with IAS 36.</p>	<p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p> <p>We further observed that pursuant to the BSEC notification the subsidiary of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.</p> <p>We observed that the financial statements of the subsidiary as at and for the period ended 30 September 2023 is not audited. Accordingly, management prepared financials have been used to prepare consolidated financial statements.</p>
--	--

Reporting on other information

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

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

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

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

However, as mentioned in the emphasis of matter paragraph, these are special purpose financial statements prepared for specific objective. At the time of issuing these audit report we have not received any other information that may accompany these special purpose financial statements.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

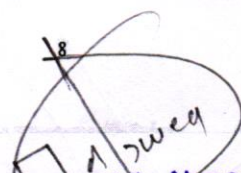
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
Page 59

05 NOV 2023

**Hoda Vasi
Chowdhury & Co**

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
- (iii) financial statements for the period ended 30 September 2023 of subsidiary namely Shahjalal Islami Bank Securities Limited was unaudited. The results of the subsidiary have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

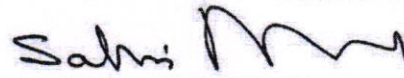
05 NOV 2023

05 NOV 2023

05 NOV 2023 Page 60

**Hoda Vasi
Chowdhury & Co**

- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,500 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.




Sabbir Ahmed FCA, Partner
ICAB Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 01 November 2023




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

b. Balance Sheet (as of 30 September 2023)

Shahjalal Islami Bank PLC. and its Subsidiary Consolidated Balance Sheet As at 30 September 2023

	Note	30.09.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3	2,216,469,790	2,399,102,842
Balance with Bangladesh Bank & Sonali Bank PLC. (including Foreign Currencies)	4	20,224,673,501	14,924,287,024
		<u>22,441,143,290</u>	<u>17,323,389,865</u>
Balance with other Banks and Financial Institutions			
Inside Bangladesh		5,316,157,852	2,216,396,689
Outside Bangladesh		3,357,263,848	1,103,127,014
	5	<u>8,673,421,701</u>	<u>3,319,523,703</u>
Placement with other Banks & Financial Institutions	6	<u>24,726,017,716</u>	<u>21,276,957,716</u>
Investments in Shares & Securities			
Government		26,139,910,000	25,639,910,000
Others		9,954,452,807	9,986,112,719
	7	<u>36,094,362,807</u>	<u>35,626,022,719</u>
Investments			
General Investment etc.		222,017,222,156	222,960,716,113
Bills Purchased and Discounted		10,728,309,543	16,901,718,515
	8	<u>232,745,531,699</u>	<u>239,862,434,627</u>
Fixed Assets including Premises, Furniture and Fixtures	9	<u>5,160,987,031</u>	<u>5,413,945,799</u>
Other Assets	10	<u>25,079,406,563</u>	<u>19,816,448,541</u>
Non-Banking Assets	11	<u>88,909,355</u>	<u>88,909,355</u>
Total Property and Assets		<u>355,009,780,162</u>	<u>342,727,632,326</u>
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions	12	<u>32,282,983,931</u>	<u>42,299,588,342</u>
Deposits and Other Accounts			
Mudaraba Savings Deposits		39,907,475,765	36,934,732,886
Mudaraba Term Deposits		96,476,398,868	86,817,226,090
Other Mudaraba Deposits		47,218,457,457	49,745,216,186
Al-Wadeeah Current & Other Deposit Accounts		54,803,290,791	48,292,958,243
Bills Payable		5,466,533,977	5,872,217,849
	13	<u>243,872,156,858</u>	<u>227,662,351,255</u>
Mudaraba Bonds	14	<u>9,400,000,000</u>	<u>10,200,000,000</u>
Other Liabilities	15	<u>45,026,335,714</u>	<u>40,144,704,369</u>
Deferred Tax Liabilities	16	<u>158,111,776</u>	<u>235,884,914</u>
Total Liabilities		<u>330,739,588,279</u>	<u>320,542,528,880</u>
Capital/Shareholders' Equity			
Paid-up Capital	17.2	11,129,683,510	10,805,517,980
Statutory Reserve	18	10,737,376,063	9,372,461,107
Capital Reserve		28,796,597	28,796,597
Foreign Currency Translation Gain/(loss)		11,417,909	-
Retained Earnings	19	2,134,161,919	1,745,940,328
Total Shareholders' Equity		<u>24,041,435,997</u>	<u>21,952,716,012</u>
Non-controlling Interest	17.7	<u>228,755,885</u>	<u>232,387,434</u>
Total Liabilities & Shareholders' Equity		<u>355,009,780,162</u>	<u>342,727,632,326</u>

11

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 62

05 NOV 2023

c. Profit & Loss Account (as of 30 September 2023)

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Profit and Loss Account For the period ended 30 September 2023

	Note	Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka	Jul'23 to Sep'23 Taka	Jul'22 to Sep'22 Taka
Operating Income					
Investment Income	23	14,014,890,178	12,361,843,796	5,145,242,031	4,648,676,233
Less: Profit paid on Deposits	24	6,681,620,582	6,137,713,269	2,150,816,455	2,242,746,856
Net Investment Income		7,333,269,596	6,224,130,527	2,994,425,576	2,405,929,377
Income from Investment in Shares/Securities	25	1,416,444,055	1,487,939,584	453,871,188	445,653,598
Commission, Exchange and Brokerage	26	2,231,895,823	2,906,069,704	254,743,474	623,041,982
Other Operating Income	27	1,088,179,749	974,277,255	302,050,456	319,057,881
		4,736,519,627	5,368,286,543	1,010,665,118	1,387,753,461
Total Operating Income		12,069,789,223	11,592,417,070	4,005,090,693	3,793,682,839
Operating Expenses					
Salaries and Allowances	28	2,877,421,087	2,605,239,610	964,451,095	924,883,316
Rent, Taxes, Insurance, Electricity etc.	29	282,791,445	287,384,350	110,918,317	100,540,645
Legal Expenses	30	1,957,077	825,432	643,084	208,633
Postage, Stamps, Telecommunication etc.	31	38,975,487	35,349,434	16,780,337	11,849,031
Stationery, Printings, Advertisements etc.	32	95,190,503	98,672,363	20,171,664	20,715,513
Chief Executive's Salary & Fees	33	12,894,000	19,094,590	3,378,000	6,350,970
Directors' Fees & Expenses	34	3,229,244	4,458,086	1,100,000	1,303,540
Shariah Supervisory Committee's Fees & Expenses	35	720,534	325,678	11,279	26,091
Auditors' Fees	36	569,250	420,000	189,750	137,500
Depreciation & Repairs of Bank's Assets	37	448,675,278	421,676,324	154,294,539	140,343,573
Zakat Expenses		-	-	-	-
Other Expenses	39	692,068,738	587,717,786	221,743,854	182,040,181
Total Operating Expenses		4,454,493,643	4,061,163,653	1,493,681,919	1,388,398,993
Profit / (Loss) before Provision		7,615,295,580	7,531,253,417	2,511,408,774	2,405,283,845
Specific provision for Classified Investments		755,000,000	450,000,000	420,000,000	210,000,000
General Provision for Unclassified Investments		-	43,043,422	-	3,541,673
General Provision for Off-Balance Sheet Items		-	-	-	(85,000,000)
Provision for diminution in value of Investments in Shares		-	-	-	-
Provision for Other Assets		10,000,000	112,000,000	10,000,000	46,000,000
Total Provision	40	765,000,000	605,043,422	430,000,000	174,541,673
Total Profit / (Loss) before Taxes		6,850,295,580	6,926,209,995	2,081,408,774	2,230,742,172
Provision for Taxation for the period		-	-	-	-
Deferred Tax	41	(77,773,139)	(21,134,963)	(10,539,476)	(5,653,434)
Current Tax	41b	3,241,230,472	3,335,463,052	1,129,506,814	1,213,814,943
		3,163,457,334	3,314,328,089	1,118,967,338	1,208,161,508
Net Profit / (Loss) after Tax		3,686,838,246	3,611,881,906	962,441,436	1,022,580,664
Net Profit after Tax attributable to:					
Equity holders of SJIBL		3,685,970,795	3,598,620,214	961,649,358	1,018,626,753
Non-controlling Interest		868,451	13,261,692	792,078	3,953,911
		3,686,839,246	3,611,881,906	962,441,436	1,022,580,664
Retained Earnings from previous year/period		1,745,940,328	1,608,652,105	1,687,480,538	1,488,430,453
Add: Net Profit after Tax (attributable to equity holders of SJIBL)		3,685,970,795	3,598,620,214	961,649,358	1,018,626,753
Profit available for Appropriation		5,431,911,124	5,207,272,320	3,649,129,896	2,507,057,206
Appropriation:					
Statutory Reserve	18	1,364,914,956	1,345,652,123	412,725,161	434,384,385
Start-up Fund		36,762,634	34,503,840	9,486,652	9,744,308
Dividend		1,620,827,688	1,543,645,421	-	-
Dividend paid against Mudaraba Perpetual Bond		275,243,928	294,379,381	92,756,164	99,183,562
Capital Reserve		-	25,346,603	-	-
Retained Earnings	19	2,134,161,919	1,963,744,952	2,134,161,919	1,963,744,952
		5,431,911,124	5,207,272,320	3,649,129,896	2,507,057,206
Consolidated Earnings per Share(EPS) [Restated]	42	3.31	3.23	0.86	0.92
Consolidated Net Asset Value per Share as at 30 September [Restated]	42(i)	21.60	19.83		

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023Sabbir Ahmed PCA, Partner
Enrollment No: 770
Md. Vasi Chowdhury & Co
Chartered Accountants

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

d. Cash Flow Statement (as of 30 September 2023)

Shahjalal Islami Bank PLC. and its Subsidiary
Consolidated Cash Flow Statement
For the period ended 30 September 2023

Note	Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
Cash flows from operating activities		
Investment income receipt in cash	43. 15,242,461,663	13,306,694,526
Profit paid on deposits and borrowings	44. (6,553,005,142)	(5,656,056,182)
Dividend receipts	135,581,325	125,315,817
Fees & commission receipt in cash	2,006,114,319	2,877,822,943
Recoveries on investment previously written off	20,733,818	60,196,389
Cash payments to employees	(2,890,315,087)	(2,624,334,200)
Cash payments to suppliers	(95,190,503)	(98,672,363)
Income tax paid	(3,336,687,459)	(1,704,844,085)
Receipts from other operating activities	45. 1,087,223,321	969,672,350
Payments for other operating activities	46. (1,044,345,618)	(939,152,361)
(I) Operating profit before changes in operating assets & liabilities	4,572,570,637	6,316,642,834
Changes in operating assets and liabilities		
(Increase)/decrease in investment to customers	7,101,678,460	(20,898,353,625)
(Increase)/decrease in other assets	(1,748,249,963)	(276,186,118)
(Increase)/decrease of placement with other banks & financial institutions	(3,449,060,000)	(7,626,425,000)
Increase/(decrease) in deposits from other banks	(35,113,099)	(6,942,267,784)
Increase/(decrease) of placement from other banks & financial institutions	(10,026,257,227)	14,139,253,879
Increase/(decrease) in deposits received from customers	16,001,175,593	27,449,969,485
Increase/(decrease) in other liabilities on account of customers	954,049,416	476,888,491
Increase/(decrease) in other liabilities	(109,499,106)	1,630,803,492
(II) Cash flows from operating assets and liabilities	8,688,724,073	7,953,682,820
Net cash flow from operating activities (A)=(I+II)	13,261,294,710	14,270,325,654
Cash flows from investing activities		
Proceeds from sale of securities	(2,872,246)	3,466,614,273
Payments for purchases of securities	(465,467,842)	(1,896,820,888)
Proceeds from sale of fixed assets	2,845,411	9,900,865
Payments for purchases of property, plants & equipments	(173,524,028)	(154,321,805)
Purchase/sale of subsidiaries	-	-
Net cash used in investing activities (B)	(639,018,706)	1,425,372,445
Cash flows from financing activities		
Receipts from issue of debt instruments	(800,000,000)	(800,000,000)
Payments for redemption of debt instruments	-	-
Receipts from issue of ordinary shares	(275,243,928)	-
Profit against mudaraba perpetual bond	(1,301,162,158)	(1,323,476,332)
Dividend paid to ordinary shareholders	(2,376,406,085)	(2,123,476,332)
Net cash used in financing activities (C)	10,245,869,919	13,572,221,767
Net increase in cash & cash equivalents (A+B+C)	225,781,504	28,246,761
Add: Effect of exchange rate changes on cash & cash equivalents	20,642,913,568	17,128,561,378
Add: Cash and cash equivalents at the beginning of the period	49. 31,114,564,991	30,729,029,905
Cash and cash equivalents at the end of the period	42(ii) 11.92	12.82
Consolidated Net Operating Cash Flow per Share (NOCFPS) [previous year's figure restated]		

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

14

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

13. COMPARATIVE FINANCIAL STATEMENTS

Comparative Key Financial Statement for last five years of Shahjalal Islami Bank PLC. is as below: -

a. Consolidated Balance Sheet:

Particulars	31.09.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
		Taka	Taka	Taka	Taka
Property and Assets					
Cash					
Cash in hand (Including Foreign Currencies)	2,216,469,790	2,399,102,842	1,943,331,636	1,814,745,636	2,209,024,307
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	20,224,673,501	14,924,287,024	12,087,735,744	13,351,033,150	15,539,227,347
	22,441,143,290	17,323,389,865	14,031,067,380	15,165,778,786	17,748,251,654
Balance with other Banks and Financial Institutions					
Inside Bangladesh	5,316,157,852	2,216,396,689	2,067,998,849	2,983,335,984	1,780,506,464
Outside Bangladesh	3,357,263,848	1,103,127,014	1,029,495,149	4,759,516,675	608,258,408
	8,673,421,701	3,319,523,703	3,097,493,998	7,742,852,659	2,388,764,872
Placement with other Banks & Financial Institutions	24,726,017,716	21,276,957,716	18,514,593,291	23,646,670,016	12,361,483,166
Government	26,139,910,000	25,639,910,000	28,047,670,000	21,695,610,000	11,750,000,000
Others	9,954,452,807	9,986,112,719	10,290,056,403	7,700,804,301	5,548,441,179
	36,094,362,807	35,626,022,719	38,337,726,403	29,396,414,301	17,298,441,179
Investments					
General Investment etc.	222,017,222,156	222,960,716,113	201,220,993,015	184,095,800,600	185,685,308,986
Bills Purchased and Discounted	10,728,309,543	16,901,718,515	17,979,284,002	15,041,318,459	14,614,015,788
	232,745,531,699	239,862,434,627	219,200,277,017	199,137,119,059	200,299,324,774
Fixed Assets including Premises	5,160,987,031	5,413,945,799	5,226,775,920	4,872,812,072	4,557,631,359
Other Assets	25,079,406,563	19,816,448,541	18,061,545,248	15,917,222,101	13,843,340,562
Non-Banking Assets	88,909,355	88,909,355	88,909,355	88,909,355	88,909,355
Total Property and Assets	355,009,780,162	342,727,632,326	316,558,388,612	295,967,778,349	268,586,146,921
Liabilities and Capital					
Liabilities					
Placement from other Banks & Financial Institutions	32,282,983,931	42,299,588,342	32,701,012,974	19,856,439,728	11,752,538,519
Deposits and Other Accounts					
Mudaraba Savings Deposits	39,907,475,765	36,934,732,886	36,326,434,041	30,316,556,422	24,786,164,728
Mudaraba Term Deposits	96,476,398,868	86,817,226,090	74,469,380,080	81,508,507,043	82,805,155,336
Other Mudaraba Deposits	47,218,457,457	49,745,216,186	62,818,504,170	67,907,231,368	62,791,526,991
Al-Wadeeah Current & Other Deposit Accounts	54,803,290,791	48,292,958,243	39,179,649,922	34,433,455,394	28,408,125,716
Bills Payable	5,466,533,977	5,872,217,849	4,016,969,162	3,889,060,291	4,335,581,019
	243,872,156,858	227,662,351,255	216,810,937,375	218,054,810,518	203,126,553,791
Mudaraba Subordinated Bond	9,400,000,000	10,200,000,000	12,200,000,000	9,200,000,000	10,000,000,000
Other Liabilities	45,026,335,714	40,144,704,369	34,553,169,294	30,403,236,018	26,771,315,560
Deferred Tax Liabilities	158,111,776	235,884,914	235,550,642	256,677,740	186,322,984
Total Liabilities	330,739,588,279	320,542,528,880	296,500,670,285	277,771,164,004	251,836,730,853
Paid-up Capital	11,129,683,510	10,805,517,980	10,290,969,510	9,800,923,350	9,334,212,720
Statutory Reserve	10,737,376,063	9,372,461,107	7,927,205,795	6,959,872,664	6,231,188,665
Capital Reserve	28,796,597	28,796,597	3,449,994	2,878,961	2,878,961
Foreign Currency Translation Gain/(loss)	11,417,909				
Retained Earnings	2,134,161,919	1,745,900,328	1,608,652,106	1,206,062,264	954,727,530
Total Capital/Shareholders' Equity	24,041,435,997	21,952,716,012	19,830,277,405	17,969,737,239	16,523,007,876

Non-controlling Interest	228,755,885	232,387,434	227,440,923	226,877,106	226,408,192
Total Liabilities & Capital/Shareholders' Equity	355,009,780,162	342,727,632,326	316,558,388,612	295,967,778,349	268,586,146,921

b. Consolidated Profit and Loss Account:

Particulars	30.09.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
		Taka	Taka	Taka	Taka
Operating Income					
Investment Income	14,014,890,178	15,965,123,028	13,792,776,608	16,986,601,742	20,301,832,199
Less: Profit paid on Deposits	6,681,620,582	8,365,858,043	7,397,902,913	11,440,711,730	13,206,651,379
Net Investment Income	7,333,269,596	7,599,264,985	6,394,873,695	5,545,890,012	7,095,180,820
Income from Investments in Shares/Securities	1,416,444,055	1,888,301,443	1,218,245,276	722,883,847	554,392,574
Commission, Exchange and Brokerage	2,231,895,823	3,634,722,397	2,518,174,907	1,857,875,279	2,152,478,637
Other Operating Income	1,088,179,749	1,357,676,035	1,056,361,211	818,539,311	797,137,757
	4,736,519,627	6,880,699,875	4,792,781,394	3,399,298,436	3,504,008,968
Total Operating Income	12,069,789,223	14,479,964,860	11,187,655,089	8,945,188,449	10,599,189,788
Operating Expenses					
Salaries and Allowances	2,877,421,087	3,615,281,013	3,033,864,435	3,031,500,629	2,962,806,871
Rent, Taxes, Insurances, Electricity etc.	282,791,445	401,946,759	340,726,959	438,197,925	485,427,141
Legal Expenses	1,957,077	1,440,072	1,039,886	2,109,580	1,400,755
Postage, Stamps, Telecommunication etc.	38,975,487	56,275,795	42,604,155	46,959,444	42,371,544
Stationery, Printings, Advertisements etc.	95,190,503	136,341,225	99,662,329	84,665,701	120,538,132
Chief Executive's Salary & Fees	12,894,000	22,399,944	22,929,970	21,572,700	19,957,000
Directors' Fees & Expenses	3,229,244	6,596,383	6,398,484	6,737,530	7,396,409
Shariah Supervisory Committee's Fees & Expenses	720,534	619,587	743,851	295,512	1,317,660
Auditors' Fees	569,250	626,500	617,242	540,250	574,750
Depreciation & Repairs of Assets	448,675,278	581,205,428	557,103,457	408,833,601	308,457,118
Zakat Expenses		205,584,162	179,870,407	160,982,542	140,732,626
Other Expenses	692,068,738	908,262,056	787,867,429	620,498,003	675,394,431
Total Operating Expenses	4,454,492,643	5,936,578,924	5,073,428,603	4,822,893,418	4,766,374,437
Profit/ (Loss) before Provision	7,615,296,580	8,543,385,936	6,114,226,487	4,122,295,031	5,832,815,351
Specific provision for Classified Investments	755,000,000	876,503,877	541,490,000	156,994,000	1,160,780,000
General Provision for Unclassified Investments		210,885,441	196,038,000	228,500,000	525,400,000
General Provision for Off-balance Sheet Items		-	421,000,000	65,900,000	32,200,000
Provision for diminution in value of Investments in Shares		12,400,000	16,000,000	-	252,600,000
Provision for Other Assets	10,000,000	112,000,000	10,000,000	-	-
Total Provision	765,000,000	1,211,789,318	1,184,528,000	451,394,000	1,970,980,000
Total Profit/ (Loss) before Taxes	6,850,296,580	7,331,596,618	4,929,698,487	3,670,901,031	3,861,835,351
Provision for Taxation					
Deferred Tax	(77,773,139)	334,272	(21,127,098)	45,611,319	4,465,215
Current Tax	3,241,230,472	3,745,966,752	2,338,472,612	2,130,236,894	1,689,821,298
	3,163,457,334	3,746,301,024	2,317,345,515	2,175,848,213	1,694,286,514
Net Profit/ (Loss) after Tax	3,686,839,246	3,585,295,593	2,612,352,972	1,718,301,732	1,471,181,929
Net Profit after Taxes attributable to:					
Equity holders of SJIBL	3,685,970,795	3,580,349,082	2,591,539,155	1,913,440,000	1,663,539,273
Non-controlling Interest	868,451	4,946,511	20,813,816	468,914	-4,899,226
	3,686,839,246	3,585,295,593	2,612,352,972	1,913,908,914	1,658,640,047
Retained Earnings from previous year	1,745,940,336	1,608,652,106	1,206,062,264	954,727,530	921,461,996

05 NOV 2023

Strictly Private & Confidential

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 66

05 NOV 2023

Add: Net Profit after Taxes (attributable to equity holders of SJIBL)	3,685,970,795	3,580,349,082	2,591,539,155	1,913,440,000	1,663,539,273
Profit available for Appropriation	5,431,911,124	5,189,001,188	3,797,601,419	2,868,167,530	2,585,001,270
Appropriation:					
Statutory Reserve	1,364,914,956	1,445,255,312	967,333,131	728,684,000	778,829,989
Start-up Fund	36,762,634	35,250,581	44,934,355	-	-
Dividend	1,620,827,688	1,543,645,421	1,176,110,795	933,421,266	848,564,790
Capital Reserve		25,346,603	571,033	-	2,878,961
Profit against Mudaraba Perpetual Bond	275,243,928	393,562,943	-	-	-
Retained Earnings	2,134,161,919	1,745,940,329	1,608,652,106	1,206,062,264	954,727,530
	5,431,911,124	5,189,001,188	3,797,601,419	2,868,167,530	2,585,001,270

c. Consolidated Statement of Cash Flows

Particulars	30 Sept 2023	2022	2021	2020	2019
		Taka	Taka	Taka	Taka
Investment income receipt in cash	15,242,461,663	17,477,056,520	14,774,368,653	17,801,979,787	20,865,745,069
Profit paid on deposits and borrowings	(6,553,005,142)	(7,992,472,282)	(8,273,077,584)	-	-
Dividend receipts	135,581,325	179,480,905	68,927,342	12,336,325,947	12,811,231,677
Fees & commission receipt in cash	2,006,114,319	3,464,997,530	2,506,847,975	46,331,181	47,139,321
Recoveries on investment previously written-off	20,733,818	66,934,374	31,809,277	1,855,753,778	2,145,879,490
Cash payments to employees	(2,890,315,087)	(3,637,680,957)	(3,056,794,405)	24,654,765	25,546,074
Cash payments to suppliers	(95,190,503)	(136,341,225)	(99,662,329)	-3,053,073,329	-2,982,763,871
Income tax paid	(3,336,687,459)	(2,231,001,404)	(1,855,006,719)	-84,665,701	-120,538,132
Receipts from other operating activities	1,087,223,321	1,352,760,404	1,057,282,006	1,855,753,778	2,145,879,490
Payments for other operating activities	(1,044,345,618)	(1,616,393,539)	(1,377,027,302)	825,332,151	800,783,164
(i) Operating profit before changes in operating assets and liabilities	4,572,570,637	6,927,340,328	3,777,666,914	1,610,205,756	4,604,949,699
(Increase)/decrease in investment to customers	7,101,678,460	(20,662,157,610)	(21,001,399,797)	1,162,205,716	-
(Increase)/decrease in other assets	(1,748,249,963)	(600,543,150)	64,438,242	143,745,220	10,325,846,999
(Increase)/decrease of placement with other banks & financial institutions	(3,449,060,000)	(2,762,364,425)	5,132,076,725	-	-848,186,850
Increase/(decrease) in deposits from other banks	(35,113,099)	(7,046,926,871)	5,154,203,653	11,285,186,850	1,002,101,414
Increase/(decrease) of placement from other banks & financial institutions	(10,026,257,227)	9,593,984,094	12,832,443,887	366,775,113	-
Increase/(decrease) in deposits received from customers	16,001,175,593	17,342,079,211	(5,697,828,226)	8,146,268,450	12,576,095,036
Increase/(decrease) in other liabilities on account of customers	954,049,416	1,228,145,025	697,070,407	24,993,761,761	24,993,761,761
Increase/(decrease) in other liabilities	(109,499,106)	(104,835,524)	85,859,272	992,271,283	1,886,104,691
(ii) Cash flows from operating assets and liabilities	8,688,724,073	(3,012,619,250)	(2,733,135,839)	15,239,773,867	4,408,175,853
Net cash flows from operating activities (A)=(i+ii)	13,261,294,710	3,914,721,079	1,044,531,076	16,849,979,622	9,013,125,552
Proceeds from sale of securities	(2,872,246)	4,679,057,930	2,461,433,041	690,123,080	311,857,274
Payments for purchases of securities	(465,467,842)	(1,967,354,246)	(11,402,745,143)	12,788,096,201	(3,731,936,837)
Proceeds from sale of fixed assets	2,845,411	11,682,989	2,865,702	5,342,071	208,086,515
Payments for purchases of fixed assets	(173,524,028)	(218,322,332)	(191,167,040)	(721,144,515)	(989,521,089)
Net cash flows from/(used in) investing activities (B)	(639,018,706)	2,505,064,341	(9,129,613,440)	(12,813,775,566)	(4,201,514,137)
Receipts from issuance of debt instruments		-	5,000,000,000	-	-
Payments for redemption of debt instruments	(800,000,000)	(2,000,000,000)	(2,000,000,000)	-800,000,000	-
Receipts from issue of ordinary shares		-	-	-	-
Profit against mudaraba perpetual bond	(275,243,928)	(46,061,145)	-	-	-

Dividend paid to ordinary shareholders	(1,301,162,158)	(1,029,096,951)	(706,314,635)	-466,710,636	-
Net cash flows from/(used in) financing activities (C)	(2,376,406,085)	(3,075,158,096)	2,293,685,366	-1,266,710,636	-
Net (decrease)/increase in cash and cash equivalents (A+B+C)	10,245,869,919	3,344,627,324	(5,791,396,999)	2,769,493,420	4,811,611,415
Add: Effect of exchange rate changes on cash and cash equivalents	225,781,504	169,724,866	11,326,932	2,121,500	6,599,147
Add: Cash and cash equivalents at the beginning of the year	20,642,913,568	17,128,561,378	22,908,631,445	20,137,016,525	15,318,805,963
Cash and cash equivalents at the end of the year	31,114,564,991	20,642,913,568	17,128,561,378	22,908,631,445	20,137,016,525

14. RATIOS & FINANCIAL SUMMARY

Key Ratios/Numbers for Shahjalal Islami Bank PLC. are as follows: -

Sl.	Particulars	Sep`23	2022	2021	2020
1	Current Ratio*	N/A	N/A	N/A	N/A
2	Quick Ratio*	N/A	N/A	N/A	N/A
3	Break-Even Point*	N/A	N/A	N/A	N/A
4	Debt to Equity Ratio*	N/A	N/A	N/A	N/A
5	Debt to Total Asset Ratio*	N/A	N/A	N/A	N/A
6	Accounts Receivable Turnover Ratio*	N/A	N/A	N/A	N/A
7	Debt Service Coverage Ratio*	N/A	N/A	N/A	N/A
8	Gross Margin Ratio*	N/A	N/A	N/A	N/A
9	Operating Income Ratio*	N/A	N/A	N/A	N/A
10	Net Income Ratio*	N/A	N/A	N/A	N/A
11	Net Interest Margin (NIM)	3.69%	3.01%	2.71%	2.49%
12	Investment Deposit Ratio	80.91%	83.64%	84.48%	79.62%
13	Cost Income Ratio	36.91%	41.00%	45.35%	53.92%
14	Return on Avg. Investments (ROI)	7.45%	6.36%	6.76%	8.34%
15	Return Avg. Assets	1.41%	1.09%	0.85%	0.68%
16	Capital Adequacy Ratio	15.20%	14.11%	14.72%	13.95%
17	Non-performing Loan Ratio	4.87%	4.78%	4.42%	4.57%
18	Return on Avg. Equity	21.38%	17.16%	13.82%	11.10%
19	Diluted Earnings Per Share	3.31	3.31	2.4	1.86
20	Diluted NAV per Share	21.6	20.32	18.35	17.46
21	NPL	11,198,266,475	11,332,826,570	9,568,844,349	8,973,476,102
22	Net Operating Cash Flow to Net Income	360%	109%	40%	880%
23	Total Debt to Tangible Assets	99.94%	87.13%	87.40%	87.79%

Md. Jafar Sadeq FCA
SEVP & Strictly Private & Confidential
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 68

05 NOV 2023

15. CREDIT RATING REPORT OF THE ISSUE AND THE ISSUER

Credit Rating of the Issue: Non-Convertible Privately Placed Mudaraba Subordinated Bond

Date of Declaration	Valid Till	Rating Action	Rated By	Outlook
June 22, 2023	June 21, 2024	AA	Emerging Credit Rating Ltd	Stable

Credit Rating of Issuer: Shahjalal Islami Bank PLC.

Date of Declaration	Valid Till	Rating Action	Long Term	Short Term	Rated By	Outlook
25 March 2023	24 March 2024	Surveillance-2	AA+	ST-2	Emerging Credit Rating Ltd	Stable

For Detailed Credit Rating Report of the Issue, please see Annexure-.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office


Md. Abul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

16. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

BOND RATING SYMBOL

LONG-TERM RATINGS	
ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.	
RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.


Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook	
ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :	
POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

ECRL Default Studies 2021

Default Summary by Rating Category

Year	Issuers as of 31st December	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1010	0	1	0.0%	0.1%	0.1%
2021	1068	0	0	0.0%	0.0%	0.0%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

Cumulative Default Rate by Rating Band

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
High Grade	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
High Yield	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Strictly Private & Confidential

Md. Abu Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Page 71

Rating Transition Matrix (2011 – 2021)

1-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.6%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.3%	98.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.6%	96.2%	2.1%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.9%	96.6%	1.4%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	12.4%	86.4%	0.7%	0.0%	0.5%
B	0.0%	0.0%	0.0%	0.0%	14.3%	85.7%	0.0%	0.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

2-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	97.3%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	2.6%	96.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.2%	92.6%	4.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.6%	93.6%	2.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.2%	22.7%	74.9%	1.2%	0.0%	1.0%
B	0.0%	0.0%	0.0%	1.8%	24.6%	73.6%	0.0%	0.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

3-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	3.9%	95.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	4.6%	89.2%	5.8%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.1%	5.2%	90.8%	3.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.6%	31.2%	65.2%	1.5%	0.0%	1.3%
B	0.0%	0.0%	0.0%	4.8%	31.8%	63.2%	0.0%	0.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

4-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	94.7%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	5.1%	93.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	6.0%	85.9%	7.5%	0.3%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	6.7%	88.3%	4.5%	0.2%	0.0%	0.0%
BB	0.0%	0.0%	1.2%	38.2%	57.0%	1.8%	0.0%	1.7%
B	0.0%	0.0%	0.1%	8.5%	36.6%	54.4%	0.0%	0.4%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	93.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

AA	6.2%	92.5%	1.2%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.2%	7.3%	82.8%	9.0%	0.4%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.1%	86.0%	5.2%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	1.9%	44.0%	50.1%	1.9%	0.0%	2.0%
B	0.0%	0.0%	0.3%	12.8%	39.5%	46.9%	0.0%	0.6%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

DESCRIPTION OF THE TRUSTEE: DBH FINANCE PLC.

DBH Finance PLC. is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country. After commencing operation in 1996 the company has registered commendable growth in creating home ownership in Dhaka and other major cities of the country. At the same time, the company has been playing an active role in promoting the real estate sector to the large cross sections of prospective clients who had but yet unfulfilled dream of owning a home.

Among all Banks and Financial Institutions of Bangladesh only DBH has been rated the highest 'AAA' credit rating for 16th consecutive years. The level of credit rating provides a very important indication of the financial safety, security and strength of the concerned Bank or Financial Institution and is particularly relevant to its depositors and other investors such as shareholders and lenders.

- Incorporated as public ltd. Company: May 11, 1996
- Date of certificate of commencement of business: May 11, 1996
- License from Bangladesh Bank: July 15, 1996
- Initial public offering (IPO): March, 2008
- Stock exchange listings: 24th April, 2008

• Business lines:

i) The principal activities of the Company during the year were providing loans for construction of houses, purchases of flats or houses, extension and improvement of existing houses or flats and purchase of housing plots.

ii) The Company has also various investment and financing products like term deposit scheme, cumulative deposit, triple money deposit, double money deposit, annual income deposit, quarterly income deposit, monthly income deposit, easy way deposit, profit first deposit etc. for its individual and corporate clients.

- Authorized Capital: BDT. 4,000,000,000/- (as of 31 December 2022)
- Paid up Capital: BDT 1,949,903,640/- (as of 31 December 2022)
- Institutional Sponsor of: DBH 1st Mutual Fund (Inception date 4th February, 2010)
- Net Worth: BDT 7,994,960,897/- (as of 31 December 2022)

Vision:

To be the leading financial institution in the country with satisfied customers and employees and to generate value for our shareholders while contributing to the wellbeing of the society

Mission:

To strengthen the society of the country by continually expanding home ownership

Core Values:

- Honesty, integrity and ethics in all aspects of business
- Outstanding service to the customer, above all else
- Individual opportunity, responsibility and reward based on merit
- Hard work and continuous self-improvement, never being satisfied
- Respect and concern for the individual employee

Strategic Objective:

- Focus on building deep and long-standing relationships with our clients, customers as well as real-estate developers, and constantly look to improve the quality of our products and services.
- Focus on developing our human resource talents.
- Ensure balanced growth with a disciplined approach to the management of risks and costs.



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & ~~Strictly Private & Confidential~~
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abu Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L M I T E D

05 NOV 2023

- Ensure adequate capital and liquidity to sustain our business over the long term.

Brief Financial Highlights:

Million Taka

Operational Highlights	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Loan approvals	8,632	8,934	7,527	10,896	10,493
Loan disbursement	10,273	10,112	7,028	10,803	11,029
Cumulative disbursement	103,274	113,386	120,414	131,217	142,246
Cumulative sanction	105,780	114,714	122,241	133,137	143,630

(Amount in Million Taka except Ratios, EPS and BVPS)

Financial Highlights	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Profit before tax	1,607	1,555	1,498	1,721	1,580
Profit after tax	1,048	1,073	891	1,044	1,017
Shareholders' fund	5,040	5,809	6,431	7,244	7,995
Total deposit	43,319	43,411	43,827	43,978	40,061
Long term borrowing	2,219	1,954	1,709	2,223	3,488
Loan portfolio	43,848	44,522	42,750	43,831	44,536
Total balance sheet size	57,499	59,280	58,607	60,279	61,746
NPL ratio (%)	0.30%	0.45%	0.41%	0.63%	0.86%
Return on equity (average equity)	22.30%	19.79%	14.56%	15.27%	13.34%
Earnings per share	8.60	8.04	5.78	5.89	5.21
Earnings per share (restated)	5.91	6.05	5.03	5.35	5.21
Book value per share	41.36	43.36	41.72	40.87	41.00
Dividend cover ratio	2.46	2.30	1.93	2.36	3.07

Shareholding Position (as of 31 December 2022):

Based on Shareholders types:

Group Name	No. of Share holders	No. of Shares	Percent(%)
Sponsors/ Directors	5	100,071,333	51.32
General Public	9,223	22,682,876	11.63
Financial Institutions & Other Companies	193	36,696,062	18.82
Foreign Investors	15	35,540,093	18.23
Total:	9,436	194,990,364	100.00

Md. Jafar Sadeq, FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 75

05 NOV 2023

Business Activities:

DBH Finance PLC. is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country.

DBH is the major player in the housing finance sector in Bangladesh since 1997 and remains one of the leading non-bank financial institutions. Today, we are an acclaimed brand for a high level of customer service; and respected for ethics, values and corporate governance. We have developed an attractive suite of products that cater to all customer segments, with our primary focus to strengthen the society by expanding home ownership. By leveraging our understanding of customers from different economic segments, we are today in a position to extend a range of products and services in loans through our specialized team members.

DBH is the only Financial institution with exclusive focus in housing finance. DBH provides loans for Flat Purchase, Construction, Extension, Renovation, Group construction, Home equity loan.

Besides, DBH has kept its focus on deposit collection as its main source of funding mechanism. As a result, DBH has managed to fund over 80% of its home loan operation through deposit. At present the Company offers a diverse deposit product line including Annual Income Deposit, Monthly Income Deposit, Quarterly Income Deposit, Cumulative Deposit, DBH Platinum Deposit and Day-wise Deposit. Most recently, DBH extended its wing to new business line by engaging with the trustee services of the Bond & Equity fund issue by top banking, non-banking and other corporations.

At present, we have extended our wing to new business line by engaging with the trustee services of the following Bond & Equity fund issued by top banking, non-banking and other corporations: -

SL	Name of the issuer	Name of the issue	Maturity Period	IM issue date	Date of completion of the subscription	Value of the Debt (Issue Amount in BDT)	Re-payment amount	Out-standing	Defaults (if any)	Remarks
1	United Commercial Bank PLC	UCBL 5th Subordinated Bond	7 years	28-Dec-22	N/A	1,000 cr.	N/A	N/A	No	Trustee Certificate issued on July 26, 2022
2	The Premier Bank Ltd	5th PBL Subordinated Bond	7 years	1-Dec-22	N/A	600 cr.	N/A	N/A	No	Trustee Certificate issued on September 22, 2022
3	Islami Bank Bangladesh Ltd	IBBL 4th Mudaraba Redeemable, Non-convertible, Unsecured, Subordinated Bond	7 years	29-Dec-22	N/A	800 cr.	N/A	N/A	No	Trustee Certificate issued on December 28, 2022
4	Social Islami Bank Ltd.	SIBL 4th Mudaraba Floating rate Non-Convertible, Unsecured, Subordinated Bond	7 years	29-Dec-22	N/A	600 cr.	N/A	N/A	No	Trustee Certificate issued on December 29, 2022
5	Pubali Bank Ltd.	PBL 3rd Redeemable Non-Convertible Unsecured Subordinated Bond	7 years	29-Dec-22	N/A	700 cr.	N/A	N/A	No	Trustee Certificate issued on December 28, 2022
6	Trust Bank Ltd.	Trust Bank Ltd VI Floating Rate Redeemable Non-Convertible Unsecured Subordinated Bond	7 years	29-Dec-22	N/A	400 cr.	N/A	N/A	No	Trustee Certificate issued on December 28, 2022

Board of Directors (Current):

Name of the Directors	Designation
Mr. Nasir A. Choudhury,	Chairman
Dr. A M R Chowdhury	Vice Chairman

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Moinul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC. 05 NOV 2023

Ms. Mehreen Hassan, Bar- at- Law	Director
Mr. Khandkar Manwarul Islam	Director
Mr. Syed Moinuddin Ahmed	Director
Mr. Nazir Rahim chowdhury	Director
Mr. Mohammad Anisur Rahman	Director
Ms. Rasheda K. Choudhury	Independent Director
Major General Syeed Ahmed, BP (Retd.)	Independent Director

17. MODUS OPERANDI OF THE ISSUE

Any Schedule Banks, Corporate, Financial Institutions and/or Insurance Companies duly registered in Bangladesh and operating its business under the license or approval duly issued by the respective competent authority or institution of the Government of Bangladesh.

a. Application Procedure:

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.

Undertaking to Subscribe

The investor will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

Closing

Subscription and Closing:

Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.

Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

Bond Certificates:

Registration: On each Closing Date, the Issuer shall procure that the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abdul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

Subscription Agreement and are registered in name of the Bondholders (with a notation on the Register and on each Bond Certificate identifying the Issue Date of such Bond Certificate).

Issue: On the Closing Date, the Issuer shall duly execute and deliver the Bond Certificates to the Trustee for authentication. Promptly following the Closing Date, the Issuer will deliver to each Bondholder Bond Certificates, duly authenticated by the Trustee and representing such Investor's entire holding of Bonds.

b. Allotment:

On the closing date, to be determined, the Issuer shall allot and issue the Bonds, in registered form in a minimum denomination of BDT 1,000,000 and integral multiples thereof. A bond certificate (each a "**Bond Certificate**") will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the "**Register**"), which will be kept by Registrar on behalf of the Issuer.

Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.

c. Refund:

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.

d. Transfer:

Subject to the terms and conditions as to be implemented in the Trust Deed, a Bond may be transferred to another person in Bangladesh (a "**Transferee**") upon surrender of the Bond Certificate issued in respect of that Bond, together with a duly completed and executed instrument of transfer (a "**Instrument of Transfer**") by the registered holder of the Bond, as transferor (the "**Transferor**") or the proposed Transferee.

A valid Instrument of Transfer shall be duly stamped, completed and executed by both the Transferor and the Transferee. If the Transferor or the Transferee is a body corporate, such Instrument of Transfer shall be executed by the authorized persons of the Transferor or the Transferee, as the case may be.

Upon receipt of the Bond Certificate issued in respect of the Bond to be transferred along with the duly completed and executed Instrument of Transfer at the specified office of the Transfer Agent, together with such evidence as such Transfer Agent may reasonably require to prove (i) the title of the Transferor and (ii) the signature and authority of each of the individuals who have executed the Instrument of Transfer on behalf of the Transferor and the Transferee.

Upon receipt of the Bond Certificate, the Instrument of Transfer and the other supporting documents named above, the Transfer Agent, as the duly authorized delegate of the Issuer's Board of Directors,

Md. Jafar Sadeq, FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

shall approve and certify the transfer on behalf of the Board of Directors of the Issuer. If the Transfer Agent refuses to register the transfer of any Bond it shall immediately provide notice of such refusal to the Issuer. If the Issuer does not agree with the Transfer Agent's refusal to approve and certify such transfer, it shall within 3 (three) Business Days of receipt of such notice from the Transfer Agent, direct the Transfer Agent to approve and certify the transfer as requested in the relevant Instrument of Transfer. If the Issuer agrees with Transfer Agent that the requested transfer should be refused, the Issuer shall, within 30 (thirty) days from the date on which the relevant Instrument of Transfer was lodged with the Transfer Agent, send or cause to be sent notice of such refusal to both the Transferor and the Transferee.

Where it is proved to the satisfaction of the Issuer that a duly completed and executed Instrument of Transfer has been lost, the Issuer may, in its discretion, on application in writing made by the Transferee and bearing such stamp as is required by an Instrument of Transfer, register such transfer on such terms as to indemnity as the Issuer may think fit. Where not all the Bonds represented by the surrendered Bond Certificate are the subject of the transfer, a new Bond Certificate in respect of the balance of the Bonds will be issued to the transferor.

e. Trading or Listing with Stock Exchange

The Bonds will be issued on private placement basis among the Eligible Investors. It will not be issued publicly and hence will not be listed on the Stock Exchange. Subject to regulatory approval for trading on the Alternative Trading Board, the Bonds maybe traded after issuance as per trading guidelines of the relevant exchange.

f. Repayment and Coupon Payment:

Unless previously redeemed or purchased and cancelled, the principal on the Bonds will be amortized and paid annually on a pro rata basis to the Bondholder in instalments of 20% per year commencing at the third anniversary of the Bonds from the Issue Date. The final maturity of the Bonds will be at the end of seventh year of the Bonds from the Issue Date. Payments on the Bonds shall be made without deduction for or on account of taxes in Bangladesh.

To be redeemed in 5 equal annual Instalments starting from end of 3rd year and each 12 months from there after as per following table for the Bond:-

Redemption Schedule

Issue Size (BDT)	5,000,000,000	
Years	Repayment (BDT)	Balance
End of 1 st year	-	5,000,000,000
End of 2 nd year	-	5,000,000,000
End of 3 rd year	1,000,000,000	4,000,000,000
End of 4 th year	1,000,000,000	3,000,000,000
End of 5 th year	1,000,000,000	2,000,000,000
End of 6 th year	1,000,000,000	1,000,000,000
End of 7 th year	1,000,000,000	0

Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abdul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC
05 NOV 2023

Interest on the "Bond" is to be paid semi-annual basis on the interest payment dates. The interest payment dates shall be determined depending upon bond issue date. Interest payment will be payable semi-annually calculated on the actual number of days over a 365 day basis in the relevant period which shall be 366 in the event of a leap year.

g. Redemption or conversion or exchange:

The bond will be fully redeemed. There is no option of convertibility or exchange of the bond. The bond is to be redeemed in 5 equal annual Instalments starting from the end of the 3rd year and each 12 months thereafter as per the table given above.

h. Details of conversion or exchange option exercise procedures, if applicable:

The bond is non-convertible and fully redeemable, hence conversion or exchange options are not applicable for this issue.

i. Termination and final settlement of the proposed bond

Date of Commencement of the Trust:

The Trust hereby created shall be established from the date of this Trust Deed.

Date of Termination and final settlement of the Trust (Bond):

The Trust shall continue to exist until all liabilities including the principal, premium (if any) and profit are repaid in full in accordance with the terms and conditions of the Bonds and this Trust Deed.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

18. DETAILS OF FEE STRUCTURE AND EXPENSES

The issuance of this bond will incur following fees and expenses:


Fee Type	Party to be Paid	Fee Structure/Amount
Regulatory Fees	Bangladesh Securities and Exchange Commission	Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the Face Value
Arrangement Fee	Standard Chartered Bank	Total of 0.50% of the Face Value Amount of the Bonds + VAT
Trustee Fee	DBH Finance PLC.	BDT 400,000 per annum + VAT
Credit Rating Fee	Emerging Credit Rating Limited	BDT 1,00,000 per annum + VAT
Legal Expenses	Lex Juris	BDT 1,40,000 per annum + VAT
Interim Audit fee	N/A	N/A
Miscellaneous	Other Expenses	As required related to the issuance of the Bond. e.g., Application fee, Bond Registration fee, Trustee Registration fee, ATB Expenditure etc.

All fees are quoted net of applicable VAT.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

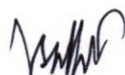
05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023 Page 81

**ANNEXURE 1: DECLARATION ABOUT THE RESPONSIBILITY OF THE
MANAGING DIRECTOR & CEO OF THE ISSUER OR ORIGINATOR IN
RESPECT OF THE INFORMATION MEMORANDUM**



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Page 82

05 NOV 2023

05 NOV 2023

05 NOV 2023

Strictly Private & Confidential



Annexure I

Declaration about the responsibility of the Managing Director & CEO of the issuer or originator in respect of the information memorandum

[Rule 4(2)(a)]

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the information memorandum, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this issue and information memorandum have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.


Managing Director & CEO

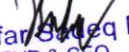
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

ANNEXURE 2: DUE DILIGENCE CERTIFICATE OF TRUSTEE

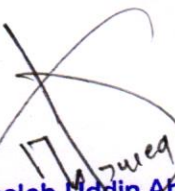

Md. Jafar Saadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Strictly Private & Confidential

Due diligence certificate of the Trustee
DBH Finance PLC.

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of SJIBL 3rd Mudaraba Floating Rate Non-Convertible Unsecured Subordinated Bond of BDT 5,000 Million of Shahjalal Islami Bank Limited.

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM: N/A;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee



Managing Director & CEO
DBH Finance PLC.
Date: May 10, 2023



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

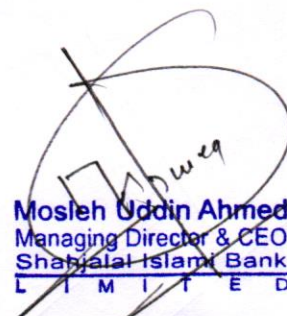
05 NOV 2023

ANNEXURE 3: AUDITED FINANCIAL STATEMENTS OF SHAHJALAL ISLAMI BANK PLC. FOR THE PERIOD ENDED 30 SEPTEMBER 2023


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka
05 NOV 2023

Strictly Private & Confidential

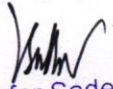

Md. Abul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

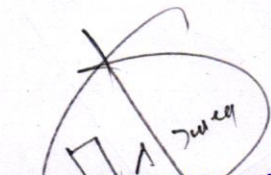

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


05 NOV 2023 Page 84

Shahjalal Islami Bank PLC. and its Subsidiary
Independent Auditor's Report and
Audited Consolidated and Separate Financial Statements
For the period ended 30 September 2023


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Opinion

We have audited the special purpose consolidated financial statements of Shahjalal Islami Bank PLC. and its subsidiary (the "Group") as well as the separate financial statements of Shahjalal Islami Bank PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 September 2023 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 period then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 30 September 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion


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

Emphasis of Matter – Restriction of use

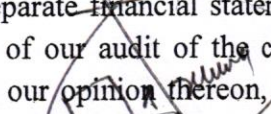
These special purpose financial statements have been prepared to assist the Bank to meet the requirements for issuing Mudaraba Bond. As a result, the financial statements may not be suitable for other purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

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


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023


Md. Abul Bashar

National Office: BTMC Bhuvan (4th & 7th Floor) 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh
Chattogram Office: 1st Floor, 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka


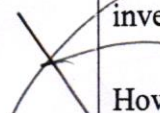
05 NOV 2023

05 NOV 2023

opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for investment	
<p>The process for estimating the provision for investment portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation.</p> <p>At period end the Group reported total gross investments of BDT 232,746 million (2022: BDT 239,862 million) and total provision for investments of BDT 7,376 million (2022: BDT 6,589 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and • For individually assessed provisions, the measurement of 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, investment disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; • Alternate procedures applied by management to assess new investment/renewal of existing investments where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained <p>Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many</p>

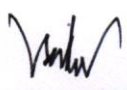
<p>the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;</p> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>borrowers were adversely impacted during the period as well as in earlier years. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for investments vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep an investment/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022.</p> <p>At the time of finalisation of annual financial statements of the Bank for the year ended 31 December 2022, management has given undertaking to ensure recovery/regularisation of certain investments to avoid future classification. The Bank has notified progress on these investments to Bangladesh Banks including expected outcome. All these accounts/customers are included as unclassified.</p>
<p>See note # 8 and 15a.1 to the financial statements</p>	

Risk	Our response to the risk
<p>Investment income recognition</p>	
<p>Recognition and measurement of investment income involve complex IT environment as well as require critical estimates and judgment. Since investment income from investments is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of investment income.</p> <p>Accordingly, this has been considered as key audit matter.</p> <p style="text-align: right;">  Nasimul Baten Managing Director & CEO DBH Finance PLC. </p> <p style="text-align: right;">05 NOV 2023</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of income on investment.</p> <p>For selected customers and investment files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of investment income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of income recognised during the year with reference to the product wise outstanding investment balances.</p> <p>However, due to the current uncertainty of the overall economic situation, and in particular</p> <p style="text-align: right;">  Mosleh Uddin Ahmed Managing Director & CEO Shahjalal Islami Bank L I M I T E D </p> <p style="text-align: right;">05 NOV 2023</p>

	impacts from major global events such as Russia-Ukraine and Middle-East conflict, volatility in fuel and commodity price, inflation, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued investment income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of investment accrued during the period ended 30 September 2023.
See note # 23a to the financial statements	

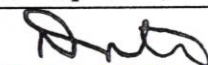
Valuation of bonds, sukuk and other investments	
<p>The Bank has made significant investments in fixed term financial instruments such as Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba Perpetual Bond and Sukuk Al Istisna as well as Mudaraba Subordinated Bond, classification and measurement of these require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of these Bonds and Sukuk are determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models and require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of these Bonds and Sukuks.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the Bonds and Sukuks valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note # 7 to the financial statements	

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT</p>

 05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

 05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

 05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M 05 NOV 2023

 05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

<p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
---	---

Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiary (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p>

Carrying value of investments in subsidiary by the Bank	
<p>The Bank has invested in equity shares of its subsidiary namely Shahjalal Islami Bank Securities Limited. As at 30 September 2023 the carrying value of these investments in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2022: BDT 2,515 million).</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiary in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

<p>Bank's investments in all the above subsidiary stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiary in accordance with IAS 36.</p>	<p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p> <p>We further observed that pursuant to the BSEC notification the subsidiary of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.</p> <p>We observed that the financial statements of the subsidiary as at and for the period ended 30 September 2023 is not audited. Accordingly, management prepared financials have been used to prepare consolidated financial statements.</p>
--	--

Reporting on other information

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

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

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

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
PAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

However, as mentioned in the emphasis of matter paragraph, these are special purpose financial statements prepared for specific objective. At the time of issuing these audit report we have not received any other information that may accompany these special purpose financial statements.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report on 05 NOV 2023 or

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) financial statements for the period ended 30 September 2023 of subsidiary namely Shahjalal Islami Bank Securities Limited was unaudited. The results of the subsidiary have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,500 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 01 November 2023



Sabbir Ahmed FCA, Partner
ICAB Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants



05 NOV 2023



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L T I T E D

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC. and its Subsidiary
Consolidated Balance Sheet
As at 30 September 2023

	Note	30.09.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3	2,216,469,790	2,399,102,842
Balance with Bangladesh Bank & Sonali Bank PLC. (including Foreign Currencies)	4	20,224,673,501	14,924,287,024
		22,441,143,290	17,323,389,865
Balance with other Banks and Financial Institutions			
Inside Bangladesh		5,316,157,852	2,216,396,689
Outside Bangladesh		3,357,263,848	1,103,127,014
	5	8,673,421,701	3,319,523,703
Placement with other Banks & Financial Institutions			
	6	24,726,017,716	21,276,957,716
Investments in Shares & Securities			
Government		26,139,910,000	25,639,910,000
Others		9,954,452,807	9,986,112,719
	7	36,094,362,807	35,626,022,719
Investments			
General Investment etc.		222,017,222,156	222,960,716,113
Bills Purchased and Discounted		10,728,309,543	16,901,718,515
	8	232,745,531,699	239,862,434,627
Fixed Assets including Premises, Furniture and Fixtures			
	9	5,160,987,031	5,413,945,799
Other Assets			
	10	25,079,406,563	19,816,448,541
Non-Banking Assets			
	11	88,909,355	88,909,355
Total Property and Assets		355,009,780,162	342,727,632,326
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions			
	12	32,282,983,931	42,299,588,342
Deposits and Other Accounts			
Mudaraba Savings Deposits		39,907,475,765	36,934,732,886
Mudaraba Term Deposits		96,476,398,868	86,817,226,090
Other Mudaraba Deposits		47,218,457,457	49,745,216,186
Al-Wadeeah Current & Other Deposit Accounts		54,803,290,791	48,292,958,243
Bills Payable		5,466,533,977	5,872,217,849
	13	243,872,156,858	227,662,351,255
Mudaraba Bonds			
	14	9,400,000,000	10,200,000,000
Other Liabilities			
	15	45,026,335,714	40,144,704,369
Deferred Tax Liabilities			
	16	158,111,776	235,884,914
Total Liabilities		330,739,588,279	320,542,528,880
Capital/Shareholders' Equity			
Paid-up Capital	17.2	11,129,683,510	10,805,517,980
Statutory Reserve	18	10,737,376,063	9,372,461,107
Capital Reserve		28,796,597	28,796,597
Foreign Currency Translation Gain/(loss)		11,417,909	-
Retained Earnings	19	2,134,161,919	1,745,940,328
Total Shareholders' Equity		24,041,435,997	21,952,716,012
Non-controlling Interest			
	17.7	228,755,885	232,387,434
Total Liabilities & Shareholders' Equity		355,009,780,162	342,727,632,326

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

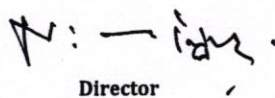
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

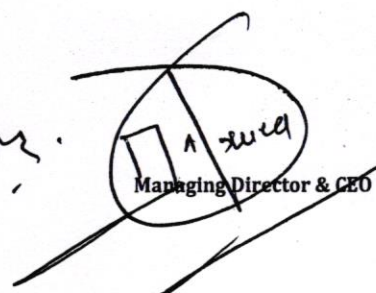
Shahjalal Islami Bank PLC. and its Subsidiary
Consolidated Off-balance Sheet Items
As at 30 September 2023

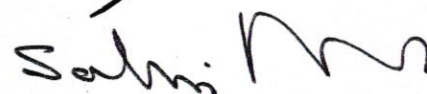
	Note	30.09.2023 Taka	31.12.2022 Taka
Contingent Liabilities			
Acceptances & endorsements		47,469,654,614	51,712,319,611
Letters of guarantee	20	33,407,453,132	31,316,699,877
Irrevocable letters of credit	21	52,072,446,667	44,418,370,950
Bills for collection		25,794,141,614	26,824,787,053
Other contingent liabilities		-	-
Total		158,743,696,027	154,272,177,491
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		158,743,696,027	154,272,177,491


Chairman


Director

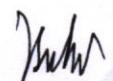

Director


Managing Director & CEO

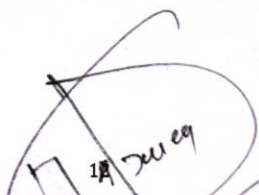

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka,
01 November, 2023




Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Profit and Loss Account For the period ended 30 September 2023

	Note	Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka	Jul'23 to Sep'23 Taka	Jul'22 to Sep'22 Taka
Operating Income					
Investment Income	23	14,014,890,178	12,361,843,796	5,145,242,031	4,648,676,233
Less: Profit paid on Deposits	24	6,681,620,582	6,137,713,269	2,150,816,455	2,242,746,856
Net Investment Income		7,333,269,596	6,224,130,527	2,994,425,576	2,405,929,377
Income from Investment in Shares/Securities	25	1,416,444,055	1,487,939,584	453,871,188	445,653,598
Commission, Exchange and Brokerage	26	2,231,895,823	2,906,069,704	254,743,474	623,041,982
Other Operating Income	27	1,088,179,749	974,277,255	302,050,456	319,057,881
		4,736,519,627	5,368,286,543	1,010,665,118	1,387,753,461
Total Operating Income		12,069,789,223	11,592,417,070	4,005,090,693	3,793,682,839
Operating Expenses					
Salaries and Allowances	28	2,877,421,087	2,605,239,610	964,451,095	924,883,316
Rent, Taxes, Insurances, Electricity etc.	29	282,791,445	287,384,350	110,918,317	100,540,645
Legal Expenses	30	1,957,077	825,432	643,084	208,633
Postage, Stamps, Telecommunication etc.	31	38,975,487	35,349,434	16,780,337	11,849,031
Stationery, Printings, Advertisements etc.	32	95,190,503	98,672,363	20,171,664	20,715,513
Chief Executive's Salary & Fees	33	12,894,000	19,094,590	3,378,000	6,350,970
Directors' Fees & Expenses	34	3,229,244	4,458,086	1,100,000	1,303,540
Shariah Supervisory Committee's Fees & Expenses	35	720,534	325,678	11,279	26,091
Auditors' Fees	36	569,250	420,000	189,750	137,500
Depreciation & Repairs of Bank's Assets	37	448,675,278	421,676,324	154,294,539	140,343,573
Zakat Expenses		-	-	-	-
Other Expenses	39	692,068,738	587,717,786	221,743,854	182,040,181
Total Operating Expenses		4,454,492,643	4,061,163,653	1,493,681,919	1,388,398,993
Profit / (Loss) before Provision		7,615,296,580	7,531,253,417	2,511,408,774	2,405,283,845
Specific provision for Classified Investments		755,000,000	450,000,000	420,000,000	210,000,000
General Provision for Unclassified Investments		-	43,043,422	-	3,541,673
General Provision for Off-Balance Sheet Items		-	-	-	(85,000,000)
Provision for diminution in value of Investments in Shares		-	-	-	-
Provision for Other Assets		10,000,000	112,000,000	10,000,000	46,000,000
Total Provision	40	765,000,000	605,043,422	430,000,000	174,541,673
Total Profit / (Loss) before Taxes		6,850,296,580	6,926,209,995	2,081,408,774	2,230,742,172
Provision for Taxation for the period					
Deferred Tax	41	(77,773,139)	(21,134,963)	(10,539,476)	(5,653,434)
Current Tax	41b	3,241,230,472	3,335,463,052	1,129,506,814	1,213,814,943
		3,163,457,334	3,314,328,089	1,118,967,338	1,208,161,508
Net Profit / (Loss) after Tax		3,686,839,246	3,611,881,906	962,441,436	1,022,580,664
Net Profit after Tax attributable to:					
Equity holders of SJIBL		3,685,970,795	3,598,620,214	961,649,358	1,018,626,753
Non-controlling Interest		868,451	13,261,692	792,078	3,953,911
		3,686,839,246	3,611,881,906	962,441,436	1,022,580,664
Retained Earnings from previous year/period		1,745,940,328	1,608,652,105	1,687,480,538	1,488,430,453
Add: Net Profit after Tax (attributable to equity holders of SJIBL)		3,685,970,795	3,598,620,214	961,649,358	1,018,626,753
Profit available for Appropriation		5,431,911,124	5,207,272,320	2,649,129,896	2,507,057,206
Appropriation:					
Statutory Reserve	18	1,364,914,956	1,345,652,123	412,725,161	434,384,385
Start-up Fund		36,762,634	34,503,840	9,486,652	9,744,308
Dividend		1,620,827,688	1,543,645,421	-	-
Dividend paid against Mudaraba Perpetual Bond		275,243,928	294,379,381	92,756,164	99,183,562
Capital Reserve		-	25,346,603	-	-
Retained Earnings	19	2,134,161,919	1,963,744,952	2,134,161,919	1,963,744,952
		5,431,911,124	5,207,272,320	2,649,129,896	2,507,057,206
Consolidated Earnings per Share (EPS) [Restated]	42	3.31	3.23	0.86	0.92
Consolidated Net Asset Value per Share as at 30 September [Restated]	42(i)	21.60	19.83		

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Md. Vasi Chowdhury & Co
Chartered Accountants

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Cash Flow Statement For the period ended 30 September 2023

	Note	Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
Cash flows from operating activities			
Investment income receipt in cash	43.	15,242,461,663	13,306,694,526
Profit paid on deposits and borrowings	44.	(6,553,005,142)	(5,656,056,182)
Dividend receipts		135,581,325	125,315,817
Fees & commission receipt in cash		2,006,114,319	2,877,822,943
Recoveries on investment previously written off		20,733,818	60,196,389
Cash payments to employees		(2,890,315,087)	(2,624,334,200)
Cash payments to suppliers		(95,190,503)	(98,672,363)
Income tax paid		(3,336,687,459)	(1,704,844,085)
Receipts from other operating activities	45.	1,087,223,321	969,672,350
Payments for other operating activities	46.	(1,044,345,618)	(939,152,361)
(i) Operating profit before changes in operating assets & liabilities		4,572,570,637	6,316,642,834
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		7,101,678,460	(20,898,353,625)
(Increase)/decrease in other assets	47.	(1,748,249,963)	(276,186,118)
(Increase)/decrease of placement with other banks & financial institutions		(3,449,060,000)	(7,626,425,000)
Increase/(decrease) in deposits from other banks		(35,113,099)	(6,942,267,784)
Increase/(decrease) of placement from other banks & financial institutions		(10,026,257,227)	14,139,253,879
Increase/(decrease) in deposits received from customers		16,001,175,593	27,449,969,485
Increase/(decrease) in other liabilities on account of customers		954,049,416	476,888,491
Increase/(decrease) in other liabilities	48.	(109,499,106)	1,630,803,492
(ii) Cash flows from operating assets and liabilities		8,688,724,073	7,953,682,820
Net cash flow from operating activities (A)=(i+ii)		13,261,294,710	14,270,325,654
Cash flows from investing activities			
Proceeds from sale of securities		(2,872,246)	3,466,614,273
Payments for purchases of securities		(465,467,842)	(1,896,820,888)
Proceeds from sale of fixed assets		2,845,411	9,900,865
Payments for purchases of property, plants & equipments		(173,524,028)	(154,321,805)
Purchase/sale of subsidiaries		-	-
Net cash used in investing activities (B)		(639,018,706)	1,425,372,445
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
Payments for redemption of debt instruments		(800,000,000)	(800,000,000)
Receipts from issue of ordinary shares		-	-
Profit against mudaraba perpetual bond		(275,243,928)	-
Dividend paid to ordinary shareholders		(1,301,162,158)	(1,323,476,332)
Net cash used in financing activities (C)		(2,376,406,085)	(2,123,476,332)
Net increase in cash & cash equivalents (A+B+C)		10,245,869,919	13,572,221,767
Add: Effect of exchange rate changes on cash & cash equivalents		225,781,504	28,246,761
Add: Cash and cash equivalents at the beginning of the period		20,642,913,568	17,128,561,378
Cash and cash equivalents at the end of the period	49.	31,114,564,991	30,729,029,905
Consolidated Net Operating Cash Flow per Share (NOCFPS)	42(ii)	11.92	12.82
[previous year's figure restated]			

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

For the period ended 30 September 2023

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Gain/(loss)	Non-controlling Interest	Total Capital/Shareholders' Equity
Balance as at 01 January 2023	10,805,517,980	9,372,461,107	28,796,597	1,745,940,328	-	232,387,434	22,185,103,447
Dividend for the year 2022:							
Stock Dividend	324,165,530	-	-	(324,165,530)	-	-	-
Cash Dividend Paid	-	-	-	(1,296,662,158)	-	(4,500,000)	(1,301,162,158)
Profit against Mudaraba Perpetual Bond	-	-	-	(275,243,928)	-	-	(275,243,928)
Net profit during the period	-	-	-	3,685,970,795	-	868,451	3,686,839,246
Statutory Reserve	-	1,364,914,956	-	(1,364,914,956)	-	-	-
Currency Translation Difference	-	-	-	-	11,417,909	-	11,417,909
Start-up Fund	-	-	-	(36,762,634)	-	-	(36,762,634)
Total Shareholders' Equity as at 30 September 2023	11,129,683,510	10,737,376,063	28,796,597	2,134,161,919	11,417,909	228,755,885	24,270,191,882
Add: Mudarabah Perpetual Bond							
Add: General Provision for Unclassified Investments & Off-balance Sheet Items							5,000,000,000
Add: Mudaraba Subordinated Bond							4,078,137,573
Less: Adjustment for Intangible Assets							2,400,000,000
Total Equity as at 30 September 2023							22,375,414
							35,725,954,042

For the period ended 30 September 2022

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Gain/(loss)	Non-controlling Interest	Total Capital/Shareholders' Equity
Balance as at 01 January 2022	10,290,969,510	7,927,205,795	3,449,994	1,608,652,106	-	227,440,923	20,057,718,328
Dividend for the year 2021:							
Stock Dividend	514,548,470	-	-	(514,548,470)	-	-	-
Cash Dividend Paid	-	-	-	(1,029,096,951)	-	-	(1,029,096,951)
Profit against Mudaraba Perpetual Bond	-	-	-	(294,379,381)	-	-	(294,379,381)
Net profit during the period	-	-	-	3,598,620,214	-	13,261,692	3,611,881,906
Statutory Reserve	-	1,345,652,123	-	(1,345,652,123)	-	-	-
Start-up Fund	-	-	-	(34,503,840)	-	-	(34,503,840)
Capital Reserve	-	-	25,346,603	(25,346,603)	-	-	-
Total Shareholders' Equity as at 30 September 2022	10,805,517,980	9,272,857,919	28,796,597	1,963,744,952	-	240,702,615	22,311,620,062
Add: Mudarabah Perpetual Bond							5,000,000,000
Add: General Provision for Unclassified Investments & Off-balance Sheet Items							3,896,876,879
Add: Mudaraba Subordinated Bond							4,400,000,000
Total Equity as at 30 September 2022							35,608,496,941

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abu Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

Shahjalal Islami Bank PLC.
Balance Sheet
As at 30 September 2023

	Note	30.09.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3a	2,216,469,790	2,399,102,842
Balance with Bangladesh Bank & Sonali Bank PLC. (including Foreign Currencies)	4a	20,224,673,501	14,924,287,024
		<u>22,441,143,290</u>	<u>17,323,389,865</u>
Balance with other Banks and Financial Institutions			
Inside Bangladesh		5,280,935,262	2,192,462,827
Outside Bangladesh	5a	3,357,263,848	1,103,127,014
		<u>8,638,199,111</u>	<u>3,295,589,841</u>
Placement with other Banks & Financial Institutions			
	6a	<u>24,726,017,716</u>	<u>21,276,957,716</u>
Investments in Shares & Securities			
Government		26,139,910,000	25,639,910,000
Others	7a	7,818,512,566	7,846,594,135
		<u>33,958,422,566</u>	<u>33,486,504,135</u>
Investments			
General Investment etc.		219,506,215,114	220,328,259,077
Bills Purchased and Discounted	8a	10,728,309,543	16,901,718,515
		<u>230,234,524,657</u>	<u>237,229,977,592</u>
Fixed Assets including Premises, Furniture and Fixtures			
	9a	<u>5,028,261,880</u>	<u>5,272,662,474</u>
Other Assets			
	10a	<u>27,070,748,739</u>	<u>21,844,875,177</u>
Non-Banking Assets			
	11	<u>88,909,355</u>	<u>88,909,355</u>
Total Property and Assets		<u><u>352,186,227,313</u></u>	<u><u>339,818,866,156</u></u>
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions			
	12a	<u>32,057,453,931</u>	<u>42,036,645,204</u>
Deposits and Other Accounts			
Mudaraba Savings Deposits		39,907,532,776	36,934,789,424
Mudaraba Term Deposits		96,476,398,868	86,817,226,090
Other Mudaraba Deposits		47,563,112,875	50,064,730,403
Al-Wadeeah Current & Other Deposit Accounts		54,803,406,433	48,293,094,847
Bills Payable	13a	5,466,533,977	5,872,217,849
		<u>244,216,984,929</u>	<u>227,982,058,614</u>
Mudaraba Bonds			
	14	<u>9,400,000,000</u>	<u>10,200,000,000</u>
Other Liabilities			
	15a	<u>42,403,084,439</u>	<u>37,492,869,557</u>
Deferred Tax Liabilities			
	16a	<u>159,550,463</u>	<u>237,151,866</u>
Total Liabilities		<u><u>328,237,073,762</u></u>	<u><u>317,948,725,240</u></u>
Capital/Shareholders' Equity			
Paid-up Capital	17.2	11,129,683,510	10,805,517,980
Statutory Reserve	18	10,737,376,063	9,372,461,107
Foreign Currency Translation Gain/(loss)		11,417,909	-
Retained Earnings	19a	2,070,676,069	1,692,161,829
		<u>23,949,153,550</u>	<u>21,870,140,916</u>
Total Shareholders' Equity		<u><u>23,949,153,550</u></u>	<u><u>21,870,140,916</u></u>
Total Liabilities & Shareholders' Equity		<u><u>352,186,227,313</u></u>	<u><u>339,818,866,156</u></u>

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC.

Off-balance Sheet Items

As at 30 September 2023

	Note	30.09.2023 Taka	31.12.2022 Taka
Contingent Liabilities			
Acceptances & endorsements		47,469,654,614	51,712,319,611
Letters of guarantee	20	33,407,453,132	31,316,699,877
Irrevocable letters of credit	21	52,072,446,667	44,418,370,950
Bills for collection		25,794,141,614	26,824,787,053
Other contingent liabilities		-	-
Total		158,743,696,027	154,272,177,491
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		158,743,696,027	154,272,177,491

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants



Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC.
Profit and Loss Account
For the period ended 30 September 2023

	Note	Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka	Jul'23 to Sep'23 Taka	Jul'22 to Sep'22 Taka
Operating income					
Investment Income	23a	13,970,835,166	12,284,539,199	5,118,245,132	4,611,878,959
Less: Profit paid on Deposits	24a	6,660,862,797	6,113,355,092	2,143,751,127	2,234,645,488
Net Investment Income		7,309,972,369	6,171,184,107	2,974,494,005	2,377,233,471
Income from Investment in Shares/securities	25a	1,391,993,736	1,367,411,103	449,523,743	428,537,205
Commission, Exchange and Brokerage	26a	2,167,298,226	2,781,313,056	230,386,754	578,206,660
Other Operating Income	27a	1,081,775,206	968,240,608	301,897,239	318,755,898
		4,641,067,168	5,116,964,767	981,807,736	1,325,499,763
Total Operating Income		11,951,039,537	11,288,148,874	3,956,301,741	3,702,733,235
Operating expenses					
Salaries and Allowances	28a	2,826,541,177	2,552,429,643	949,039,857	907,977,984
Rent, Taxes, Insurances, Electricity etc.	29a	278,258,222	282,896,623	109,898,990	98,903,578
Legal Expenses	30a	1,866,227	762,182	598,234	208,633
Postage, Stamps, Telecommunication etc.	31a	36,839,853	33,160,540	16,054,414	11,368,876
Stationery, Printings, Advertisements etc.	32a	94,504,654	97,402,496	19,862,607	20,519,479
Chief Executive's Salary & Fees	33	12,894,000	19,094,590	3,378,000	6,350,970
Directors' Fees & Expenses	34	3,229,244	4,458,086	1,100,000	1,303,540
Shariah Supervisory Committee's Fees & Expenses	35	720,534	325,678	11,279	26,091
Auditors' Fees	36a	517,500	412,500	172,500	137,500
Depreciation & Repairs of Bank's Assets	37a	432,662,290	404,798,877	148,419,532	134,591,831
Zakat Expenses		-	-	-	-
Other Expenses	39a	673,431,057	559,103,621	214,140,525	174,881,155
Total Operating Expenses		4,361,464,758	3,954,844,837	1,462,675,938	1,356,269,638
Profit / (Loss) before Provision		7,589,574,779	7,333,304,037	2,493,625,803	2,346,463,597
Specific provision for Classified Investments		755,000,000	450,000,000	420,000,000	210,000,000
General Provision for Unclassified Investments		-	43,043,422	-	3,541,673
General Provision for Off-balance Sheet Items		-	-	-	(85,000,000)
Provision for diminution in value of Investments in Shares		-	-	-	-
Provision for Other Assets		10,000,000	112,000,000	10,000,000	46,000,000
Total Provision	40a	765,000,000	605,043,422	430,000,000	174,541,673
Total Profit / (Loss) before taxes		6,824,574,779	6,728,260,616	2,063,625,803	2,171,921,924
Provision for taxation					
Deferred tax	41a	(77,601,403)	(21,445,297)	(10,485,750)	(5,786,821)
Current tax	41b	3,225,912,736	3,299,321,944	1,125,446,345	1,203,277,926
		3,148,311,333	3,277,876,646	1,114,960,595	1,197,491,104
Net Profit after Taxation		3,676,263,446	3,450,383,969	948,665,208	974,430,819
Retained Earnings from previous year/period		1,692,161,829	1,584,818,008	1,636,978,838	1,385,902,647
Add: Net Profit after Tax		3,676,263,446	3,450,383,969	948,665,208	974,430,819
Profit available for Appropriation		5,368,425,274	5,035,201,977	2,585,644,046	2,360,333,466
Appropriation					
Statutory Reserve	18	1,364,914,956	1,345,652,123	412,725,161	434,384,385
Start-up Fund		36,762,634	34,503,840	9,486,652	9,744,308
Dividend		1,620,827,688	1,543,645,421	-	-
Dividend paid against Mudaraba Perpetual Bond		275,243,928	294,379,381	92,756,164	99,183,562
Retained Earnings	19a	2,070,676,069	1,817,021,212	2,070,676,069	1,817,021,212
		5,368,425,274	5,035,201,977	2,585,644,046	2,360,333,466
Earnings per Share (EPS) [Restated]	42a	3.30	3.10	0.85	0.88
Net Asset Value per Share as at 30 September [Restated]	42(i)	21.52	19.67		

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka.

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Shahjalal Islami Bank PLC.
Cash Flow Statement
For the period ended 30 September 2023

	Note	Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
Cash flows from operating activities			
Investment income receipt in cash	43a	15,049,226,978	12,970,581,677
Profit paid on deposits and borrowings	44a	(6,417,119,686)	(5,518,274,514)
Dividend receipts		135,581,325	125,315,817
Fees & commission receipt in cash		1,941,516,722	2,753,066,295
Recoveries on investment previously written off		20,733,818	60,196,389
Cash payments to employees		(2,839,435,177)	(2,571,524,233)
Cash payments to suppliers		(94,504,654)	(97,402,496)
Income tax paid		(3,300,916,583)	(1,666,819,674)
Receipts from other operating activities	45a	1,080,767,645	963,558,888
Payments for other operating activities	46a	(1,018,499,630)	(903,363,838)
(i) Operating Profit before changes in operating assets & liabilities		4,557,350,758	6,115,334,311
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		6,995,452,935	(20,823,308,874)
(Increase)/decrease in other assets	47a	(1,746,936,379)	(255,524,871)
(Increase)/decrease of placement with other banks & financial institutions		(3,449,060,000)	(7,626,425,000)
Increase/(decrease) in deposits from other banks		(35,113,099)	(6,942,267,784)
Increase/(decrease) of placement from other banks & financial institutions		(9,979,191,273)	14,151,475,184
Increase/(decrease) in deposits received from customers		16,026,296,305	27,360,708,406
Increase/(decrease) in other liabilities on account of customers		954,049,416	476,888,491
Increase/(decrease) in other liabilities	48a	(80,822,301)	1,823,486,297
(ii) Cash flows from operating assets and liabilities		8,684,675,603	8,165,031,850
Net cash flow from operating activities (A)=(i+ii)		13,242,026,361	14,280,366,161
Cash flows from investing activities			
Proceeds from sale of securities		(24,760,739)	3,124,808,615
Payments for purchases of securities		(447,157,691)	(1,514,106,978)
Proceeds from sale of fixed assets		2,845,411	9,900,865
Payments for purchases of property, plants & equipments		(166,466,065)	(144,651,502)
Purchase/sale of subsidiaries		-	-
Net cash used in investing activities (B)		(635,539,084)	1,475,951,000
Cash flows from financing activities			
Receipts from issue of debt instruments		-	-
Payments for redemption of debt instruments		(800,000,000)	(800,000,000)
Receipts from issue of ordinary shares		-	-
Profit against mudaraba perpetual bond		(275,243,928)	-
Dividend paid to ordinary shareholders		(1,296,662,158)	(1,323,476,332)
Net cash used in financing activities (C)		(2,371,906,085)	(2,123,476,332)
Net increase in cash & cash equivalents (A+B+C)		10,234,581,191	13,632,840,829
Add: Effect of exchange rate changes on cash & cash equivalents		225,781,504	28,246,761
Add: Cash and cash equivalents at the beginning of the period		20,618,979,706	17,054,274,937
Cash and cash equivalents at the end of the period	49a	31,079,342,401	30,715,362,527
Net Operating Cash Flow per Share (NOCFPS)	42(ii)	11.90	12.83
[previous year's figure restated]			

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

Shahjalal Islami Bank PLC.
Statement of Changes in Equity

For the period ended 30 September 2023

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Foreign Currency Translation Gain/(loss)	Total Capital/Shareholders' Equity
Balance as at 01 January 2023	10,805,517,980	9,372,461,107	1,692,161,829	-	21,870,140,916
Dividend for the year 2022:					
Stock Dividend	324,165,530	-	(324,165,530)		-
Cash Dividend Paid	-	-	(1,296,662,158)		(1,296,662,158)
Profit against Mudaraba Perpetual Bond	-	-	(275,243,928)		(275,243,928)
Net profit during the period	-	-	3,676,263,446		3,676,263,446
Statutory Reserve	-	1,364,914,956	(1,364,914,956)		-
Currency Translation Difference	-	-	-	11,417,909	11,417,909
Start-up Fund	-	-	(36,762,634)		(36,762,634)
Total Shareholders' Equity as at 30 September 2023	11,129,683,510	10,737,376,063	2,070,676,069	11,417,909	23,949,153,550
Add: Mudarabah Perpetual Bond					5,000,000,000
Add: General Provision for Unclassified Investments & Off-Balance Sheet Items					4,028,671,838
Add: Mudaraba Subordinated Bond					2,400,000,000
Less: Adjustment for Intangible Assets					22,100,120
Total Equity as at 30 September 2023					35,355,725,269

For the period ended 30 September 2022

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Foreign Currency Translation Gain/(loss)	Total Capital/Shareholders' Equity
Balance as at 01 January 2022	10,290,969,510	7,927,205,795	1,584,818,008	-	19,802,993,313
Dividend for the year 2021:					
Stock Dividend	514,548,470	-	(514,548,470)		-
Cash Dividend Paid	-	-	(1,029,096,951)		(1,029,096,951)
Profit against Mudaraba Perpetual Bond	-	-	(294,379,381)		(294,379,381)
Net profit during the period	-	-	3,450,383,969		3,450,383,969
Statutory Reserve	-	1,345,652,123	(1,345,652,123)		-
Start-up Fund	-	-	(34,503,840)		(34,503,840)
Total Shareholders' Equity as at 30 September 2022	10,805,517,980	9,272,857,918	1,817,021,212	-	21,895,397,111
Add: Mudaraba Perpetual Bond					5,000,000,000
Add: General Provision for Unclassified Investments & Off-Balance Sheet Items					3,847,411,144
Add: Mudaraba Subordinated Bond					4,400,000,000
Total Equity as at 30 September 2022					35,142,808,255

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
FAD, Head Office, Dhaka

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

Shahjalal Islami Bank PLC.
Liquidity Statement (Assets & Liabilities Maturity Analysis)
As at 30 September 2023

		(Amount in Taka)				
Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
Assets						
Cash in Hand	2,216,469,790	-	-	-	-	2,216,469,790
Balance with Other Banks and Financial Institutions	14,456,289,782	4,665,250,829	-	-	9,741,332,000	28,862,872,611
Placement with Other Banks & Financial Institutions	7,320,000,000	17,095,000,000	-	311,017,716	-	24,726,017,716
Investments in Shares & Securities	400,000,000	1,500,000,000	4,938,512,566	27,119,910,000	-	33,958,422,566
Investments	56,407,458,541	36,837,523,945	51,802,768,048	36,837,523,945	48,349,250,178	230,234,524,657
Fixed Assets including Premises, Furniture and Fixtures	1,231,924,161	804,521,901	1,131,358,923	804,521,901	1,055,934,995	5,028,261,880
Other Assets	5,453,922,089	1,600,485,694	2,206,015,063	15,295,325,892	2,515,000,000	27,070,748,739
Non-Banking Assets	-	-	88,909,355	-	-	88,909,355
Total Assets (i)	87,486,064,362	62,502,782,369	60,167,563,955	80,368,299,454	61,661,517,173	352,186,227,313
Liabilities						
Placement from Other Banks & Financial Institutions	6,386,329,936	12,898,464,122	9,579,494,904	3,193,164,968	-	32,057,453,931
Deposits and Other Accounts	62,356,869,425	44,701,169,336	46,946,351,345	40,253,553,510	49,959,041,314	244,216,984,929
Mudaraba Bonds	-	-	1,200,000,000	3,200,000,000	5,000,000,000	9,400,000,000
Other Liabilities	8,056,586,043	3,392,246,755	2,120,154,222	24,593,788,975	4,240,308,444	42,403,084,439
Deferred Tax Liabilities	-	-	-	-	159,550,463	159,550,463
Total Liabilities (ii)	76,799,785,404	60,991,880,213	59,846,000,471	71,240,507,453	59,358,900,220	328,237,073,762
Net Liquidity Gap (i-ii)	10,686,278,958	1,510,902,156	321,563,483	9,127,792,002	2,302,616,953	23,949,153,551

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

Dhaka,
01 November 2023

Chairman

Director

Director

Managing Director & CEO

Shahjalal Islami Bank PLC. and its Subsidiary
Notes to the Consolidated and Separate Financial Statements
As at and for the period ended 30 September 2023

1. Status of the Bank

1.1. Legal Form of the Bank

Shahjalal Islami Bank PLC. (hereinafter called the 'Bank' or 'SJIBPLC') was established as a public limited company (Banking Company) on 01 April 2001 in the name of "Shahjalal Islami Bank Limited" and renamed as "Shahjalal Islami Bank PLC." (vide RJSC Certificate No. C-42778 dated 06 August 2023) under the Companies Act, 1994 as interest free Islamic Shariah based Commercial Bank and commenced its operation on 10 May 2001 with the permission of Bangladesh Bank. Currently, the Bank is operating its business through head office having 140 (one hundred forty) branches, 131 (one hundred thirty one) ATM booths, 115 (one hundred fifteen) agent banking outlets and 2,810 employees all over Bangladesh. The Bank also has a subsidiary Company named 'Shahjalal Islami Bank Securities Limited' and an Offshore Banking Unit. The Bank is listed with both the Stock Exchanges of the country, i.e., Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The registered office of the Bank is located at Shahjalal Islami Bank Tower, Plot-04, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

1.2. Nature of Business

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

1.3. Offshore Banking Unit

Offshore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank PLC., governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Offshore Banking Unit on 21 December 2008 with the permission from Bangladesh Bank vide letter no. BRPD(P-3)744(99)/2008-2800 dated 24 July 2008. The unit is located at Shahjalal Islami Bank Tower, Plot-04, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212. Separate Financial Statements of Offshore Banking Unit are also presented.

1.4. Agent Banking

Shahjalal Islami Bank PLC. obtained permission from Bangladesh Bank on 16 October 2019 vide reference no. BRPD(P-3)745(54)/2019-8354 to commence Agent Banking services and subsequently started commercial operations on 02 January 2020. Till 30 September 2023 there were 115 Agent Banking Outlets in 42 districts and 96 upazillas across the country. Services that are currently being dispensed include account opening i.e., Al-Wadeeah Current A/C, Mudaraba Savings A/C, Mudaraba Scheme Deposit A/C, Mudaraba Term Deposit A/C, cash deposit and withdrawal from agent banking outlets and SJIBL branches, fund transfer (P2P), inward/outward cheque payment, remittance disbursement, balance inquiry, SMS banking, EFTN & RTGS etc.

1.5. Shahjalal Islami Bank Securities Limited

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

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Exchange Limited. Shahjalal Islami Bank PLC. holds 91.79% shares of Shahjalal Islami Bank Securities Limited.

2. Significant Accounting Policies

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

2.1. Basis of Preparation of the Financial Statements

The Bank and its subsidiary (the "Group") are being operated in strict compliance with the rules of Islamic Shari'ah. The consolidated financial statements of the Group and separate financial statements of the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

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

- i) The Banking Companies Act, 1991 (as amended up to date);
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Rules, 1987; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments thereon;
- v) The Income Tax Act, 2023;
- vi) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;
- viii) Financial Reporting Act, 2015; and
- ix) Other applicable laws and regulations.

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

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

i) Presentation of Financial Statements

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

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

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

ii) **Name of the Financial Statements**

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

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

iii) **Investments in Shares and Securities**

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

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, investments in quoted shares and unquoted shares are revalued at the period end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments; otherwise, investments are recognised at cost.

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

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

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

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

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

Bangladesh Bank: As per BRPD circular no. 14 (23 September 2012), BRPD circular no. 19 (27 December 2012), BRPD circular no. 05 (29 May 2013), BRPD circular no. 16 (18 November 2014), BRPD circular no. 15 (27 September 2015), BRPD circular no. 01 (20 February 2018), BRPD circular no. 03 (21 April 2019), BRPD circular no. 07 (19 March 2020), BRPD circular no. 16 (21

05 NOV 2023
Md Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

July 2020), BRPD circular no. 17 dated 28 September 2020, BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 56 dated 10 December 2020, BRPD circular letter no. 3 dated 31 January 2021, BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular letter no. 51 & 52 dated 29 December 2021, BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022 and BRPD circular no. 53 dated 22 December 2022, a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively except (a) short-term agricultural and micro-credits where 5% for sub-standard and doubtful loans and 100% for bad & loss loans; and (b) cottage micro and small credits where 5% for sub-standard, 20% for doubtful and 100% for bad & loss loans depending on the duration of overdue. Again, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0.50% to 1% is required to be provided for all off-balance sheet exposures except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively. Such provision policies are not specifically in line with those prescribed by IFRS 9.

vi) Recognition of Investment Income in Suspense

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

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

vii) Other Comprehensive Income

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

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

viii) Financial Instruments - Presentation and Disclosure

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

ix) Financial Guarantees

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

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet item. No liability is recognised for the guarantee except the cash margin.

x) Cash and Cash Equivalents

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

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

xi) Non-Banking Assets

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

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

xii) Cash Flow Statement

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

xiii) Balance with Bangladesh Bank (Cash Reserve Requirement)

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

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

xiv) Presentation of Intangible Asset

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 15 dated 09 November 2009.

xv) Off-balance Sheet Items

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

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, off-balance sheet items (e.g., letter of credit, letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xvi) Disclosure of Appropriation of Profit

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

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

xvii) Investments Net off Provision

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

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

xviii) Recovery of Written off Investments/Loans

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

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

xix) Revenue

As per IFRS 15, revenue should be recognised on accrual basis, but due to the unique nature of Islamic Banks, income from investment under Murabaha, Bi-Muazzal, HPSM, Ijarah, Bi-Salam, Quard, IDBP and FDBP modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

Departure from BSEC Directive to comply with the rules and regulations of Bangladesh Bank:

As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, unclaimed dividend is required to be presented as a separate line item in the statement of financial position but the financial statements of the Bank are prepared as per the "First Schedule" and Section 38 of the Banking Companies Act, 1991 (as amended up to date) and BRPD Circular No. 15 dated 09 November 2009. Therefore, the unclaimed dividend has been presented in the separate note no. 13a.5 under the head of Unclaimed Dividend Account of the financial statements.

2.2. Basis of Consolidation

The consolidated Financial Statements include the Financial Statements of Shahjalal Islami Bank PLC. including Offshore Banking Unit and the Financial Statements of its subsidiary named Shahjalal Islami Bank Securities Limited made up to the end of the financial period.

The consolidated Financial Statements have been prepared in accordance with IFRS 10: *Consolidated Financial Statements*. The consolidated Financial Statements are prepared to a common financial period ending 30 September 2023.

2.3. Subsidiary

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

2.4. Transactions Eliminated on Consolidation

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

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

2.5. Going Concern

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

2.6. Significant Accounting Estimates, Judgments and Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis and recognised its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on:

- provision for investments;
- provision for income taxes (current & deferred);
- gratuity fund;
- lease liabilities;
- liquidity statement;
- estimation of useful life of fixed assets and its depreciation; and
- going concern assumption.

2.7. Assets and Basis of their Valuation

2.7.1 Cash and Cash Equivalents

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

2.7.2 Investments in Shares and Securities

Islamic Investment Bond

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

Bangladesh Government Investment Sukuk

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

Mudaraba Perpetual Bond

Investment in Mudaraba Perpetual Bond is reported at cost price. Provision for diminution in value of investment in Mudaraba Perpetual Bond was made as per Bangladesh Bank DOS circular no. 04 dated 24 November 2011.

Mudaraba Subordinated Bond

Investment in Mudaraba Subordinated Bond is reported at cost price.

Investment in Quoted Securities

These shares and securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. As per Bangladesh Bank DOS circular no. 04 dated 24 November 2011, provision for diminution in value of investments was made by netting off unrealised gains/losses of shares from market price less cost price.

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

Investment in Unquoted Securities

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

Derivative Investments

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

The Bank has no investments in any derivative investments.

Investment in Subsidiary

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

2.7.2.1 Held to Maturity

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

2.7.2.2 Held for Trading

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

2.7.2.3 Investment - Initial Recognition and Subsequent Measurement

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

2.7.3 General Investments

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

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

Provisions

Investments are stated in the Balance Sheet net off unearned income. Provision on Investments (Loans & Advances) is made on the basis of period end review by the management and as per instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 01 dated 20 February 2018, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 07 dated 19 March 2020, BRPD circular no. 16 dated 21 July 2020, BRPD circular no. 17 dated 28 September 2020, BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 56 dated 10 December 2020, BRPD circular letter no. 3 dated 31 January 2021, BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular letter no. 51 & 52 dated 29 December 2021, BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022, BRPD circular no. 53 dated 22 December 2022, BRPD circular no. 03 dated 02 February 2023 and BRPD circular no. 11 dated 20 June 2023.

The rates of provision are given below:

Particulars		Percentage (%) of Provision Requirement				
		Un-classified		Classified		
		Standard	SMA	SS	DF	BL
Cottage, Micro & Small Investments Under CMSME		0.25%	0.25%	5%	20%	100%
Medium Enterprise Financing under SMEF		0.25%	0.25%	20%	50%	100%
Consumer	Investment to Professional	2%	2%	20%	50%	100%
	Investment for House Building	1%	1%	20%	50%	100%
	Other than House Building & Professional	2%	2%	20%	50%	100%
Short-term Agricultural and Micro-Credits		1%	1%	5%	5%	100%
Investment to Stock Dealers & Stock Broker		1%	1%	20%	50%	100%
Credit Card		2%	2%	20%	50%	100%
All Other Investments		1%	1%	20%	50%	100%
Staff Investment		0%	0%	20%	50%	100%
Off-balance Sheet Exposures		1%	N/A	N/A	N/A	N/A
Special General Provision for COVID-19 (CMSME)		1%	BRPD circular letter no. 53; Date: 22 December 2022			
Special General Provision for COVID-19		2%	BRPD circular letter no. 53; Date: 22 December 2022			

2.7.4 Impairment of Financial Assets

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

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

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
F&D, Head Office Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
3H Finance PLC

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

2.7.5 Fixed Assets including Premises, Furniture and Fixtures

Recognition and Measurement

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

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

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

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

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

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

Subsequent Costs

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

Depreciation

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

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

05 NOV 2023 Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of IAS 16.

Construction Work in Progress/Building under Construction

05 NOV 2023

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

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

Intangible Assets

a. Goodwill

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

b. Software

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

c. License

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

2.7.6 IFRS 16: Leases

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

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

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

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

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

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

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

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

2.7.7 Fair Value of Assets and Liabilities

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

IFRS 13 refers fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

2.7.8 Impairment of Fixed Assets

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

2.7.9 Investment Properties

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

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

2.7.10 Other Assets

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

2.7.11 Inventories

Inventory is the accounting of items, component parts and raw materials that a company either uses in production or sells. Inventories are measured at the lower of cost and net realisable value.

2.7.12 Trade & Other Receivables

Trade receivables are amounts accrued by an organization when it delivers goods or renders services to its customers in the ordinary course of business.

2.8. Liabilities and Provisions

2.8.1 Placement from other Banks and Financial Institutions

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

2.8.2 Deposits and Other Accounts

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

2.8.3 Mudaraba Perpetual Bond

With due approval from competent authority, Shahjalal Islami Bank PLC. raised Additional Tier-1 Capital through issuance of "SIIBL Mudaraba Perpetual Bond" for BDT 500 crore of which BDT 450 crore raised

05 NOV 2023

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

Nasimul Baten 05 NOV 2023
Managing Director & CEO
DBH Finance PLC.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

through private placement and BDT 50 crore raised through public offer in order to strengthen the capital base of the Bank. The average of latest available yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks published in Bangladesh Bank website plus a predetermined additional margin @ 2.50%. The range of return/profit is fixed from 6% to 10% and the payment of profit is made annually after the end of calendar year.

2.8.4 Mudaraba Subordinated Bond

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

2.8.5 Trade Payables

Trade payables are any expenses incurred from vendors, suppliers or other third parties for goods or services provided in bringing the products to the customer.

2.8.6 Other Liabilities

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

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

2.8.7 Taxation

Current Tax

Provision for current income tax has been made at 37.50% as prescribed in the Finance Act, 2023 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure and provisions as per Income Tax Act, 2023 in compliance with IAS 12: *Income Taxes*.

Deferred Tax

Principle of Recognition

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

Recognition of Taxable Temporary Difference

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

Recognition of Deductible Temporary Difference

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

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC-05 NOV 2023

Measurement

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

2.9. Capital/Shareholders' Equity

Authorised Capital

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

Paid-up Capital

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

Statutory Reserve

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

Non-controlling (minority) Interest

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

2.10. Contingencies and commitments

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

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

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

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

2.11. Operating Segment

As per IFRS 8 "Operating Segments", is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- (c) for which discrete financial information is available.

2.12. Revenue Recognition

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

Investment Income

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

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

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

Income on Investments in Securities

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

Dividend Income on Shares

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

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

Fees, Commission and Exchange Income

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

Other Operating Income

Other operating income includes revenue from all other operating activities which are not related to the principal activities of the company, such as service charges, processing charge, maintenance charge and disposals income, etc.

Finance Income and Costs

Finance income comprises profit earned on outstanding financial assets and finance costs comprises profit expense arises on outstanding financial liabilities.

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAC Head Office, Dhaka

Md. Abu Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Profit Paid on Deposits

As per agreement between the Mudaraba depositors and the Bank in line with Mudaraba Principle, the Mudaraba depositors are entitled to get minimum 65% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba deposit. In the year 2022, the Bank paid 84.73% of Investment Income earned through deployment of Mudaraba Fund. Mudaraba Depositors do not share any income derived from various banking services where their fund is not involved and any income derived from investing Bank's equity and other cost free fund. Al-Wadeeah depositors do not share any income of the Bank. Profit is paid to Mudaraba Deposit accounts at provisional rate throughout the year. Final rates of profit of any accounting year are declared after finalization of Shari'ah Inspection report and certifying the Investment Income of the Bank by the statutory auditor.

Other Operating Expenses

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

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

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

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

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

2.14. Provision for Nostro Accounts

According to Banking Regulatory and Policy Department of Bangladesh Bank vide the circular letter no. 04 dated 12 April 2022, the Bank is not required to make provision regarding the unreconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no unreconciled outstanding entries for 06 (six) months or more.

2.15. Foreign Currency Transactions

Functional and Presentation Currency

Functional currency: The currency of the primary economic environment in which the entity operates.

Presentation currency: The currency in which the financial statements are presented.

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

Foreign Currency Translation

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

Commitment

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

2.16. Earnings per Share

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

2.17. Statement of Liquidity

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

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

2.18. Cash Flow Statement

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

2.19. Statement of Changes in Equity

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

2.20. Off-balance Sheet Items

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

2.21. Changes in Accounting Policies and Estimates

Accounting Policies, Changes in Accounting Estimates is applied in selecting and applying accounting policies, accounting for changes in estimates. Effect of changes of accounting estimates is included in Profit and Loss account. Shahjalal Islami Bank PLC. did not change the accounting policies and accounting estimates during the period 30 September 2023.

2.22. Offsetting

05 NOV 2023 Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.23. Employee Benefits

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Provident Fund (Defined Contribution Plan)

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

Gratuity Fund (Defined Benefit Plan)

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

Other Employee Benefits

Superannuation Fund

"Shahjalal Islami Bank Limited Employees' Social Security - Superannuation Fund" commenced with effect from 01 January 2008. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on monthly basis and with the contribution of the Bank.

Benevolent Fund

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

Incentive Bonus

The Bank usually paid incentive bonus among its employees. This bonus amount is distributed among the employees on annual basis considering specific terms & policies of the Bank.

Hospitalisation Insurance

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

Workers Profit Participation Fund

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

2.24. Reconciliation:

i) Reconciliation of Books of Accounts

Books of accounts in regard to inter-Bank are reconciled and un-reconciled entries in case of inter-Branch transactions on the reporting date are not mentionable, which are, due to the time-gap before

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
EAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

finalizing the same. Inter-Branch outstanding entries are less than 03 (three) months, details of which are disclosed in note no. 10a.5.

ii) Reconciliation of inter-bank accounts

Accounts with regard to interbank are reconciled regularly and there are no material differences which may affect the financial statements significantly.

2.25. Related Party Disclosures

A party is related to the company, if:

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

Related Party Transactions

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

2.26. Corporate Governance

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

2.27. The Bank's Compliance with Related Pronouncement of Bangladesh Bank

i. Risk Management

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

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

implementation status of these guidelines and as per the reports of Bangladesh Bank, and Shahjalal Islami Bank PLC. is well compliant in Core Risk Management activities.

In line with instruction of Bangladesh Bank, SJIBL formed a Risk Management Division (RMD) to formulate risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, deciding acceptable level of risk and risk controlling by taking mitigating steps, Comprehensive Risk Management Report (CRMR), conducting monthly risk management meeting, stress testing and reporting the competent authority from time to time. It also reports to Bangladesh Bank on quarterly basis along with the CRMR, minutes of the monthly meeting and all other required supporting papers. Moreover, in compliance with the Banking Companies Act, 1991 (as amended up to date), Section 15 (Kha) and BRPD circular no. 11 dated 27 October 2013 of Bangladesh Bank, the Bank has constituted a Risk Management Committee comprising of 7 (seven) directors from the Board to formulate risk management policies, procedures and oversee the risk management activities of the Bank.

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

a) Investment (Credit) Risk Management

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

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

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

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

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

b) Foreign Exchange Risk Management

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

05 NOV 2023

Md. Jafar Sadeq

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

41

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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 10 (ten) meetings during the period 30 September 2023. 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 PLC. is taking preventive measures against money laundering and terrorist financing and proliferation financing in line with the Money Laundering Prevention Act, 2012 (amended 2015), Anti-Terrorism Act, 2009 (amended 2012 & 2013) and guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU) from time to time. Shahjalal Islami Bank PLC. applies risk sensitive customer due diligence measures, monitors business relationship and keeps records in line with regulations. The Bank regularly collects the accurate and complete documentation of Know Your Customer (KYC) which enables the prudential prevention of money laundering. The Bank has formed Central Compliance Committee (CCC) headed by the Additional Managing Director as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and the committee regularly monitors and ensures the compliance of issues relating to money laundering and terrorist financing and proliferation financing through the trained personnel of Head Office and Branches. The Bank has already subscribed 'Seasearcher' service from Lloyd's List Intelligence for vessel tracking and container tracking in order to appetite trade based money laundering risk.

e) Internal Control & Compliance Risk Management

Internal control is a process that ensures operational efficiency, reliability of financial reporting and compliance with applicable laws, regulations, policies for attainment of organizational objectives. The primary objective of Internal Control and Compliance of Shahjalal Islami Bank PLC. (SJIBPLC) is enabling the Bank to perform better, establish governance across the bank and add value by proper use of infrastructure and blending of available resources.

The Internal Control & Compliance Division (IC&CD) of SJIBL has been set up with the objective to provide independent advice & counselling and value added service to the management & authority of the bank for sustainable business growth by constant improvement of operational efficiency in all segment of performance. In order to carry out the mission, IC&CD of SJIBL is consisted of 03 (three) independent units namely Internal Audit & Inspection Unit, Compliance Unit and Monitoring Unit.

As a guideline in performing the responsibilities, SJIBL has drawn up its own 'Internal Control & Compliance Manual' in conformity to the "Guidelines on Internal Control & Compliance in Banks" provided by Bangladesh Bank. SJIBL has also introduced a separate "Compliance Policy" as per directives of Bangladesh Bank. Both the manual and policy are being reviewed & updated from time to time for betterment & best practices in the industry.

f) Information and Communication Technology Security Risk Management

According to BRPD circular no. 14 dated 23 October 2005 regarding "Guideline on ICT Security for Banks and Non-Bank Financial Institutions", BRPD circular no. 21 dated 20 May 2010 and BRPD circular no. 09 dated 17 September 2015, the Bank has followed IT Security Policy which deals operational risk, physical security control, potential for wide area disaster, data center disaster, recovery plan and backup/restore plan. The customers of SJIBL are enjoying 24 hours Banking facilities through using Internet Banking and Mobile Application with different services like inter bank fund transfer, utility bill payment transfer to Mobile Financial Services (MFSs), etc. In

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FMD, Head Office Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

42

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

addition, SWIFT, REUTERS, SJIBL Visa Debit Card, SMS Notification Services, Instabalance Call Service etc. facilities are also available. The Bank joined Q-Cash consortium under which ATM and POS services are being offered to its customers to meet the demand of time. Moreover, the Bank is running on technology-based total Banking solution module, i.e., core banking software. The Bank has introduced Agent Banking Services around all over the country targeting unbanked rural people to bring under formal banking services. The Bank formed a separate department named ICT Security Department to deal dedicatedly with ICT and Cyber Threats. In addition to this, up-to-date security solutions have been implemented to ensure confidentiality, integrity and availability of critical business data.

ii. Internal Audit & Inspection

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

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

Irregularities detected in the Bank's internal audit & inspection reports as well as external auditor's reports of the previous year have so far been rectified/regularized properly.

iii. Fraud and Forgeries

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

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

2.28. Audit Committee

According to BRPD circular no. 11 dated 27 October 2013, all banks are instructed to constitute an audit committee comprising of maximum 05 (five) members of the Board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the

audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. The Board of Directors of the Bank formed an audit committee consisting of five members including three independent directors.

2.29. Compliance with Financial Reporting Standards as applicable in Bangladesh

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

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Banking Companies Act, 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994. In case any requirement of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRSs are mentioned above under note no. 2.1.

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

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Complied
4	5	Non-current Assets Held for Sale and Discontinued Operations	Complied
5	6	Exploration for and Evaluation of Mineral	Not Applicable
6	7	Financial Instruments: Disclosures	Complied *
7	8	Operating Segments	Complied
8	9	Financial Instruments	Complied *
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in Other Entities	Not Applicable
12	13	Fair Value Measurement	Complied
13	14	Regulatory Deferral Accounts	Not Applicable
14	15	Revenue from Contracts with Customers	Complied
15	16	Leases	Complied
16	17	Insurance Contracts	Not Applicable

*Subject to departure disclosed in note no. 2.1.

2.30. Director's Responsibilities on Financial Statement

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IASs), The Banking Companies Act, 1991, The Companies Act, 1994, Financial reporting Act, 2015 and other related laws and regulations pertaining to the financial statement.

The Board of Directors accept their responsibility for the preparation and fair presentation of these financial statements.

2.31. Reporting Period

The Financial Statements cover one calendar period from 01 January to 30 September 2023.

2.32. Events after the Reporting Period

Events after the Reporting Period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The adjusting events are those that provide evidence of conditions that existed at the end of the reporting period and non-adjusting events are those that are indicative of conditions that arose after the reporting period. The non-adjusting events require disclosure in the notes to the Financial Statements considering their materiality.

2.33. General Information

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

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
45 Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

		30.09.2023 Taka	31.12.2022 Taka
3. Consolidated Cash in Hand (including Foreign Currencies)			
Shahjalal Islami Bank PLC.	(Note-3a)	2,216,469,790	2,399,102,842
Shahjalal Islami Bank Securities Ltd.		-	-
		<u>2,216,469,790</u>	<u>2,399,102,842</u>
3a Cash in Hand of the Bank (including Foreign Currencies)			
In Local Currencies		2,198,995,208	2,382,419,040
In Foreign Currencies	(Note-3a.1)	17,474,582	16,683,802
		<u>2,216,469,790</u>	<u>2,399,102,842</u>
3a.1 In Foreign Currencies			
Foreign Currency	Amount in FC	Exchange Rate (Mid Rate)	
USD	155,364.00	110.5000	17,167,722
GBP	-	134.2023	-
Euro	2,628.75	116.7322	306,860
			<u>17,474,582</u>
4. Consolidated Balance with Bangladesh Bank and its agent bank(s)			
Shahjalal Islami Bank PLC.	(Note-4a)	20,224,673,501	14,924,287,024
Shahjalal Islami Bank Securities Ltd.		-	-
		<u>20,224,673,501</u>	<u>14,924,287,024</u>
4a Balance with Bangladesh Bank and its agent bank(s) (including Foreign Currencies)			
Balance with Bangladesh Bank			
In Local Currencies		10,309,861,084	12,073,949,882
In Foreign Currencies		9,870,880,982	2,634,723,609
		<u>20,180,742,066</u>	<u>14,708,673,491</u>
Balance with Sonali Bank PLC. as agent of Bangladesh Bank			
In Local Currencies		43,931,435	215,613,533
In Foreign Currencies		-	-
		<u>43,931,435</u>	<u>215,613,533</u>
		<u>20,224,673,501</u>	<u>14,924,287,024</u>
4a.1 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) Requirements			
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of the Banking Companies Act, 1991 (as amended up to date) and subsequent Circular No. 02 dated 10 December 2013 and MPD Circular No. 03 dated 09 April 2020.			
4a.2 Cash Reserve Ratio (CRR): 4.00% of Average Demand and Time Liabilities			
Required Reserve		9,977,663,000	9,741,332,000
Actual Reserve held with Bangladesh Bank (in Local Currencies)*		10,287,036,723	12,158,133,622
CRR Surplus		<u>309,373,723</u>	<u>2,416,801,622</u>
Maintained (%)		4.12%	4.99%
*Actual Reserve held with Bangladesh Bank (in Local Currencies) reported as per the statement of Bangladesh Bank. Minimum requirement of Daily Cash Reserve Ratio (CRR) has been maintained throughout the year.			
4a.3 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities			
Required Reserve		13,723,087,000	13,452,567,000
Actual Reserve held	(Note-4a.4)	29,209,684,947	31,171,427,996
SLR Surplus		<u>15,486,597,947</u>	<u>17,718,860,996</u>
Maintained (%)		11.71%	12.74%
4a.4 Components of Statutory Liquidity Ratio			
Cash in Hand	(Note-3a)	2,216,469,790	2,399,102,842
Balance with Sonali Bank PLC. as agent of Bangladesh Bank	(Note-4a)	43,931,435	215,613,533
Excess CRR	(Note-4a.2)	309,373,723	2,416,801,622
Bangladesh Government Islamic Investment Bond	(Note-7a)	1,500,000,000	1,000,000,000
Bangladesh Government Investment Sukuk (BGIS)	(Note-7a)	24,639,910,000	24,639,910,000
Refinance Fund (with Bangladesh Bank)	(Note-6a.1)	500,000,000	500,000,000
		<u>29,209,684,947</u>	<u>31,171,427,996</u>
5. Consolidated Balance with Other Banks and Financial Institutions			
Inside Bangladesh			
Shahjalal Islami Bank PLC.	(Note-5a.1)	5,280,935,262	2,192,462,827
Shahjalal Islami Bank Securities Ltd.		380,050,661	343,641,221
		5,660,985,923	2,536,104,048
Less: Inter Company Transaction		344,828,071	319,707,359
		<u>5,316,157,852</u>	<u>2,216,396,689</u>

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

05 NOV 2023

46

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

		30.09.2023 Taka	31.12.2022 Taka	
Outside Bangladesh				
Shahjalal Islami Bank PLC.	(Note-5a.2)	3,357,263,848	1,103,127,014	
Shahjalal Islami Bank Securities Ltd.		-	-	
		<u>3,357,263,848</u>	<u>1,103,127,014</u>	
		<u>8,673,421,701</u>	<u>3,319,523,703</u>	
5a Balance with Other Banks and Financial Institutions of the Bank				
Inside Bangladesh	(Note-5a.1)	5,280,935,262	2,192,462,827	
Outside Bangladesh	(Note-5a.2)	3,357,263,848	1,103,127,014	
		<u>8,638,199,111</u>	<u>3,295,589,841</u>	
5a.1 Inside Bangladesh				
Current Account				
Sonali Bank PLC. (other than as agent of Bangladesh Bank)		68,552,263	232,891,294	
National Bank Limited (Naraygonj Branch)		2,489	2,834	
Standard Chartered Bank (Uttara Branch)		28,625,237	20,346,415	
Agrani Bank PLC. (Islami Banking Wing)		143,241	11,963,186	
Offshore Banking Unit		10,965,898	60,249,402	
		108,289,128	325,453,131	
		10,965,898	60,249,402	
Less: Offshore Banking Unit		<u>97,323,230</u>	<u>265,203,729</u>	
Mudaraba Special Notice Deposit				
Export Import Bank of Bangladesh Limited		2,042,657	23,423,460	
Trust Bank Limited (Dilkusha Corporate Branch)		19,010,073	14,921,577	
Prime Bank Limited (Islami Banking Branch)		364,546	1,001,041,150	
Social Islami Bank Limited		4,196,767	12,838,172	
Agrani Bank PLC. (Islami Banking Wing)		136,781,990	249,774,582	
AB Bank Limited (Islami Banking Branch)		24,827	25,594	
Jamuna Bank PLC. (Naya Bazar Islami Banking Branch)		3,133,941	544,871	
Bank Alfalah (Islami Banking Branch)		2,760,825	2,759,330	
Al-Arafah Islami Bank Limited		6,472,287	14,901,571	
Southeast Bank Limited (Islami Banking Branch)		1,400,171,337	18,126,028	
The City Bank Limited (Islamic Banking Branch)		5,771,963	5,759,614	
Islami Bank Bangladesh PLC.		18,121,217	6,127,902	
Mercantile Bank PLC. (Islami Wing Main Branch)		94,775	96,845	
Premier Bank PLC. (Mohakhali Branch-Islami Banking Wing)		421,611	57,619	
Dhaka Bank Limited (Islami Banking Branch)		2,581,318,148	509,143,194	
Midland Bank Limited (Gulshan Branch)		1,510,583	8,515,175	
United Commercial Bank PLC. (Islami Banking Branch)		843,860	50,251,507	
Mutual Trust Bank Limited (Gulshan Branch)		521,596	8,908,800	
National Credit and Commerce Bank Ltd-Islamic Banking Branch Gulshan		1,000,000,000	-	
		<u>5,183,563,004</u>	<u>1,927,216,989</u>	
Mudaraba Savings Deposit				
Social Islami Bank Limited		18,587	13,052	
Al-Arafah Islami Bank Limited		15,061	14,903	
Islami Bank Bangladesh PLC.		15,381	14,154	
		<u>49,029</u>	<u>42,109</u>	
		<u>5,280,935,262</u>	<u>2,192,462,827</u>	
5a.2 Outside Bangladesh (Nostro Accounts) [as at 30 September 2023]				
Current Account	Currency	F.C.Amount	Rate	Amount in Taka
Standard Chartered Bank, NY	USD	3,167,874.75	110.5000	350,050,160
Mashreq Bank PSC, NY	USD	1,459,769.37	110.5000	161,304,515
Standard Chartered Bank, Mumbai	USD	222,198.53	110.5000	24,552,938
Habib American Bank, USA	USD	1,788,505.68	110.5000	197,629,878
ICICI Bank, Hong Kong	USD	250,897.06	110.5000	27,724,125
WACHOVIA BANK, NY, USA	USD	757,448.22	110.5000	83,698,028
Commerzbank AG Frankfurt	USD	2,744,670.19	110.5000	303,286,056
Bank Aljazira	USD	770.80	110.5000	85,173
JPMorgan Chase Bank N.A., NY, USA	USD	3,565,669.08	110.5000	394,006,433
Citibank N.A., NY, USA	USD	2,437,433.67	110.5000	269,336,421
AB Bank Ltd. Mumbai	ACUD	138,298.01	110.5000	15,281,930
Standard Chartered Bank, Mumbai	ACUD	72,352.15	110.5000	7,994,913
Standard Chartered Bank, Colombo	ACUD	7,952.01	110.5000	878,697
ICICI Bank, Mumbai	ACUD	355,068.06	110.5000	39,235,021
Habib Metropolitan Bank Ltd.	ACUD	13,323.87	110.5000	1,472,288
United Bank of India, Kolkata	ACUD	300,563.18	110.5000	33,212,231
Sonali Bank Ltd. ACU, Kolkata	ACUD	75,348.71	110.5000	8,326,032
Bank of Bhutan Ltd. Main Branch	ACUD	10,186.19	110.5000	1,125,574
AXIS Bank Ltd. India	ACUD	284,350.19	110.5000	31,420,696
MCB Bank Limited	ACUD	189,589.39	110.5000	20,949,628
HDFC Bank Ltd., Mumbai	ACUD	46,745.98	110.5000	5,165,431
Nabil Bank Limited, Kathmandu, Nepal	ACUD	11,575.19	110.5000	1,279,059
Standard Chartered Bank, Frankfurt	EURO	2,028,772.06	116.7322	236,823,026

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

47

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Current Account	Currency	F.C. Amount	Rate	Amount in Taka
Commerzbank AG	EURO	1,715,831.15	116.7322	200,292,745
Wells Fargo Bank, N. A. London, UK	EURO	6,195,040.36	116.7322	723,160,690
JPMorgan Chase AG, Frankfurt	EURO	961,863.03	116.7322	112,280,388
Standard Chartered Bank, Tokyo	YEN	2,495,874.52	0.7417	1,851,190
Habib Bank AG Zurich	CHF	14,813.61	120.5634	1,785,979
ICICI Bank, Canada	CAD	6,061.20	81.7646	495,592
Bank Aljazira, KSA	SAR	1,191,466.49	29.4840	35,129,198
Riyad Bank, KSA	SAR	1,433,341.37	29.4840	42,260,637
Standard Chartered Bank, London	GBP	81,321.31	134.2023	10,913,507
JPMorgan Chase Bank N.A., London	GBP	2,148.36	134.2023	288,315
Mashreq Bank PSC, UAE	AED	384,081.24	30.0852	11,555,161
Emirates Islamic Bank PJSC, Dubai	AED	10,728.00	30.0852	322,754
Standard Chartered Bank, China	CNY	138,067.27	15.1335	2,089,441
				3,357,263,848

Currency-wise Distribution:

Foreign Currency

USD
ACUD
EURO
YEN
CHF
CAD
SAR
GBP
AED
CNY

Amount in Taka	Composition
1,811,673,727	53.96%
166,341,499	4.95%
1,272,556,849	37.90%
1,851,190	0.06%
1,785,979	0.05%
495,592	0.01%
77,389,835	2.31%
11,201,822	0.33%
11,877,915	0.35%
2,089,441	0.06%
3,357,263,848	100%

Please see **Annexure-C** for detailed comparative statement of 30 September 2023 & 31 December 2022 of foreign currency amount and rate thereof.

- 5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular Letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005, the quarterly review of Nostro Accounts for the quarter ended 30 September 2023 reflect the true state of the Nostro Account entries recorded correctly and after review a separate audit certificate has also been given by the Auditor. The status of all outstanding unmatched entries is given below:

As at 30 September 2023

Up to 3 months
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

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
11	4,893,607	391	11,609,907	85	9,951,873	628	34,502,794
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
11	4,893,607	391	11,609,907	85	9,951,873	628	34,502,794

As at 31 December 2022

Up to 3 months
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

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
9	1,359,364	279	8,787,742	18	1,203,402	391	22,184,753
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
9	1,359,364	279	8,787,742	18	1,203,402	391	22,184,753

30.09.2023	31.12.2022
Taka	Taka

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

On Demand
Not more than 03 months
More than 03 months but less than 01 year
More than 01 year but less than 05 years
More than 05 years

97,327,642	265,207,519
8,540,871,468	3,030,382,322
-	-
-	-
-	-
8,638,199,111	3,295,589,841

6. Consolidated Placement with Other Banks & Financial Institutions

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-6a)

24,726,017,716	21,276,957,716
-	-
24,726,017,716	21,276,957,716

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

48

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

		30.09.2023 Taka	31.12.2022 Taka
6a Placement with Other Banks & Financial Institutions of the Bank			
Placement with Other Banks	(Note-6a.1)	19,671,017,716	19,221,957,716
Placement with Financial Institutions	(Note-6a.2)	5,055,000,000	2,055,000,000
		24,726,017,716	21,276,957,716
6a.1 Placement with other Banks			
Mudaraba Term Deposits-Other Banks			
ICB Islamic Bank Limited		311,017,716	311,017,716
Export Import Bank of Bangladesh Limited		4,260,000,000	3,750,000,000
Bangladesh Bank (Refinance Fund)		500,000,000	500,000,000
Al-Arafah Islami Bank Limited		1,800,000,000	5,965,940,000
Agrani Bank PLC. (Islami Banking Wing)		1,300,000,000	1,800,000,000
Jamuna Bank PLC. (Islami Banking Branch)		3,000,000,000	1,500,000,000
Pubali Bank PLC. (Islami Banking Wing)		1,500,000,000	1,400,000,000
ONE Bank Ltd (Islami Banking Branch)		1,000,000,000	500,000,000
Standard Bank Limited		2,000,000,000	500,000,000
The Premier Bank PLC. (Islami Banking Wing)		2,000,000,000	-
National Credit and Commerce Bank Limited (Islami Banking Branch)		2,000,000,000	-
Social Islami Bank Limited		-	2,695,000,000
Midland Bank Ltd. (Islami Banking Window)		-	300,000,000
		19,671,017,716	19,221,957,716
6a.2 Placement with Financial Institutions			
Mudaraba Term Deposits-Financial Institutions			
Lanka Bangla Finance Limited		-	500,000,000
Industrial and Infrastructure Development Finance Company Limited		135,000,000	135,000,000
Union Capital Limited		250,000,000	250,000,000
Phoenix Finance & Investments Limited		370,000,000	370,000,000
Premier Leasing International Limited		300,000,000	300,000,000
IDLC Finance Limited		2,000,000,000	500,000,000
Delta Brac Housing Finance Corporation Limited		2,000,000,000	-
		5,055,000,000	2,055,000,000
		24,726,017,716	21,276,957,716
6a.3 Maturity-wise groupings of Placement with Other Banks and Financial Institutions			
On Demand		-	-
Not more than 03 months		24,415,000,000	20,965,940,000
More than 03 months but not more than 01 year		-	-
More than 01 year but not more than 05 years		311,017,716	311,017,716
More than 05 years		-	-
		24,726,017,716	21,276,957,716
7. Consolidated Investments in Shares & Securities			
Government			
Shahjalal Islami Bank PLC.	(Note-7a.i)	26,139,910,000	25,639,910,000
Shahjalal Islami Bank Securities Ltd.		-	-
		26,139,910,000	25,639,910,000
Others			
Shahjalal Islami Bank PLC.	(Note-7a.ii)	7,818,512,566	7,846,594,135
Shahjalal Islami Bank Securities Ltd.		2,135,940,242	2,139,518,584
		9,954,452,807	9,986,112,719
		36,094,362,807	35,626,022,719
7a Investments in Shares & Securities of the Bank			
i) Government			
Bangladesh Government Islamic Investment Bond (BGIIB)	(Note-7a.2)	1,500,000,000	1,000,000,000
Bangladesh Government Investment Sukuk (BGIS)	(Note-7a.3)	24,639,910,000	24,639,910,000
		26,139,910,000	25,639,910,000
ii) Others			
Mudaraba Perpetual Bond	(Note-7a.4)	1,527,284,492	1,527,284,492
Mudaraba Subordinated Bond	(Note-7a.5)	2,880,000,000	2,980,000,000
Beximco Green Sukuk Al Istisna'a		663,476,100	903,029,100
Investments in Shares & Securities	(Note-7a.6)	2,747,751,974	2,436,280,544
		7,818,512,566	7,846,594,135
		33,958,422,566	33,486,504,135

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

49 Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

	30.09.2023 Taka	31.12.2022 Taka
7a.1 Maturity-wise groupings of Investments in Shares & Securities		
On Demand	-	-
Not more than 03 months	1,900,000,000	1,000,000,000
More than 03 months but less than 01 year	4,938,512,566	5,366,594,135
More than 01 year but less than 05 years	27,119,910,000	27,119,910,000
More than 05 years	-	-
	33,958,422,566	33,486,504,135
7a.2 Bangladesh Bank introduced Mudaraba Bond named "Bangladesh Government Islamic Investment Bond (Islamic Bond)" in September 2004 on behalf of the Government to facilitate Islamic Banks and Financial Institutions. Investment in this fund is considered as a component of Statutory Liquidity Ratio (SLR).		
The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed among the bondholders as per mudaraba principle of Islamic Shariah on the basis of the tenor of the bond. So the rate of return from Islamic Bond is dependent on fund deployment of Bangladesh Bank which is not prefixed.		
7a.3 Sukuk is an Islamic financial certificate, similar to a conventional bond, and structured to generate returns in compliance with Islamic finance principles. The government raised the fund through issuing the Bangladesh Government Investment Sukuk (BGIS) in December 2020 & June 2021 for Tk. 80 billion for implementation of a water-supply project titled "Safe Water Supply for the Whole Country" @4.69% for 5 years' tenure and in December 2021 for Tk. 50 billion for a project titled "Need Based Infrastructure Development of Government Primary School Project (1st Phase)" @4.65% for 5 years' tenure. SIBL, in view of diversifying its investment portfolio, maintaining Statutory Liquidity Ratio (SLR) requirement as well as pile up Stock of High Quality Liquidity Assets, participated in all 03 (three) auctions and received an allocation for investment of (i) in December 2020 Tk. 369.56 crore (Taka three hundred sixty-nine crore and fifty-six lac only) fixed rental rate @4.69% per annum (ii) in June 2021 Tk. 496.20 crore (Taka four hundred ninety-six crore and twenty lac only) fixed rental rate @4.69% per annum and (iii) in December 2021 Tk. 614.01 crore (Taka six hundred fourteen crore and one lac only) fixed rental rate @4.65% per annum (iv) in April 2022 Tk. 984.22 crore (Taka nine hundred eighty four crore and twenty two lac only) fixed rental rate @4.75% per annum.		
7a.4 Mudaraba Perpetual Bond		
Islami Bank Bangladesh Ltd.	1,077,284,492	1,077,284,492
Al-Arafah Islami Bank Ltd.	450,000,000	450,000,000
	1,527,284,492	1,527,284,492
7a.5 Mudaraba Subordinated Bond		
SIBL Mudaraba Subordinated Bond	-	100,000,000
IBBL Mudaraba Subordinated Bond	400,000,000	400,000,000
IBBL 3rd Mudaraba Subordinated Bond	1,480,000,000	1,480,000,000
AI BL 3rd Mudaraba Subordinated Bond	1,000,000,000	1,000,000,000
	2,880,000,000	2,980,000,000
7a.6 Investments in Shares & Securities (at cost)		
Quoted		
The ACME Laboratories Limited	49,116,095	29,077,594
Active Fine Chemicals Ltd.	60,709,192	60,709,192
Aftab Automobiles Limited	72,694,437	72,694,437
AI BL 1st Islamic Mutual Fund	72,762,501	72,762,501
Dhaka Electric Supply Company Ltd.	125,754,826	125,754,826
Export Import Bank of Bangladesh Limited	158,148,898	158,148,898
Generation Next Fashions Limited	25,741,813	25,741,813
Meghna Petroleum Limited	133,872,759	133,872,759
RAK Ceramics (Bangladesh) Limited	49,814,878	49,814,878
Square Textile Ltd.	82,481,825	82,481,825
The Dacca Dyeing & Mfg. Co. Limited	102,948,339	102,948,339
Titas Gas Transmission and Distribution Co. Ltd.	240,881,514	240,881,514
Prime Islami Life Insurance Ltd.	41,170,671	55,501,667
Singer Bangladesh Limited	88,910,881	88,910,881
Olympic Industries Ltd.	-	37,182,109
Square Pharmaceuticals Ltd.	188,977,997	157,304,920
The IBN SINA Pharmaceutical Industry Ltd.	31,346,168	31,346,168
MJL Bangladesh Limited	82,688,225	86,720,740
Silva Pharmaceuticals Limited	48,788,156	48,788,156
Robi Axiata Limited	142,756,117	142,756,117
Linde Bangladesh Ltd.	75,143,517	75,143,517
Power Grid Company of Bangladesh Ltd.	123,322,659	123,322,659
Lub-rref (Bangladesh) Limited	69,212,179	69,212,179
Mir Akhter Hossain Limited	87,290,575	76,305,125
ACI Limited	44,635,402	44,635,402
ACI Formulations Limited	83,299,090	51,172,892
Agni Systems Ltd.	21,708,633	23,470,246
Grameenphone Ltd.	9,177,813	9,177,813
Apex Tannery Limited	13,619,478	13,619,478
BSRM Steels Limited	6,666,609	6,666,609
Crown Cement PLC.	33,221,721	33,424,707
Energypac Power Generation Limited	29,171,775	29,171,775
Global Islami Bank Limited	13,173,670	13,173,670
IFAD Autos Limited	24,142,177	24,142,177
Islami Commercial Insurance Company Limited	-	87,980
Union Bank Limited	-	25,711,347
Apex Footwear Limited	11,601,734	-
IT Consultants Limited	11,608,277	-
LafargeHolcim Bangladesh Limited	70,282,018	-
Summit Alliance Port Limited	48,240,857	-

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

50

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Agricultural Marketing Company Ltd. (Pran)
Aamra Technologies Limited
BDCOM Online Ltd.
ADN Telecom Limited
Bashundhara Paper Mills Limited
JMI Hospital Requisite Manufacturing Limited
MK Footwear PLC
LankaBangla Securities Limited
Union Bank Limited
i) Total

Un-Quoted

Lanka Bangla Securities Ltd.
Investment A/C - SWIFT Membership Share
CWT - Community Bank Shariah Fund
ii) Total

Grand Total

Please see Annexure-A for details regarding unrealised gain/(loss).

30.09.2023 Taka	31.12.2022 Taka
16,586,180	-
6,642,625	-
16,096,548	-
13,232,555	-
28,595,419	-
29,492,070	-
90,300	-
4,999,989	-
25,711,346	-
2,716,530,508	2,421,836,907
-	5,000,000
11,221,466	9,443,636
20,000,000	-
31,221,466	14,443,636
2,747,751,974	2,436,280,543

8. Consolidated Investments

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-8a)

Less: Inter Company Transaction

Bills Purchased and Discounted

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-8a)

8a Investments of the Bank

Country-wise Classification of Investments:

Inside Bangladesh

Gross Murabaha, Bai-Muajjal etc.

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

Net Murabaha, Bai-Muajjal etc.

Net Bills Purchased and Discounted

Outside Bangladesh

(Note-8a.2)

219,506,215,114	220,328,259,077
4,262,977,478	4,892,987,792
223,769,192,592	225,221,246,870
1,751,970,436	2,260,530,757
222,017,222,156	222,960,716,113
10,728,309,543	16,901,718,515
10,728,309,543	16,901,718,515
232,745,531,699	239,862,434,627
227,555,852,831	227,474,272,633
8,049,637,717	7,146,013,556
219,506,215,114	220,328,259,077
10,728,309,543	16,901,718,515
230,234,524,657	237,229,977,592

As per letter # 178/FRC/APR/2021/27(45) dated 09 December 2021 issued by the Financial Reporting Council (FRC) regarding the compliance of BRPD Circular Letter # 04 dated 04 January 2021 and BRPD Circular Letter # 35 dated 06 July 2021, the current status of the Bank is as follows:

Particulars	Compliance of BRPD Circular Letter # 04*		Compliance of BRPD Circular Letter # 35**	
	No. of Files	% of Compliance	No. of Files	% of Compliance
Complied Files	407	84%	407	100%
Total Files	485		407	

* BRPD Circular Letter # 04: Regarding the collection of audited financial statements and statutory audit report for sanctioned/renewed investments.

** BRPD Circular Letter # 35: Regarding the verification of audited financial statements through Document Verification System (DVS) developed by ICAB.

8a.1 Maturity-wise Classification of Investments

With a residual maturity of:

Re-payable on Demand

Not more than 03 months

Over 03 months but not more than 01 year

Over 01 year but not more than 05 years

Over 05 years

56,407,458,541	54,562,894,846
36,837,523,945	49,818,295,294
51,802,768,048	54,562,894,846
36,837,523,945	26,095,297,535
48,349,250,178	52,190,595,070
230,234,524,657	237,229,977,592

8a.2 Bills Purchased and Discounted

Payable inside Bangladesh

Payable outside Bangladesh

Gross Bills Purchased and Discounted

Less: Profit receivable on Bills Purchased and Discounted

Net Bills Purchased and Discounted

4,559,920,312	4,555,763,536
6,510,326,026	12,657,424,310
11,070,246,338	17,213,187,847
341,936,795	311,469,332
10,728,309,543	16,901,718,515

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

Re-payable:

Within 01 month

Over 01 month but less than 03 months

Over 03 months but less than 06 months

06 months or more

2,196,084,963	3,459,781,780
3,060,786,713	4,822,060,292
2,227,197,061	3,508,796,764
3,244,240,806	5,111,079,679
10,728,309,543	16,901,718,515

8a.4 Investments on the basis of significant concentration

Investments to allied concern of Directors
Investments to Executives/Officers
Investments to Customer Groups
Industrial Investments
Others

(Note-53.5)

30.09.2023 Taka	31.12.2022 Taka
2,082,773,162	2,712,444,495
2,224,308,080	2,224,379,061
76,753,993,297	83,125,746,944
149,167,149,386	149,167,149,386
6,300,732	257,706
230,234,524,657	237,229,977,592

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

Total outstanding amount to such customers at end of the year	: 105,644.21 million	107,761.41 million
Number of such types of customers	: 19	23
Amount of Classified Investments thereon	: Nil	Nil
Measures taken for recovery	: Not applicable	Not applicable

The amount represents the sum of total investments (both Funded and Non-Funded) to single person/counterparty or a group equal to or greater than Tk. 3,535.57 million which is computed @ 10% and above of total capital of the bank, i.e. Tk. 35,355.73 million (Note-17.5.c) as at 30 September 2023.

For details, please refer to Annexure-D.

8a.5 Sector-wise Classification of Investments

Sector	As at 30 September 2023		As at 31 December 2022	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	2,064,368,582	0.90%	3,750,070,867	1.58%
Cotton & Textile	17,714,321,896	7.69%	19,698,236,300	8.30%
Garments	47,183,935,489	20.49%	53,779,166,142	22.67%
Cement	5,551,879,710	2.41%	1,973,238,650	0.83%
Pharmaceuticals & Chemicals	9,550,386,635	4.15%	7,198,057,346	3.03%
Real Estate	10,155,446,280	4.41%	8,303,793,964	3.50%
Transport	2,929,002,346	1.27%	3,064,912,499	1.29%
Information Technology	828,414,168	0.36%	700,689,623	0.30%
Non Banking Financial Institutions	1,597,786,405	0.69%	1,439,455,629	0.61%
Steel & Engineering	9,756,658,624	4.24%	8,403,069,265	3.54%
Food Processing & Beverage	14,982,603,968	6.51%	17,157,443,728	7.23%
Power & Energy	6,511,816,423	2.83%	7,780,171,632	3.28%
Paper & Paper Products	1,728,974,529	0.75%	1,743,874,720	0.74%
Plastic & Plastic Product	7,793,764,577	3.39%	7,206,031,728	3.04%
Electronics	6,931,452,563	3.01%	9,527,940,996	4.02%
Services Industries	7,844,897,430	3.41%	7,935,089,101	3.34%
Trading	32,159,047,344	13.97%	32,884,014,916	13.86%
Construction incl. Work Order Financing	18,974,366,499	8.24%	19,053,683,321	8.03%
Share business	1,861,709,483	0.81%	2,369,005,756	1.00%
Staff Investment	2,224,308,080	0.97%	2,224,379,061	0.94%
Others	21,889,383,626	9.51%	21,037,652,348	8.87%
Total	230,234,524,657	100.00%	237,229,977,592	100.00%

Incompliance with Bangladesh Bank SMESPD circular No.-05 dated 14 August 2022; CMSME Cluster Financing position are as follow:

Cluster's Category	Outstanding as on 30.09.2023
Agro/Food processing and Agri Machinery Manufacturing Clusters	490,402,000
Ready Made Garments (RMG), Knitwear, Design & Personal Wear Clusters	3,054,291,000
ICT Clusters	-
Leather & Leather goods Clusters	-
Light Engineering Clusters	387,548,000
Jute & Jute products Cluster	26,855,000
Total	3,959,096,000

8a.6 Geographical Location-wise Investments

Area	As at 30 September 2023		As at 31 December 2022	
	Amount in Taka	Composition	Amount in Taka	Composition
i) Inside Bangladesh				
a. In Urban Areas				
Dhaka	171,454,009,860	76.44%	180,721,421,428	78.00%
Chattogram	34,660,862,953	15.45%	33,181,120,652	14.32%
Sylhet	1,760,800,811	0.79%	1,860,252,031	0.80%
Rajshahi	5,717,395,970	2.55%	4,972,513,864	2.15%
Rangpur	1,459,255,280	0.65%	2,313,755,717	1.00%
Khulna	6,759,157,606	3.01%	6,483,350,950	2.80%
Barishal	831,740,154	0.37%	858,564,534	0.37%
Mymensingh	1,656,598,660	0.74%	1,316,819,936	0.57%
Sub-total	224,299,821,295	100%	231,707,799,111	100%
b. In Rural Areas				
Dhaka	4,052,908,504	68.29%	4,041,266,489	73.18%
Chattogram	923,276,341	15.56%	794,078,281	14.38%
Sylhet	151,784,671	2.56%	178,493,944	3.23%
Rajshahi	107,934,240	1.82%	100,589,164	1.82%
Khulna	104,593,880	1.76%	94,992,096	1.72%
Barishal	317,607,649	5.35%	96,574,816	1.75%
Mymensingh	276,598,077	4.66%	216,183,692	3.91%
Sub-total	5,934,703,362	100%	5,522,178,481	100%
ii) Outside Bangladesh				
Total	230,234,524,657	100%	237,229,977,592	100%

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

52

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

8a.7 Mode-wise Investments

	30.09.2023 Taka	31.12.2022 Taka
Mode of Investment	Amount in Taka	Amount in Taka
Bai-Murabaha	11,888,763,558	12,959,610,066
Bai-Muajjal	111,779,900,671	101,324,554,561
Hire Purchase Under Shirkatul Melk	61,949,711,174	61,879,107,507
Ijara	2,065,582,368	1,539,262,884
Bai-Salam	5,717,162,437	6,675,877,286
Mudaraba Import Bills	6,598,562,624	12,596,679,940
EDF/Murabaha Foreign Currency Investment	23,764,312,488	34,623,526,812
Quard	1,740,230,124	843,569,533
IDBP	3,851,481,321	3,966,116,176
FDBP	374,126,263	338,922,398
Islamic Credit Card Investment	504,691,630	482,750,428
Total	230,234,524,657	237,229,977,592

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

Status	As at 30 September 2023		As at 31 December 2022	
	Amount in Taka	Composition	Amount in Taka	Composition
Unclassified:				
Standard (including Staff Investment)	215,720,884,151	93.70%	222,746,444,156	93.89%
Special Mention Account (SMA)	3,315,374,031	1.44%	3,150,706,866	1.33%
Sub-total	219,036,258,182		225,897,151,022	
Classified				
Substandard	274,221,127	0.12%	1,661,805,535	0.70%
Doubtful	91,009,372	0.04%	85,784,354	0.04%
Bad or Loss	10,833,035,976	4.71%	9,585,236,681	4.04%
Sub-total	11,198,266,475		11,332,826,570	
Grand Total	230,234,524,657	100.00%	237,229,977,592	100.00%

8a.9 Particulars of Provision for Investments

Status	Basis for Provision	Rate	30.09.2023 Taka	31.12.2022 Taka
Standard:				
Unclassified (excluding Staff Investments)	141,576,953,325	1% (ex. RSDL BB NOC)	1,415,769,533	1,534,028,009
Staff Investments	2,224,308,080	0%	-	-
Consumer Financing (other than HF & LP)	881,970,793	2%	17,639,416	18,870,729
Small & Medium Enterprise	61,670,300,180	0.25%	154,175,750	151,190,378
Housing Finance (HF)	7,199,602,942	1%	71,996,029	30,329,134
Loan for Professionals (LP)	4,119,363	2%	82,387	54,877
Share Business	1,755,203,372	1%	17,552,034	45,210,615
Short Term Agri Credit	2,739,725	1%	27,397	202,443
Islamic Credit Card	421,872,992	2%	8,437,460	7,931,284
SMA	3,315,374,031		16,116,921	13,876,999
Special General Provision for "COVID-19"			361,773,664	459,101,622
Special Reschedule & One Time Exit			262,784,842	308,837,303
			2,326,355,435	2,569,633,394
Sub-standard	72,805,378	20% & 5% (Agri, Cottage & Micro Credit)	10,308,325	170,554,544
Doubtful	19,497,221	50%; 20% (Cottage & Micro Credit) & 5% (Agri)	7,201,285	10,950,452
Bad or Loss	3,131,626,870	100%	3,131,626,870	2,608,594,351
Reschedule (BB NOC)			699,543,652	760,037,104
3rd and above time Reschedule			330,680,813	251,774,055
			4,179,360,946	3,801,910,507
Required Provision for Investments			6,505,716,381	6,371,543,901
Total Provision Maintained (note-15a.1(a) & (b))			7,375,739,287	6,589,273,726
Surplus/(Shortfall) Provision			870,022,906	217,729,826

The Bank has maintained provision on unclassified investments amounting to Tk. 2,672,471,838 (note-15a.1.b) and for classified investments amounting to Tk. 4,703,267,448 (note-15a.1.a), totaling Tk. 7,375,739,287. These exist surplus of Tk. 870,022,906 against the required provision.

8a.10 Particulars of Provision for Off-balance Sheet Items

	30.09.2023 Taka	31.12.2022 Taka
Status	Amount of provision @ 1%	Amount of provision @ 1%
Acceptances & endorsements	41,544,036,921	397,231,220
Letters of Guarantee	33,407,453,132	313,166,999
Irrevocable Letters of Credit	52,072,446,667	444,183,710
Bills for collection	34,641,249	339,671
Required provision for Off-balance Sheet Items	127,058,577,969	1,154,921,599
Provision maintained (note-15a.1(c))	1,356,200,000	1,356,200,000
Surplus Provision	85,614,220	201,278,401

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

	30.09.2023 Taka	31.12.2022 Taka
8a.11 Particulars of Investments		
(i) Investments considered good in respect of which the banking company is fully secured	179,873,911,584	193,773,370,642
(ii) Investments considered good for which the banking company holds no other security than the debtor's personal security	36,745,430,135	37,861,904,424
(iii) Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	13,615,182,938	5,594,702,527
(iv) Investments considered bad or doubtful not provided for	230,234,524,657	237,229,977,592
(v) Investments due by directors or officers of the banking company or any of them either severally or jointly with any other person	2,224,308,080	2,224,379,061
(vi) Investments due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies as members (Note 53.5).	2,082,773,162	2,712,444,495
(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.	2,224,308,080	2,224,379,061
(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	2,082,773,162	2,712,444,495
(ix) Investments due from other Banks	-	-
(x) Classified Investment on which profit has not been charged	11,198,266,475	11,332,826,570
a. Movement of Classified Investments:		
Opening Balance	11,332,826,570	9,568,844,349
Increase/(decrease) during the year	(134,560,095)	1,763,982,220
	11,198,266,475	11,332,826,570
i) (Decrease)/Increase of specific provision	775,733,818	852,414,374
ii) Amount of written-off investment during the year against which fully provided	-	-
iii) Amount recovered against the investment which was previously written-off	20,733,818	66,934,374
b. Amount of provision kept against classified Investment as Bad or Loss on the reporting day of Balance Sheet	4,703,267,448	3,927,533,630
c. Amount of profit charged in suspense account	6,677,579,476	5,750,464,749
(xi) Cumulative amount of written-off Investments		
Opening Balance	5,793,611,471	5,793,611,471
Amount written-off during the year	5,793,611,471	5,793,611,471
9. Consolidated Fixed Assets including Premises, Furniture and Fixtures		
Cost		
Shahjalal Islami Bank PLC. (Note-9a)	7,994,693,356	7,869,223,133
Shahjalal Islami Bank Securities Ltd.	247,049,730	246,969,082
	8,241,743,086	8,116,192,215
Accumulated Depreciation		
Shahjalal Islami Bank PLC. (Note-9a)	2,966,431,477	2,596,560,659
Shahjalal Islami Bank Securities Ltd.	114,324,579	105,685,757
	3,080,756,056	2,702,246,416
Written Down Value	5,160,987,031	5,413,945,799
9a Fixed Assets including Premises, Furniture and Fixtures of the Bank		
Tangible Assets:		
Cost		
Land	1,876,724,350	1,876,724,350
Building	893,986,278	893,986,278
Furniture & Fixtures	1,267,730,626	1,208,748,919
Office Equipment	817,558,305	781,386,436
Computer & Network Equipment	735,500,860	708,831,394
Vehicles	129,909,231	129,909,231
Right of Use Assets as per IFRS-16*	2,095,664,041	2,095,664,041
Books	1,042,667	1,042,667
	7,818,116,357	7,696,293,315

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

54

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

		30.09.2023 Taka	31.12.2022 Taka
Less:			
Accumulated depreciation		2,811,954,598	2,447,229,475
Written Down Value		5,006,161,760	5,249,063,840
Intangible Assets:			
Cost			
Software-Core Banking		62,615,431	62,615,431
Software-Others		113,961,568	110,314,387
		176,576,999	172,929,818
Less:			
Amortization		154,476,879	149,331,184
Written Down Value		22,100,120	23,598,634
Total Written Down Value		5,028,261,880	5,272,662,474
*Right of Use (RoU) Assets are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities (Note-2.7.6).			
The details of fixed assets are given in Annexure-B .			
10. Consolidated Other Assets			
Shahjalal Islami Bank PLC.	(Note-10a)	27,070,748,739	21,844,875,177
Shahjalal Islami Bank Securities Ltd.		523,657,824	486,573,364
		27,594,406,563	22,331,448,541
		2,515,000,000	2,515,000,000
Less: Inter Company Transaction		25,079,406,563	19,816,448,541
10.1 Consolidated Advance Tax			
Shahjalal Islami Bank PLC.	(Note-10a.4)	20,625,987,411	17,325,070,828
Shahjalal Islami Bank Securities Ltd.		487,691,990	451,921,114
		21,113,679,401	17,776,991,942
10a Other Assets of the Bank			
Income Generating:			
Shahjalal Islami Bank Securities Ltd.	(Note-10a.3)	2,515,000,000	2,515,000,000
Sub-total		2,515,000,000	2,515,000,000
Non-Income Generating:			
Stock of Stationery, Stamps and printing materials etc. (valued at cost)		54,420,781	32,352,408
Advance Rent and Security Deposit		66,703,899	42,794,922
Suspense Account	(Note-10a.1)	510,623,798	476,794,286
Profit Receivable	(Note-10a.2)	1,261,272,767	1,083,252,168
Other Prepayments		377,192,709	133,509,156
Advance Insurance Premium		19,272	58,852
Advance for New Branches		2,361,530	3,600,000
Advance Tax Paid	(Note-10a.4)	20,625,987,411	17,325,070,828
Other Receivables		3,034,667	3,034,667
SJIBL General Account-Net	(Note-10a.5)	1,654,131,905	229,407,891
Balance with OBU		8,304,075,000	10,031,884,419
		32,859,823,739	29,361,759,597
		8,304,075,000	10,031,884,419
Less: Offshore Banking Unit		24,555,748,739	19,329,875,177
Sub-total		27,070,748,739	21,844,875,177
Grand Total		27,070,748,739	21,844,875,177
10a.1 Suspense Account			
Sundry Debtors		59,138,477	28,756,970
Excise Duty on MTDR		6,045,471	28,521,261
Advance against TA/DA		200,900	9,600
Advance against Petty Cash		628,330	530,000
Cash Remittance		55,000,000	92,010,000
Law Charges		69,528,763	63,089,279
Stamp		191,090	282,450
Others		319,890,767	263,594,727
		510,623,798	476,794,286

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

55

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

The detailed break-up of unadjusted suspense accounts is given below:

(Amount in '000)

Sl. #	Break-up	Less than 03 months	03 months to less than 06 months	06 months to less than 09 months	09 months to less than 12 months	12 months and above
1	Sundry Debtors	33,738	12,169	3,740	689	8,802
2	Advance against TA/DA	196	-	5	-	-
3	Advance against Petty Cash	628	-	-	-	-
4	Cash Remittance	55,000	-	-	-	-
5	Legal Expenses	4,490	5,045	4,713	3,343	51,938
6	Others	31,952	233,655	55,238	3,285	1,998
	Grand Total	126,004	250,869	63,696	7,317	62,738

30.09.2023
Taka

31.12.2022
Taka

10a.2 Profit Receivable

Placement to Other Banks-MTDR
Placement to Financial Institutions-MTDR
Profit on Investment against MSD
On Investments

220,540,674	178,935,535
69,378,611	16,638,333
361,167	375,878
970,992,315	887,302,422
1,261,272,767	1,083,252,168

10a.3 Shahjalal Islami Bank PLC. invested Tk. 251.50 crore in its subsidiary company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary company commenced its operation on 25 May 2011. The total paid-up capital of the subsidiary company is Tk. 274.00 crore which is divided into 27,40,00,000 ordinary shares at Tk. 10 each and the Bank holds 91.79% of its paid-up capital.

10a.4 Advance Tax Paid

Balance at the beginning of the year
Adjustment for final Settlement
Paid during the year

17,325,070,828	16,597,308,766
-	(1,460,862,131)
3,300,916,583	2,188,624,194
20,625,987,411	17,325,070,828

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

	Debit		Credit	
	No. of Entry	Amount in Taka	No. of Entry	Amount in Taka
Up to 3 months	616	1,929,956,811	504	275,824,905
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	616	1,929,956,811	504	275,824,905
				1,654,131,905

Net unreconciled amount

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

11. Non-Banking Assets

Shahjalal Islami Bank PLC.

88,909,355

88,909,355

The Bank was awarded absolute ownership on some mortgaged properties through the verdict of Honorable Court under Section 33(7) of the Artharin Adalat Act, 2003. These were recorded as non-banking assets as per valuation report of professional surveyor. Value of these assets was recorded in equivalent to the client's adjustable outstanding. Following are the details:

Sl. #	Name of Parties	Assets Details	30.09.2023 Taka	31.12.2022 Taka
i.	Haque Steel & Re-Rolling Industries Pvt. Ltd.	i) 26 (twenty six) decimals land situated at Savar, Mouza: Boroboreshi ii) 160.50 decimals land together with building structures standing and/or existing therein and appurtenance thereto situated at Narayanganj, Mouza: Dapa Idrakpur. Carrying value of which was BDT 1741.59 Lac (Market Value). Entitlement Date: 12 October 2014	47,064,331	47,064,331
ii.	M/S Noor Mohammad Iron Store	6.25 (six point two five) decimals land situated at Bashundhara River View Project at Block - A, Plot # 532, Keranigonj, Dhaka, Mouza - Naiyatola. Carrying value of which was BDT 47.34 Lac (Market Value). Entitlement Date: 14 May 2015	4,014,637	4,014,637

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD He
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

56

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D
05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Sl. #	Name of Parties	Assets Details	30.09.2023 Taka	31.12.2022 Taka
iii.	M/s Khizir Trading	13.83 (thirteen point eight three) decimals land situated at Khulshi, Mouza: Pahartali. Carrying value of which was BDT 356.81 Lac (Market Value). Entitlement Date: 05 November 2017	31,468,345	31,468,345
iv.	Md. Mehedul Islam	i) 04 (four) decimals land situated at Dinajpur, Kotwali, Mouza: Majipara ii) 13 (thirteen) decimals land situated at Dinajpur, Fulbari, Mouza: Rashidpur. Carrying value of which was BDT 48.50 Lac (Market Value). Entitlement Date: 04 April 2017	3,380,238	3,380,238
v.	Sohel Enterprise	i) 08 (eight) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash ii) 4 (four) decimals land situated at Rangpur, Kotwali, Mouza: Alamnagar iii) 3 (three) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash. Carrying value of which was BDT 34.50 Lac (Market Value). Entitlement Date: 29 November 2017	2,981,804	2,981,804
Total			88,909,355	88,909,355

12. Consolidated Placement from other Banks & Financial Institutions

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-12a)

Less: Inter Company Transaction

32,057,453,931	42,036,645,204
1,977,500,436	2,523,473,895
34,034,954,367	44,560,119,099
1,751,970,436	2,260,530,757
32,282,983,931	42,299,588,342

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

Export Development Fund - Bangladesh Bank
Financial Stimulus Fund - Bangladesh Bank
Foreign Currency Deposit (FSSP BB USD) - Bangladesh Bank
Mudaraba Term Deposit from other Banks
Islamic Refinance Fund - Bangladesh Bank
Bangladesh Bank Refinance (Bai Salam)
Bangladesh Bank Refinance (TDF)
Bangladesh Bank Refinance (BMMFLIPSB)
Bangladesh Bank Pre-Finance Scheme-CMSME
IsDB's SPRP For Covid-19
SME Foundation Refinance Scheme
Bangladesh Bank Refinance
Borrowing from Offshore Banking Unit (OBU)

(Note-12a.1)

Less: Offshore Banking Unit

23,067,359,020	31,463,988,138
1,813,137,980	4,703,822,926
257,024	5,512,056
125,804,250	4,955,673,575
-	3,726,633
691,612,000	761,665,000
63,565,500	79,456,875
6,818,098	2,400,000
5,516,800,722	-
25,500,000	25,500,000
37,543,125	11,900,000
709,056,211	23,000,000
-	165,395
32,057,453,931	42,036,810,599
-	165,395
32,057,453,931	42,036,645,204

12a.1 Mudaraba Term Deposit from other Banks

Inside Bangladesh

Al-Arafah Islami Bank Limited
Sub-total

-	2,065,940,000
-	2,065,940,000

Outside Bangladesh

Bank Muscat SAOG
National Bank of Ras Al-Khaimah (P.S.C.)
United Bank Limited
CaixaBank S.A., Spain
Sub-total

-	309,891,000
-	2,166,654,575
-	413,188,000
125,804,250	-
125,804,250	2,889,733,575
125,804,250	4,955,673,575

Grand Total

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

13. Consolidated Deposits and Other Accounts

Al-Wadeeah Current Deposits & Other Accounts

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Less: Inter Company Transaction

Bills Payable

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Mudaraba Savings Deposits

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Less: Inter Company Transaction

Mudaraba Term Deposits

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Other Mudaraba Deposits

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Less: Inter Company Transaction

Total

30.09.2023 Taka	31.12.2022 Taka
54,803,406,433	48,293,094,847
-	-
54,803,406,433	48,293,094,847
115,642	136,604
54,803,290,791	48,292,958,243
5,466,533,977	5,872,217,849
-	-
5,466,533,977	5,872,217,849
39,907,532,776	36,934,789,424
-	-
39,907,532,776	36,934,789,424
57,011	56,538
39,907,475,765	36,934,732,886
96,476,398,868	86,817,226,090
-	-
96,476,398,868	86,817,226,090
47,563,112,875	50,064,730,403
-	-
47,563,112,875	50,064,730,403
344,655,418	319,514,217
47,218,457,457	49,745,216,186
243,872,156,858	227,662,351,255

13a Deposits and Other Accounts of the Bank

Al-Wadeeah Current Deposits & Other Accounts

Al-Wadeeah Current Deposits

Deposits from Other Banks

Foreign Currency Deposits

Non-Resident Taka Account

Profit Payable

Sundry Deposits

Unclaimed Dividend

(Note-13a.5)

Less: Offshore Banking Unit

Bills Payable

Payable inside Bangladesh

Payment Order Issued

Demand Draft Payable

Electronic Fund Transfer

Payable outside Bangladesh

Mudaraba Savings Deposits

General Deposits

Foreign Currency Deposits

Deposits from Other Banks

(Note-13a.3)

Mudaraba Term Deposits

General Deposits

Foreign Currency Deposits

Other Mudaraba Deposits

Mudaraba Special Notice Deposits

Mudaraba Scheme Deposits

Deposits from Other Banks (SND)

(Note-13a.1)

(Note-13a.3)

14,934,099,210	14,523,129,877
-	-
8,181,346,520	4,542,969,527
58,406,051	207,042,612
1,395,546,107	1,151,802,996
30,212,070,500	27,905,067,144
32,903,944	23,166,697
54,814,372,332	48,353,178,854
10,965,898	60,084,006
54,803,406,433	48,293,094,847
5,461,409,807	5,856,338,343
4,004,037	4,012,037
1,118,033	11,867,469
5,466,533,977	5,872,217,849
-	-
5,466,533,977	5,872,217,849
39,854,966,997	36,884,053,499
52,565,779	50,735,925
-	-
39,907,532,776	36,934,789,424
96,415,623,868	86,508,912,673
60,775,000	308,313,418
96,476,398,868	86,817,226,090
14,122,454,685	11,453,808,080
33,396,818,120	38,531,969,154
43,840,070	78,953,170
47,563,112,875	50,064,730,403
244,216,984,929	227,982,058,614

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

58

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

13a.1 Mudaraba Scheme Deposits

Millionaire Scheme
Multiple Benefit Scheme
Monthly Income Scheme
Monthly Deposit Scheme
Haji Deposit Scheme
Cash Waqf
Housing Deposit Scheme
Lakhpoti Deposit Scheme
Mohor Deposit Scheme
Education Deposit Scheme
Marriage Deposit Scheme

30.09.2023 Taka	31.12.2022 Taka
7,707,893,680	8,487,128,412
4,819,916,131	5,122,748,872
2,126,079,829	5,111,521,547
18,301,998,859	19,354,068,850
331,183,190	366,286,672
24,442,103	13,013,445
118,546	229,588
98,101	98,101
132	132
60,100,535	51,526,378
24,987,014	25,347,158
33,396,818,120	38,531,969,154

13a.2 Deposits and Other Accounts

General Deposits
Deposits from Other Banks

(Note- 13a.3)

244,173,144,859	227,903,105,444
43,840,070	78,953,170
244,216,984,929	227,982,058,614

13a.3 Deposits from Other Banks

Mudaraba Special Notice Deposits
Export Import Bank of Bangladesh Limited
AB Bank Limited
Jamuna Bank PLC.
Al-Arafah Islami Bank Limited
Social Islami Bank Limited
National Credit and Commerce Bank Limited
ICB Islamic Bank Limited
Islami Bank Bangladesh PLC.
Sonali Bank PLC.
Mercantile Bank PLC.
Bangladesh Krishi Bank
United Commercial Bank PLC
Bank Asia Agent Bank

13,483,360	18,759,295
12,000	12,585
650,080	645,633
12,207,108	13,443,091
8,342,151	20,684,011
665,000	659,691
6,000	5,723
2,740,751	16,371,282
2,265,450	197,687
98,780	99,087
3,362,280	8,066,023
320	1,062
6,790	8,002
43,840,070	78,953,170

13a.4 Maturity-wise classification of Deposits is as under

With a residual maturity of
Repayable on demand
Within 01 month
Over 01 month but not more than 06 months
Over 06 months but not more than 01 year
Over 01 year but not more than 05 years
Over 05 years

12,210,849,246	11,399,102,931
50,146,020,178	45,204,548,086
73,265,095,479	68,394,617,584
18,382,425,202	18,146,619,114
40,253,553,510	37,888,951,616
49,959,041,314	46,948,219,283
244,216,984,929	227,982,058,614

13a.5 Unclaimed Dividend Account

Dividend remained unclaimed which were declared for the year:
2019
2020
2021
2022

5,575,155	5,382,681
7,959,942	8,837,886
8,828,950	8,946,130
10,539,897	-
32,903,944	23,166,697

Unclaimed/Undistributed Stock

The shareholders whose Beneficiary Owner's (BO) ID were found closed and maintaining Paper Share at the time of distributing Stock Dividend i.e. Bonus Shares are kept in SJIBL Dividend Suspense bearing BO ID-1204090016665712. At the closing of September 2023, total 8,368 number of shares are kept in SJIBL Dividend Suspense bearing BO ID-1204090016665712 which remains undistributed/unclaimed including corporate benefit for the year 2019-2022.

14. Mudaraba Bonds

Mudaraba Subordinated Bond
Mudaraba Perpetual Bond

(Note- 14.1)

(Note- 14.2)

4,400,000,000	5,200,000,000
5,000,000,000	5,000,000,000
9,400,000,000	10,200,000,000

14.1 Mudaraba Subordinated Bond

Mudaraba Subordinated Bond

4,400,000,000	5,200,000,000
----------------------	----------------------

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abu Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBF Finance PLC.

05 NOV 2023

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

Features of SJIBL Mudaraba Subordinated Bonds

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

List of Investors

Name of the Investor	1st Mudaraba Subordinated Bond		2nd Mudaraba Subordinated Bond	
	Bond Issued (Taka)	Outstanding (as at 30 September 2023)	Bond Issued (Taka)	Outstanding (as at 30 September 2023)
EXIM Bank Limited	1,750,000,000	350,000,000	1,000,000,000	600,000,000
Pubali Bank PLC.	700,000,000	140,000,000	-	-
Rupali Bank Limited	700,000,000	140,000,000	750,000,000	450,000,000
Uttara Bank PLC.	500,000,000	100,000,000	-	-
Southeast Bank Limited	350,000,000	70,000,000	500,000,000	300,000,000
Agrani Bank PLC.	-	-	2,500,000,000	1,500,000,000
Sonali Bank PLC.	-	-	750,000,000	450,000,000
Dhaka Bank Limited	-	-	500,000,000	300,000,000
Total	4,000,000,000	800,000,000	6,000,000,000	3,600,000,000

30.09.2023
Taka

31.12.2022
Taka

14.2 Mudaraba Perpetual Bond

Mudaraba Perpetual Bond

With due approval from competent authority, Shahjalal Islami Bank PLC. raised Additional Tier-1 Capital through issuance of "SJIBL Mudaraba Perpetual Bond" for Tk. 500.00 crore of which Tk. 450.00 crore raised through private placement and Tk. 50.00 crore raised through public offer in order to strengthen the capital base of the Bank.

Rate of Return/ Profit: The average of latest available yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st, 2nd and 3rd Generation banks only excluding foreign Islamic banks and any z-category Islamic Banks enlisted in capital market) published in Bangladesh Bank website plus a predetermined additional margin @2.50%. The range of return/profit is fixed from 6% to 10% and the payment of profit are made annually after the end of calendar year.

Contingent Convertible feature: The bond was issued with a contingent convertible feature that the bond will be converted to common share if the Banks's consolidated common equity Tier-I (CET-I) falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The conversion amount will be to the extent of shortfall amount for reaching CET-I @4.5%.

List of Investors

Name of the Investor	Outstanding as at 30 September 2023
Mercantile Bank PLC.	500,000,000
Community Bank Bangladesh Ltd.	250,000,000
Bank Asia Limited	500,000,000
Trust Bank Limited	1,000,000,000
Social Islami Bank Ltd.	1,500,000,000
Standard Bank Ltd.	250,000,000
Global Islami Bank PLC.	250,000,000
The Premier Bank PLC.	250,000,000
IPO-General/Investors	500,000,000
Total	5,000,000,000

15. Consolidated Other Liabilities

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-15a)

42,403,084,439	37,492,869,557
2,623,251,275	2,651,834,812
45,026,335,714	40,144,704,369
45,026,335,714	40,144,704,369

Less: Inter Company Transaction

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

60

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M T E D
05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

		30.09.2023 Taka	31.12.2022 Taka
15.1 Consolidated Provision for Current Tax			
Shahjalal Islami Bank PLC.	(Note-15a.2)	22,833,503,766	19,607,591,030
Shahjalal Islami Bank Securities Ltd.		492,642,919	477,325,183
		23,326,146,685	20,084,916,213
15.2 Consolidated Current Tax Expenses			
Shahjalal Islami Bank PLC.	(Note-15a.2)	3,225,912,736	3,208,335,035
Shahjalal Islami Bank Securities Ltd.		15,317,736	44,748,271
		3,241,230,472	3,253,083,306
15.3 Provision against Entries of Nostro Accounts			
No provision is required as per BRPD Circular Letter No. 04; dated 12 April 2022 for unreconciled debit entries of Nostro Accounts as there is no outstanding entry for 06 months and over.			
15a Other Liabilities of the Bank			
Profit Payable		439,746,007	485,746,002
Provision for Investment	(Note-15a.1 (a) & (b))	7,375,739,287	6,589,273,726
Provision for Off-balance Sheet items	(Note-15a.1 (c))	1,356,200,000	1,356,200,000
Provision for Other Assets	(Note-15a.1 (d))	213,965,000	203,965,000
Provisions for Investments in Securities	(Note-15a.1 (e))	658,560,000	658,560,000
Provision for Taxation	(Note-15a.2)	22,833,503,766	19,607,591,030
Profit Suspense Account	(Note-15a.1 (f))	5,344,966,994	4,948,313,858
Compensation Realisable & Suspense Account		1,332,612,482	802,150,891
Compensation Realised Account		581,575,924	554,641,235
Other Payables		472,259,813	347,801,192
Outstanding Expenses		210,194,232	263,492,306
Unearned Income on Quard		5,758,944	19,226,676
Lease Liabilities as per IFRS 16 Leases*	(Note-2.7.6)	1,461,054,420	1,575,722,705
Provision for Start-up Fund	(Note-15a.3)	116,947,570	80,184,936
		42,403,084,439	37,492,869,557

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

15a.1 Provision for Investment

(a) Provision on Classified Investments

Provision held at the beginning of the year
Written-off Recovery
Net charge to Profit and Loss Account
Fully provided investment written-off during the year
Provision held at the end of the year

3,927,533,630	3,075,119,256
20,733,818	66,934,374
755,000,000	785,480,000
-	-
4,703,267,448	3,927,533,630

(b) General Provision on Unclassified Investments

Provision held at the beginning of the year
Effect of exchange rate changes against provision held by offshore banking unit
Addition during the year
Balance at the end of the year
Total Provision for Investments (a+b)

2,661,740,096	2,418,838,000
10,731,742	32,016,655
-	210,885,441
2,672,471,838	2,661,740,096
7,375,739,287	6,589,273,726

(c) General Provision on Off-balance Sheet Items

Provision held at the beginning of the year
Addition during the year
Balance at the end of the year
Total Provision for Investments & Off-balance Sheet Items (a+b+c)

1,356,200,000	1,356,200,000
-	-
1,356,200,000	1,356,200,000
8,731,939,287	7,945,473,726

(d) Provision for Other Assets

Provision held at the beginning of the year
Addition during the year
Balance at the end of the year

203,965,000	91,965,000
10,000,000	112,000,000
213,965,000	203,965,000

(e) Provision for Investments in Shares & Securities

Provision held at the beginning of the year
Addition during the year
Balance at the end of the year

658,560,000	658,560,000
-	-
658,560,000	658,560,000

(f) Profit Suspense Account

Balance at the beginning of the year
Amount transferred to suspense account during the year
Amount recovered from suspense account during the year
Amount waived/ written-off during the year
Balance at the end of the year

4,948,313,858	3,732,643,784
1,041,616,862	2,389,717,982
(525,189,838)	(1,094,678,127)
(119,773,888)	(79,369,781)
5,344,966,994	4,948,313,858

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

61

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

15a.2 Provision for Taxation

Provision for Current Tax

Balance at the beginning of the year
Add: Provision for current year
Add: Provision for prior years
Add: Provision made on other during the year
Less: Adjustment for final settlement for previous years
Balance at the end of the year

30.09.2023 Taka	31.12.2022 Taka
19,607,591,030	17,290,140,619
3,047,575,287	3,208,335,035
178,337,449	492,883,446
-	77,094,061
-	(1,460,862,131)
22,833,503,766	19,607,591,030

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

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

Income tax @ 37.50% on estimated taxable Business Profit
Income tax @ 20% on Dividend Income
Income tax @ 15% on Capital Gain on Sale of Shares
Adjustment for previous year
Estimated Total Provision Required

3,018,328,266	3,148,765,095
27,116,265	35,896,181
2,130,757	23,673,759
178,337,449	492,883,446
3,225,912,736	3,701,218,481

Computation of Taxable Business Profit
Profit before Taxes
Add: Inadmissible expenditures & Separate consideration

Less: Allowable Expenditure & Separate consideration
Estimated Taxable Business Profit for the year

6,824,574,779	7,226,276,558
1,891,854,041	2,225,706,339
8,716,428,820	9,451,982,897
667,553,445	1,055,275,977
8,048,875,375	8,396,706,921

15a.2(b) Reconciliation of effective tax rate of the Bank

Particulars
Profit before income taxes as per profit and loss account
Income taxes as per applicable tax rate
Factors affecting the tax charge for current year:
Inadmissible expenses
Admissible expenses in the current year
Tax savings from reduced tax rates for dividend
Tax loss/(savings) from reduced tax rates for capital gain
Adjustment for previous year
Total Income Tax Expenses

Effective Rate

	6,824,574,779	7,226,276,558
37.5%	2,559,215,542	2,709,853,709
10.40%	709,445,265	834,639,877
-2.85%	(194,162,653)	(239,646,556)
-0.35%	(23,726,732)	(31,409,158)
-0.05%	(3,196,135)	(65,102,837)
2.61%	178,337,449	492,883,446
47.27%	3,225,912,736	3,701,218,481

15a.3 Provision for Start-up Fund

For the year 2020
For the year 2021
For the year 2022
For the year 2023
Balance at the end of the year

19,081,986	19,081,986
25,852,369	25,852,369
35,250,581	35,250,581
36,762,634	-
116,947,570	80,184,936

Bangladesh Bank vide its SMESPD Circular No. 04 dated 29 March 2021 as well as SMESPD Circular Letter No. 05 dated 26 April 2021 instructed all scheduled banks to build-up a Start-up Fund under Other Liabilities @1% out of net profit starting from the year 2020 in order to make disbursement to make new entrepreneurs and self-employment.

16. Consolidated Deferred Tax Liabilities

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-16a)

159,550,463	237,151,866
(1,438,687)	(1,266,952)
158,111,776	235,884,914

16a Deferred Tax Liabilities of the Bank

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

237,151,866	237,151,866
(77,601,403)	-
159,550,463	237,151,866

16a.1 Deferred Tax (Assets)/Liabilities

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

Tax base carrying amount

5,028,261,880	5,272,662,474
12,546,428	13,341,654
5,015,715,451	5,259,320,820
4,590,247,551	4,753,535,768
425,467,900	505,785,052
159,550,463	189,669,395

Deferred Tax (Assets)/Liabilities

According to IAS 12: "Income taxes" deferred tax benefit of Tk 4,74,82,471 has been created for the year 2022 due to temporary timing difference. However, this amount has not been recognized as deferred tax benefit in the profit and loss account and corresponding deferred tax asset/liability as per direction of Bangladesh Bank vide letter no. DBI -7/4(5)/2023-377 dated 2 April 2023. Thus opening deferred tax liability remained unchanged at Tk 237,151,866 at year end as on 31 December 2022.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

62

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

17. Capital

17.1 Authorized Capital

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

17.2 Issued, Subscribed and Paid-up Capital

1,112,968,351 ordinary shares of Tk. 10 each

20,500,000 ordinary sponsor shares of Tk. 10 each issued for cash
12.5% Stock Dividend for the year 2002
2,362,000 ordinary new shares issued
4,690,000 ordinary new shares issued
93,582,500 shares issued under Initial Public Offer (IPO)
20% Stock Dividend for the year 2007
22% Stock Dividend for the year 2008
25% Stock Dividend for the year 2009
30% Stock Dividend for the year 2010
25% Stock Dividend for the year 2011
20% Stock Dividend for the year 2012
10% Stock Dividend for the year 2013
5% Stock Dividend for the year 2016
10% Stock Dividend for the year 2017
10% Stock Dividend for the year 2018
5% Stock Dividend for the year 2019
5% Stock Dividend for the year 2020
5% Stock Dividend for the year 2021
3% Stock Dividend for the year 2022

30.09.2023 Taka	31.12.2022 Taka
--------------------	--------------------

15,000,000,000 15,000,000,000

11,129,683,510 10,805,517,980

205,000,000	205,000,000
25,625,000	25,625,000
236,200,000	236,200,000
469,000,000	469,000,000
935,825,000	935,825,000
374,330,000	374,330,000
494,115,600	494,115,600
685,023,900	685,023,900
1,027,535,850	1,027,535,850
1,113,163,830	1,113,163,830
1,113,163,840	1,113,163,840
667,898,310	667,898,310
367,344,060	367,344,060
771,422,540	771,422,540
848,564,790	848,564,790
466,710,630	466,710,630
490,046,160	490,046,160
514,548,470	514,548,470
324,165,530	
11,129,683,510	10,805,517,980

Category

Holding

Sponsor & Director Group
Institutes Group
General Shareholders Group
Foreign Group

30 Sep 2023: 48.28%; 2022: 48.22%
30 Sep 2023: 14.88%; 2022: 14.76%
30 Sep 2023: 36.81%; 2022: 36.87%
30 Sep 2023: 0.03%; 2022: 0.15%

5,373,411,199	5,210,533,920
1,656,096,906	1,539,176,572
4,096,836,500	4,039,104,182
3,338,905	16,703,305
11,129,683,510	10,805,517,980

Classification of Shareholders by number of holding:

As at 30 September 2023

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	10,631	1,600,622	0.14%
501-5,000	10,712	22,428,448	2.02%
5,001-10,000	1,017	7,126,962	0.64%
10,001-20,000	501	6,903,142	0.62%
20,001-30,000	198	4,747,323	0.43%
30,001-40,000	87	2,944,275	0.26%
40,001-50,000	45	2,015,186	0.18%
50,001-100,000	105	7,091,944	0.64%
100,001-1,000,000	135	42,806,782	3.85%
Over 1,000,000	100	1,015,303,667	91.22%
Total	23,531	1,112,968,351	100.00%

As at 31 December 2022

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	11,063	1,662,979	0.15%
501-5,000	10,944	22,544,654	2.09%
5,001-10,000	1,032	7,170,415	0.66%
10,001-20,000	508	7,063,153	0.65%
20,001-30,000	177	4,309,460	0.40%
30,001-40,000	81	2,766,539	0.26%
40,001-50,000	50	2,267,163	0.21%
50,001-100,000	109	7,459,133	0.69%
100,001-1,000,000	120	36,183,104	3.35%
Over 1,000,000	88	989,125,198	91.54%
Total	24,172	1,080,551,798	100.00%

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

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

a) Going Concern Capital (Tier-I):

Common Equity Tier-I Capital (CET-I)

- i. Paid-up Capital
- ii. Statutory Reserve
- iii. Retained Earnings
- iv. Capital Reserve
- v. Non-controlling Interest

(Note-18)
(Note-19)

Less: Carrying amount of intangible assets

Additional Tier-I Capital (AT-I)

b) Gone Concern Capital (Tier-II):

- i. General Provision
- ii. Mudaraba Subordinated Bond
- iii. Mudaraba Perpetual Bond (Excess over limit of AT-I)

c) Total Eligible Regulatory Capital (a+b)

d) Consolidated Total Risk Weighted Assets

e) Minimum Required Capital (10% of Risk-Weighted Assets)

f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer

g) Total Capital Surplus (c-e)

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

Consolidated Capital to Risk-Weighted Assets Ratio

Particulars	30-Sep-23		31-Dec-22	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	12.44%	6.00%	11.14%
Common Equity Tier-I Capital: (CET-I)	4.50%	10.32%	4.50%	11.14%
Tier-I Plus Conservation Buffer	8.50%	12.44%	8.50%	11.14%
CET-I Plus Conservation Buffer	7.00%	10.32%	7.00%	9.09%
Gone Concern Capital: (Tier-II)	-	2.76%	-	2.98%
CRAR	10.00%	15.20%	10.00%	14.11%
CRAR including Conservation Buffer	12.50%	15.20%	12.50%	14.11%

17.4 Consolidated Risk-Weighted Assets (RWA) for

1. Investment (Credit) Risk

- On-balance Sheet
- Off-balance Sheet

2. Market Risk

3. Operational Risk

Consolidated Total Risk Weighted Assets (1+2+3)

169,861,240,382	172,272,135,835
30,321,681,582	35,014,509,696
11,009,049,086	12,795,816,487
23,836,948,102	23,836,948,102
235,028,919,151	243,919,410,119

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

a) Going Concern Capital (Tier-I):

Common Equity Tier-I Capital (CET-I)

- i. Paid-up Capital
- ii. Statutory Reserve
- iii. Retained Earnings

(Note-18)
(Note-19(a))

Less: Carrying amount of intangible assets

Additional Tier-I Capital (AT-I)

b) Gone Concern Capital (Tier-II):

- i. General Provision
- ii. Mudaraba Subordinated Bond
- iii. Mudaraba Perpetual Bond (Excess over limit of AT-I)

(Note-15.1(b+c))

c) Total Eligible Regulatory Capital (a+b)

d) Total Risk-Weighted Assets

e) Minimum Required Capital (10% of Risk-Weighted Assets)

11,129,683,510	10,805,517,980
10,737,376,063	9,372,461,107
2,082,093,978	1,692,161,829
23,949,153,550	21,870,140,916
22,100,120	23,598,634
23,927,053,430	21,846,542,282
5,000,000,000	5,000,000,000
28,927,053,430	26,846,542,282
4,028,671,838	4,017,940,096
2,400,000,000	3,200,000,000
-	-
6,428,671,838	7,217,940,096
35,355,725,269	34,064,482,378
226,292,499,188	236,937,492,009
22,629,249,919	23,693,749,201

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

64

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

	30.09.2023 Taka	31.12.2022 Taka
f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer	28,286,562,398	29,617,186,501
g) Total Capital Surplus (c-e)	12,726,475,350	10,370,733,177
h) Total Capital Surplus considering conservation buffer (c-f)	7,069,162,870	4,447,295,877

Capital Adequacy Ratio

Particulars	30-Sep-23		31-Dec-22	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	12.78%	6.00%	11.33%
Common Equity Tier-I Capital: (CET-I)	4.50%	10.57%	4.50%	9.22%
Tier-I Plus Conservation Buffer	8.50%	12.78%	8.50%	11.33%
CET-I Plus Conservation Buffer	7.00%	10.57%	7.00%	9.23%
Gone Concern Capital: (Tier-II)	-	2.84%	-	3.05%
CRAR	10.00%	15.62%	10.00%	14.38%
CRAR including Conservation Buffer	12.50%	15.62%	12.50%	14.38%

17.6 Risk-Weighted Assets (RWA) for

1. Investment (Credit) Risk

On-balance Sheet
Off-balance Sheet

2. Market Risk

3. Operational Risk

Total Risk-Weighted Assets (1+2+3)

164,591,369,734	168,800,842,194
30,321,681,582	35,014,509,696
8,516,219,154	10,258,911,402
22,863,228,718	22,863,228,718
226,292,499,188	236,937,492,009

17.7 Non-Controlling Interest

Opening Balance
Dividend paid to non-controlling shareholders
Share of current year's profit

232,387,434	227,440,923
(4,500,000)	-
868,451	4,946,511
228,755,885	232,387,434

18. Statutory Reserve

Opening Balance
Add: Addition during the year

9,372,461,107	7,927,205,795
1,364,914,956	1,445,255,312
10,737,376,063	9,372,461,107

19. Consolidated Retained Earnings

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-19a)

Less: Non-Controlling Interest

2,070,676,069	1,692,161,829
67,241,735	61,165,934
2,137,917,804	1,753,327,762
3,755,885	7,387,434
2,134,161,919	1,745,940,328

19.1 Consolidated current year's Retained Earnings

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-19a)

Less: Non-Controlling Interest

3,676,263,446	3,525,058,077
10,575,801	60,237,516
3,686,839,247	3,585,295,593
868,451	4,946,511
3,685,970,796	3,580,349,082

19a Retained Earnings of the Bank

Opening Balance
Less: Payment of Dividend
Less: Profit against Mudaraba Perpetual Bond
Add: Transfer from Profit and Loss Account
Less: Transfer to Statutory Reserve
Less: Start-up Fund

1,692,161,829	1,584,818,008
1,620,827,688	1,543,645,421
275,243,928	393,562,943
3,676,263,446	3,525,058,077
1,364,914,956	1,445,255,312
36,762,634	35,250,581
2,070,676,069	1,692,161,829

20. Letters of Guarantee

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

32,625,335,944	31,019,574,861
782,117,187	296,672,870
-	452,146
33,407,453,132	31,316,699,877

a) Claims against the Bank not acknowledged as debts

b) Money for which the Bank is contingently liable in respect of guarantees given favoring:

Directors or Officers
Government
Banks and Other Financial Institutions
Others

13,394,132	3,000,000
616,877,940	410,238,235
-	-
32,777,181,059	30,903,461,642
33,407,453,132	31,316,699,877

21. Irrevocable Letters of Credit

Letters of credit

52,072,446,667	44,418,370,950
-----------------------	-----------------------

[Signature]

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

65

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

22. Consolidated Profit and Loss Account

Income:

Profit on Investments	(Note-23)
Income from Investments in securities	(Note-25)
Dividend Income	(Note-25)
Commission, Exchange and Brokerage	(Note-26)
Gains less losses arising from Investments in Securities	
Other Operating Income	(Note-27)

Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
14,014,890,178	12,361,843,796
1,266,657,684	1,172,316,385
135,581,325	125,315,817
2,231,895,823	2,906,069,704
14,205,046	190,307,382
1,088,179,749	974,277,255
18,751,409,805	17,730,130,339

Expenses:

Profit paid on Deposits	(Note-24)
Administrative Expenses	
Other operating Expenses	
Depreciation on Banking Assets	

6,681,620,582	6,137,713,269
3,343,084,561	3,077,378,899
692,068,738	587,717,786
419,339,344	396,066,968
11,136,113,225	10,198,876,923

Profit before Provision

7,615,296,580	7,531,253,417
----------------------	----------------------

22a Profit and Loss Account of the Bank

Income:

Profit on Investments	(Note-23a)
Income from Investments in Securities	(Note-25a)
Dividend Income	(Note-25a)
Commission, Exchange and Brokerage	(Note-26a)
Gains less losses arising from Investments in Securities	(Note-25a)
Other Operating Income	(Note-27a)

13,970,835,166	12,284,539,199
1,242,207,365	1,051,787,904
135,581,325	125,315,817
2,167,298,226	2,781,313,056
14,205,046	190,307,382
1,081,775,206	968,240,608
18,611,902,334	17,401,503,966

Expenses:

Profit paid on Deposits	(Note-24a)
Administrative Expenses	
Other Operating Expenses	
Depreciation on Banking Assets	

6,660,862,797	6,113,355,092
3,284,707,345	3,016,551,694
673,431,057	559,103,621
403,326,356	379,189,521
11,022,327,555	10,068,199,929

Profit/(Loss) before Provision

7,589,574,779	7,333,304,037
----------------------	----------------------

23. Consolidated Profit on Investments

Shahjalal Islami Bank PLC.	(Note-23a)
Shahjalal Islami Bank Securities Ltd.	
Less: Inter Company Transaction	

13,970,835,166	12,284,539,199
168,784,366	215,584,368
14,139,619,532	12,500,123,567
124,729,354	138,279,771
14,014,890,178	12,361,843,796

23a Profit on Investments of the Bank

Profit on Investments*	(Note-23a.1)
Profit on Placement with Other Banks & Financial Institutions	

12,430,660,745	11,291,138,785
1,540,174,421	993,400,414
13,970,835,166	12,284,539,199

23a.1 Profit on Investments

Profit on Murabaha	1,011,274,906
Profit on Bi-Muazzal	5,886,738,161
Profit on Hire-Purchase	2,561,299,907
Profit on Ijara	122,375,085
Profit on Bi-Salam	397,673,174
Profit on Inland Document Bill Purchased	297,481,140
Profit on Foreign Document Bill Purchased	19,192,457
Profit on Investment against Scheme Deposit	11,500
Profit on Investment against Mudaraba Savings Deposit	12,064
Profit on Investment against EDF	499,297,899
Profit on Mudaraba	620,004,075
Profit Received From Rescheduled Investment - Rent Mode	479,735,905
Profit on Murabaha Import Bill (UPAS)	468,784,689
Profit Received From HPSM	49,196
Income from Islamic Credit Card	66,729,087
Profit on Investment against Mudaraba Term Deposit	1,500
Profit on Investment against Other Securities	-

518,581,255	518,581,255
5,488,614,346	5,488,614,346
2,275,097,271	2,275,097,271
116,814,992	116,814,992
316,596,677	316,596,677
343,658,958	343,658,958
32,202,149	32,202,149
9,750	9,750
100	100
291,877,982	291,877,982
728,833,929	728,833,929
226,792,424	226,792,424
902,549,577	902,549,577
644,911	644,911
47,336,558	47,336,558
200	200
1,527,706	1,527,706
12,430,660,745	11,291,138,785

23a.2 Investment Income derived from the fund deployed

Inside Bangladesh

i) Mudaraba Deposits	6,539,770,618
ii) Other Deposits/Fund	5,890,890,127

7,270,364,264	7,270,364,264
4,020,774,521	4,020,774,521
12,430,660,745	11,291,138,785

Outside Bangladesh

12,430,660,745	11,291,138,785
-----------------------	-----------------------

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

66

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

23a.3 Geographical Location-wise Profit on Investments

Area	Jan'23 to Sep'23		Jan'22 to Sep'22	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh (note-22a.3.1)				
a) In Rural Areas	336,497,379	2.71%	304,305,887	2.70%
b) In Urban Areas	12,094,163,366	97.29%	10,986,832,899	97.30%
Sub-total	12,430,660,745	100.00%	11,291,138,785	100.00%
ii. Outside Bangladesh				
Total	12,430,660,745	100.00%	11,291,138,785	100.00%

23a.3.1 Inside Bangladesh

Area	Jan'23 to Sep'23		Jan'22 to Sep'22	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh				
a) In Rural Areas				
Dhaka	255,229,834	2.05%	234,032,852	2.07%
Chattogram	42,150,105	0.34%	36,956,565	0.33%
Sylhet	8,846,506	0.07%	8,754,013	0.08%
Rajshahi	6,752,685	0.05%	3,991,345	0.04%
Khulna	4,207,709	0.03%	3,858,571	0.03%
Barishal	4,720,754	0.04%	3,721,939	0.03%
Mymensingh	14,589,786	0.12%	12,990,602	0.12%
Sub-total	336,497,379	2.71%	304,305,887	2.70%
b) In Urban Areas				
Dhaka	9,361,827,004	75.31%	8,398,175,236	74.38%
Chattogram	1,810,631,365	14.57%	1,684,624,728	14.92%
Sylhet	68,272,813	0.55%	90,076,684	0.80%
Rajshahi	280,024,755	2.25%	303,698,933	2.69%
Rangpur	73,193,802	0.59%	70,640,931	0.63%
Khulna	382,579,226	3.08%	322,403,769	2.86%
Barishal	39,782,041	0.32%	35,573,178	0.32%
Mymensingh	77,852,360	0.63%	81,639,439	0.72%
Sub-total	12,094,163,366	97.29%	10,986,832,899	97.30%
ii) Outside Bangladesh				
Total	12,430,660,745	100%	11,291,138,785	100%

24. Consolidated Profit paid on Deposits

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-24a)

6,660,862,797	6,113,355,092
145,538,272	162,714,763
6,806,401,069	6,276,069,855
124,780,487	138,356,586
6,681,620,582	6,137,713,269

Less: Inter Company Transaction

24a Profit paid on Deposits of the Bank

Profit on Deposits*
Profit paid on Borrowings

6,117,172,892	5,509,697,574
543,689,905	603,657,518
6,660,862,797	6,113,355,092

24a.1 Profit paid on Borrowings

Profit paid on Borrowings
Profit Expenses of Lease Liabilities (as per IFRS 16 Leases)

489,882,806	549,861,132
53,807,099	53,796,386
543,689,905	603,657,518

25. Consolidated Income from Investments in Shares & Securities

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-25a)

1,391,993,736	1,367,411,103
24,450,319	120,528,481
1,416,444,055	1,487,939,584
1,416,444,055	1,487,939,584

Less: Dividend from Subsidiary

25a Income from Investments in Shares & Securities of the Bank

Income from Investments in Govt. Sukuk/Islamic Bond
Income from Investments in Shares & Securities
Dividend Income
Income from Investments in Corporate Sukuk/Islamic Bond

(Note-25a.1)

981,051,887	812,006,574
14,205,046	190,307,382
135,581,325	125,315,817
261,155,478	239,781,330
1,391,993,736	1,367,411,103

25a.1 Income from investments in shares & securities arose through sale of listed shares in the Stock Exchanges.

26. Consolidated Commission, Exchange and Brokerage

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-26a)

2,167,298,226	2,781,313,056
64,597,597	124,756,648
2,231,895,823	2,906,069,704

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

		Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
26a Commission, Exchange and Brokerage of the Bank			
Other commission		1,211,364,373	1,173,297,032
Exchange earnings	(Note-26a.1)	955,933,853	1,608,016,024
		2,167,298,226	2,781,313,056
26a.1 Exchange Earnings			
Gross exchange gain		6,763,737,716	10,585,023,317
Less: Exchange loss		5,807,803,864	8,977,007,293
Net Exchange Gain		955,933,853	1,608,016,024
27. Consolidated Other Operating Income			
Shahjalal Islami Bank PLC.	(Note-27a)	1,081,775,206	968,240,608
Shahjalal Islami Bank Securities Ltd.		6,455,676	6,113,462
		1,088,230,882	974,354,070
Less: Inter Company Transaction		51,133	76,815
		1,088,179,749	974,277,255
27a Other Operating Income of the Bank			
Postage, Telex, SWIFT & REUTERS		120,376,575	112,476,573
Incidental Charge		250	300
Supervision & Monitoring Charge		16,654,215	2,028,126
Other Charges	(Note-27a.1)	944,744,166	853,735,609
		1,081,775,206	968,240,608
27a.1 Other Charges			
Rent receipts		6,136,350	5,820,525
Charges on A/C closing		570,946	884,102
Charges on clearing returned		569,365	787,752
Cheque processing charge		2,855,496	2,881,518
Service charges on Ijara		20,000	80,000
Service charges on scheme investment		4,294,469	2,776,709
Service charges on Quard		65,285,834	62,110,090
Passport endorsement charge		18,424	22,200
PO/DD cancellation charge		84,879	49,681
Branch banking services		21,268,630	23,083,264
Account maintenance fee		44,840,652	43,654,234
Recoveries from cheque issue		2,562,423	2,139,739
Income from sale of forms		2,645,000	7,499,058
Service charge on SJIBL VISA Card		110,266,051	74,976,584
Other Income From Islamic Credit Card		40,206,013	22,885,234
Management Fees		495,362	542,940
Notice pay earnings		5,066,773	4,074,532
Rebate on Trade Finance		84,447,104	83,840,832
Discrepancy Fee		270,723,740	367,059,963
Profit on sale of Bank's Assets		1,007,561	4,681,720
Miscellaneous income		281,379,098	143,884,930
		944,744,166	853,735,609
28. Consolidated Salaries & Allowances			
Shahjalal Islami Bank PLC.	(Note- 28a)	2,826,541,177	2,552,429,643
Shahjalal Islami Bank Securities Ltd.		50,879,910	52,809,967
		2,877,421,087	2,605,239,610
28a Salaries & Allowances of the Bank			
Basic Salary		1,166,011,597	1,030,048,392
Allowances		1,008,287,452	888,434,668
Bonus		503,720,167	498,445,109
Bank's Contribution to Provident fund		110,709,673	96,145,675
Leave Encashment		37,812,289	39,355,799
		2,826,541,177	2,552,429,643
29. Consolidated Rent, Taxes, Insurance, Electricity etc.			
Shahjalal Islami Bank PLC.	(Note- 29a)	278,258,222	282,896,623
Shahjalal Islami Bank Securities Ltd.		4,533,223	4,487,727
		282,791,445	287,384,350
29a Rent, Taxes, Insurance, Electricity etc. of the Bank			
Rent, Rates & Taxes		52,200,326	71,058,738
Insurance		158,348,643	148,736,546
Electricity & Lighting		67,709,254	63,101,338
		278,258,222	282,896,623

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

68

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

		Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
29a.1 Rent, Rates & Taxes			
Rent, Rates & Taxes		250,170,703	241,449,400
Transfer to depreciation and profit expenses under IFRS 16*		197,970,377	170,390,662
		<u>52,200,326</u>	<u>71,058,738</u>
*Due to the adoption of IFRS 16 Leases, rental expense of Tk. 197,970,377 was transferred to depreciation of Right of Use (RoU) Assets and profit expense of lease liabilities.			
30. Consolidated Legal Expenses			
Shahjalal Islami Bank PLC.	(Note- 30a)	1,866,227	762,182
Shahjalal Islami Bank Securities Ltd.		90,850	63,250
		<u>1,957,077</u>	<u>825,432</u>
30a Legal Expenses of the Bank			
Legal Fees & Charge		367,498	262,019
Other Legal Expenses		1,498,729	500,163
		<u>1,866,227</u>	<u>762,182</u>
31. Consolidated Postage, Stamps, Telecommunication etc.			
Shahjalal Islami Bank PLC.	(Note- 31a)	36,839,853	33,160,540
Shahjalal Islami Bank Securities Ltd.		2,135,634	2,188,894
		<u>38,975,487</u>	<u>35,349,434</u>
31a Postage, Stamps, Telecommunication etc. of the Bank			
Postage		696,785	1,097,337
Leased line		23,857,212	19,974,479
Telegram, Fax & Telex		3,363,565	4,333,061
Telephone charges		1,242,323	896,763
Mobile phone charges		7,679,968	6,858,899
		<u>36,839,853</u>	<u>33,160,540</u>
32. Consolidated Stationery, Printing, Advertisements etc.			
Shahjalal Islami Bank PLC.	(Note- 32a)	94,504,654	97,402,496
Shahjalal Islami Bank Securities Ltd.		685,849	1,269,867
		<u>95,190,503</u>	<u>98,672,363</u>
32a Stationery, Printing, Advertisements etc. of the Bank			
Table Stationery		8,812,125	6,492,389
Printing Stationery		7,386,913	7,416,348
Security Stationery		5,209,527	2,931,224
Computer Stationery		40,782,932	51,644,454
Publicity and Advertisement		32,313,157	28,918,081
		<u>94,504,654</u>	<u>97,402,496</u>
33. Chief Executive's Salary & Fees of the Bank			
Basic Salary		7,200,000	10,781,100
Allowances		2,934,000	3,600,000
Bonus		2,760,000	3,635,380
Bank's Contribution to Provident Fund		-	1,078,110
		<u>12,894,000</u>	<u>19,094,590</u>
34. Directors' Fees & Expenses of the Bank			
Directors' Fees		3,052,000	3,908,000
Meeting Expenses		177,244	550,086
		<u>3,229,244</u>	<u>4,458,086</u>
35. Shariah Supervisory Committee's Fees & Expenses of the Bank			
Shariah Council Meeting Expenses		720,534	325,678
36. Consolidated Auditors' Fees			
Shahjalal Islami Bank PLC.	(Note-36a)	517,500	412,500
Shahjalal Islami Bank Securities Ltd.		51,750	7,500
		<u>569,250</u>	<u>420,000</u>
36a Auditor's Fees of the Bank			
Auditor's Fees		517,500	412,500
37. Consolidated Depreciation & Repairs of Assets			
Shahjalal Islami Bank PLC.	(Note-37a)	432,662,290	404,798,877
Shahjalal Islami Bank Securities Ltd.		16,012,988	16,877,447
		<u>448,675,278</u>	<u>421,676,324</u>

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
05 NOV 2023

37a Depreciation & Repairs of Bank's Assets

a) Depreciation of Bank's Assets (Annexure-B)

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

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

Software-Core Banking
Software-Others

c) Repairs on Bank's Assets

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

38. Zakat Expenses of the Bank

Zakat Expenses

39. Consolidated Other Expenses

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-39a)

39a Other Expenses of the Bank

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

	Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
14,704,745	14,704,745	
69,562,979	64,724,033	
79,597,249	71,926,505	
56,514,209	63,108,897	
9,340,138	10,838,070	
168,461,342	149,973,131	
-	15,384	
5,145,695	3,898,756	
403,326,356	379,189,521	
1,083,462	2,285,860	
13,253,735	13,575,446	
956,767	1,126,657	
2,687,399	2,010,603	
11,354,571	6,610,791	
29,335,933	25,609,356	
432,662,290	404,798,877	
-	-	
673,431,057	559,103,621	
18,637,681	28,614,165	
692,068,738	587,717,786	
7,072,702	5,404,912	
43,766,753	52,070,546	
5,195,683	5,243,609	
21,554,773	18,554,479	
5,394,992	3,258,805	
151,701,923	145,751,998	
195,000,000	105,600,000	
262,851	133,730	
4,954,602	4,781,575	
2,681,659	3,975,389	
1,257,723	2,113,357	
23,437,840	42,372,686	
37,927,112	30,439,869	
64,543,191	63,065,830	
-	349,375	
56,176,496	31,734,416	
13,060,116	11,819,259	
8,106,859	7,490,645	
4,431,037	4,098,654	
-	600	
338,032	288,206	
366,134	307,134	
551,987	529,503	
5,698,941	3,364,748	
300,000	500,000	
6,625,474	-	
11,300,360	15,837,727	
1,723,815	16,569	
673,431,057	559,103,621	

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

05 NOV 2023

70

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

		Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
40. Consolidated Provision against Investments, Off-balance Sheet Items & Others			
Shahjalal Islami Bank PLC.	(Note-40a)	765,000,000	605,043,422
Shahjalal Islami Bank Securities Ltd.		-	-
		765,000,000	605,043,422
40a Provision against Investments, Off-balance Sheet Items & Others of the Bank			
Provision on Unclassified Investments		-	43,043,422
Provision on Classified Investments		755,000,000	450,000,000
Provision on Off-balance Sheet Items		-	-
Provisions on Investments in Securities		-	-
Provision on Other Assets		10,000,000	112,000,000
		765,000,000	605,043,422
41. Consolidated Deferred Tax (Income)/Expenses			
Shahjalal Islami Bank PLC.	(Note-41a)	(77,601,403)	(21,445,297)
Shahjalal Islami Bank Securities Ltd.		(171,736)	310,335
		(77,773,139)	(21,134,963)
41a Deferred Tax (Income)/Expenses of the Bank			
Closing deferred tax liability		159,550,463	215,706,568
Opening deferred tax liability		237,151,866	237,151,866
Deferred tax expenses/(Income)		(77,601,403)	(21,445,297)
According to IAS 12: "Income taxes" deferred tax benefit of Tk 7,76,01,403 has been created for the Quarter end 30 September 2023 due to temporary timing difference.			
41b Consolidated Tax Expenses			
Current tax		3,241,230,472	3,335,463,052
Deferred tax		(77,773,139)	(21,134,963)
		3,163,457,334	3,314,328,089
41c Tax Expenses of the Bank			
Current tax	(Note-15a.2)	3,225,912,736	3,299,321,944
Deferred tax	(Note-41a)	(77,601,403)	(21,445,297)
		3,148,311,333	3,277,876,646
42. Consolidated Earnings per Share (EPS)	(Note-2.19)		
Net Profit after Taxes		3,685,970,795	3,598,620,214
No. of Ordinary Shares outstanding		1,112,968,351	1,112,968,351
		3.31	3.23
42a Earnings per Share (EPS) of the Bank	(Note-2.19)		
Net Profit after Tax		3,676,263,446	3,450,383,969
Number of Ordinary Shares outstanding		1,112,968,351	1,112,968,351
		3.30	3.10
Earnings per share has been calculated in accordance with IAS 33 Earnings per Share.			
42(i) Net Asset Value (NAV) per Share:			
Net Asset Value (Consolidated)		24,041,435,997	22,070,917,448
Net Asset Value (Bank's)		23,949,153,550	21,895,397,111
No. of Outstanding Shares		1,112,968,351	1,112,968,351
Net Asset Value (NAV) per Share (Consolidated) [previous year's figure restated]		21.60	19.83
Net Asset Value (NAV) per Share (Bank's) [previous year's figure restated]		21.52	19.67
Net Asset Value per Share has increased compared to that of last year due to the increase of net profit after taxes during the period.			
42(ii) Net Operating Cash Flows per Share (NOCFPS):			
Net cash flow from operating activities (Consolidated)		13,261,294,710	14,270,325,654
Net cash flow from operating activities (Bank's)		13,242,026,361	14,280,366,161
No. of Outstanding Shares		1,112,968,351	1,112,968,351
Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]		11.92	12.82
Net Operating Cash Flow per Share (NOCFPS) (Bank's) [previous year's figure restated]		11.90	12.83
Net Operating Cash Flow per Share (NOCFPS) has increased significantly compared to that of last year mainly due to the increase in deposits from customers on the other hand increase of investment income as well as other operating income during the year.			
43. Consolidated Investment Income Receipt in Cash			
Shahjalal Islami Bank PLC.	(Note-43a)	15,049,226,978	12,970,581,677
Shahjalal Islami Bank Securities Ltd.		193,234,685	336,112,849
		15,242,461,663	13,306,694,526
43a Investment Income Receipt of the Bank			
Investment income receipt (excluding Dividend Income)	(Note 23a & 25a)	15,227,247,577	13,526,634,485
Add: Opening profit receivable	(Note-10a.2)	1,083,252,168	699,031,297
Less: Closing profit receivable	(Note-10a.2)	1,261,272,767	1,255,084,104
		15,049,226,978	12,970,581,677

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
05 NOV 2023

71 Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D
05 NOV 2023

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

		Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
44. Consolidated Profit Paid on Deposits			
Shahjalal Islami Bank PLC.	(Note-44a)	6,417,119,686	5,518,274,514
Shahjalal Islami Bank Securities Ltd.		135,885,456	137,781,668
		6,553,005,142	5,656,056,182
44a Profit Paid on Deposits of the Bank			
Profit Paid on Deposits	(Note-24a)	6,660,862,797	6,113,355,092
Add: Opening profit payable on deposit	(Note-13a)	1,151,802,996	595,541,458
Less: Closing profit payable on deposit	(Note-13a)	1,395,546,107	1,190,622,036
		6,417,119,686	5,518,274,514
45. Consolidated Cash Receipts from Other Operating activities			
Shahjalal Islami Bank PLC.	(Note-45a)	1,080,767,645	963,558,888
Shahjalal Islami Bank Securities Ltd.		6,455,676	6,113,462
		1,087,223,321	969,672,350
45a Cash Receipts from other Operating activities of the Bank			
Postage & Telex Charge Recovery		120,376,575	112,476,573
Incidental Charge		250	300
Supervision & Monitoring Charge		16,654,215	2,028,126
Other charges (except income from sale of fixed assets)		943,736,605	849,053,888
		1,080,767,645	963,558,888
46. Consolidated Cash Payments for Other Operating activities			
Shahjalal Islami Bank PLC.	(Note-46a)	1,018,499,630	903,363,838
Shahjalal Islami Bank Securities Ltd.		25,845,988	35,788,524
		1,044,345,618	939,152,361
46a Cash Payments for Other Operating activities of the Bank			
Rent, Taxes, Insurance, Lighting etc.	(Note-29a)	278,258,222	282,896,623
Legal Expenses	(Note-30a)	1,866,227	762,182
Postage, Stamp, Telegram & Telephone	(Note-31a)	36,839,853	33,160,540
Directors' Fee & Expenses	(Note-34)	3,229,244	4,458,086
Shariah Supervisory Committee's Fees & Expenses	(Note-35)	720,534	325,678
Auditor's Fee	(Note-36a)	517,500	412,500
Repairs & Maintenance of Bank's Assets	(Note-37a.c)	29,335,933	25,609,356
Zakat Expenses	(Note-38)	-	-
Other Expenses		667,732,116	555,738,873
		1,018,499,630	903,363,838
47. Cash Increase/Decrease in Consolidated Other Assets			
Shahjalal Islami Bank PLC.	(Note-47a)	5,183,488,561	3,100,995,944
Shahjalal Islami Bank Securities Ltd.		35,965,834	45,851,455
		5,219,454,395	3,146,847,399
Less: Cash Increase/(Decrease) through Inter Company Transaction		2,515,000,000	2,515,000,000
		2,704,454,395	631,847,399
Cash (Increase)/Decrease in Other Assets		(1,748,249,963)	(276,186,118)
47a Cash Increase/Decrease in Other Assets of the Bank			
Stock of Stationery and Stamps		54,420,781	31,953,475
Advance deposits and rent		66,703,899	35,944,626
Suspense Account		510,623,798	214,104,562
Other Prepayments		377,192,709	298,450,028
Shahjalal Islami Bank Securities Ltd.	(Note 10a.3)	2,515,000,000	2,515,000,000
Advance Insurance premium		19,272	57,720
Other Receivables		3,034,667	3,042,334
SJIBL General Account-Net		1,654,131,905	-
Advance for New Branches		2,361,530	2,443,200
		5,183,488,561	3,100,995,944
Cash (Increase)/Decrease in Other Assets		(1,746,936,379)	(255,524,871)
48. Cash Increase/Decrease in Consolidated Other Liabilities			
Shahjalal Islami Bank PLC.	(Note- 48a)	1,471,852,707	3,197,004,927
Shahjalal Islami Bank Securities Ltd.		1,542,352,051	1,662,337,953
		3,014,204,758	4,859,342,880
Less: Cash Increase/(Decrease) through Inter Company transaction		-	-
		3,014,204,758	4,859,342,880
Cash Increase/(Decrease) in Other Liabilities		(109,499,106)	1,630,803,492

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abu Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

72

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

48a Cash Increase/Decrease in Other Liabilities of the Bank

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

Jan'23 to Sep'23 Taka	Jan'22 to Sep'22 Taka
912,005,820	818,700,384
326,223,283	326,223,283
210,194,232	179,136,023
5,758,944	25,176,921
17,670,428	453,006,831
-	1,394,761,485
1,471,852,707	3,197,004,927
(80,822,301)	1,823,486,297

Cash Increase/(Decrease) in Other Liabilities

49. Consolidated Cash and Cash Equivalents

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-49a)

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

31,079,342,401	30,715,362,527
380,050,661	402,457,062
31,459,393,062	31,117,819,589
344,828,071	388,789,683
31,114,564,991	30,729,029,906

49a Cash and Cash Equivalents of the Bank

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

2,216,469,790	2,234,799,503
20,224,673,501	18,869,443,377
8,638,199,111	9,611,119,647
31,079,342,401	30,715,362,527

50. Reconciliation of Net Profit after Taxes and Operating Profit before changes in operating assets and liabilities of the Bank

Cash flows from operating activities

Net profit after taxes
Provision for taxation
Provision for investments, shares & contingent liabilities
(Increase)/decrease profit receivable
Increase/(decrease) profit payable on deposits
Depreciation & amortization of fixed assets
Recoveries on investment previously written-off
Income tax paid
Loss/profit on the sale of Bank's assets
Effect of exchange rate changes on cash and cash equivalents
Operating profit before changes in operating assets and liabilities

3,676,263,446	3,450,383,969
3,148,311,333	3,277,876,646
765,000,000	605,043,422
(178,020,600)	(556,052,808)
243,743,111	595,080,578
403,326,356	379,189,521
20,733,818	60,196,389
(3,300,916,583)	(1,666,819,674)
4,691,380	(1,316,972)
(225,781,504)	(28,246,761)
4,557,350,758	6,115,334,311

51. Number of Employees of the Bank

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 or above was 2,810.

52. Audit Committee of the Bank

a) Particulars of Audit Committee

Pursuant to the BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of the Bank formed a 05 (five) members' [including 03 (three) Independent Directors] Audit Committee called "Board Audit Committee". The Board of Directors in its Meeting No. 343 held on 27 July 2022 reconstituted the Committee by the following members:

Name	Status with the Bank	Status with the Committee	Educational Qualification
Ekramul Hoque	Independent Director	Chairman	Masters
Abdul Halim	Director	Member	HSC
Md. Moshir Rahman Chamak (Rep. of Fresh Export Import Ltd.)	Director	Member	MBA
K.A.M Majedur Rahman	Independent Director	Member	Masters
Nasir Uddin Ahmed, FCA, FCS	Independent Director	Member	Masters

All the members of the Board Audit Committee have good exposure in the Banking business. They are all playing active role in the Board Audit Committee.

b) Meeting of Audit Committee

During 01 January to 30 September 2023, the Audit Committee of the Board conducted 7 (seven) meetings in which among others, the following issues were discussed:-

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

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

53. Related Party Disclosures of the Bank

53.1 Name of the Directors and their Interest in different Entities

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
Mohammed Younus	Chairman	i) Sonali Papers and Board Mills Ltd. ii) Sonali Dredger Ltd. iii) Younus Newsprint Mills Ltd. iv) Younus Offset Paper Mills Ltd. v) Younus Fine Paper Mills Ltd. vi) Younus Paper Mills Ltd. vii) Younus Fillament Ind. Ltd. viii) Younus Plastic Ind. Ltd. ix) Younus Spinning Mills Ltd. x) Younus Specialized Cold Storage Ltd. xi) Younus Cold Storage Ltd. xii) United Multi Agro Ltd. xiii) Ananta Paper Mills Ltd. xiv) Sobhan Ice & Cold Storage Ltd. xv) Sharif Cold Storage Ltd. xvi) Nowpara Cold Storage Pvt. Ltd. xvii) Garib-E-Newaj Cold Storage Pvt. Ltd. xviii) Siddheswari Cold Storage Ltd. xix) Europa Cold Storage Ltd. xx) Combined Food & Cold Storage Ltd. xxi) A. Kader & Sons Himagar Ltd. xxii) Wadud & Ayesha Cold Store Ltd. xxiii) Galaxy Flying Academy Ltd. xxiv) Quality Accessories Ltd. xxv) Laxmi Cold Storage Ltd. xxvi) Sreenagor Cold Storage Ltd. xxvii) Five Star Ice and Cold Storage Ltd. xxviii) Sonali News.Com xxix) Sonali IT xxx) Sonali Bazar Dot Com xxxi) United Traders xxxii) United Fisheries xxxiii) Sonali Abason Ltd. xxxiv) Sonali Rubber Garden xxxv) Fly Galaxy Travel and Tours xxxvi) NRB Recruiting Agency xxxvii) Wordbridge School xxxviii) Fareast International University xxxix) Shahjalal Islami Bank Securities Ltd.
Mohiuddin Ahmed	Vice Chairman	i) Rupsha Trading Corporation ii) Mohiuddin Auto House iii) Pacific Automobile iv) Shahjalal Islami Bank Securities Ltd.
Abdul Karim (Nazim) (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Vice Chairman	i) Shamsuddin Khan & Harun Miah Ltd. (UK) ii) Maharani Camden (UK) iii) Karim Enterprise Ltd. (UK) iv) Shahjalal Islami Bank Securities Ltd.
Dr. Anwer Hossain Khan	Director	i) Anwer Khan Modern Hospital Ltd. ii) Modern Diagnostic Center Ltd. iii) Anwer Khan Modern Nursing College iv) Hazi Shakhawat Anwara Eye Hospital Ltd. v) Anwer Khan Modern Medical College vi) Modern Holdings Ltd. vii) Anwer Khan Modern Dredging Corporation viii) Anwer Khan Modern Printers & Publications ix) Modern Fisheries x) Modern Bio-Technology xi) Bangladesh Journal xii) Shahjalal Islami Bank Securities Ltd. xiii) Anwer Khan Modern University xiv) Prime University
Md. Sanaullah Shahid (Rep. of Electra International Ltd.)	Director	i) Electra International Ltd. ii) Electra Consumer Electronics Industries Ltd. iii) Electra Furniture iv) Electra International v) Electra Mobile Ltd. vi) Electra Holding Ltd. vii) Electra Mobile viii) Federal Securities & Invst. Ltd. ix) Jalsiri Dairy Firm and Fishery x) Kashmir Chemical Co. xi) Sazawa Brothers xii) Shahjalal Islami Bank Securities Ltd.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka
05 NOV 2023

Md. Abdul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED
05 NOV 2023

05 NOV 2023
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
Md. Abdul Barek	Director	i) Arju Electronics ii) Jony Electronics iii) Rony Electronics iv) Shahjalal Islami Bank Securities Ltd.
Abdul Halim	Director	i) Abdul Halim & Brothers ii) Excellent Ceramic Industries Ltd. iii) Excellent Tiles Industries Ltd. iv) Excellent Motors Ltd. v) Islamic Insurance Bangladesh Ltd. vi) Shahjalal Islami Bank Securities Ltd.
Akkas Uddin Mollah (Rep. of Akkas Uddin Mollah Ltd.)	Director	i) Russel Garments ii) Russel Apperals iii) Ekram Sweaters Ltd. iv) PNR Industries Ltd. v) Tania Cotton Mills Ltd. vi) Russel Washing Plant vii) Russel Spinning Mills Ltd. viii) Nurul Islam Spinning Mills Ltd. ix) Alalpur Agro & Fisheries Ltd. x) Goodman Pharmaceuticals Ltd. xi) Tofaz Dresses Ltd. xii) Akkas Uddin Mollah Ltd. xiii) Shahjalal Islami Bank Securities Ltd.
Khandaker Sakib Ahmed	Director	i) Own The World Company Ltd. ii) AQUA Consultant & Associates Ltd. iii) Intech Limited (Listed Public Limited Company) iv) Millennium Information Solution Ltd v) Al-Azhar International Grammar School vi) AIBL Capital Market Services Ltd. vii) Shahjalal Islami Bank Securities Ltd.
Engr. Md. Towhidur Rahman	Director	i) Fresh Foods Ltd. ii) Fresh Export Import Ltd. iii) Sea Fresh Ltd. iv) Libas Textiles Ltd. v) Fresh Knitwear Ltd. vi) Moshir Infrastructure Ltd. vii) Natural Faves Ltd. viii) Shahjalal Islami Bank Securities Ltd. ix) South Asian Scholars School and College x) Prime University
A. K. Azad	Director	i) Ha-Meem Denim Mills Ltd. ii) Ha-Meem Apparels Ltd. iii) Ha-Meem Spinning Mills Ltd. iv) Ha-Meem Design Ltd. v) That's It Fashions Ltd. vi) That's It Sweater Ltd. vii) That's It Sportswear Ltd. viii) That's It Garments Ltd. ix) That's It Knit Ltd. x) Sajid Washing & Dyeing Ltd. xi) Nishat Jute Mills Ltd. xii) Refat Garments Ltd. xiii) Modern Washing & Dyeing Industries Ltd. xiv) Refat Packaging & Printing Industries Ltd. xv) Sakib Poly Industries Ltd. xvi) Apparels Galary Ltd. xvii) Artistic Design Ltd. xviii) Creative Collections Ltd. xix) Creative Wash Ltd. xx) Express Washing & Dyeing Ltd. xxi) Times Media Ltd. (Channel 24 & The Daily Samakal) xxii) That's It Packaging Ltd. xxiii) Nishat Packaging & Printing Industries Ltd. xxiv) Crecent Spinning Mills Ltd. xxv) Ha-Meem Pharmaceuticals Ltd. xxvi) Shahjalal Islami Bank Securities Ltd.
Fakir Akhtaruzzaman	Director	i) Fakir Knitwears Ltd. ii) Central Hospital Ltd. iii) Zaman Agro Fisheries Ltd. iv) Fakir Echo Knitwears Ltd. v) FKL Spinning Ltd.
Mohammed Nasir Uddin Khan (Rep. of Anwer Khan Modern Hospital Ltd.)	Director	MNK Enterprise
Md. Moshir Rahman Chamak (Rep. of Fresh Export Import Ltd.)	Director	i) Fresh Export Import Ltd. ii) Libas Textiles Ltd. iii) Fresh Knitwear Ltd. iv) Natural Febs Ltd. v) Moshir Infrastructure Ltd.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

75

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
Mrs. Tahera Faruque	Director	i) F & T Property Management Company (UK) ii) Star of India Restaurant (UK)
Mrs. Jabun Nahar (Rep. of Daffodils Trading International)	Director	i) Daffodils Trading International ii) Anwer Khan Modern University
Fakir Mashrikuzzaman (Rep. of Fakir Knitwears Ltd.)	Director	i) Fakir Knitwears Ltd. ii) Zaman Agro Fisheries Ltd. iii) Fakir Echo Knitwears Ltd. iv) FKL Spinning Ltd.
Ekramul Hoque	Independent Director	-
K.A.M Majedur Rahman	Independent Director	i) Financial Excellence Ltd. ii) Faujians Enterprises Limited iii) Impetus Management Limited
Nasir Uddin Ahmed	Independent Director	i) MABS & J Partners, Chartered Accountants ii) ZN Consultants (Strategic Management & HR Consulting Firm)

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

Nil

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

Nil

53.4 Lending Policies to Related Parties

Lending to related parties is effected as per requirements of Section 27(1) of the Banking Companies Act, 1991 (as amended up to date).

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

Sl. #	Name of the Party	Related By	Nature of Investment	Amount in Tk. (Non-Funded)	Amount in Tk. (Funded)	Status
i)	M/s. Arzoo Electronics	Mrs. Taslima Begum (Spouse of Md. Abdul Barek)	L/C /MPI-TR/BMCTR	8,394,132	-	Regular
ii)	Electra International Ltd.	Sanaullah Shahid	BMCTR-Rev	-	13,333,554	Regular
iii)	Own the World Company Limited	Khandaker Sakib Ahmed	BMCTR/BG	5,000,000	5,868,422	Regular
iv)	M/s. Rupsha Trading Corporation	Md. Mohiuddin Ahmed	L/C /MPI-TR/Bai-Muajjal	-	31,499,367	Regular
v)	Abdul Hakim	Abdul Halim	HPSM-Real Estate	-	11,498,908	Regular
vi)	Shoyeb Ahmed	Abdul Halim	HPSM-Real Estate	-	11,546,041	Regular
vii)	Modern Diagnostic Center Limited	Anwer Hossain Khan	HPSM-Real Estate	-	154,740,336	Regular
viii)	Daffodils Trading International	Mrs. Jabun Nahar	Bai-Muajjal/HPSM	-	99,083,163	Regular
ix)	Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal/BG	300,000,000	1,755,203,372	Regular
				313,394,132	2,082,773,162	

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

Nil

53.7 Investments in Securities of Directors and their related concern:

Nil

54. Events after Reporting Period

There is no such events after Reporting Period.

Dhaka,
01 November 2023

Chairman

Director

Director

Managing Director & CEO

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

76

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC.
Investments in Shares & Securities (Listed with Stock Exchanges)
As at 30 September 2023

(Amount in Taka)

Sl. No.	Name of Company	No. of Shares/ Securities	Market Price per Share	Market Value as at 30 September 2023	Cost Price as at 30 September 2023	Unrealised Gain/(loss)
Quoted						
1	The ACME Laboratories Limited	535,000	85.00	45,475,000	49,116,095	(3,641,095)
2	Active Fine Chemicals Ltd.	2,200,000	19.30	42,460,000	60,709,192	(18,249,192)
3	Aftab Automobiles Limited	1,223,775	24.80	30,349,620	72,694,437	(42,344,817)
4	AIBL 1st Islamic Mutual Fund	8,099,050	7.30	59,123,065	72,762,501	(13,639,436)
5	Dhaka Electric Supply Company Ltd.	2,500,000	36.60	91,500,000	125,754,826	(34,254,826)
6	Export Import Bank of Bangladesh Limited	11,500,000	10.40	119,600,000	158,148,898	(38,548,898)
7	Generation Next Fashions Limited	1,989,845	6.00	11,939,070	25,741,813	(13,802,743)
8	Meghna Petroleum Limited	655,242	203.00	133,014,126	133,872,759	(858,633)
9	RAK Ceramics (Bangladesh) Limited	1,000,000	42.90	42,900,000	49,814,878	(6,914,878)
10	Square Textile Ltd.	1,186,491	67.50	80,088,143	82,481,825	(2,393,683)
11	The Dacca Dyeing & Mfg. Co. Limited	2,800,000	13.20	36,960,000	102,948,339	(65,988,339)
12	Titas Gas Transmission and Distribution Co. Ltd	4,600,000	40.90	188,140,000	240,881,514	(52,741,514)
13	Prime Islami Life Insurance Ltd.	584,641	54.90	32,096,791	41,170,671	(9,073,881)
14	Singer Bangladesh Limited	500,000	151.90	75,950,000	88,910,881	(12,960,881)
15	Olympic Industries Ltd.	-	-	-	-	-
16	Square Pharmaceuticals Ltd.	850,000	209.80	178,330,000	188,977,997	(10,647,997)
17	The IBN SINA Pharmaceutical Industry Ltd.	100,000	286.60	28,660,000	31,346,168	(2,686,168)
18	MJL Bangladesh Limited	953,500	87.00	82,954,500	82,688,225	266,275
19	Silva Pharmaceuticals Limited	2,300,000	21.60	49,680,000	48,788,156	891,844
20	Robi Axiata Limited	3,000,000	30.00	90,000,000	142,756,117	(52,756,117)
21	Linde Bangladesh Ltd.	50,000	1,397.70	69,885,000	75,143,517	(5,258,517)
22	Power Grid Company of Bangladesh Ltd.	2,000,000	52.40	104,800,000	123,322,659	(18,522,659)
23	Lub-rref (Bangladesh) Limited	1,500,000	35.10	52,650,000	69,212,179	(16,562,179)
24	Mir Akhter Hossain Limited	1,200,000	50.80	60,960,000	87,290,575	(26,330,575)
25	ACI Limited	157,500	260.20	40,981,500	44,635,402	(3,653,902)
26	ACI Formulations Limited	500,000	155.00	77,500,000	83,299,090	(5,799,090)
27	Agni Systems Ltd.	800,000	25.90	20,720,000	21,708,633	(988,633)
28	Grameenphone Ltd.	30,000	286.60	8,598,000	9,177,813	(579,813)
29	Apex Tannery Limited	100,000	108.00	10,800,000	13,619,478	(2,819,478)
30	Apex Footwear Limited.	40,000	307.90	12,316,000	11,601,734	714,266
31	BDCOM Online Ltd.	450,000	38.30	17,235,000	16,096,548	1,138,452
32	BSRM Steels Limited	100,000	63.90	6,390,000	6,666,609	(276,609)
33	Crown Cement PLC.	422,419	74.40	31,427,974	33,221,721	(1,793,747)
34	Energypac Power Generation Limited	750,000	34.50	25,875,000	29,171,775	(3,296,775)
35	Global Islami Bank Limited	1,383,235	8.60	11,895,821	13,173,670	(1,277,849)
36	Islami Commercial Insurance Company Limited	-	28.10	-	-	-
37	IFAD Autos Limited	525,000	44.10	23,152,500	24,142,177	(989,677)
38	IT Consultants Limited	300,000	38.10	11,430,000	11,608,277	(178,277)
39	LafargeHolcim Bangladesh Limited	1,000,000	69.40	69,400,000	70,282,018	(882,018)
40	Summit Alliance Port Limited	1,500,000	27.20	40,800,000	48,240,857	(7,440,857)
41	Agricultural Marketing Company Ltd. (Pran)	60,000	274.10	16,446,000	16,586,180	(140,180)
42	Aamra Technologies Limited	200,000	32.60	6,520,000	6,642,625	(122,625)
43	ADN Telecom Limited	100,000	123.90	12,390,000	13,232,555	(842,555)
44	Bashundhara Paper Mills Limited	350,000	69.00	24,150,000	28,595,419	(4,445,419)
45	JMI Hospital Requisite Manufacturing Limited	377,399	77.20	29,135,203	29,492,070	(356,867)
46	MK Footwear PLC	9,030	35.90	324,177	90,300	233,877
47	LankaBangla Securities Limited	97,828	20.30	1,985,908	4,999,989	(3,014,081)
48	Union Bank Limited	2,100,000	8.90	18,690,000	25,711,346	(7,021,346)
Un-Quoted						
1	CWT - Community Bank Shariah Fund	2,000,000	10.00	20,000,000	20,000,000	-
2	Investment A/C - SWIFT Membership Share	-	-	11,221,466	11,221,466	-
Total				2,256,899,864	2,747,751,974	(490,852,110)

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

77

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC.

Schedule of Fixed Assets including Premises, Furniture and Fixtures

Particulars	Cost			Depreciation & Amortization				Written Down Value as at 30.09.2023
	Balance as at 01.01.2023	Addition during the year	Adjustment during the year	Balance as at 30.09.2023	Rate	Charged during the year	Balance as at 30.09.2023	
Tangible Assets								
Land	1,876,724,350	-	-	1,876,724,350	-	-	-	1,876,724,350
Buildings	893,986,278	-	-	893,986,278	2.50%	-	180,656,251	713,330,027
Furniture & Fixtures	1,208,748,919	83,700,076	24,718,369	1,267,730,626	10% & 20%	14,704,745	626,018,299	641,712,327
Office Equipment	781,386,436	45,062,776	8,890,907	817,558,305	20%	79,598,638	621,620,589	195,937,716
Computer & Network Equipment	708,831,394	34,056,032	7,386,566	735,500,860	20%	56,514,209	562,172,572	173,328,287
Vehicles	129,909,231	-	-	129,909,231	20%	9,340,138	108,613,770	21,295,461
Right of Use Assets (ROU)	2,095,664,041	-	-	2,095,664,041	-	168,461,342	711,852,578	1,383,811,464
Books	1,042,667	-	-	1,042,667	20%	-	1,020,539	22,128
Sub-total	7,696,293,315	162,818,884	40,995,841	7,818,116,357		398,184,173	2,811,954,598	5,006,161,760
Intangible Assets								
Software-Core Banking	62,615,431	-	-	62,615,431	20%	-	62,601,317	14,114
Software-Others	110,314,387	3,647,181	-	113,961,568	20%	5,145,695	91,875,562	22,086,006
Sub-total	172,929,818	3,647,181	-	176,576,999		5,145,695	154,476,879	22,100,120
Grand Total	7,869,223,133	166,466,065	40,995,841	7,994,693,356		403,329,868	2,966,431,477	5,028,261,880
As at 31 December 2022								
Particulars	Balance as at 01.01.2022	Addition during the year	Adjustment during the year	Balance as at 31.12.2022	Rate	Charged during the year	Balance as at 31.12.2022	Written Down Value as at 31.12.2022
Tangible Assets								
Land	1,876,724,350	-	-	1,876,724,350	-	-	-	1,876,724,350
Buildings	893,986,278	-	-	893,986,278	2.50%	-	165,951,506	728,034,772
Furniture & Fixtures	1,132,828,486	91,551,445	15,631,013	1,208,748,919	10% & 20%	19,660,190	574,180,566	634,568,353
Office Equipment	756,215,635	35,014,240	9,843,439	781,386,436	20%	9,280,282	550,373,603	231,012,833
Computer & Network Equipment	658,021,418	59,156,112	8,346,136	708,831,394	20%	8,326,962	513,038,393	195,793,000
Vehicles	136,169,606	7,349,625	13,610,000	129,909,231	20%	15,131,791	99,273,633	30,635,599
Right of Use Assets (ROU)	1,589,518,428	521,644,882	15,499,269	2,095,664,041	-	211,365,471	543,391,236	1,552,272,806
Books	1,042,667	-	-	1,042,667	20%	17,394	1,020,539	22,128
Sub-total	7,044,506,868	714,716,304	62,929,857	7,696,293,315		514,156,621	2,447,229,475	5,249,063,840
Intangible Assets								
Software-Core Banking	62,615,431	-	-	62,615,431	20%	-	62,601,317	14,114
Software-Others	99,146,312	11,168,076	-	110,314,387	20%	5,629,448	86,729,867	23,584,520
Sub-total	161,761,743	11,168,076	-	172,929,818		5,629,448	149,331,184	23,598,634
Grand Total	7,206,268,611	725,884,380	62,929,857	7,869,223,133		519,786,068	2,596,560,659	5,272,662,474

Shahjalal Islami Bank PLC.
Statement of Foreign Currency
As at 30 September 2023

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

Sl. No.	Name of the Bank	Currency Name	30-Sep-23			31-Dec-22		
			Amount in Foreign Currency	Conversion Rate per Unit F.C.	Amount in Taka	Amount in Foreign Currency	Conversion Rate per Unit F.C.	Amount in Taka
1	Standard Chartered Bank, NY	USD	3,167,874.75	110.5000	350,050.160	417,823.14	103.2970	43,159,877
2	Mashreq Bank PSC, NY	USD	1,459,769.37	110.5000	161,304.515	258,990.42	103.2970	26,752,933
3	Standard Chartered Bank, Mumbai	USD	222,198.53	110.5000	24,552.938	222,198.53	103.2970	22,952,442
4	Habib American Bank, USA	USD	1,788,505.68	110.5000	197,629,878	595,701.28	103.2970	61,534,155
5	ICICI Bank, Hong Kong	USD	250,897.06	110.5000	27,724.125	30,864.31	103.2970	3,188,191
6	WACHOVIA BANK, NY, USA	USD	757,448.22	110.5000	83,698,028	2,915,672.46	103.2970	301,180,218
7	Commerzbank AG Frankfurt	USD	2,744,670.19	110.5000	303,286,056	214,960.23	103.2970	22,204,747
8	Bank Aljazira	USD	770.80	110.5000	85.173	770.80	103.2970	79.621
9	JPMorgan Chase Bank N.A., NY, USA	USD	3,565,669.08	110.5000	394,006,433	49,629.90	103.2970	5,126,620
10	Citibank N.A., NY, USA	USD	2,437,433.67	110.5000	269,336,421	48,038.63	103.2970	4,962,246
11	AB Bank Ltd. Mumbai	ACUD	138,298.01	110.5000	15,281,930	45,804.14	103.2970	4,731,430
12	Standard Chartered Bank, Mumbai	ACUD	72,352.15	110.5000	7,994,913	1,800,343.02	103.2970	185,970,033
13	Standard Chartered Bank, Colombo	ACUD	7,952.01	110.5000	878,697	319,155.01	103.2970	32,967,755
14	ICICI Bank, Mumbai	ACUD	355,068.06	110.5000	39,235,021	55,410.28	103.2970	5,723,716
15	Habib Metropolitan Bank Ltd.	ACUD	13,323.87	110.5000	1,472,288	6,309.20	103.2970	651,721
16	United Bank of India, Kolkata	ACUD	300,563.18	110.5000	33,212,231	104,684.31	103.2970	10,813,575
17	Sonali Bank Ltd. ACU, Kolkata	ACUD	75,348.71	110.5000	8,326,032	22,144.86	103.2970	2,287,498
18	Bank of Bhutan Ltd. Main Branch	ACUD	10,186.19	110.5000	1,125,574	39,090.21	103.2970	4,037,901
19	AXIS Bank Ltd. India	ACUD	284,350.19	110.5000	31,420,696	48,895.46	103.2970	5,050,754
20	MCB Bank Limited	ACUD	189,589.39	110.5000	20,949,628	41,620.00	103.2970	4,299,221
21	HDFC Bank Ltd., Mumbai	ACUD	46,745.98	110.5000	5,165,431	4,578.19	103.2970	472,913
22	Nabil Bank Limited, Kathmandu, Nepal	ACUD	11,575.19	110.5000	1,279,059	33,640.75	103.2970	3,474,989
23	Standard Chartered Bank, Frankfurt	EURO	2,028,772.06	116.7322	236,823,026	1,015,780.50	109.6394	111,369,565
24	Commerzbank AG	EURO	1,715,931.15	116.7322	200,292,745	418,178.23	109.6394	45,848,810
25	Wells Fargo Bank, N.A. London, UK	EURO	6,195,040.36	116.7322	723,160,690	1,153,631.55	109.6394	126,483,471
26	JPMorgan Chase AG, Frankfurt	EURO	961,863.03	116.7322	112,280,388	497,812.98	109.6394	54,579,916
27	Standard Chartered Bank, Tokyo	YEN	2,495,874.52	0.7417	1,851,190	351,766.00	0.7683	270,262
28	Habib Bank AG Zurich	CHF	14,813.61	120.5634	1,785,979	2,688.88	111.2509	299,140
29	ICICI Bank, Canada	CAD	6,061.20	81.7646	495,592	24,019.23	75.9369	1,823,946
30	Bank Aljazira, KSA	SAR	1,191,466.49	29.4840	35,129,198	39,468.23	27.5019	1,085,451
31	Riyad Bank, KSA	SAR	1,433,341.37	29.4840	42,260,637	41,966.28	27.5019	1,154,152
32	Standard Chartered Bank, London	GBP	81,321.31	134.2023	10,913,507	17,770.12	124.1630	2,206,391
33	JPMorgan Chase Bank N.A., London	GBP	2,148.36	134.2023	288,315	2,793.79	124.1630	346,885
34	Mashreq Bank PSC, UAE	AED	384,081.24	30.0852	11,555,161	135,082.24	28.1279	3,799,580
35	Emirates Islamic Bank PJSC, Dubai	AED	10,728.00	30.0852	322,754	37,000.00	28.1279	1,040,732
36	Standard Chartered Bank, China	CNY	138,067.27	15.1335	2,089,441	80,797.74	14.8043	1,196,154
Total					3,357,263,848			1,103,127,014

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

**Details of Information on Investments Exceeding 10% of
Bank's Total Regulatory Capital (Funded & Non-Funded)
As at 30 September 2023**

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
1	LOGOS APPARELS LTD.	9,335	10,008	19,342			
	RAHMAT SWEATER (BD) LTD.	3,244	1,632	4,876			
	BELKUCHI SPINNING MILLS LTD.	8,750	-	8,750			
	M/S. SHAHI PRODUCTS	5,019	-	5,019			
	MOHAMMAD ALI SPINNING MILLS LTD.	-	16,548	16,548			
	M/S. SHAHI DYEING AND FINISHING MILLS LTD.	-	4	4			
	Group-total	26,347	28,191	54,539	7.45%	7.97%	15.43%
2	MOONLIGHT GARMENTS LTD.	770	2,364	3,134			
	M/S.EHSAN GARMENTS LTD.	246	2,975	3,221			
	NOURISH POULTRY AND HATCHERY LTD.	3,714	16,784	20,497			
	NOURISH AGRO LTD.	13,488	1,713	15,201			
	NOURISH FEEDS LTD.	4,846	2,429	7,275			
	NOURISH FOODS LTD.	-	164	164			
	TELNET COMMUNICATION LTD.	-	10	10			
	EHSAN PACKAGING & PRINTING LTD.	-	-	-			
	AGROW FRUITS & VEGETABLES LTD.	1,252	67	1,320			
	Agrow Auto Rice Mill Limited	-	89	89			
	Group-total	24,315	26,595	50,910	6.88%	7.52%	14.40%
3	ANWAR SILK MILLS LTD.	2,864	342	3,206			
	A-ONE POLYMER LTD.	158	558	717			
	ANWAR CEMENT LTD.	-	4,864	4,864			
	ANWAR ISPAT LTD.	4,572	2,185	6,757			
	ANWAR JUTE SPINNING MILLS LTD.	-	34	34			
	A.G. AUTOMOBILES LTD.	729	71	800			
	A.G. MOTORS LTD.	336	3	339			
	HOSSAIN DYEING & PRINTING MILLS LTD.	6,712	2,443	9,155			
	MEHMUD INDUSTRIES (PVT.) LTD.	10,576	1,802	12,378			
	ANWAR CEMENT SHEET LTD.	22,318	18,167	40,485			
	TOLEDO MOTORS LIMITED	231	76	307			
	EUTOCARS LIMITED	-	11	11			
	Group-total	48,495	30,556	79,051	13.72%	8.64%	22.36%
4	NASSA BASICS LTD.	12,048	19,900	31,949			
	NASSA SPINNING LTD.	5,021	-	5,021			
	NASSA BASIC WASH LTD.	-	-	-			
	NASSA HI TECH WASH LTD.	4,223	1,221	5,444			
	NASSA TAIPEI TEXTILE MILLS LTD.	7,057	2,948	10,005			
	Group-total	28,349	24,069	52,418	8.02%	6.81%	14.83%
5	CHITTAGONG DENIM MILLS LTD.	6,469	7,714	14,182			
	SMART JEANS LTD.	2,899	1,323	4,223			
	SMART JACKET LTD.	1,425	2,376	3,801			
	SHEHAN TEXTILE LTD.	-	-	-			
	SMART BIO-INCEPTION LTD.	-	177	177			
	APPAREL PROMOTERS LIMITED	3,176	6,559	9,735			
	AL-RAZI CHEMICAL COMPLEX LTD.	10,129	5,331	15,460			
	BM CONTAINER (BD) LTD.	3,334	1,449	4,783			
	BM ENERGY (BD) LTD.	2,225	13,265	15,490			
	SHOISHOB FASHION LTD.	223	-	223			
	Group-total	29,880	38,194	68,074	8.45%	10.80%	19.25%
6	ALIM KNIT (BD) LTD.	9,102	12,261	21,363			
	MONDOL INTIMATES LTD.	3,696	4,914	8,611			
	MONDOL KNIT TEX LTD.	-	227	227			
	MONDOL SPINNING MILLS LTD.	6,357	3,134	9,491			
	APPOLLO KNITWEAR BD LTD.	1,369	2,449	3,817			
	APPOLLO FASHIONS LTD.	-	3,002	3,002			
	APPOLLO PACKAGING (BD) LTD.	-	-	-			
	TROPICAL KNITEX LTD.	-	2,961	2,961			
	COTTON CLUB (BD) LTD.	1,011	121	1,132			
	COTTON CLOTHING (BD) LTD.	2,806	5,202	8,009			
	COTTON CLOUT (BD) LTD.	-	-	-			
	Cotton Field (BD) Ltd.	929	-	929			
	Group-total	25,271	34,270	59,541	7.15%	9.69%	16.84%
7	INCEPTA PHARMACEUTICALS LTD.	8,211	15,346	23,557			
	INCEPTA VACCINE LTD.	-	2,593	2,593			
	INCEPTA HYGIENE AND HOSPICARE LTD.	-	102	102			
	INCEPTA CHEMICALS LTD.	-	706	706			
	INCEPTA HERBAL AND NUTRICARE LTD.	-	393	393			
	MAHEEN DIZAYN ETIKET (BD) UNIT-2 LIMITED	3,501	1,162	4,663			
	IMPRESS FASHION LIMITED	2,726	4,597	7,324			
	IMPRESS ACCESSORIES LIMITED	5,049	350	5,400			
	IPORT LOGISTICS LTD.	-	360	360			
	IMPRESS AVIATION LIMITED	1,062	147	1,209			
	IMPRESS AVIATION LIMITED	-	-	-			
	NEXT SPACES LTD.	-	1,283	1,283			
	INFRATRADE LIMITED	-	48	48			
	Group-total	20,549	27,087	47,636	5.81%	7.66%	13.47%

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

80

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
8	BENGAL PLASTICS LTD.	4,959	4,668	9,626			
	BENGAL POLYMER WARES LTD.	6,278	3,815	10,093			
	BENGAL POLYMER WARES LTD. (UNIT-2)	7,391	132	7,522			
	BENGAL CONCEPT AND HOLDINGS LTD	523	-	523			
	EUPHORIA APPARELS LTD	11,494	4,942	16,435			
	Group-total	30,644	13,556	44,200	8.67%	3.83%	12.50%
9	ABDUL MONEM LTD.	10,482	20,504	30,986			
	TEKKEN-AML-ABENIKKO-IV	-	4,386	4,386			
	Group-total	10,482	24,890	35,373	2.96%	7.04%	10.00%
10	MIR CEMENT LTD	18,646	18,575	37,221			
	MIR CONCRETE PRODUCTS LTD	2,791	3,638	6,428			
	Group-total	21,437	22,212	43,649	6.06%	6.28%	12.35%
11	DHALY CONSTRUCTION LTD.	42,662	5,160	47,822			
	RBS CONSTRUCTION LTD.	2,225	-	2,225			
	Group-total	44,887	5,160	50,047	12.70%	1.46%	14.16%
12	ENERGYPAC ENGINEERING LTD.	1,341	15,537	16,878			
	ENERGYPAC FASHIONS LIMITED	17,081	12,755	29,835			
	Group-total	18,422	28,292	46,714	5.21%	8.00%	13.21%
13	HAMS GARMENTS LTD.	9,473	33,072	42,545			
	HAMS FASHION LTD.	391	176	567			
	DHAKA GARMENTS & WASHING LIMITED	-	183	183			
	MONOWARA INDUSTRIES LTD.	-	597	597			
	VICTORIA INTIMATE LTD.	-	143	143			
	Group-total	9,864	34,171	44,035	2.79%	9.66%	12.45%
14	TRADE INTERNATIONAL INDUSTRIES LIMITED	24,789	19,381	44,170			
	TRADE INTERNATIONAL MARKETING LTD	5,242	313	5,555			
	MD NURUL AMIN, MD NURUN NEWAZ, MD NURUSSAFA, MD.	-	-	-			
	BLUEBERRY CORPORATION	-	66	66			
	ORCHID CORPORATION	671	-	671			
	Group-total	30,703	19,760	50,463	8.68%	5.59%	14.27%
15	BANGLADESH STEEL RE-ROLLING MILLS LTD.	27,096	8,461	35,557			
	BSRM STEELS LIMITED	-	4,123	4,123			
	H. AKBERALI & CO.	-	-	-			
	Group-total	27,096	12,584	39,680	7.66%	3.56%	11.22%
16	MAF SHOES LTD.	22,679	15,952	38,631			
	MAF FOOT WARE	-	-	-			
	Group-total	22,679	15,952	38,631	6.41%	4.51%	10.93%
17	ROSE SWEATERS LTD.	4,334	1,790	6,124			
	MADINAPLE FASHIONS CRAFT LTD	3,465	295	3,760			
	TEXEUROP (BD) LTD	-	15,018	15,018			
	SCARLET KNITWEARS LTD.	4,729	2,130	6,859			
	PANTEX DRESS LTD	521	4,443	4,964			
	Group-total	13,049	23,675	36,724	3.69%	6.70%	10.39%
18	M. HOSSAIN SPINNING MILLS (PVT.) LTD.	8,290	4,749	13,039			
	M. HOSSAIN COTTON SPINNING MILLS (PVT.) LTD.	20,162	6,605	26,767			
	HOSSAIN TRADING CO.	-	-	-			
	EASTERN TRADING CO.	-	-	-			
	DHAKA TRADING CO.	-	144	144			
	S.A. TRADING CO.	-	-	-			
	PAYSAL TRADING CO.	-	-	-			
	UNITED PLASTIC WOOD IND. (PVT.) LTD.	1,439	73	1,512			
	UNITED LEATHER PVT. IND. LTD.	2,313	801	3,114			
	Group-total	32,204	12,372	44,576	9.11%	3.50%	12.61%
19	LIZ FASHION INDUSTRY LIMITED	8,874	1,905	10,780			
	LIDA TEXTILE & DYEING LIMITED	9,913	3,163	13,075			
	PANDA SHOES INDUSTRY LIMITED	4,593	24	4,617			
	GOOD & FAST PACKAGING CO. LTD.	8,826	605	9,431			
	LIZDA HOLDING LTD.	3,850	-	3,850			
	Group-total	36,056	5,697	41,753	10.20%	1.61%	11.81%
Total		533,905	463,850	997,756			

Total Capital of the Bank as at 30 September 2023 is Taka 353,557.25 lac.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

81

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Balance Sheet
As at 30 September 2023

Note	30.09.2023		31.12.2022	
	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	99,238.90	10,965,898	583,263.81	60,249,402
Outside Bangladesh	-	-	-	-
3	99,238.90	10,965,898	583,263.81	60,249,402
Investments				
General Investment etc.	23,143,344.83	2,557,339,604	25,548,445.58	2,639,077,783
Bills Purchased and Discounted	58,847,981.53	6,502,701,959	121,946,232.13	12,596,679,940
4	81,991,326.36	9,060,041,563	147,494,677.71	15,235,757,723
Fixed Assets including Premises, Furniture and Fixtures				
5	3,429.96	379,011	4,423.84	456,969
Other Assets				
Non-Banking Assets				
Total Property and Assets	82,093,995.22	9,071,386,472	148,082,365.36	15,296,464,095
Liabilities and Capital				
Liabilities				
Placement from Other Banks & Financial Institutions				
6	76,288,500.00	8,429,879,250	145,091,900.00	14,987,557,994
Deposits and Other Accounts				
Mudaraba Savings Deposits	34,882.24	3,854,488	34,882.24	3,603,231
Mudaraba Term Deposits	-	-	-	-
Other Mudaraba Deposits	-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	59,219.14	6,543,715	296,086.51	30,584,848
Bills Payable	-	-	-	-
7	94,101.38	10,398,202	330,968.75	34,188,079
Other Liabilities				
8	2,479,869.57	274,025,587	2,659,496.61	274,718,021
Total Liabilities	78,862,470.95	8,714,303,040	148,082,365.36	15,296,464,095
Capital/Shareholders' Equity				
Paid-up Capital	-	-	-	-
Statutory Reserve	-	-	-	-
Foreign currency translation gain/(loss)	-	11,417,909	-	-
Retained Earnings	3,231,524.27	345,665,523.04	-	-
9	3,231,524.27	357,083,432	-	-
Total Shareholders' Equity	3,231,524.27	357,083,432	-	-
Total Liabilities & Shareholders' Equity	82,093,995.22	9,071,386,472	148,082,365.36	15,296,464,095

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

82

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Off-balance Sheet Items
As at 30 September 2023

Note	30.09.2023		31.12.2022	
	USD	Taka	USD	Taka
Contingent Liabilities				
Acceptances & endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit (including back to back bills)	-	-	-	-
Bills for collection	550,144.05	60,790,918	1,558,995.05	161,039,512
Other contingent liabilities	-	-	-	-
Total	550,144.05	60,790,918	1,558,995.05	161,039,512
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	550,144.05	60,790,918	1,558,995.05	161,039,512


Md. Jafar Sadeq FCA
 SEVP & CFO
 Shahjalal Islami Bank PLC.
 FAD, Head Office, Dhaka


05 NOV 2023


Md. Abul Bashar
 SEVP & Company Secretary
 Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
 Managing Director & CEO
 Shahjalal Islami Bank
 LIMITED

05 NOV 2023


Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

05 NOV 2023

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Profit and Loss Account
For the year ended 30 September 2023

Note	Jan'23 to Sep'23		Jan'22 to Sep'22		
	USD	Taka	USD	Taka	
Investment Income	10	5,268,526.97	563,557,002	6,667,734.42	678,966,061
Less: Profit paid on Deposits & Borrowing	11	2,025,205.23	216,629,543	2,584,493.52	263,175,357
Net Investment Income		3,243,321.74	346,927,460	4,083,240.90	415,790,704
Commission, Exchange and Brokerage	12	12,753.98	1,364,251	20,293.38	2,066,446
Other Operating Income	13	62,581.60	6,694,148	120,901.25	12,311,205
		75,335.58	8,058,399	141,194.63	14,377,652
Total Operating Income		3,318,657.32	354,985,859	4,224,435.53	430,168,356
Salaries and Allowances	14	80,252.77	8,584,375	100,266.51	10,209,998
Rent, Taxes, Insurances, Electricity etc.	15	904.57	96,759	372.82	37,964
Legal Expenses		-	-	-	-
Postage, Stamps, Telecommunication etc.	16	68.99	7,380	110.88	11,291
Stationery, Printings, Advertisements etc.	17	210.82	22,551	449.83	45,806
Auditor's Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	18	993.88	106,312	1,108.68	112,895
Other Expenses	19	4,702.02	502,960	5,852.06	595,907
Total Operating Expenses		87,133.05	9,320,336	108,160.78	11,013,861
Profit before Provision		3,231,524.27	345,665,523	4,116,274.75	419,154,495
Specific provision for Classified Investments		-	-	-	-
General provision for Unclassified Investments		-	-	422,704.64	43,043,422
Provision for Other Assets		-	-	-	-
Total Provision		-	-	422,704.64	43,043,422
Total Profit before Provisions for Taxation		3,231,524.27	345,665,523	3,693,570.11	376,111,073
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
Net Profit after Taxation		3,231,524.27	345,665,523	3,693,570.11	376,111,073
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of current year		3,231,524.27	345,665,523	3,693,570.11	376,111,073
Retained Earnings carried forward		3,231,524.27	345,665,523	3,693,570.11	376,111,073
Less: Retained earnings transferred to central operation		-	-	-	-
		3,231,524.27	345,665,523	3,693,570	376,111,073

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Cash Flow Statement
For the year ended 30 September 2023

	Jan'23 to Sep'23		Jan'22 to Sep'22	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in cash	5,268,526.97	563,557,002	6,667,734.42	678,966,061
Profit paid on deposits & borrowings	(2,025,205.23)	(216,629,543)	(2,584,493.52)	(263,175,357)
Fees & commission receipt in cash	12,753.98	1,364,251	20,293.38	2,066,446
Cash payments to employees	(80,252.77)	(8,584,375)	(100,266.51)	(10,209,998)
Cash payments to suppliers	(210.82)	(22,551)	(449.83)	(45,806)
Receipts from other operating activities	62,581.60	6,694,148	120,901.25	12,311,205
Payments for other operating activities	(5,675.58)	(697,430)	(6,335.76)	(651,596)
(i) Operating profit before changes in operating assets and liabilities	3,232,518.15	345,681,504	4,117,383.43	419,260,956
Changes in operating assets and liabilities				
(Increase)/decrease of investments to customers	65,503,351.35	6,175,716,161	(17,612,793.49)	(4,712,989,920)
Increase/(decrease) of deposits received from customers	(236,867.37)	(23,789,876)	400,005.90	41,506,210
Increase/(decrease) of other liabilities	(179,627.04)	(692,434)	235,896.96	35,737,023
(ii) Cash flows from operating assets and liabilities	65,086,856.94	6,151,233,850	(16,976,890.63)	(4,635,746,687)
Net cash used in operating activities (A)=(i+ii)	68,319,375.09	6,496,915,354	(12,859,507.20)	(4,216,485,731)
Cash flows from investing activities				
Proceeds from sale of fixed assets	-	-	-	-
Purchases of fixed assets	(724.96)	(80,108)	(292.45)	(29,780)
Net cash used in investing activities (B)	(724.96)	(80,108)	(292.45)	(29,780)
Cash flows from financing activities				
Borrowings from Banks & Financial Institutions	(68,803,400.00)	(6,557,678,744)	12,343,500.00	4,143,215,369
Profit transferred to Shahjalal Islami Bank Ltd.	-	-	-	-
Net cash flow from financing activities (C)	(68,803,400.00)	(6,557,678,744)	12,343,500.00	4,143,215,369
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(484,749.87)	(60,843,499)	(516,299.65)	(73,300,142)
Add: Cash and cash equivalents at the beginning of the year	(417,881.08)	129,259,110	98,418.57	202,559,252
Cash and cash equivalents at the end of the year	(902,630.95)	68,415,612	(417,881.08)	129,259,110


Md. Jafar Sadeq FCA
 SEVP & CFO
 Shahjalal Islami Bank PLC.
 FAD, Head Office, Dhaka

05 NOV 2023


Md. Abul Bashar
 SEVP & Company Secretary
 Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
 Managing Director & CEO
 Shahjalal Islami Bank
 LIMITED

05 NOV 2023


Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

05 NOV 2023

Shahjalal Islami Bank PLC. (Offshore Banking Unit)

Notes to the Financial Statements

As at and for the year ended 30 September 2023

1. Status of the Unit

Offshore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank PLC., governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Offshore Banking Unit on 21 December 2008 with the permission from Bangladesh Bank vide letter no. BRPD (P-3)744(99)/2008-2800 dated 24 July 2008. The unit is located at Shahjalal Islami Bank Tower, Plot-04, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

1.1 Nature of Business/Principal Activities

The principal activities of Offshore Banking Unit are to provide all kinds of shariah based commercial banking services to its customers complying the applicable rules & regulations.

2. Significant Accounting Policies

2.1 Basis of Accounting

The accounting records of the unit are maintained in USD form and the financial statements are prepared on a going concern basis under the historical cost convention and in accordance with First Schedule of the Banking Companies Act, 1991 (as amended up to date) by Bangladesh Bank BRPD Circular No. 15 dated 09 November 2009, other Bangladesh Bank circulars, International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), the Companies Act, 1994, the listing regulations of the Stock Exchanges, the Securities and Exchange Rule, 1987 and other laws and rules applicable in Bangladesh.

2.2 Common Expense

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

2.3 General

- These Financial Statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- Assets and liabilities have been converted to BDT currency @ US\$1 = Taka 110.5000 (weighted average rate declared by Bangladesh Foreign Exchange Dealers' Association (BAFEDA)) as at 30 September 2023) and income & expenses have been converted to BDT currency @ US\$1 = Taka 106.9667 (monthly weighted average rate).

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

**3. Balance with Other Banks and Financial Institutions
(other than Mudaraba Term Fund)**

Inside Bangladesh (Note-3.1)
Outside Bangladesh

30.09.2023		31.12.2022	
USD	Taka	USD	Taka

99,238.90	10,965,898	583,263.81	60,249,402
99,238.90	10,965,898	583,263.81	60,249,402

3.1 Inside Bangladesh
Shahjalal Islami Bank Ltd

99,238.90	10,965,898	583,263.81	60,249,402
99,238.90	10,965,898	583,263.81	60,249,402

4. Investments (Loans and Advances)

Country-wise Classification of Investments

Inside Bangladesh
Gross Murabaha, Bai-Muajjal etc.
Less: Profit receivable on Murabaha, Bai-Muajjal etc.
Net Murabaha, Bai-Muajjal etc.
Net Bills Purchased and Discounted (Note- 4.1)
Outside Bangladesh

23,143,344.83	2,557,339,604	25,548,445.58	2,639,077,783
23,143,344.83	2,557,339,604	25,548,445.58	2,639,077,783
58,847,981.53	6,502,701,959	121,946,232.13	12,596,679,940
81,991,326.36	9,060,041,563	147,494,677.71	15,235,757,723

4.1 Bills Purchased and Discounted

Payable inside Bangladesh
Payable outside Bangladesh
Gross Bills Purchased and Discounted
Less: Profit receivable on Bills Purchased and Discounted
Net Bills Purchased and Discounted

3,770,678.00	416,659,919	2,992,982.29	309,166,092
55,283,528.59	6,108,829,909	119,107,431.16	12,303,440,317
59,054,206.59	6,525,489,828	122,100,413.45	12,612,606,408
206,225.06	22,787,869	154,181.32	15,926,468
58,847,981.53	6,502,701,959	121,946,232.13	12,596,679,940

5. Fixed Assets including Premises, Furniture & Fixtures

Furniture & Fixture
Office Equipment
Carrying Value

1,109.88	122,642	1,710.45	176,684
2,320.08	256,369	2,713.39	280,285
3,429.96	379,011	4,423.84	456,969

5 Other Assets

Adjusting Account Debit

-	-	-	-
-	-	-	-

6. Placement from other Banks & Financial Institutions

Mudaraba Term Deposit from other Banks
Borrowing from Shahjalal Islami Bank Ltd

1,138,500.00	125,804,250	47,975,000.00	4,955,673,575
75,150,000.00	8,304,075,000	97,116,900.00	10,031,884,419
76,288,500.00	8,429,879,250	145,091,900.00	14,987,557,994

7. Deposits and Other Accounts

Al-Wadeeah Current Deposit
Sundry Deposits

9,265.82	1,023,873	193,520.60	19,990,097
49,953.32	5,519,842	102,565.91	10,594,751
59,219.14	6,543,715	296,086.51	30,584,848

Mudaraba Savings Deposit
Foreign Currency Deposits

1,237.34	136,726	1,237.34	127,814
33,644.90	3,717,761	33,644.90	3,475,417
34,882.24	3,854,488	34,882.24	3,603,231

Mudaraba Term Deposit

-	-	-	-
-	-	-	-
94,101.38	10,398,202	330,968.75	34,188,079

8. Other Liabilities

Profit Payable
Provision for Investments
Other Payables
Outstanding Expenses

980,296.25	108,322,736	1,168,582.62	120,711,079
1,489,898.99	164,633,838	1,489,898.99	153,902,096
9,674.33	1,069,013	-	-
-	-	1,015.00	104,846
2,479,869.57	274,025,587	2,659,496.61	274,718,021

9. Surplus in Profit and Loss Account/Retained Earnings

Opening Balance
Add: Profit/(Loss) during the Period
Less: Transfer to Central Operation during the Year

-	-	-	-
3,231,524.27	345,665,523	-	-
3,231,524.27	345,665,523	-	-
3,231,524.27	345,665,523	-	-

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

10. Profit on Investments

Profit received from Mudaraba Import Bills (UPAS)
Profit received from Murabaha
Profit received from Hire Purchase
Profit received from Ijara
Profit on Inland Document Bill Purchased

Jan'23 to Sep'23		Jan'22 to Sep'22	
USD	Taka	USD	Taka
4,298,150.66	459,759,040	5,596,461.47	569,879,836
71.39	7,636	-	-
536,713.91	57,410,522	740,166.48	75,370,116
240,376.40	25,712,273	-	-
193,214.61	20,667,531	331,106.47	33,716,108
5,268,526.97	563,557,002	6,667,734.42	678,966,061

11. Profit paid on Deposits & Borrowings

Profit on Deposits
Profit paid on Borrowings

2,025,205.23	216,629,543	2,584,493.52	263,175,357
2,025,205.23	216,629,543	2,584,493.52	263,175,357

12. Commission, Exchange & Brokerage

Commission from LC

12,753.98	1,364,251	20,293.38	2,066,446
-----------	-----------	-----------	-----------

13. Other Operating Income

SWIFT & REUTERS
Miscellaneous Earnings
Service & Charges Receipts

12,703.33	1,358,833	25,814.15	2,628,619
49,878.27	5,335,314	95,087.10	9,682,586
-	-	-	-
62,581.60	6,694,148	120,901.25	12,311,205

14. Salary & Allowances

Basic Salary
Allowances
Bonus
Bank's Contribution to Provident fund

30,050.43	3,214,396	36,739.46	3,741,128
26,517.97	2,836,540	33,475.16	3,408,729
20,809.18	2,225,890	26,416.71	2,689,977
2,875.19	307,550	3,635.18	370,165
80,252.77	8,584,375	100,266.51	10,209,998

15. Rent, Taxes, Insurance, Electricity etc.

Insurance

904.57	96,759	372.82	37,964
904.57	96,759	372.82	37,964

16. Postage, Stamps, Telecommunication etc

Telephone charges

68.99	7,380	110.88	11,291
68.99	7,380	110.88	11,291

17. Stationery, Printing, Advertisement etc

Computer Stationery
Publicity and Advertisement

188.77	20,192	447.34	45,552
22.05	2,359	2.49	254
210.82	22,551	449.83	45,806

18. Depreciation and Repairs of Fixed Assets

Depreciation of Fixed Assets

Furniture & Fixtures
Office Appliance & Equipment

600.57	64,241	600.57	61,155
393.31	42,071	508.11	51,740
993.88	106,312	1,108.68	112,895

Repairs & Maintenance

993.88	106,312	1,108.68	112,895
--------	---------	----------	---------

19. Other Expenses

Entertainment Expense
Travelling Expense
Business Development & Promotion
Car Expense
Miscellaneous Expenses

26.49	2,833.55	70.92	7,221.68
5.15	551	15.52	1,580.38
-	-	255.12	25,978.51
4,651.77	497,585	5,510.50	561,126.50
18.61	1,990.65	-	-
4,702.02	502,960	5,852.06	595,907

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


88

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

ANNEXURE 4: CREDIT RATING REPORT OF THE ISSUE


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

**Credit Rating Report
Of
SJIBL 3rd Mudaraba Floating Rate, Non-
Convertible, Unsecured Subordinated Bond**



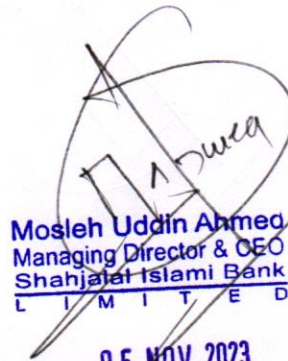
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023



Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023



EMERGING

Credit Rating Ltd

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

Corporate Bond Rating (Agreement No. 2022-06-23-63716)

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
June 22, 2023	June 21, 2024	Surveillance -1	AA _B *	Stable
June 22, 2022	June 21, 2023	Initial	AA _B *	Stable

* B denotes Bond

Date of Incorporation : April 01, 2001

Managing Director & CEO : Mr. Mosleh Uddin Ahmed

Issue : SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

Issue Face Value : BDT 5,000.00 million

Program Tenure : Seven years from the Issue Date

Issuer : Shahjalal Islami Bank Limited

Lead Arranger : Standard Chartered Bank

Trustee : DBH Finance PLC.

Contact Analysts : Md. Harun Chowdhury harun@emergingrating.com
Fahad Bhuiyan fahad@emergingrating.com

Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

05 NOV 2023

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Credit
Analysis

Corporate Bond

Emerging Credit Rating Ltd

Corporate Bond

CREDIT ANALYSIS

2023 Surveillance Review

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

Major Rating Factors

- Strengths**
- Consecutive growth of net investment income in 2022 and 2021 period
 - Improving cost to income ratio in the last two years
 - Upward trend of post-tax profit in the 2019-2022 period
 - Strengthened total asset base with improved gross investment base
 - Compliant capital to risk weighted assets ratio
- Challenge/ Risks**
- Sharp growth of NPI in 2022, however NPI ratio is at 4.78% marginally growing from 4.42% of the previous year
 - Increased large investment exposure

Rationale Emerging Credit Rating Limited (ECRL) has upgraded long term credit rating to **AA_B** (Pronounced as Double A Bond) to SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond (hereinafter referred to as "The Bond" or "The Issue") issuance of BDT 5,000.00 million in face value. The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of Bond rating.

The bank's strengths, which are supported by its consecutive growth of net investment income in 2022 and 2021 period, improving cost to income ratio, upward trend of post-tax profit in the 2019-2022 periods, strengthened total asset base with improved gross investment base as well as compliant capital to risk weighted assets ratio. ECRL is concerned about sharp growth of NPI in 2022 and increased large investment exposure. **The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer, trustee and mandated lead arranger provided by the entity in discussion and the rating may significantly change if the covenants in those agreements are altered.**

The objective behind issuance of the SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond is to further strengthen the capital base as supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III. The fund raised through issuing the bond is providing the bank additional capital cushion under risk based capital adequacy framework and also helping the bank to utilize this issue in its regular business activities. Notably, the bank has got the permission from Bangladesh Bank to issue the bond on October 10, 2022.

The proposed bond will be repayable in seven years with five equal installments starting from the end of year three. The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate of all Islami Banks plus a predetermined additional profit rate of 2.00% per annum. The fund will be used in regular lending and business activities of the bank which will help to grow the bank's investment portfolio and other business undertakings.

The bank's asset base exhibited an ascending trend throughout the course of the periods under review in this report. Total asset book stood at BDT 339,818.87 million.

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Arifur Rahman FCCA, FCA, CSA
Chief Executive Officer

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CSO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & CSO
Shahjalal Islami Bank PLC

05 NOV 2023

05 NOV 2023

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

Emerging Credit Rating Ltd

Page 2 of 24



in FY2022 representing an 8.32% growth compared to the rise of 6.89% in the prior financial year. The growth of total asset being contributed mostly by the gross investments of the bank which has increased by 9.53% in FY2022, following a 10.22% growth in FY2021 and sustained being the largest component of overall assets in FY2022.

In contrast, the Non-Performing Investment (NPI) experienced an incline of BDT 1,763.99 million or 18.43%, standing at BDT 11,332.83 million by the end of FY2022. As a consequence, it has led to a moderate increase in the NPI ratio to 4.78% in FY2022 (FY2021: 4.42%) demonstrating the NPI growth is still within marginal growth.

The bank's rescheduled investments of 2022 had an outstanding of BDT 8,017.73 million against 159 accounts, whereas it was BDT 2,691.27 million in the previous year against 39 accounts. According to the bank's response, the increased reschedule was a result of the BRPD circular 5 that allowed the borrowers to make 2% down payment to keep their loans unclassified by rescheduling. The bank did not write off any accounts in FY2022. However, the NPIs and rescheduled investments together represented 8.16% of the gross investment of the bank compared to 5.66% in the preceding financial year.


The bank has kept its CRAR at 14.38% in FY2022, much beyond the legal minimum of 12.50% requirement established by Bangladesh Bank. Total risk weighted asset of the Bank has witnessed a moderate surge of 5.47% standing at BDT 236,937.49 million in FY2022 from BDT 224,653.54 million in the prior year illustrating that the bank's risk profile has further affected negatively to some extent which lowered the CRAR in 2022.


The deposit base, the largest sources of funding of the bank has enhanced by 4.92% in FY2022 compared to a drop of 0.53% in FY2021. Investment to deposit ratio for SJIBL stood at 83.64%, well within the maximum allowable limit set by the central bank.

On the ground of affluent profitability, the net investment income of the bank has experienced an uplift of 17.54% standing at BDT 7,550.31 million in FY2022 as opposed to BDT 6,423.55 million in the prior year. The growth of deposit expense of the bank was surpassed by investment income leading to a sizeable improvement of net investment income during the latest period under review. The bank's earnings are anticipated to rise due to the recent relaxation of the interest rate cap by the central bank. This will enable the bank to generate higher profits from investments, despite an increase in interest paid on deposits as well which is evident from the 2022 yearly net investment income.

Furthermore, a substantial growth of 46.76% in the non-investment income has been observed aided by improved earnings from government bonds and gain from exchange which reached to BDT 6,570.51 million in FY2022 from BDT 4,477.17 million in FY2021. As a consequence, the total operating income showed 29.54% growth in 2022 from 2021 standing at BDT 14,120.83 million. In contrast, total operating costs of the bank soared by much lower 18.16%, resulting in a decline in the cost to income ratio, standing at 40.98% during this year, exhibiting improved cost efficiency. Enhanced growth in operating income eventually boosted the pre-tax profit by 49.41% and the post-tax profit by 36.35% reaching to BDT 7,226.28 million.

The **Stable** rating outlook reflects ECRL's expectations that SJIBL is likely to maintain its business growth and consistency in compliance with CRAR, CRR & SLR requirements, the capital base will remain strong and the bank will adopt appropriate policies and actions to improve its profitability.


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank PLC
L I M I T E D
Emerging Credit Rating Limited


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

SJIBL and Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

05 NOV 2023
EMERGING
Credit Rating Ltd

Page 3 of 24



Exhibit 1: Financial Highlights: Shahjalal Islami Bank Limited

FY 31 December	2022	2021	2020	2019
Total Assets (BDT million)	339,818.87	313,731.10	293,517.85	265,992.54
Asset Growth (%)	8.32	6.89	10.35	9.17
Gross Investment (BDT Million)	237,229.98	216,586.58	196,512.65	197,285.68
Gross Investment Growth (%)	9.53	10.22	(0.39)	6.02
Deposits (BDT Million)	227,982.06	217,288.99	218,442.95	203,272.98
Deposit Growth (%)	4.92	(0.53)	7.46	14.93
Gross NPI Ratio (%)	4.78	4.42	4.57	4.91
Investment/Deposit Ratio (%)	83.64	84.48	79.62	87.47
Net Investment Income (BDT million)	7,550.31	6,423.55	5,615.32	7,178.36
Net Investment Income Growth (%)	17.54	14.39	(21.77)	23.19
Non-Investment Income (BDT million)	6,570.51	4,477.17	3,190.17	3,327.62
Non-Investment Income Growth (%)	46.76	40.34	(4.13)	17.76
Pre-Tax Profit (BDT million)	7,226.28	4,836.67	3,643.42	3,894.15
Post-Tax ROAE (%)	16.92	13.70	11.08	10.98
CRAR (%)	14.38	15.04	14.43	15.58

FY2019-2022 Data Extracted from Audited Financials

Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023



A. BUSINESS DESCRIPTION

A.1. Company Background

Shahjalal Islami Bank Limited (SJIBL), a public limited company, was incorporated as a banking company on April 01, 2001; as interest/profit free Islamic Shariah based commercial Bank and commenced its operation on May 10, 2001 with the permission of Bangladesh Bank. The Bank is listed with both the Stock Exchanges of the country, such as Dhaka Stock Exchange Limited and Chattogram Stock Exchange Limited since 2007. The Bank offers all kinds of Islamic Shariah based commercial banking services to its customers through its 140 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 Shariah. The registered office of the Bank is located at Shahjalal Islami Bank Tower, Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

SJIBL has a subsidiary - Shahjalal Islami Bank Securities Limited (SJIBSL) incorporated as a public limited company on September 06, 2010 and commenced its operation on May 25, 2011. The primary business activity of the company is to carry on business of stock brokers/dealers in relation to shares and securities dealings. Shahjalal Islami Bank Limited holds 91.79% shares of Shahjalal Islami Bank Securities Limited. The company has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

A.2. Operational Network

The bank has been operating its business through country wide network of 140 branches. It has been observed most of the branches of the bank are situated at Dhaka (74) and Chattogram division (32) around. In addition, to facilitate withdrawal of money with ease by the customers, the bank has improved its ATM booths services by installing 129 ATM booths in total. Moreover, the bank obtained permission from Bangladesh Bank on October 16, 2019 to commence Agent Banking services and subsequently started commercial operations on January 02, 2020. Currently, there were 111 Agent Banking Outlets in 07 divisions across the country.

A.3. Market Share

In comparison to FY2021, Shahjalal Islami Bank Limited's market share reduced in FY2022 in terms of both deposits and advances (investments). By the end of December 2022, SJIBL's investment and deposit positions were BDT 237,229.98 million and BDT 227,982.06 million, respectively, while the industry's total investment and deposit positions were BDT 14,411,965.00 million and BDT 14,891,691.00 million, respectively. By the end of December 2022, SJIBL held 1.65% of the investment market share and 1.53% of the deposit market share, respectively, from 1.75% and 1.54% at the same time the previous year.

Exhibit 2: Market Share: Shahjalal Islami Bank Limited

(BDT in million)

Bank/Sector	Particular	2022	2021	2020
Banking sector	Investment	14,411,965.00	12,360,817.00	11,228,433.00
	Deposit	14,891,691.00	14,093,426.00	12,904,724.00
SJIBL	Investment	237,229.98	216,586.58	196,512.65
	Deposit	227,982.06	217,288.99	218,442.95
Market share	Investment	1.65%	1.75%	1.75%
	Deposit	1.53%	1.54%	1.69%

Industry data obtained from BB website: <https://www.bb.org.bd/en/index.php/econdata/bankdeposit>

A.4. Products and Services

Very much like the other private commercial banks, SJIBL provides all kinds of commercial banking services as well as various deposit and investment schemes under Islamic Shariah law. The bank offers a wide range of deposit, investment, card products and variety of services to cater to virtually every customer segment. From SJIBL Student File to priority banking, from investment banking to International VISA cards. The product basket is rich in content featuring different types of deposit account like Al-Wadiah Current Deposit, Mudaraba Savings Deposit, Mudaraba SJIBL School Banking etc. The bank has several retail and corporate investment products such as Murabaha, Bai-Muazzal, Hire Purchase under Shirkatul Meelk, Bai-Salam, Ijara, Car Investment Scheme, Housing Investment

Nasimul Baten
Managing Director & CEO
DBH Finance PLC

05 NOV 2023

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashir
SEVP & Company Secretary
SJIBL 3rd Mudaraba Floating Rate Non-Convertible, Unsecured Subordinated Bond

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D



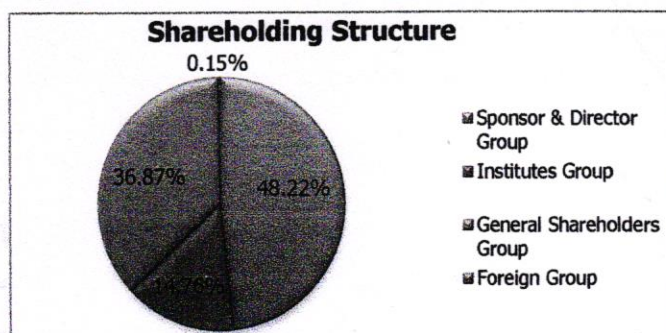


Program, and Investment Scheme for Education etc. Along with the basic Islamic banking products and services, to keep pace with the competition, it also has Online banking, SMS banking, Mobile banking, Remittance services, ATM banking, Locker service, Utility bills payment, e-Government Procurement facilities under its product portfolio. For better foreign currency fund management and to extend L/C facilities to its importers/exporters through establishment of correspondent relations and Nostro Accounts with leading banks all over the world.

A.5. Shareholding Structure

SJIBL's authorized and paid up capital stood at BDT 15,000.00 million and 10,805.52 million respectively at the end of year 2022. Total number of ordinary shares outstanding as on December 31, 2022 was 1,080,551,798 of BDT 10.00 each; of which 48.22% by Sponsor & Director Group, 36.87% was held by the General Shareholders Group, 14.76% by institutions and rest of the 0.15% of shares are hold by foreign investor.

Figure 1: SJIBL's Shareholding Structure



A.6. Subordinated Bond Issuance Objectives

The objective behind issuance of the SJIBL 3rd Mudaraba Subordinated Bond is to further strengthen the capital base as supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III. The fund raised through issuing the bond is providing the bank additional capital cushion under risk based capital adequacy framework and will help to grow the bank's investment portfolio and other business undertakings.

A.7. Structure of Subordinated Bond and Terms

Exhibit 3: Basic Features of SJIBL 3rd Mudaraba Subordinated Bond

Issuer: Shahjalal Islami Bank Limited (SJIBL)	
The Issue:	SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond
Issue Type:	Non-Convertible, Floating Rate, Redeemable BASEL III compliant Tier 2 Debt instruments
Mandated Lead Arranger:	Standard Chartered Bank ("SCB") and referred to as the "Mandated Lead Arranger" or the "MLA"
Trustee:	DBH Finance PLC
Arrangement Basis:	Best Efforts / Strictly Non-Underwritten
Purpose:	To strengthen Tier II Capital Base
Investors:	Local Financial Institutions, Insurance Companies, Offshore Development Financial Institutions, Corporates, High Net Worth Individuals, etc. and any other eligible investors
Currency:	Bangladeshi Taka (BDT)
Issue Size:	BDT 5,000 million
Denomination:	Denomination of each Bond is indicated at BDT 1,000,000 Face Value
Number of Issuing Unit:	5000 Nos.
Market Lot:	01(one) unit/bond and in multiples
Minimum Application	BDT 1,000,000
Minimum Application	1 (one) lot
Mode of Placement:	Private Placement
Issue Price:	100% at Par
Tenor:	05 years from the Issue Date
Nature of Debt instrument	Mudaraba Subordinated Bond

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
Credit Rating Ltd



05 NOV 2023



Expected Issue Date:	Post BSEC approval or any other mutually agreeable date																																			
Status of Debt:	Subordinated Non-Convertible																																			
Security:	Unsecured																																			
Form:	Registered																																			
Listing:	As per BSEC consent letter																																			
Mudaraba Profit Rate:	<p>Mudaraba Profit Rate: The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate of the issuer plus a predetermined additional profit rate as described in below mechanism:</p> <p>Benchmark Mudaraba Term Deposit Profit: The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of all Islami Banks (except foreign Islamic Banks and Z category Islamic Banks) to be applied semi-annually. The highest prevailing published Mudaraba Term Deposit profit rate in 6 months tenor (as reported to Bangladesh Bank) of the Issuer to be included in the semi-annual profit rate fixation. The first rate will be fixed at the date of the issuance of the Mudaraba Subordinated Bonds as per above. From thereon, the rate will be re-fixed semi-annually. After each financial year end, the issuer will give adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.</p> <p>The Benchmark rate will be calculated by the Trustee and notified to the Issuer and all Investors on every Profit Reset Date.</p>																																			
Margin with Rate of Return:	Additional Profit Rate: Investors will get an additional profit rate of 2.00% per annum to be paid semiannually along with the benchmark profit by the issuer for the respective investments in the Mudaraba Subordinated Bonds.																																			
Range of Profit Rate:	Floor: 6.00% - Ceiling: 9.00% p.a. at all times																																			
Payment of Profit:	Semi-annually not later than 60 days from expiry of 6 months and 12 months of each year from the issuance of the Bond																																			
Redemption Schedule:	<p>To be redeemed at par in 5 equal annual installments starting from end of 3rd year from the subscription closing date/deemed date of allotment and each 12 months from thereafter as per following table:</p> <table><tr><th>No. Installments</th><th>of</th><th>Installment (in Months)</th><th>Due</th><th>Percentage Redemption (%)</th></tr><tr><td>1</td><td></td><td>36</td><td></td><td>20%</td></tr><tr><td>2</td><td></td><td>48</td><td></td><td>20%</td></tr><tr><td>3</td><td></td><td>60</td><td></td><td>20%</td></tr><tr><td>4</td><td></td><td>72</td><td></td><td>20%</td></tr><tr><td>5</td><td></td><td>84</td><td></td><td>20%</td></tr><tr><td></td><td></td><td>Total</td><td></td><td>100%</td></tr></table>	No. Installments	of	Installment (in Months)	Due	Percentage Redemption (%)	1		36		20%	2		48		20%	3		60		20%	4		72		20%	5		84		20%			Total		100%
No. Installments	of	Installment (in Months)	Due	Percentage Redemption (%)																																
1		36		20%																																
2		48		20%																																
3		60		20%																																
4		72		20%																																
5		84		20%																																
		Total		100%																																
Late Redemption:	Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.																																			
Over Subscription:	In event of this issue of the bond being oversubscribed, the allotment will be a first come first serve basis																																			
Under Subscription:	Any under-subscribed portion will be re-offered for fresh subscription depending on prevailing market conditions.																																			



Documentation:	Will include but not limited to the followings: <ul style="list-style-type: none">• Term Sheet• Bond Subscription Agreement• Trust Deed• Any other documentation related to the transaction Customary documentation including force majeure, negative pledge, cross default and indemnity provisions.
Governing Law:	The Laws of The People's Republic of Bangladesh. The Bonds are governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh.
Applicable Bangladesh Bank Guidelines:	The Bonds are being made in pursuance of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 (herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria for Subordinated Debt to Qualify as Tier 2 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bonds and terms and conditions of the Bonds will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time.
Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Issuer will issue the Bonds.
Transferability:	Freely transferable subject to the terms and conditions of the Bond documents.
Liquidity:	Freely transferable subject to the terms and conditions of the Bond documents.
Prepayment:	No Prepayment option.
Call:	Bond is non-callable
Refunding:	Not applicable
Conversion features:	Bond is non-convertible
Exchange options:	Not applicable
Early Redemption:	Not applicable
Compliance	The bond indenture to be aligned, where applicable, for compliance with "Guideline of Risk Based Capital Adequacy" issued by Bangladesh Bank (BB). Rules & Regulations of Bangladesh Securities & Exchange Commission (BSEC) and applicable Laws of the land.

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
EAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023


05 NOV 2023

05 NOV 2023





Tax Features:	All payments made by the Issuer or under or in respect of the Trust Deed or the Bonds will be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be Obligated pay any additional amounts in respect of such taxes, duties, assessments or governmental charges that may from time to time be deducted or withheld from such payments but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.
Cost Related to the Issue:	Arrangement Fee: Total of 0.50% of the Face Value Amount of the Bonds + VAT Trustee Fee: <ul style="list-style-type: none">• BDT 400,000 per annum + VAT Credit Rating Fee: <ul style="list-style-type: none">• BDT 1.00 Lac per rating Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the Face Value Other/Legal/Regulatory Cost (if any): At Actual
Credit enhancement or guarantee, if any:	Not Applicable
Enforcement of charges over securities:	Not Applicable
Conditions Precedent:	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing.
Enforcement of Charges over securities:	At any time after the Bonds have become due and repayable, the Trustee may, and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 66 ² / ₃ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.
Basel Accords	Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II and III.


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023



Basel III	Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: <ul style="list-style-type: none"> (i) minimum capital requirements, which seek to refine the present measurement framework; (ii) supervisory review of an institution's capital adequacy and internal assessment process; and market discipline through effective disclosure to encourage safe and sound banking practices.
Additional Tier 1 (AT1) capital	Capital instruments that meet the criteria for inclusion in the additional tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh.
Tier 2 capital	Sum of Capital instruments that meet the criteria for inclusion in the tier 2 capital (gone-concern capital) as defined by the Bangladesh Bank, the Central Bank of Bangladesh.
Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014	BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for issue of debt instruments for inclusion in regulatory capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III). In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines as per Bangladesh Bank shall prevail. The issue of Bonds and the terms and conditions of the Bonds will primarily be subject to and governed by the applicable guidelines issued by the Bangladesh Bank from time to time and the Rules and Regulations of Bangladesh Securities and Exchange Commission as amended from time to time.

B. FINANCIAL RISK ANALYSIS

B.1. Asset Composition & Trends

Exhibit 4: Selected Indicators for Shahjalal Islami Bank Limited
FY 31 December

	2022	2021	2020	2019
Total Asset (BDT Million)	339,818.87	313,731.10	293,517.85	265,992.54
Asset Growth (%)	8.32	6.89	10.35	9.17
Gross Investment (BDT Million)	237,229.98	216,586.58	196,512.65	197,285.68
Gross Investment Growth (%)	9.53	10.22	(0.39)	6.02
Gross Investments to Total Assets (%)	69.81	69.04	66.95	74.17
Gross NPI (BDT Million)	11,332.83	9,568.84	8,973.48	9,687.32
Gross NPI Growth (%)	18.43	6.63	(7.37)	(23.86)
Gross NPI Ratio (%)	4.78	4.42	4.57	4.91
Net NPI Ratio (%)	(0.09)	0.17	0.05	1.37
Investment Loss Reserve Coverage (%)	58.14	57.42	63.12	53.26
NPIs to Equity & Investment Loss Reserve (%)	39.82	37.83	38.00	44.71

FY2019-2022 Data Extracted from Audited Financials

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Md. Jafar Sadeq FGA
SEVP & CFO
Shahjalal Islami Bank Ltd.
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
Credit Rating Ltd

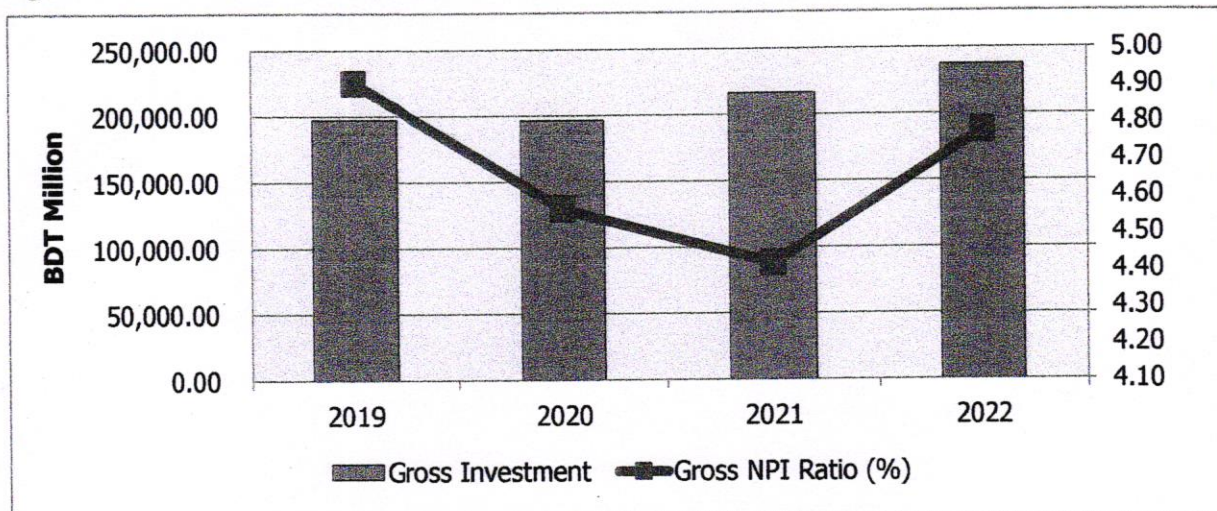




According to the financials, an ascending trend has been observed in the asset base of SJIBL throughout the course of the periods under review. The bank's asset book stood at BDT 339,818.87 million, representing a healthy 8.32% growth in FY2022 while 6.89% growth rate was experienced by the bank in the prior financial year. Taking a look at the composition of total assets, the gross investments, one of the vital component of total assets, incorporated 69.81% of total assets in FY2022. On the other hand, investments in shares and securities, other assets, placement with other banks & financial institutions, cash, fixed assets employed 9.85%, 6.43%, 6.26%, 5.10% and 1.55% of the total assets respectively during FY2022. The remaining portion of total assets incorporates balance with other banks & FIs and non-banking assets.

B.1.1. Asset Quality

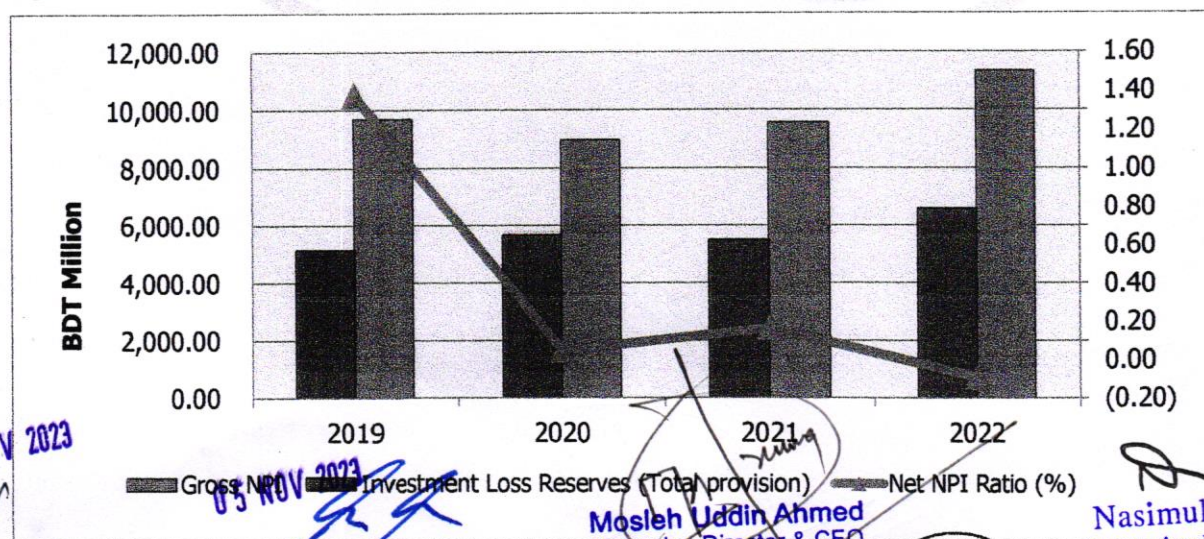
Figure 2: Selected Indicators of SJIBL



In FY2022, the gross investment, the major element of total assets, soared by 9.53% and reached at BDT 237,229.98 million compared to 10.22% growth in the previous year. On the other hand, the Non-Performing Investment (NPI) experienced an increase of BDT 1,763.99 million or 18.43%, standing at BDT 11,332.83 million by the end of FY2022 from BDT 9,568.84 million in the preceding year. As a consequence, it has led to a moderate increase in the NPI ratio which ended at 4.78% in FY2022 from 4.42% in FY2021.

Taking a look at the composition of the total investment portfolio of SJIBL, it has been observed that the gross NPI in FY2022 comprised of 84.58% bad/loss investments, 14.66% sub-standard and 0.76% doubtful investments indicating that the bank has greater concentration on the bad loss loan/investment in its non-performing investment over the years. The top 30 NPI has covered 46.08% of the total NPI at the end of 2022.

Figure 3: Selected Indicators of SJIBL



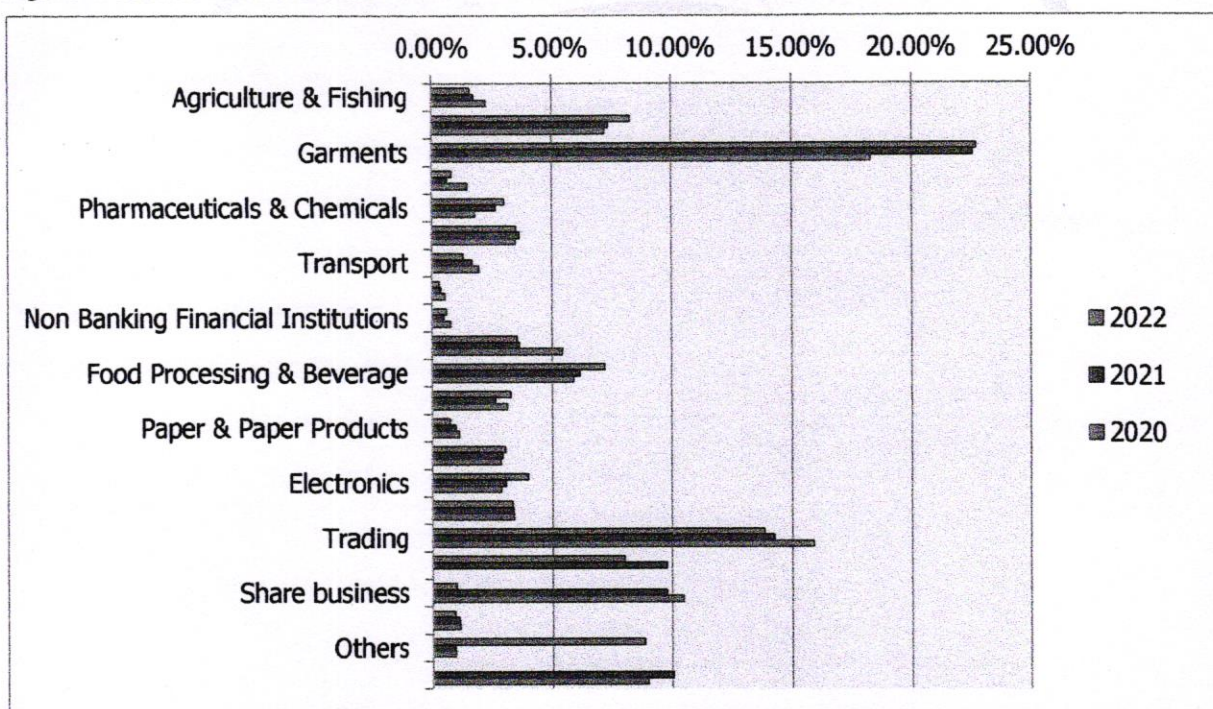


As indicated earlier, the NPI of SJIBL witnessed an increase of 18.43% in FY2022 whereas an upsurge of 1.25% in the investment loss reserve has been observed by the end of FY2022. As a consequence, it has resulted to a slight boost in the bank's investment loss reserve coverage, mounting to 58.14% from 57.42% in FY2021. The bank's provision requirement for investment (classified and unclassified) was BDT 6,371.54 million in FY2022 against which the bank kept BDT 6,589.27 million as provision, resulting in a surplus provision of BDT 217.73 million specifying that total required provision for non-performing investments has been covered by the bank.

B.1.2. Investment Diversification and Concentration

SJIBL maintains a diversified portfolio with concentration in several sectors of the economy revealed by its sector wise investments. Sectors wise concentration displays that the investment portfolio of SJIBL was mainly dominated by garments sector (22.67%) followed by trading (13.86%), others (8.87%), cotton & textile (8.30%) and construction including work order financing (8.03%) during FY2022. Geographically, merely 2.33% of the bank's investments are made in rural areas and the remaining 97.67% investments are concentrated in urban areas. SJIBL has the largest concentration of investments in the Dhaka division trailed by Chattogram division.

Figure 4: Selected Indicators of SJIBL



B.1.3. Performance of Rescheduled Investment and Written-off Investment

During FY2022, the bank's rescheduling of investments has increased significantly in terms of both amount & accounts and totaled BDT 8,017.73 million against 159 accounts, whereas it was BDT 2,691.27 million in the previous year against 39 accounts. SJIBL did not write off of any of its investments during the period FY2022. The rescheduled investment accounted for 3.38% of the total investment in FY2022 against a much lower 1.24% in FY2021. On the other hand, the NPIs and rescheduled investments together represented 8.16% of the gross investment of the bank which has increased compared to 5.66% in the preceding financial year.

B.1.4. Large Investment Exposure

SJIBL's exposure to large investments has accelerated compared to the previous year. Notably, the sum of total outstanding (both funded and non-funded) to each customer exceeding 10% of total capital of the bank as at 31 December 2022 has reached BDT 107,761.41 million with 23 accounts from BDT 98,065.51 million with 20 accounts in the prior financial year demonstrating that both amounts and accounts has increased in FY2022 compared to FY2021. Such investment of the bank occupied 45.42% of the total gross investments in FY2022 compared to 45.28% of total investments in the previous year. The top 20 funded investments of the bank was BDT 39,970.89 million

Nasimul Baten
Managing Director & CEO
SJIBL Finance PLC.

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO

SJIBL 3rd Mudaraba Floating Rate Non-Convertible, Unsecured Subordinated Bond

Md. Abul Bashar

SJIBL 3rd Mudaraba Floating Rate Non-Convertible, Unsecured Subordinated Bond

Mosleh Uddin Ahmed
Managing Director & CEO
SJIBL Finance PLC.

SJIBL 3rd Mudaraba Floating Rate Non-Convertible, Unsecured Subordinated Bond

SJIBL 3rd Mudaraba Floating Rate Non-Convertible, Unsecured Subordinated Bond





occupying 16.85% among the total investments at the end of 2022 showing diversified investment portfolio and low concentration on large investments.

B.1.5. Off-Balance sheet exposure

SJIBL has reported BDT 154,272.18 million as total off-balance sheet exposures, registering a fall of 9.90% during this year while it witnessed a significant 42.64% uplift in the preceding year. The off-balance sheet contingent liabilities of the bank accounted for 45.40% of the total assets of the bank in FY2022 (FY2021: 54.58%) demonstrating reduced exposure during this year compared to FY2021. Furthermore, SJIBL's off balance sheet exposures incorporated acceptances & endorsements, letters of guarantee, irrevocable letters of credit and bills for collection which accounted for 33.52%, 20.30%, 28.79% and 17.39% of the total exposures at the end of FY2022 respectively.

C.2. Capital Adequacy

Exhibit 5: Selected indicators of Shahjalal Islami Bank Limited

FY 31 December	2022	2021	2020	2019
Tier-I Capital (BDT Million)	26,846.54	24,531.74	17,948.76	16,507.27
Total Capital (BDT Million)	34,064.48	33,778.03	28,308.26	28,477.37
Total Risk Weighted Assets (BDT Million)	236,937.49	224,653.54	196,154.99	182,775.69
Tier-I Ratio (%)	11.33	10.92	9.15	9.03
CRAR (%)	14.38	15.04	14.43	15.58

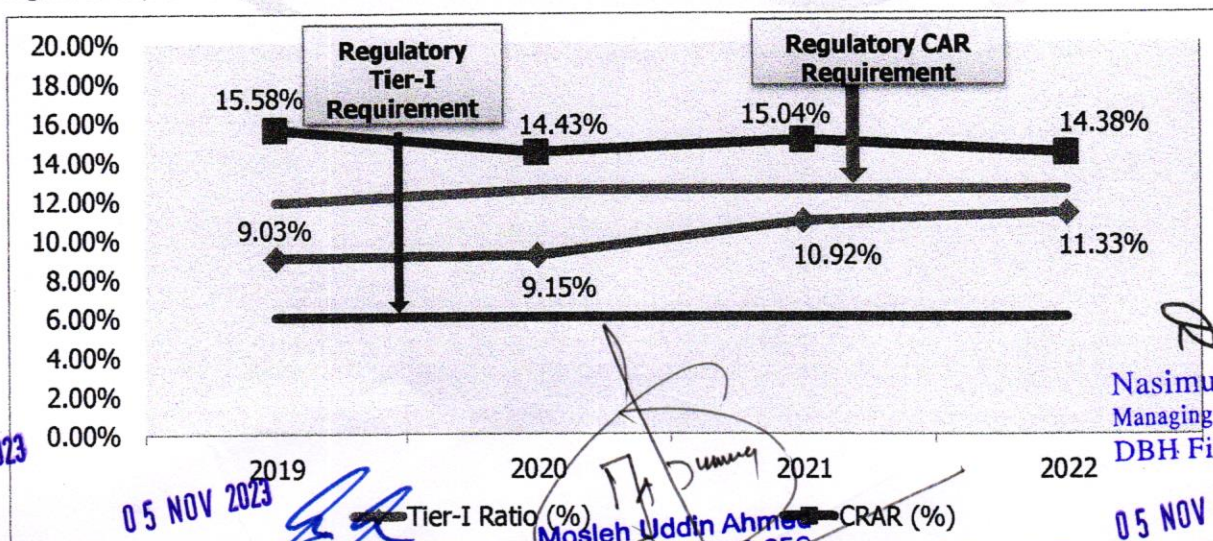
FY2019-2022 Data Extracted from Audited Financials

In order to protect depositors and other creditors from any potential losses the bank may experience, capital adequacy places a strong emphasis on the overall condition of the bank's capital. Hence, various regulations on risk-based capital adequacy are issued by Bangladesh Bank in accordance with Basel III, and every bank must keep a minimum capital of 12.50% with a capital conservation buffer including a minimum Tier-1 capital ratio of 6.00%. In line with the requirement, a CRAR of 14.38% and Tier-I Ratio of 11.33% were maintained by SJIBL in FY2022, both of which were much higher than the regulatory requirement established by the Bangladeshi central bank.

SJIBL's Tier-I or core capital climbed by 9.44% to BDT 26,846.54 million in FY2022 from BDT 24,531.74 million in the prior year. In line with this, the total eligible regulatory capital witnessed a rise of 0.85%, standing at BDT 34,064.48 million.

On the other hand, the risk weighted asset of the Bank has witnessed a moderate surge of 5.47% standing at BDT 236,937.49 million in FY2022 from BDT 224,653.54 million in the prior year. In FY2022, the risk-weighted assets originating from market risk, operational risk and credit risk experienced an escalation of 24.05%, 17.02% and 3.54% respectively. Since the growth rate of total eligible regulatory capital was lower than that of total risk weighted assets, the capital to risk weighted ratio (CRAR) marginally declined to 14.38% in FY2022 against 15.04% in the former year which is however higher than the minimum capital requirement of 12.50%.

Figure 5: Capital Adequacy Position of SJIBL



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank





C.3. Funding and Liquidity

Exhibit 6: Selected indicators of Shahjalal Islami Bank Limited
FY 31 December

	2022	2021	2020	2019
Customer Deposits (BDT Million)	227,982.06	217,288.99	218,442.95	203,272.98
Total Customer Deposit Growth (%)	4.92	(0.53)	7.46	14.93
Investment/Customers Deposits (%)	83.64	84.48	79.62	87.47
Net Investment/Stable Funding Base (%)	140.04	127.86	110.57	115.12
Net Investment/Customer Deposits (%)	99.00	95.43	85.89	93.58
Customer Deposits/Total Funding (%)	67.09	69.26	74.42	76.42
Interbank Liabilities/Total Funding (%)	12.37	10.34	6.72	4.28

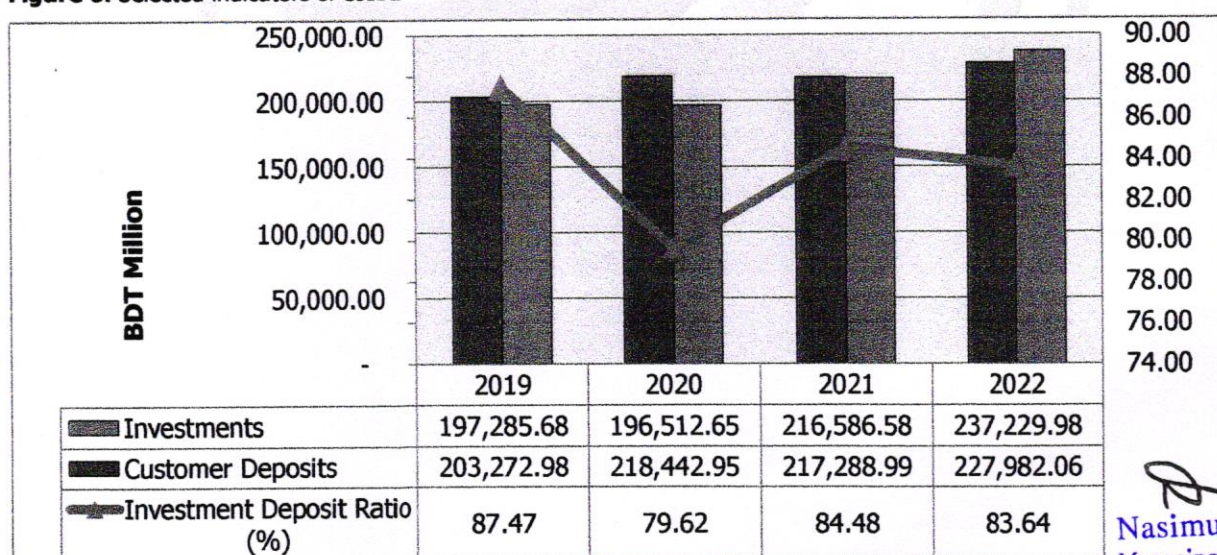
FY2019-2022 Data Extracted from Audited Financials

C.3.1. Fund Management

The lion share of a bank's funding originates from its deposit base along with capital, interbank liabilities and various financial instruments and other liabilities etc. According to the financials, deposits make up 67.09% of SJIBL's total funding base at the end of FY2022, with interbank liabilities accounting for 12.37% followed by other liabilities (11.03%), equity (6.44%), mudaraba subordinated debt (3.00%) and deferred tax liabilities (0.07%). The deposit base of the bank has enhanced by 4.92% and reached at BDT 227,982.06 million in FY2022 compared to a drop of 0.53% in FY2021. The largest contribution was made by mudaraba term deposits which incorporated 38.08% of the total deposits during this year followed by other mudaraba deposits (21.96%), saving deposits (16.20%), current deposits (21.18%) and bills payable (2.58%). Mudaraba term deposits of SJIBL enhanced by 16.58% compared to a stagnant growth of 13.83% in FY2021.

According to the guidelines set forth by the central bank, the maximum allowable limit for loan/investment to deposit ratio is 92.00% for Islamic Shariah based banks and 87% for conventional banks. Investment to deposit ratio for SJIBL stood 83.64%, well below the maximum allowable limit set by the central bank. The net investments (after deducting provision and interest/profit suspense account from gross loans/investments) were 140.04% of the stable funding base at the end of FY2022 which significantly enhanced from the previous year.

Figure 6: Selected indicators of SJIBL



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

C.3.2. Liquidity Management

SJIBL has recorded surpluses of BDT 2,416.80 million and BDT 17,718.86 million at the end of FY2022, respectively, versus the CRR and the SLR requirements. By the end of FY2022, the CRR and SLR were 4.99% and 12.74%, respectively, versus the corresponding requirements of 4.00% and 5.50%. According to SJIBL's asset and liability maturity profile, the bank's assets and liabilities are satisfactorily divided throughout several time horizons. The bank's various maturity buckets did not have any liquidity gaps.



D.4. Earning Trends and Profitability

Exhibit 7: Selected Indicators of Shahjalal Islami Bank Limited
FY 31 December

	2022	2021	2020	2019
Net Investment Income (BDT Million)	7,550.31	6,423.55	5,615.32	7,178.36
Net Investment Income Growth (%)	17.54	14.39	(21.77)	23.19
Non-Investment Income (BDT Million)	6,570.51	4,477.17	3,190.17	3,327.62
Non-Investment Income Growth (%)	46.76	40.34	(4.13)	17.76
Pre-Provision Profit (BDT Million)	8,334.64	6,003.69	4,094.81	5,865.13
Pre-Tax Profit (BDT Million)	7,226.28	4,836.67	3,643.42	3,894.15
Post - Tax Profit (BDT Million)	3,525.06	2,585.24	1,908.20	1,718.30
Post - Tax ROAE (%)	16.92	13.70	11.08	10.98
Profit Spread (%)	2.96	3.00	3.03	3.74
Net Investment Income Margin (%)	2.74	2.52	2.42	3.40
Cost Income Ratio	40.98	44.92	53.50	44.17

FY2019-2022 Data Extracted from Audited Financials

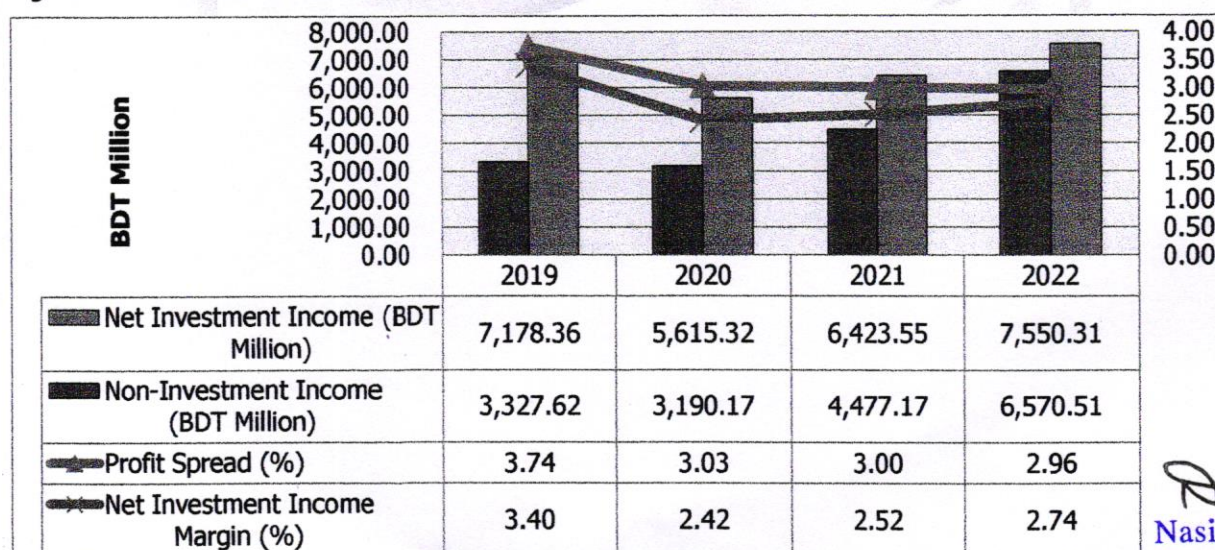
With the resumption of economic activity after the pandemic, demand for credit in the overall banking sector has gained momentum. Since SJIBL has witnessed a considerable 9.53% investment growth in FY2022, it has resulted to a substantial upsurge of 15.07% in the investment income of the bank which ended at BDT 15,885.44 million in FY2022 compared to BDT 13,805.19 million in the preceding financial year.

On the other hand, profit paid on deposits boosted by 12.92% and finally stood at BDT 8,335.13 million in FY2022. As the growth of investment income exceeded the growth of profit paid on deposits, consequently the net investment income of the bank has experienced an uplift of 17.54% standing at BDT 7,550.31 million in FY2022 as opposed to BDT 6,423.55 million in the prior year.

Furthermore, a substantial growth of 46.76% in the non-investment income has been observed which finally ended at BDT 6,570.51 million in FY2022. This growth in the non-investment income mainly originated from enhanced investment income from government sukuk bond and gross exchange gain.

As a consequence of all these factors, the total operating income has stood at BDT 14,120.83 million, registering a notable growth of 29.54% in FY2022 compared to 23.79% growth in the former year. Taking a look at the composition of total operating income, it comprised of 53.47% net investment income, 24.69% commission, exchange & brokerage fees, 12.27% income from investing in shares and securities and the rest 9.57% other operating income.

Figure 7: Selected indicators of SJIBL



Nasimul Baten
Managing Director &
DBH Finance PLC

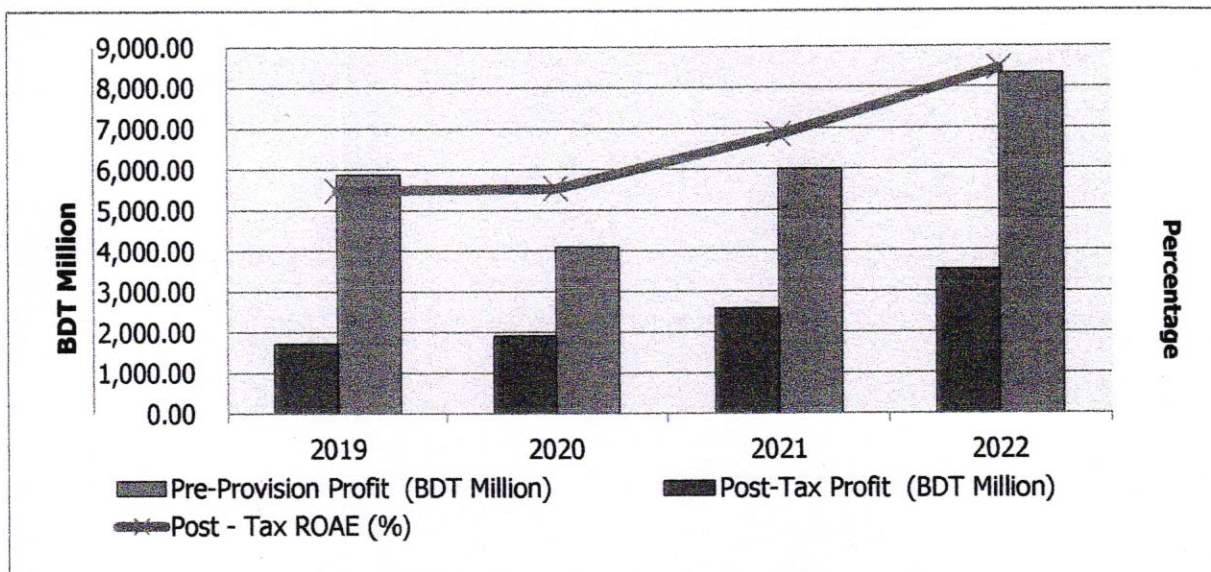
In contrast, total operating costs of the bank soared by 18.16% and stood at BDT 5,786.18 million in FY2022. Consequently, it has resulted in a decline in the cost to income ratio, standing at 40.98% during this year, an improvement from 44.92% in previous year. Enhanced growth in operating income eventually boosted the pre-provision profit by 38.83% which ended at BDT 8,334.64 million in



FY2022. Furthermore, owing to a reduction in the total provision of the bank, post-tax profit reached at BDT 7,226.28 million, recording a notable growth of 49.41% compared to previous year. Furthermore, average profit spread of SJIBL witnessed a slight fall and ended at 2.96% in FY2022 compared to 3.00% in FY2021.

In FY2022, SJIBL demonstrated operational efficiency in terms of cost control, as reflected by a decrease in the cost to income ratio. The bank's total operating income increased by 29.54%, while operating costs increased by only 18.16%. As a result, the cost to income ratio decreased from 44.92% in the previous year to 40.98% in FY2022.

Figure 8: Selected indicators SJIBL



C. MARKET RISK ANALYSIS

Markets risks of a Subordinated Bond may arise due to uncertainty related to profit rate risk and pricing risk of the bond. Moreover bond by nature are exposed to many sources of risk. The term structure of the profit rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. However, the debt instrument that Shahjalal Islami Bank Limited has issued is sensitive towards both market and company specific risks. All investments which offer a balance between risk and potential return are graded to be the higher rated investment. The balance between risk and return varies by the type of investment (in this case Subordinated Bond), the entity that issues it, the state of the economy and the cycle of the securities markets (this risk is eliminated as it will not be publically traded in secondary market).

SJIBL will issue 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond for the purpose of strengthening its Tire II capital base. Standard Chartered Bank is acting as the mandated lead arranger whereas DBH Finance PLC. is acting as the trustee. To evaluate the proper pricing and coupon rate structure offered for the instruments ECRL has considered the following risk analysis related to the both market and instrument specific risk.

C.1. Profit Rate Risk of the Bond

Profit rate risk affects the value of bonds that arises when an investment's value will change due to a change in the absolute level of profit rates. Coupon rate of the bond will be determined by the benchmark rate and then a margin of 2.00% p.a. added to the benchmark rate. Moreover, The range of the profit rate would not be less than 6% per annum and would not be more than 9% per annum at all times, which indicates that the floor rate and the ceiling range of the bond show a proper balance for the bondholders and issuer to mitigate the profit rate risk.

Benchmark Mudaraba Term Deposit Profit: The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of all Islami Banks (except foreign Islamic Banks and Z category Islamic Banks) to be applied semi-annually. The highest prevailing published Mudaraba Term Deposit profit rate in 6 months tenor (as reported to Bangladesh Bank) of the Issuer to be included in the semi-annual profit rate fixation. The first rate will be fixed at the date of the issuance of the Mudaraba Subordinated Bonds as per above. From thereon, the rate will

Nasimul Baten
Managing Director & CEO

DBH Finance PLC

05 NOV 2023

05 NOV 2023
Md. Jafar Sadeq FCA

SEVP & CSO
Shahjalal Islami Bank Limited, Unsecured Subordinated Bond
FAD, Head Office, Dhaka

05 NOV 2023
Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023
Mosteh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
PLC





be re-fixed semi-annually. After each financial year end, the issuer will give adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.

C.2. Pricing Risk

Maturity profile of bonds affects the bond price. There are two primary reasons why long-term bonds are subject to greater profit rate risk than shorter term bonds. Firstly, there is greater probability that profit rates will move significantly upward or downward, thus upon upward movement it will negatively affect a bond's market price within a longer time period than within a shorter time period. As a result, investors who buy long term bonds but attempt to sell them before maturity may be faced with a deeply discounted market price when they want to sell their bonds. With short term bonds, the risk is not as significant because profit rates are less likely to substantially change in the short term. Shorter term bonds are also easier to hold until maturity, thereby, alleviating an investor's concern about the effect off profit rate driven changes in the price of bonds. Secondly, long term bonds have greater maturity than short term bonds. Because of this, a given profit rate change will have greater effect on long term bonds than short term bonds.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. As a prudent and responsible financial institution, the Company attaches top priority to ensuring safety and security of the finances that are being extended.

Risk Management for SJIBL is performed at various levels of the bank. By formulating policy regarding profit rate, market, liquidity, currency, operational as well as investment risk, SJIBL manages its business risks and aims to mitigate them.

D.1. Investment Risk

Investment risk refers to the risk that a borrower will default on any type of debt by failing to make required payments to the bank. The risk is primarily that of the lender and includes lost principal and interest/profit, disruption to cash flows, and increased collection costs which is a one of the major risks faced by the bank. The factors involved here may be the unwillingness of the counterparty as well as adverse economic condition. To address the risks, SJIBL follows a guideline on Investment Risk Management which has been prepared in the light of broad guidelines provided by Bangladesh Bank for the banking industry. The bank's formulated investment policies in compliance with regulatory requirement covers investment assessment, collateral requirements, risk grading and reporting, documentation and legal formalities and procedures along with up to date clean CIB report of the client.

The Bank pays 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 other parts of the Banking business, the control staffs follow a pragmatic program of regular monitoring and follow-up. However, according to Bangladesh Bank's comprehensive inspection report; there were some irregularities found in several investment accounts.

D.1.1. Investment Risk Management

A systematic Investment and risk assessment should be conducted prior to granting of investments and at least annually thereafter for all facilities. 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. The Investment Risk Management system practice in SJIBL depends on the following areas such as:

Nasimul Baten
Managing Director & CEO
SJIBL Finance PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank



05 NOV 2023

MD. ABUL BASHAR
SEVP & Company Secretary
Shahjalal Islami Bank PLC

MD. JAFAR SADEQ FCA
SEVP & SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond
FAD, Head Office, Dhaka



- Ensure timely processing of investment proposal received from applicant through Corporate Banking/Branch/Relationship officer after primary level of examination with recommendation.
- Examine investment proposals in detailed vis-à-vis ascertain investment risks of a customer through CIB Report, Risk Grading Score and divisional observations for acceptance/rejection and /or forward the same as per delegation for decision.
- Ensure customer's investment information is updated periodically and review from time to time.
- Ensuring adequate controls over investment risk.

As per the special inspection report performed by Bangladesh Bank found some lapses in investment risk management policy as per BB's guidelines. Besides, the inspection report conducted by the BB, the central bank has identified/made some observations such as unavailability of loan limits in the policy, unsatisfactory CRG (Credit risk Grade) process, not incorporated the type of collateral and documentations, lack of proper assessment of clients ability, lack of internal audit duties and responsibilities, unsatisfactory risk grading etc. Above mentioned irregularities/lapses might hamper the bank's investment risk management process to a certain extent. However, as per the bank management, they have addressed all these aforesaid observations and responded to some of the observations to the central bank of the country and have taken required steps to resolve rest of the lapses within short time period to strengthen the bank's credit risk management.

D.2.2.1. Investment Administration Process

The core objectives of the Investment administration are to separate documentation and disbursement activity from Investment approval process and to ensure discipline in Investment management. It is important in ensuring that proper documentation and approvals are in place prior to the disbursement of investment facilities. SJIBL has segregated the officers/ executives involved in investment activities. The bank has Investment administration department which is responsible for monitoring clients' repayment track records and ensure follow up and recovery.

D.3. Market Risk

Market risk refers to the risk of losses in on and off-balance sheet positions arising from movements in market prices. It arises due to change in different market variables like profit (interest) rate, exchange rate, availability of liquidity with the lenders/ depositors, prices of securities in the stock exchange. The risk arising from market risk factors such as profit rates, foreign exchange rates, and equity prices have been discussed below:

D.3.1. Investment Profit Rate Risk

Profit Rate Risk is the risk to earnings or capital of bank arising from movement of profit rates. It arises from differences between the timing of rate changes and the timing of cash flows (Re-pricing Risk), from changing rate relationships among yields curves that affect Bank activities, from changing rate relationships across the range of maturities (Yield curve Risk) and from profit-rate-related options embedded in bank's products. The Asset Liability Committee (ALCO) of SJIBL is the main body which looks after and monitors investment profit rate structure. The committee also evaluates any market risk that arises from the regulatory pressure thus reducing the profit rate. Moreover, ALCO committee is always watchful to adverse movement of the different market variables.

Shahjalal Islami Bank Limited computes an estimate changes in Bank's net profit (interest) income (NII) given changes in profit rates. To evaluate the impact on earnings, Profit Rate Sensitive Liabilities (RSL) in each time bucket are subtracted from the corresponding Profit Rate Sensitive Assets (RSA) to produce a re-pricing "gap" for that time bucket.

D.3.2. Equity Financing Risk

Equity financing risk is defined as loss due to change in market price of equity held by the bank. SJIBL has significant amount of investment in equity portfolio with majority of quoted shares and very small investment in unquoted shares. To measure, identify and reduce this kind of risk, the bank practicing mark to market valuation of the share investment portfolios which was reflected through the bank's balance sheet as provisions for diminution in value of investment in shares.

05 NOV 2023

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Md. Abul Bashar

EMERGING CREDIT RATING LTD
Estb. 2009
Date
Initial

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Page 18 of 24

Md. Jafar Sadeq FCA
SEVP & CFO

Shahjalal Islami Bank Limited
FAD, Head Office, Dhaka

SJIBL 3rd Mudaraba Floating Rate Non-Convertible, Unsecured Subordinated Bond



D.3.3. Foreign Exchange Risk

Foreign exchange risk is the risk current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Managing foreign exchange risk involves prudently managing foreign currency positions in order to control, within set parameters, the impact of changes in exchange rates on the financial position of the bank. SJIBL adopted foreign exchange risk manual and investment guideline of Bangladesh Bank to identify and combat the foreign exchange risk. Branch-wise target is allocated to increase the import and export volume as the bank is highly involved with export and import oriented business. The bank's Internal Control and Compliance Division performs internal audit to supervise the activities of the foreign exchange departments which measures the effectiveness and efficiency of the division. The Treasury Division manages the foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director.

D.4. Operational Risk

Operational risk is the potential loss arising from a breakdown in company's systems and procedures, internal control, compliance requirements or corporate governance practices that results in human error, fraud, failure, damage of reputations, delay to perform or compromise of the company's interests by employees. These may arise due to turnover of trained staff, risk of insider dealing, leakage of sensitive information, shortcoming of organizational structure, risk of falling in credit rating, money laundering, changes in statutory requirement as well as technological obsolescence. The Shari'ah council observes all the operational activities of the bank.

D.4.1. Information & Communication Technology Risk

Information and Communication Technology Security (ICT) Risk is a function of the likelihood of a given threat exercising a particular potential vulnerability and the resulting impact of that adverse event on the Bank. ICT risk is business risk specifically the business risk associated with the use, ownership, operation, involvement, influence, and adoption of information and communication technology within the Bank. It consists of IT-related events that could potentially cause a negative impact to the banking business. It might occur with both uncertain frequency and magnitude and might create challenges in meeting strategic goals and objectives. Managing ICT risk is therefore an element of sustaining a secure environment, a detailed process of identifying factors that could damage or disclose data, evaluating those factors in light of data value and counter measure cost, and implementing cost-effective solutions for mitigating or reducing risk. For effective management of Information Communication Technology Risk Bank has already formulated a Policy Guideline. Moreover, the Bank has been arranging internal IT audits and training on IT operations regularly. But as per the inspection report performed by Bangladesh Bank revealed some lapse in ICT security according to ICT guidelines of Bangladesh Bank. The lapses are found in light of ensuring of ICT person in each branch, performing information system audit in all branches, providing adequate training facilities and maintaining sufficient fund for risk coverage. However, as per the correspondence with the management of the bank, they are working on abovementioned observations to reconcile these issues as early as possible.

D.4.2. Internal Control and Compliance

To mitigate operational risk, money laundering & terrorist financing risk, circumvention or overridding the internal control procedures, Internal Audit, Board Audit Division & Central Compliance ICC Division are carrying out regular audit & inspection of the function of the branches and division of head office.

With the prime objective to perform in a better height through the use of its resources, SJIBL follows "Internal Control and Compliance guidelines" which is approved by the central bank, i.e. Bangladesh Bank. Operational loss arises for the cause of errors and fraud due to lack of internal control and compliance. To ensure that sound monitoring system is placed inside the organization, Audit committee has been formed. Internal Control and Compliance Division undertakes periodical and special audit & inspection of its branches and departments of Head Office for reviewing its operation and compliance of the statutory requirement. The audit committee of the Board of Directors plays a vital role in providing a bridge between the Board and Management. The committee views the financial reporting process, audit process and bank's process for compliance with laws, regulations and code of conduct. But as per the inspection report performed by Bangladesh Bank revealed some lapse in according to new ICC guideline 2016 issued by BB. As per the inspection report of BB, the

[Signature]

Nasimul Baten
Managing Director & CEO
SJIBL Finance PLC.

05 NOV 2023

Md. Masar Sadeq FCA
SEVP & CFO

Md. Abul Bashar
SEVP & Company Secretary

Mosleh Uddin Ahmed
Managing Director & CEO

Shahjalal Islamic Bank Ltd. (SJIBL) is a Non-Convertible, Unsecured Subordinated Bond

Shahjalal Islamic Bank Ltd. (SJIBL) is a Non-Convertible, Unsecured Subordinated Bond

Shahjalal Islamic Bank Ltd. (SJIBL) is a Non-Convertible, Unsecured Subordinated Bond





central bank has identified/made some observations on the evaluation of effectiveness on internal control, control risk assessment, lack of BOD approval for internal audit process manual, lack of effective MIS to conduct Islamic banking investments modes, audit plan, pre-audit assessment, effective dispute management policy etc. So the BB team recommended, preparing the audit plan considering the fraud risk and having an effective problem management policy, introducing separate organogram for ICCD and designing effective MIS. However, as per the correspondence with the management of the bank, they are working on abovementioned observations to reconcile these issues as early as possible.

D.4.3. Anti-Money Laundering Policy

Money Laundering Risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. Shahjalal Islami Bank Limited has been taking preventive measures against money laundering and terrorist financing in line with the amended Money Laundering Prevention Act 2012 (amended in 2015), amended Anti-Terrorism Act 2013 and guidelines issued by the Bangladesh Bank from time to time.

D.5. Liquidity Risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as Investment risk, profit rate risk, foreign exchange risk, etc. For instance, a large investment default or changes in profit rate can adversely impact a bank's liquidity position. However, as per the special inspection report carried out by the Bangladesh Bank, the BB had some observations on the SJIBL bank's management forecast liquidity ratios, composition of liquid assets, stress testing performance and excess liquidity. In discussion with the bank's management regarding aforesaid observations brought by Bangladesh Bank in their inspection report, the management of the bank has already instructed/directed to the respective division/department to implement/assess/meet these criteria as per the guidelines prescribed by the central bank of the country.

D.5.1. Liquidity Risk Management

Liquidity risk is the risk that the Bank may not be able to meet its financial obligations as they become due. Liquidity risks also include the Bank's inability to liquidate any asset at a reasonable price on time. The policy of the Bank is to maintain enough liquid assets to meet its short, medium- and long-term obligations. The Bank has set various limits for its liquidity management such as liquidity coverage ratio, investment deposit ratio, maturity mismatch, commitment limit, wholesale borrowing limit, etc. SJIBL maintains a diversified and stable funding base comprising of retail, corporate and institutional deposits. The principle responsibility of the liquidity risk management of the bank rests with Treasury Division which maintains liquidity based on historical requirements, current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position.

D.5.2. Asset Liability Management

SJIBL's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term assets and ensuring adequate liquidity at optimal funding cost. The primary objective of Asset Liability Committee (ALCO) is to monitor and avert significant volatility in Net Investment Income, investment value, and exchange earnings for the purpose of taking future action plan for better profit of the obligation. The treasury department of the bank is responsible for Asset Liability Management (ALM). The Asset Liability Management Committee (ALCO) of SJIBL consisting of Senior Executives is mainly responsible for managing Asset Liability risk. The key agenda of Asset Liability Management Risk is liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic outlook & Market status and rate of profit. For managing Balance Sheet risk properly, the Bank has already prepared a policy of Asset Liability Management according to the guidelines of Bangladesh Bank.

To manage the asset liability risk properly, the bank should maintain/follow some specific guidelines/rules prescribed by the central bank of the country. However, in this regard, the Bangladesh Bank inspection report brought the light in to that the bank should improve

Nasimul Baten
Managing Director & CEO
SJIBL Finance PLC.

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAD, Head Office

Md. Abul Bashar
SEVP & CFO
Shahjalal Islami Bank PLC

Masleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
FAD, Head Office





documentation and securitizations, trend of lending and deposit rate should be disclosed and analyzed, special ALCO meeting should be held, the ALCO paper of the bank need to be improved enough to fully cover the Bangladesh Bank's requirement, securities and portfolio concentration limit should be mentioned in ALCO paper, proper utilization of investment etc. The Bangladesh bank prepared some observations on the Deposit & advance trend for local and foreign currency combined, segmented (current, STD, term etc.) in the ALCO paper.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

Aligned with the regulatory requirements and guidelines set by the Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC), Shahjalal Islami Bank Limited maintains corporate governance standards. The Board has adopted a comprehensive framework of Corporate Governance Code which has been designed to assure the stakeholders that the business of the Bank is growing from the best foundation. With a view to ensure Corporate Governance, responsibilities and authorities among the Board of Directors including its Chairman, Management and Managing Director have been well demarcated. The BoD also ensures that adequate internal control systems are in place and they are consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements. The BoD further ensures that quality of financial reporting is maintained, assets of the bank are safeguarded against unauthorized use or disposition and accountability for assets and business transactions are maintained.

E.1.1. Board of Directors

The Board of SJIBL comprises with twenty Directors including three Independent Directors. The Board of Directors is responsible for proper governance, which includes setting out company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to shareholders on their stewardship. The Board is collectively accountable to the company's shareholders for good governance to facilitate efficient and effective management in order to deliver shareholder value over the long term, within appropriately established risk parameters.

The Board of Directors of SJIBL is headed by Mr. Mohammed Younus, the Chairman of BoD. The BoD also have two Vice Chairmans, fourteen directors and three independent directors. The BoD is responsible for defining the company's strategic objectives, protecting the interests of all stakeholders including depositors, creating value for shareholders, reviewing management initiatives for risk management etc.

E.1.2. Board Meetings

The meetings of the Board of Directors of SJIBL are normally held at the registered Corporate Head Office of the Company. The meetings are held frequently, at least once in a quarter, to discharge its responsibilities and functions as mentioned above. The meeting is scheduled well in advance and the notice of each Board meeting is given in writing to each Director by the Company Secretary. The board held 21 meetings in 2022.

E.1.3. Board of Directors Committees

There are following three sub-committee of the Board of Directors:

Executive Committee: Currently the Executive Committee of the SJIBL consists of 07 members of the BoD and is chaired by Mr. Akkas Uddin Mollah. During the year 2022 under review, twenty three (23) meetings of the Executive Committee were held.

Audit Committee: The Audit Committee of SJIBL is comprised of 5 members of the BoD and is convened by Mr. Ekramul Hoque; who is Independent Director of the BoD. This Audit Committee acts as a bridge among the BoD, Executive Authority, Depositors and Shareholders etc. The audit committee met nine (09) times in FY2022.

Risk Management Committee: Risk Management Committee of SJIBL is comprised of 5 members of the BoD with Mr. Engr. Md. Towhidur Rahman as the chairman of the committee. During FY2022, there were seven (07) meetings held.


Nasimul Baten
Managing Director & CEO
DBPL Finance PLC.

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023





E.2. Senior Management Team

The strategic management activities and overall business operations of SJIBL are supervised and directed by the Managing Director and Chairman, Mr. Mosleh Uddin Ahmed, who is an eminent banking personality having more than 30 years' experience in banking. Among other senior executives, currently four AMDs, four DMDs, two SEVP and one EVPs are discharging their services in order to achieve organizational goals of the Bank.

Apart from functional departments, SJIBL has established various committees/units with specific objectives to manage the bank's affairs more efficiently and effectively, and to ensure compliance with Bangladesh Bank's guidelines. Notable committees/units include the following.

Asset Liability Committee (ALCO): As per treasury department is primarily responsible for Asset-Liability Management, ideally the ALCO is headed by the Managing Director and the committee consists with 8 members. This committee prime roles and responsibilities are to manage liquidity & profit rate risk of deposit and lending, understanding the market dynamics and risk elements involved within the business, assuming money market activities and last but not least complying bank's statutory obligations with the local Central Bank regulations. As per management correspondence, the committee calls for a meeting once every month to set and review strategies on Asset-Liability Management. During the year, 12 ALCO meetings were held.

Shari'ah Board: The Shari'ah Board of SJIBL comprises of 10 members and is chaired by Mufti Shahed Rahmani. The council is mainly responsible for reviewing different operational issue, giving independent opinion based on Islamic Shari'ah, providing necessary guidelines, raising awareness about the Islamic banking among the employees and clients etc.

E.3. Human Resource Management

SJIBL has a separate policy of recruiting the best professional and implement programs to develop and retain high quality employees. The bank makes equal opportunity for new talents in its process of recruitment and selection. Human Resources Division of the Bank follows a transparent system to ensure fair recruitment. The bank has defined HR policies including recruitment, training & development, promotion, leave, transfer and disciplinary action policy. At the end of year 2022, the bank's human resources base expanded to 2,835 in 2022 all inclusive from 2,741 at the end of year 2021. SJIBL has invested a great deal in developing their talent through training programs that included managerial development and technical modules.

CORPORATE INFORMATION

Board of Directors

Mr. Mohammed Younus
Mr. Mohiuddin Ahmed
Mr. Abdul Karim (Nazim)
Dr. Anwer Hossain Khan
Mr. Md. Sanaullah Shahid
Mr. Md. Abdul Barek
Mr. Abdul Halim
Mr. Akkas Uddin Mollah
Mr. Khandaker Sakib Ahmed
Engr. Md. Towhidur Rahman
Mr. A. K. Azad
Mr. Fakir Akhtaruzzaman
Mr. Mohammed Nasir Uddin Khan
Mr. Md. Moshir Rahman Chamak
Mrs. Tahera Faruque
Mrs. Jabun Nahar
Mr. Fakir Mashrikuzzaman
Mr. Ekramul Hoque
Mr. K.A.M. Majedur Rahman
Mr. Nasir Uddin Ahmed FCA, FCS
Mr. Mosleh Uddin Ahmed

Chairman
Vice Chairman
Vice Chairman
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Managing Director

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023
Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
Head Office, Dhaka
Convertible, Unsecured Subordinated Bond

05 NOV 2023
Md. Abul Bashar
Managing Director & CEO
Shahjalal Islami Bank PLC

05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank PLC





Shareholders

Sponsor & Director	48.22%
Institutes	14.76%
General Shareholders	36.87%
Foreign Investor	0.15%

Auditors

Hoda Vasi Chowdhury & Co

Chartered Accountants

Bangladesh Textile Mills Corporation Bhaban, 7-9 Kawran Bazar Rd, Dhaka 1215

Registered Office

Shahjalal Islami Bank Tower,
Plot No.-04, Block-CWN(C), Gulshan Avenue,
Dhaka-1212.


Tel: +88- 02-222264736 (Hunting)


Fax: +88- 02-222297607

Email: sjibldh@sjibld.com

Website: www.sjibld.com


Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
FAD, Head Office, Dhaka


Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023





BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

Disclaimer

The Credit Analysis Report is the possessions of Emerging Credit Rating Limited (ECRL) and The Credit Analysis Report and all information contained herein shall not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person without ECRL's prior written consent. The Credit Analysis Report and all information contained herein is provided on the basis of information believed by ECRL to be accurate and reliable as derived from publicly available sources or provided by the rated entity or its agents. A credit rating is not a recommendation to buy, sell, or hold any security and no investment decision should be made solely on the basis of a credit rating. ECRL may make modifications and/or changes in the Credit Analysis Report and all information contained herein at any time, for any reason. Under no circumstances will ECRL or its affiliates be liable for any special, indirect, incidental or consequential damages of any kind, including, but not limited to, compensation, reimbursement or damages on account of the loss of present or prospective profits, expenditures, investments or commitments, whether made in the establishment, development or maintenance of business reputation or goodwill, cost of substitute materials, products, services or information, cost of capital, and the claims of any third party, or for any other reason whatsoever, even if ECRL has been advised of the possibility of such damages. Any person making use of and/or relying on the Credit Analysis Report and all information contained herein hereby acknowledges that he has read this Disclaimer and has understood it and agrees to be bound by it.

© Emerging Credit Rating Ltd 2010



EMERGING
Credit Rating Ltd
an independent house of risk assessment

Shams Rangs, 104 Park Road, (Flat A1, A2),
Baridhara, Dhaka -1212.
☎ +880 2 986 0911, +880 2 986 0897
☎ +880 2 986 0828
www.emergingrating.com

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
Head Office, Dhaka

Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

EMERGING
Credit Rating Ltd



Page 24 of 24

